



City of Blaine

City Council Workshop

June 2, 2025 | 5:30 PM
Blaine City Hall
10801 Town Square Drive NE
Blaine, MN 55449

MINUTES

NOTICE OF WORKSHOP MEETING

In accordance with the provisions of Section 3.01 of the Blaine City Charter, a Council Workshop meeting is scheduled for the following purpose:

1. Call to Order

The meeting was called to order by Mayor Sanders at 5:30PM.

2. Roll Call

PRESENT: Mayor Tim Sanders, Councilmembers Terra Fleming, Chris Ford, Leslie Larson, Chris Massoglia, Tom Newland, and Jess Robertson.

ABSENT: None.

Quorum Present.

ALSO PRESENT: City Manager Michelle Wolfe; Community Development Director Erik Thorvig; Assistant Community Development Director Sheila Sellman; Police Captain Mark Boerboom; Finance Director Jason Zimmerman; Director of Administrative Services Scott Johnson; Director of Engineering Dan Schluender; Public Works Director Nick Fleishhacker; Assistant City Engineer Stefan Higgins; Public Works Supervisor Kristian Gaasland; City Attorney Tom Loonan; and City Clerk Catherine Sorensen.

3. New Business

- 3.1.** 2025-125 Closed Session Pursuant to Minnesota Statute 13D.05 Subd (3)(c) to Consider Acquisition of Property within the 105th Redevelopment Project
Sponsors: Erik Thorvig, Community Development Director

This item was postponed to future a workshop meeting.

City Manager Wolfe provided historical information on the well interference situation in the city and commented on the conversation she had with Dan Lias from the DNR. She explained this was an important issue for her to address prior to her retirement in hopes of getting water pumping this summer. She stated she has been having conversations with the DNR every two weeks and a temporary or limited permit was being considered. She reported public work staff had additional information for the council on this topic.

Public Works Director Fleischhacker provided the council with an update on the well interference work staff had been completing with the DNR. It was noted meetings and discussions with the DNR have taken place, proposals and model agreements have been provided to the city, and additional modeling has been prepared to measure the potential impact of the city wells. It was his hope water treatment plant four would be able to be fully utilized this summer. He commented on the proposed locations for the observation wells. He explained the cost to conduct this project was \$100,000 to \$200,000 and staff had set aside \$500,000 to address well interference in 2025. He anticipated it would be closer to fall before the city could begin pumping water and it was the city's hope that the observation wells would demonstrate the city was not creating a huge chasm in Ham Lake.

Assistant City Engineer Higgins commented further on how the groundwater model worked for the city's wells.

Councilmember Larson asked how it would be determined if the city was responsible for interference. Mr. Higgins reported the city was responsible for some degree of interference but the question was to what level. Ms. Wolfe indicated there was something else in the area that was impacting the wells beside the city of Blaine. Mr. Fleischhacker stated the hope would be to prove or disprove what was in the model and the observation wells would show the DNR what drawdowns are occurring.

Public Works Supervisor Kristian Gaasland explained that a geological anomaly or other high-capacity user was impacting the water table in this area. He commented on the preferred observation well sites that were being recommended by Barr Engineering, noting all were in Ham Lake.

Mayor Sanders said he appreciated how staff was working to address the level of the city's responsibility. He asked if Ham Lake would be participating in any cost-sharing with the city of Blaine. Mr. Fleischhacker explained the city of Blaine would be bearing the cost of the observation wells. He noted the problem the city has was not a potable water problem, but rather an irrigation issue.

Councilmember Ford questioned why Ham Lake and the DNR were not required to share in the costs for the observation wells. Mr. Fleischhacker stated the layer of events that occurred during the drought had the DNR requiring the city to be responsible for the observation wells. He explained through the observation well process, the city and DNR may learn about illegal pumping that was occurring and proper permits would have to be put in place. He indicated Ham Lake would not be a financial partner in this, but rather would

allow the observation wells to be put in place. Mr. Gaasland stated the rules and timing of the well permit make the city responsible.

Councilmember Newland asked if the observation wells in Blaine were operating now. Mr. Fleishhacker reported the observation wells in Blaine were currently pumping and were congruent with what the modeling predicted.

Councilmember Newland requested further information on what an observation well does. Mr. Gaasland explained an observation well was similar to a household well that has a transducer at the bottom that measures water levels.

Councilmember Newland inquired if the city had already paid for some of these wells to be drilled deeper. Mr. Gaasland indicated the city had paid for people who put in a well interference claim, to either lower their well or for the wells to be re-drilled.

Councilmember Newland questioned how deep these wells were. Mr. Gaasland stated the wells were 90 to 140 feet deep.

Councilmember Newland asked how deep the city's wells were. Mr. Gaasland indicated the city's deepest well was 700 feet.

Mr. Fleishhacker commented on how the proposed observation wells would provide the city with real data on how the water levels in Ham Lake were being impacted when Blaine was pumping water.

Mr. Gaasland agreed stating the drawdown information would be valuable and would assist with narrowing down the zone of influence. He explained the data would also assist the city with addressing the DNR's concerns.

Ms. Wolfe stated it was important for the city to have the data the observation wells produce. She commented on how Ham Lake would be building 200 new homes. She reported she was concerned with how these new homes would impact the groundwater levels and reported the data from the observation wells would assist with proving how Blaine was impacting groundwater levels, versus how Ham Lake was impacting groundwater levels.

Mr. Fleischhacker discussed how the city would have to work with well drillers in the area that would be informed about the situation in Blaine and Ham Lake. He stated the well drillers would be called to assist with getting water back as soon as possible in the event there was a well interference issue, or if a pressure tank were to go out.

Councilmember Ford asked if the state had any guidelines in place as to how many homes Ham Lake can build, noting this was impacting how many wells were drawing from the aquifer. Mr. Fleischhacker reported the city of Blaine was having to pay for this because of Ham Lake's decision to not be part of the MUSA.

Mayor Sanders stated the sod farms and farms in Ham Lake might also be impacting the groundwater levels. Mr. Fleischhacker stated while the city can't say for certain what was causing the dip, these farms may be having an impact.

Mr. Fleischhacker asked if the council was supportive of the installation of the proposed observation wells and did the council support a further agreement with Barr Engineering for the installation of these wells. He estimated the total cost of the well interference project would be \$300,000. He questioned if the council would also support staff engaging with Ham Lake.

Councilmember Fleming commented she supported the city moving forward with the observation wells in order to have the proper information on how the groundwater levels were being impacted by city pumping.

Councilmember Ford supported staff moving forward with this project and engaging with the city of Ham Lake.

Councilmember Newland inquired if there was any confidence level that the data collected would provide the definitive information necessary to support this assumption or would more research be required. Mr. Gaasland explained the observation wells would provide the DNR a comfort level to provide the city with a two-year pumping permit, which will give the city two years of pumping data. City Attorney Loonan commented on the factual support the observation wells would provide to the city should the DNR not provide the city with a permit.

Further discussion ensued regarding the previous well interference settlements that had to be addressed by the city.

Mr. Loonan reported any future well interference claims would be reviewed on a case by case basis. He explained once the city has a permanent permit in place, the city would no longer be responsible for domestic wells.

Ms. Wolfe commented the observation well data could assist with alternate funding sources or grant opportunities, which could be a good thing for the city.

Councilmember Robertson questioned what the average cost was per well interference claim. Mr. Gaasland estimated this ranged from \$1,000 to \$3,500 for the wells that required lower the pump or a upgrading to a new pump. He noted for the properties that required a new well, the cost was \$14,000 to \$20,000. He indicated the city only had to drill five new wells. He explained there have been a total of 96 claims and the city has paid a total of \$274,500.

Councilmember Robertson commented she was having a difficult time supporting the installation of observation wells in another community that was not participating in MUSA. She feared that the DNR would continue to come up with requirements for the city to follow and the city would not ever receive a permanent permit from the DNR. Mr. Gaasland stated he understood the council's frustration, but in order to address this going forward, the observation wells would have to be put in place. In addition, the observation wells have to be put in place to allow the city to pump from its wells.

Ms. Wolfe indicated staff could continue to push back but this would continue to delay the city's ability to turn on the water treatment plant fully.

Councilmember Massoglia stated he believed it was wise for the city to move forward with the observation wells in order to get the city's wells back online. He also recommended that after the two years of pumping has occurred, that the city consider further action given how the city of Blaine has been treated. Ms. Wolfe reported these discussions have occurred given how the model from the DNR has changed and noted city staff was aware how the terms keep changing for Blaine.

Mayor Sanders thanked staff for all of their efforts on this matter and for the detailed presentation.

3.3. 2025-124 105th Avenue/Nassau Street Industrial Park Rezoning Discussion
Sponsors: Sheila Sellman, Assistant Community Development Director

Assistant Community Development Director Sellman stated in 2022, the city adopted a master redevelopment plan for the 105th Redevelopment Area. The 105th Avenue Redevelopment (RD) zoning district was created and parcels included in the redevelopment area were rezoned to RD. The properties adjacent to the redevelopment area were not rezoned and remain Heavy Industrial (I-2). The purpose of the I-2 district is to allow light industrial uses ranging from small to large-scale industry and related services, including limited outside storage. Uses shall be compatible with neighboring nonindustrial uses through architectural standards, intensity of uses and screening of limited outside storage. This district may be located adjacent to residential, commercial, and industrial districts and shall have access to collector or arterial roads without passing through residential districts.

Ms. Sellman reported the purpose of the Light Industrial (I-1) district is to allow light industrial uses ranging from small to large scale industry and related services. Uses shall be compatible with neighboring nonindustrial uses through architectural standards and intensity of uses. This district may be located adjacent to residential, commercial, and industrial districts and shall have access to collector or arterial roads without passing through residential districts. There are 12 parcels adjacent to the redevelopment area along Nassau Street, 107th Lane and 106th Lane that are zoned I-2. Staff would like to discuss with council if these parcels should be rezoned to I-1 to be more compatible with the redevelopment area. As shown on the approved master plan, the apartments and hotel will be across the street from these industrial users. Staff provided a breakdown for each parcel and reminded the council conditional Use Permits (CUPs) run with the land (unless the use is abandoned for one year) so uses that have current CUPs can remain operating within those CUPs, regardless of a rezoning.

Councilmember Larson stated she appreciated that current uses would not be impacted. She asked if these businesses had been notified of the potential rezoning. Ms. Sellman explained businesses have not been notified yet because the council may not support the city moving forward with the rezoning.

Councilmember Robertson indicated she supported the proposed rezoning and recommended the city communicate properly with these property and business owners. She believed the proposed rezonings were smart and forward thinking.

Councilmember Massoglia asked if the city should go a little further and include the Walter's property and should the city be considering something other than light industrial. Community Development Director Thorvig stated light industrial and planned business district could be considered for these properties.

Mayor Sanders supported this recommendation.

Councilmember Newland questioned if the changing the zoning would impact the existing businesses at this time. Ms. Sellman reported these businesses would only be impacted if they wanted to expand, sell or change the use on the property.

Mayor Sanders inquired if the surrounding areas should also be tightened up because they were a decade away from being included in the 105th redevelopment district.

Councilmember Newland agreed with this recommendation.

Council supported being proactive and recommended staff begin working to rezone the parcels while allowing the current businesses to remain in place.

4. Other Business

Mayor Sanders shared that the city manager position will be posted in the next two weeks.

Ms. Wolfe shared an update regarding possible boardwalk repairs that would have to be made in Pioneer Park due to some uneven boards being a hazard.

Ms. Wolfe commented on the city attorney transition timeline and it was noted City Attorney Eric Larson would begin with the city on July 7.

Ms. Wolfe reported there would be a budget workshop meeting on June 23 at 5:30PM.

5. Adjournment

The workshop was adjourned at 6:55PM.



Signed by

Tim Sanders, Mayor

Signed by

Catherine M. Sorensen, CMC, City Clerk

