MINUTES
Northome City Council
Meeting Minutes
March 11th, 2026
6:00 pm
Northome City Hall

Staff Present: Tess Skiles (clerk), Pete Bender (Public Works), Angel Stradtmann (Bar Manager)
Others Present: Jerry Bolin (Karvakko), Ben Osien (MRWA), Lynn Hunt (Bartender)
Present: Mayor Karen Olson, Danci Lindley, Merritt Montgomery, Cole VanBeusekom
Not Present: Jamie Skoe

The regular meeting was called to order at 6:00 pm by Mayor Karen Olson. This meeting was recorded.

Open Forum- None

Agenda Items.....

1. The Pledge of Allegiance was recited by all in attendance.

2. Motion made by Councilor VanBeusekom to accept the March 11th, 2026, Agenda. Seconded by Councilor Lindley. Voting Yes: Olson, Lindley, Montgomery, VanBeusekom. Voting No: None. Motion Carried.

3. Motion made by Councilor VanBeusekom to approve the February 11th, 2026, meeting minutes. Seconded by Councilor Lindley. Voting Yes: Olson, Lindley, Montgomery, VanBeusekom. Voting No: None. Motion carried.

4. Ben Osien (MRWA)
   *See attached for rate study spreadsheets that were presented, laying out what we should be charging for commercial and residential water and sewer billing.
   *Discussed raising the commercial water rate per thousand gallons at a higher percentage than the others.
   *Currently making a $1.53 profit on commercial sewer.
   *Clerk will be checking with the auditors on the process of creating a Meter Fund for future meter replacement, rather than depositing meter revenue into the Water fund.
   *Northome School meter is much more expensive than others, so it was discussed to raise their meter charge to compensate for any possible replacement of that as well. Clerk and Public Works manager will work together to find what that charge should be.

5. Karvakko
   *See attached memorandum for Todavich quote and the different options on how the city can pay for the Lift Station project; the city will be over budget by about $23,536.24.
   *USDA has no funding available.
   *Option 4 and Jerry Bolin's recommendation: MN Dept. of Health has a grant opportunity that would cover up to $15,000 with a 50% match, resulting in a local share of $8,536.24. Unsure of the grant turnaround and timeline for receiving this money if the grant is awarded.
   *Clerk discussed with auditors, and the city is allowed to use the Enhancement fund for any extra funds needed for Lift Station project.

*Motion made by Councilor VanBeusekom to proceed with option 4 and pursue the MN Dept. of Health grant. Seconded by Councilor Montgomery. Voting Yes: Olson, Lindley, Montgomery, VanBeusekom. Voting No: None. Motion carried.
*Motion made by Councilor VanBeusekom to accept the quote from Todavich and award them the project contingent on receiving the MN Dept. of Health grant. Seconded by Councilor Lindley. Voting Yes: Olson, Lindley, Montgomery, VanBeusekom. Voting No: None. Motion carried.
*Campground Bathroom project quotes are due tomorrow, March 12th, by 5 pm. They will be reviewed at the April 8th council meeting.
*Stephen Frisco with MnDOT informed Jerry that there will need to be utility relocations around Triangle Park for the HWY 46 project. Unsure of what all the relocations will be at this time. This will be at the city's cost. According to a new proposed legislation, it may be approved that the state must pay 90% of the remaining life of the existing utilities that will need relocation for road construction projects.
*Some beautification on lighting may be paid for by MnDOT as well, on top of the 100% state share for the standard lighting replacement they will already be doing during the HWY 46 project. Don't have a budget for Northome yet.
*Jerry is working on the ALP in conjunction with Ryan Good's new hangar project. The final plan should be presented sometime this fall. The proposal for the placement of the new hangar has been submitted to the FAA and MnDOT to see if Ryan Good can build in a new location or tear down the existing hangar. Tear down would be at the cost of the city.
*Waiting on more info regarding the new hangar to begin the design for the Tie Down Expansion project. Disk & Level design will start this spring.

6. Angel Stradtmann (Bar Manager)
*Sales up about $10,000 from last year.
* Motion made by Councilor Lindley to hire Michaela Ojanen as a part-time bartender. Seconded by Councilor VanBeusekom. Voting Yes: Olson, Lindley, Montgomery, VanBeusekom. Voting No: None. Motion carried.
*Paul Bunyan is discontinuing television services April 1st, so new streaming options were discussed in anticipation of sports games. Clerk and bar manager will be looking into VSee boxes and other streaming options. Also will be looking into some sort of surround sound/speaker system.

7. Pete Bender (Public Works)
*Motion made by Councilor Montgomery to approve the Midwest Pump Works pump maintenance agreement for 3 years at $1,997 per inspection; 1 inspection per year. Seconded by Councilor VanBeusekom. Voting Yes: Olson, Lindley, Montgomery, VanBeusekom. Voting No: None. Motion carried.
*New culvert on Lake St. froze up, Pete pumped for 2 days, and it is now flowing.

8. Administrative
*Motion made by Councilor Lindley to approve the City of Kelliher Warren Township Fire Contract for a total of $271.00. Seconded by Councilor Montgomery. Voting Yes: Olson, Lindley, Montgomery, VanBeusekom. Voting No: None. Motion carried.
*Motion made by Councilor VanBeusekom to approve Resolution 2026-02 for the Final Layout of the HWY 46 project. Seconded by Councilor Lindley. Voting Yes: Olson, Lindley, Montgomery, VanBeusekom. Voting No: None. Motion carried.
*Motion made by Councilor VanBeusekom to approve Resolution 2026-03 for the City fee schedule, raising commercial water rate per thousand gallons 8%, and all other rates per thousand gallons 6%; and adding a maximum stay of 14 days to the campground fee. Seconded by Councilor Lindley. Voting Yes: Olson, Lindley, VanBeusekom. Voting No: Montgomery. Motion carried.

*Clerk presented TextMyGov proposal given to her by the representative who reached out. This program gives the city the ability to send mass texts/voice messages to inform residents of different things going on in town. The clerk suggested the need would mostly be for things like equipment breakdowns, water tower malfunctions, main breaks, meeting notifications, or anything else that needs to reach all residents. The set-up fee would be $100, and the annual fee would be $1,800.
*Clerk also discussed with the council the need for a new billing software. The recent switch to Starnik/American Accounting and Billing Software has not gone smoothly, and the software does not do everything it should. The clerk has to manually calculate multiple bills, and reports are not as accurate as they need to be for auditing purposes. *Current Software*, a new utility billing company, did reach out and gave the clerk a demo, which went well. The proposal that the representative presented to the clerk was a $7,300 set up fee with an annual fee of $6,000. This seemed reasonable to the clerk for a decent utility billing software. More discussion at a later date after more research.
*Discussed land lease options for Ryan Good's new hangar. Bowstring Airport currently charges 10 cents per square foot. Jerry Bolin, with Karvakko, suggested Northome charge 15-20 cents per square foot. More discussion at a later date.

9. Financials:
*Motion made by Councilor Lindley to approve the city's monthly financial reports. Seconded by Councilor VanBeusekom. Voting Yes: Olson, Lindley, Montgomery, VanBeusekom. Voting No: None. Motion carried.
*Motion made by Councilor VanBeusekom to approve the 2026 claim #'s 11,818-11,865 and expenditures. Seconded by Councilor Lindley. Voting Yes: Olson, Lindley, Montgomery, VanBeusekom. Voting No: None. Motion carried.
*Clerk explained the bank reconciliation that is now in the council packets. Auditors requested review and sign-off from a council member or the mayor; no motions needed. All outstanding checks that needed to be reported to the state have been, and the clerk will be remitting checks to the state, and they will be removed from future bank reconciliations.

10. Motion made by Councilor Montgomery to adjourn the meeting. Seconded by Councilor VanBeusekom. Voting Yes: Olson, Lindley, Montgomery, VanBeusekom. Voting No: None. Motion carried.

Meeting adjourned at 8:27 p.m.

These are the official minutes of the March 11th, 2026, Northome City Council Meeting.

Karen Olson
Mayor

Attest: Tina Skeins
City Clerk/Treasurer

northome@paulbunyan.net

From: northome@paulbunyan.net
Sent: Tuesday, February 17, 2026 1:30 PM
To: 'Karen Olson'; 'Jamie Rosson'; 'doodles@paulbunyan.net'; 'R. Merritt Montgomery'; 'Cole Van Beusekom'
Subject: FW: New rate studys
Attachments: Northome Commerical Sewer 2025.xls; Northome Commerical Water 2025.xls; Northome Residental Sewer 2025.xls; Northome Residental Water 2025.xls

Hi everyone,

Here are the rate study sheets that Ben worked on for the city. Some numbers were tweaked; I had initially given him the wrong number of connections that the city has by mistake. He will be attending the March council meeting to get into more detail on these. He did recommend we continue to do the 6% quarterly increases at least. As of right now, we are making $1.53/thousand gallons on commercial sewer. As for the rest, Ben did figure out the rates that we should currently be charging to break even. I will be doing the math on how many quarters it's going to take to reach these rates, and I will have that info ready by the council meeting. They're listed below.

Residential Water: $12.25/thousand gallons
Residential Sewer: $9.15/thousand gallons
Commercial Water: $16.96/thousand gallons

If you have any questions, let me know!

Thanks,

Tess Skiles
City of Northome
Clerk/Treasurer
218-897-5762

From: Ben Oseien <ben.oseien@mrwa.com>
Sent: Tuesday, February 17, 2026 11:31 AM
To: 'northome@paulbunyan.net' <northome@paulbunyan.net>
Subject: New rate studys

Here re the updated rate sheets we worked on. Thanks you for allowing me to work with you all on this.

Northome

X	CITY OF		
X	POPULATION	155	
X	NUMBER OF CONNECTIONS	90	
X	AVE PERSONS/CONNECTION	1.72	
	EXPENSES (PER YEAR)		
X	SALARIES		
X	FRINGE BENEFITS		
X	ELECTRICITY/HEATING		
X	SUPPLIES		
X	MILEAGE/POSTAGE/GAS		
X	REPAIRS/MAINTENANCE		
X	BUILDING REPAIRS		
X	TESTS		
X	CONTRACTUAL		
X	PROFESSIONAL MEMBERSHIPS		
X	PRINTING/PUBLISHING		
X	PERMIT FEES		
X	SUBSCRIPTIONS		
X	CHEMICAI		
X	TRAINING EXPENSE		
X	CAPITAL OUTLAY		
X	BOND & INTEREST		
X	DEPRECIATION		
X	**RD BOND**		
X	**PFA BOND**		
	WATER EXPENSES	$69147.29	
	Required PFA Asset Reserve		This is a requirement of your funding package
	Required RD Asset Reserve		This is a requirement of your funding package
X	**TOTAL EXPENSE**	$69147.29	

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Residental Water

				If system isn't metered use this formula:		
X	WATER USAGE (GALLONS SOLD LAST YEAR)		2602007	**55 gallons X Population X 365**		
X	WATER USAGE (GALLONS PUMPED LAST YEAR)		3656994			
	UNACCOUNTED FOR WATER		1054987	28.85% unaccounted for water		
	WATER USE PER CONNECTION		28911			
	WATER USE PER CONNECTION/DAY		79			
	COST PER THOUSAND GALLONS		$26.57			
	USAGE PER PERSON PER DAY		46	25%	50%	75%
X	MONTHLY BASE RATE x12	$34.50	$414.00	$517.50	$621.00	$724.50
X	FOR HOW MANY GALLONS*		0	0	0	0
	ADDITIONAL YEARLY INCOME REQUIRED		$31,887	$22,572	$13,257	$3,942
	TOTAL GALLONS SOLD OVER MINIMUM ALLOWED		2602007	2602007	2602007	2602007
	INCOME NEEDED PER THOUSAND		$12.25	$8.67	$5.10	$1.52
	CITY CHARGES PER THOUSAND	$11.39	($11.39)	($11.39)	($11.39)	($11.39)
	ADDITIONAL CITY NEEDS TO CHARGE PER THOUSAND		**$0.86**	**($2.72)**	**($6.29)**	**($9.87)**

PLEASE FILL IN THE LINE ITEMS WHICH HAVE BEEN MARKED WITH AN "X"
ALL OTHER CALCULATIONS WILL BE MADE AUTOMATICALLY BY THE COMPUTER
*Remember to multiply by your billing cycle (if monthly multiply by 12, if bi-monthly by 6, and quarterly by 4)

IF THE EXPENSE REPORT LINE ITEMS ARE NOT THE SAME AS YOUR SYSTEM USES, FEEL FREE TO CHANGE THEM

COMMENTS:

Calculating what was sold between residental and commerical from these numbers 67% was sold to residential and 33% was sold to commerical. So I broke down expenses that way.

Northome

X	CITY OF	
X	POPULATION	155
X	NUMBER OF CONNECTIONS	89
X	AVE PERSONS/CONNECTION	1.74
	EXPENSES (PER YEAR)	
X	SALARIES	
X	FRINGE BENEFITS	
X	ELECTRICITY/HEATING	
X	SUPPLIES	
X	MILEAGE/POSTAGE/GAS	
X	REPAIRS/MAINTENANCE	
X	BUILDING REPAIRS	
X	TESTS	
X	CONTRACTUAL	
X	PROFESSIONAL MEMBERSHIPS	
X	PRINTING/PUBLISHING	
X	PERMIT FEES	
X	SUBSCRIPTIONS	
X	CHEMICAl	
X	TRAINING EXPENSE	
X	CAPITAL OUTLAY	
X	BOND & INTEREST	
X	DEPRECIATION	
X	**RD BOND**	
X	**PFA BOND**	
	WATER EXPENSES	$50752.00
	Required PFA Asset Reserve	
	Required RD Asset Reserve	
X	**TOTAL EXPENSE**	$50752.00

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This is a requirement of your funding package
This is a requirement of your funding package

Residental Sewer

				If system isn't metered use this formula:		
X	WATER USAGE (GALLONS SOLD LAST YEAR)		2571970	**55 gallons X Population X 365**		
X	WATER USAGE (GALLONS PUMPED LAST YEAR)		5055820			
	UNACCOUNTED FOR WATER		2483850	49.13% unaccounted for water		
	WATER USE PER CONNECTION		28899			
	WATER USE PER CONNECTION/DAY		79			
	COST PER THOUSAND GALLONS		$19.73			
	USAGE PER PERSON PER DAY		45	25%	50%	75%
X	MONTHLY BASE RATE x12	$25.50	$306.00	$382.50	$459.00	$535.50
X	FOR HOW MANY GALLONS*		0	0	0	0
	ADDITIONAL YEARLY INCOME REQUIRED		$23,518	$16,709	$9,901	$3,092
	TOTAL GALLONS SOLD OVER MINIMUM ALLOWED		2571970	2571970	2571970	2571970
	INCOME NEEDED PER THOUSAND		$9.14	$6.50	$3.85	$1.20
	CITY CHARGES PER THOUSAND	$7.94	($7.94)	($7.94)	($7.94)	($7.94)
	ADDITIONAL CITY NEEDS TO CHARGE PER THOUSAND		**$1.20**	**($1.44)**	**($4.09)**	**($6.74)**

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COMMENTS:

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Northome

X	CITY OF		
X	POPULATION	155	
X	NUMBER OF CONNECTIONS	20	
X	AVE PERSONS/CONNECTION	7.75	
	EXPENSES (PER YEAR)		
X	SALARIES		
X	FRINGE BENEFITS		
X	ELECTRICITY/HEATING		
X	SUPPLIES		
X	MILEAGE/POSTAGE/GAS		
X	REPAIRS/MAINTENANCE		
X	BUILDING REPAIRS		
X	TESTS		
X	CONTRACTUAL		
X	PROFESSIONAL MEMBERSHIPS		
X	PRINTING/PUBLISHING		
X	PERMIT FEES		
X	SUBSCRIPTIONS		
X	CHEMICAI		
X	TRAINING EXPENSE		
X	CAPITAL OUTLAY		
X	BOND & INTEREST		
X	DEPRECIATION		
X	**RD BOND**		
X	**PFA BOND**		
	WATER EXPENSES	$34057.62	
	Required PFA Asset Reserve		This is a requirement of your funding package
	Required RD Asset Reserve		This is a requirement of your funding package
X	**TOTAL EXPENSE**	$34057.62	

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Commerical Water

				If system isn't metered use this formula:		
X	WATER USAGE (GALLONS SOLD LAST YEAR)		1275857	**55 gallons X Population X 365**		
X	WATER USAGE (GALLONS PUMPED LAST YEAR)		1801206			
	UNACCOUNTED FOR WATER		525349	29.17% unaccounted for water		
	WATER USE PER CONNECTION		63793			
	WATER USE PER CONNECTION/DAY		175			
	COST PER THOUSAND GALLONS		$26.69			
	USAGE PER PERSON PER DAY		23	25%	50%	75%
X	MONTHLY BASE RATE X12	$51.75	$621.00	$776.25	$931.50	$1,086.75
X	FOR HOW MANY GALLONS*		0	0	0	0
	ADDITIONAL YEARLY INCOME REQUIRED		$21,638	$18,533	$15,428	$12,323
	TOTAL GALLONS SOLD OVER MINIMUM ALLOWED		1275857	1275857	1275857	1275857
	INCOME NEEDED PER THOUSAND		$16.96	$14.53	$12.09	$9.66
	CITY CHARGES PER THOUSAND	$11.39	($11.39)	($11.39)	($11.39)	($11.39)
	ADDITIONAL CITY NEEDS TO CHARGE PER THOUSAND		**$5.57**	**$3.14**	**$0.70**	**($1.73)**

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Northome

X	CITY OF	
X	POPULATION	155
X	NUMBER OF CONNECTIONS	20
X	AVE PERSONS/CONNECTION	7.75
	EXPENSES (PER YEAR)	
X	SALARIES	
X	FRINGE BENEFITS	
X	ELECTRICITY/HEATING	
X	SUPPLIES	
X	MILEAGE/POSTAGE/GAS	
X	REPAIRS/MAINTENANCE	
X	BUILDING REPAIRS	
X	TESTS	
X	CONTRACTUAL	
X	PROFESSIONAL MEMBERSHIPS	
X	PRINTING/PUBLISHING	
X	PERMIT FEES	
X	SUBSCRIPTIONS	
X	CHEMICAI	
X	TRAINING EXPENSE	
X	CAPITAL OUTLAY	
X	BOND & INTEREST	
X	DEPRECIATION	
X	**RD BOND**	
X	**PFA BOND**	
	WATER EXPENSES	$24997.25
	Required PFA Asset Reserve	This is a requirement of your funding package
	Required RD Asset Reserve	This is a requirement of your funding package
X	**TOTAL EXPENSE**	$24997.25

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Commerical Sewer

				If system isn't metered use this formula:		
X	WATER USAGE (GALLONS SOLD LAST YEAR)		1275857	**55 gallons X Population X 365**		
X	WATER USAGE (GALLONS PUMPED LAST YEAR)		2490180			
	UNACCOUNTED FOR WATER		1214323	48.76% unaccounted for water		
	WATER USE PER CONNECTION		63793			
	WATER USE PER CONNECTION/DAY		175			
	COST PER THOUSAND GALLONS		$19.59			
	USAGE PER PERSON PER DAY		23	25%	50%	75%
X	MONTHLY BASE RATE x12	$51.75	$621.00	$776.25	$931.50	$1,086.75
X	FOR HOW MANY GALLONS*		0	0	0	0
	ADDITIONAL YEARLY INCOME REQUIRED		$12,577	$9,472	$6,367	$3,262
	TOTAL GALLONS SOLD OVER MINIMUM ALLOWED		1275857	1275857	1275857	1275857
	INCOME NEEDED PER THOUSAND		$9.86	$7.42	$4.99	$2.56
	CITY CHARGES PER THOUSAND	$11.39	($11.39)	($11.39)	($11.39)	($11.39)
	ADDITIONAL CITY NEEDS TO CHARGE PER THOUSAND		**($1.53)**	**($3.97)**	**($6.40)**	**($8.83)**

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COMMENTS:

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KARVAKKO
Engineering Stronger Communities

MEMORANDUM

NORTHOME – LIFT STATION REHABILITATION PROJECT

March 5th, 2026

Dear Mayor & Council,

We have been soliciting quotes for the improvements and completion of the Northome Lift Station Rehabilitation Project over the last few months. The project was solicited for quotes three times, of which, quotes were only received twice. In total, two quotes have been received. Of the two quotes received, only one quote included all relevant information and required forms per the USDA Rural Development requirements.

Todavich Electric of Bemidji, MN was the only contractor to provide all required documents and fill out the relevant paperwork for the project. We have been in touch with Todavich Electric to discuss the project and scope, and to try and lower the overall project costs as much as possible while still achieving the project's goal.

Todavich's quote to the city to perform all work totals **$89,600.24.** This includes both the lift station work which will be performed by MN Pump Works, and the generator work performed by Todavich Electric.

The available budget remaining from the USDA RD Grant is $83,564.00. Of which, the following project-related costs are expected:

Engineering/Bidding/Construction Administration: $17,500
Todavich Electric's Construction Cost: $89,600.24
Project Total: $107,100.24
Shortfall: $23,536.24

As you are aware, the grant amount $83,564 includes what is left over from the USDA RD project completed in 2023. If this money is not spent on an eligible USDA RD project, the City would be responsible for paying this amount back to USDA RD with interest. Based on this, we have come up with four potential options for the City to explore:

Option 1 (Payback Grant)

Option 1 would include doing nothing and paying back the grant amount to USDA RD with interest. This is the most costly option for the City, which would result in overall fees anticipated to **exceed $90,000**. This would also not solve the failing valves within the lift station, and/or include the required secondary auxiliary power for the water treatment plant as identified by MN Department of Health.

KARVAKKO
Engineering Stronger Communities

Option 2 (Lift Station Only)

Option 2 includes only performing the lift station work. This option would include replacing the failing valves within the lift station, which would be approximately $20,000. If the City were to pursue this option, the remaining grant amount would have to be repaid to USDA RD. This would total approximately **$46,064 (plus interest).** This is less costly than doing nothing, but would still result in a large payment back to USDA RD and would not provide secondary power to the treatment plant as requested by MDH.

Option 3 (Generator Only)

Option 3 includes installation of only the auxiliary power for the water treatment plant and lift station (generator). This would be approximately $71,175 in total (not including the engineering/admin/construction administration costs). The overall total project cost would be approximately $88,675.00. This would result in a shortfall of **approximately $5,111**, of which the City would have come up with. This would satisfy MDH's requirements of having a secondary power source for the water treatment plant, however would not fix the failing valves in the lift station.

Option 4 (Lift Station & Generator)

Option 4 includes replacement of the existing failing valves of the lift station, internal lift station work, and installation of the generator (full project). The overall total cost, including engineering/administration/construction administration would be approximately $107,100.24. This would leave a shortfall of **approximately $23,536.24**, of which would be the responsibility of the City, and/or additional funding would have to be secured from another source. This would satisfy the requirements of MDH for having secondary auxiliary power for the water treatment plant, as well as replace the failing check valves within the lift station.

Other Funding Sources:

We have consulted with both USDA RD and the Department of Health, in person on Tuesday, March 3rd, 2026. USDA RD currently has no additional funding available for this project. The Minnesota Department of Health has a grant opportunity for auxiliary power to water treatment plants (generators) opening in April of 2026. This grant would cover eligible costs up to $15,000, of which a equal match would be required. An equal match can be provide from another federal grant (i.e. the City's remaining USDA RD Grant balance). This grant would provide up to $15,000 of a local share for either Option 3 or Option 4 above. Below is the anticipated project costs for Option 3 and Option 4 if the $15,000 Source Water Protection Grant is received:

Option 3 (Generator Only): **$0 Local Share**
Option 4 (Lift Station & Generator): **$8,536.24 Local Share**

KARVAKKO
Engineering Stronger Communities

Recommendation:

Based upon the four options outlined above, our understanding of the City's needs and desires, and the conversations had with USDA RD, Minnesota Department of Health, and the proposed contractor, it is our recommendation that the City proceed with Option 4 (Lift Station Rehabilitation & Generator) to complete the full project. We also recommend applying for the $15,000 Source Water Protection Grant through the Minnesota Department of Health to lower the overall burden of the City from **$23,536.24 to $8,536.24**. Karvakko Engineering staff can assist the City in applying for the Source Water Protection Grant if this is something the City wishes to pursue.

If the City wishes not to pursue Option 4, we recommend Option 3, installation of the generator alone. This would result in a local share of approximately **$5,111** without the Source Water Protection Grant, and up to **$0** local share if the Source Water Protection Grant were to be received. Again, Karvakko Engineering staff can assist the City in applying for the Source Water Protection Grant if this is something you would like to pursue.

Please let me know if you have any questions relating to the above options and matters.

Sincerely,

Jerry Bolin, PE
Karvakko Engineering, Inc.

Attachments: Todavich Electric's Quote Packet