



EDINA MINNESOTA

City Council Work Session Meeting Agenda

March 17, 2026, 5:30 PM

Edina City Hall, Community Room, 4801 W. 50th St.



Accessibility Support:

The City of Edina wants all residents to be comfortable being part of the public process. If you need assistance in the way of hearing amplification, an interpreter, large-print documents or something else, please call 952-927-8861 at least 72 hours in advance of the meeting.

1. **Call to Order**
2. **Roll Call**
3. **Meeting Topics**
 - 3.1. State of the Utilities
 - 3.2. Edina Liquor Operations Update
4. **Adjournment**



Item Number: 3.1

Department: Public Works

Item Activity: Discussion

Prepared By: Chad Millner, Director of Public Works and City Engineer, Ross Bintner, Engineering Services Manager, Nathan Kaderlik, Assistant Director-Utilities, Dave Goergen, Assistant Director

Item Title: State of the Utilities

Action Requested:

Discussion Only

Information/Background:

Council work session discussions in 2025 related to recent utility rates and focused on revenue side topics, such as cost allocation, conservation tiers, user classes, and capital charges and were led by the Finance Department. While the focus was financial, the discussions touched on key topics related to utility service delivery such as, the timing of capital investment, and the rate of growth of utility revenue.

This work session discussion will focus on those service delivery topics, including details on core services, key cost drivers, the infrastructure asset management strategy, and long-term balance of, and connections between, costs, service, and risk in the three water utilities (Stormwater, Sanitary, and Water). Staff will engage the Council on the principles and practice of public works, and how we deliver our mission:

- Our mission is to provide effective and valued public services, maintain a sound public infrastructure, offer premier public facilities, and guide the development and redevelopment of lands, all in a manner that sustains and improves the uncommonly high quality of life enjoyed by our residents and businesses.

The attached slide deck includes visuals with a mix of examples, concepts, and analysis to bring depth and meaning to public works infrastructure asset management practices.

Asset Management Strategy Overview

The key strategy Public Works staff use to manage the water utilities is infrastructure asset management, which orients the coordinated actions of the utility around value-to-customer, including the predictable and reliable provision of the core services over the generational timeframe represented by the lifecycle of public infrastructure systems.

The City of Edina has undertaken a sustained reinvestment approach from 1998–2025 through its neighborhood reconstruction and pavement management programs, where utility repairs, rehabilitation, and replacements have been conducted in concert with these programs. While Edina is

at about the halfway point through the reconstruction program by street miles, the utility-based replacements are just getting started.

Resources and funding to repair and replace aging infrastructure to support existing services compete with the capital needs for new and expanded services. Inflation, labor shortages, and crowded rights-of-way are increasing replacement cost for the existing project portfolio, and regulation-based requirements create new project needs, especially in water treatment. Infrastructure asset management is about balancing the services, costs, and risks of the utility.

These factors are increasing the capital needs for maintaining our aging infrastructure:

- Climate change impacts are expected to test the resilience of the systems in the future, including more severe and recurrent extreme weather, heavy precipitation and increasing flood risks, and extreme heat and long periods of drought.
- A tight cohort of aging infrastructure, with most of the city built between 1950 and 1970 means much of the system is reaching end of life in the next 25 years.
- Demand for service is increasing, both through improving quality of our existing services and increasing the number of customers served through commercial and residential redevelopment.

Re-imagining and renewing the aging water infrastructure to make it future-ready is a generational project that requires sustained revenue growth. When infrastructure is new, there is little maintenance demand. As infrastructure nears its end of life, the maintenance demand accelerates before full capital replacement/reinvestment is needed.

Resources/Financial Impacts:

Resources and funding to repair and replace aging infrastructure to support existing services compete with the capital needs for new and expanded services. This discussion will focus on core service delivery to augment the financial impacts discussion that have been ongoing in the 2025 utility rate study.

Relationship to City Policies/Plans/Budget Pillars:

The Comprehensive Plan's Water Resources chapter describes the core services, key trends, and challenges of Edina's Stormwater, Sanitary, and Water Utilities. The core services of the utilities are:

- **Water Utility:** the delivery of safe and healthy drinking water to promote public health, the delivery of water for commercial and industrial uses, and the availability of water for fire suppression. A secondary service of the water utility is the delivery of water for irrigation and other nonessential uses.
- **Sanitary Utility:** the removal of domestic, commercial, and industrial wastewaters to maintain sanitary conditions and public health.
- **Stormwater Utility:** the drainage and management of runoff and flood risk, maintenance of clean surface waters, and protection of natural waterbodies and wetlands.



Strong Foundation



Reliable Service



Livable City

Values Impact:



Engagement

Specific examples of our customer focus are provided in the attached presentation.



Equity

A holistic approach to maintaining and investing in Edina's utility infrastructure ensures all neighborhoods benefit from quality service and a resilient system.



Health

Maintaining clean water, safely removing wastewater, and managing stormwater are all critical to public health. Failures in utility systems can create public health concerns like unsanitary conditions, contamination and pollution exposure.



Stewardship

Utility rate revenues currently cover the cost of repairing and adding long-lasting infrastructure.



Sustainability

Clean water is a valued community resource. Climate change is increasing demand for Edina's utilities, including increasing extreme rainfall leading to increasing flood risk, extended drought seasons increasing demand for nonessential water uses (irrigation). Maintaining and improving our utilities to be more resilient to climate change is important for current and future generations.

Supporting Documentation:

Documents marked with "Board Portal" do not meet [ADA Web Content Accessibility Guidelines \(URL\)](#) and are not included in the public packet. To request a board portal document, please [submit a data request \(URL\)](#).

1. State of the Utilities Staff Presentation



The CITY of
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State of the Utilities

Ross Bintner P.E.

3/17/2026

EdinaMN.gov

Outline

- **What we heard from Council**
- Customer Focus
- Core Services
- Major Trends
- Key Strategies
- Capital
- Budget



What we heard from Council

Questions that relate to utility service levels (Tonight's focus, led by Public Works Department)

- Questions about the real rate of growth of utility revenue
- Questions about the timing of capital investments

Questions that relate to finance and revenue topics (Recent discussion led by Finance Department)

- Cost allocations, Conservation tiers, User classes, Capital charges,
- Bonding



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Customer Focus

- Value equation
 - Value = benefits - costs - externalities
 - Benefits are community wide and individual
 - Costs are well understood
 - Externalities are considered and mitigated
- How we engage residents, business, utility customers
 - Community quality of life survey
 - Tours and open house
 - Reconstruction engagement plans and surveys
 - Permit interactions, utility coordination, and right of way coordination
 - Emergency services interactions
- Edina Mission, Vision and Values



PUBLIC WORKS

FIRST RESPONDER



The CITY of
EDINA

**We know our customer and work
hard for them**

Outline

- What we heard from Council
- Customer Focus
- **Core Services**
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Core Services

- Governance
- Newly unified public works / engineering departments,
 - Permitting support of building division of fire department,
 - Finance department and utility billing
 - Land use planning and economic development coordination in community development department

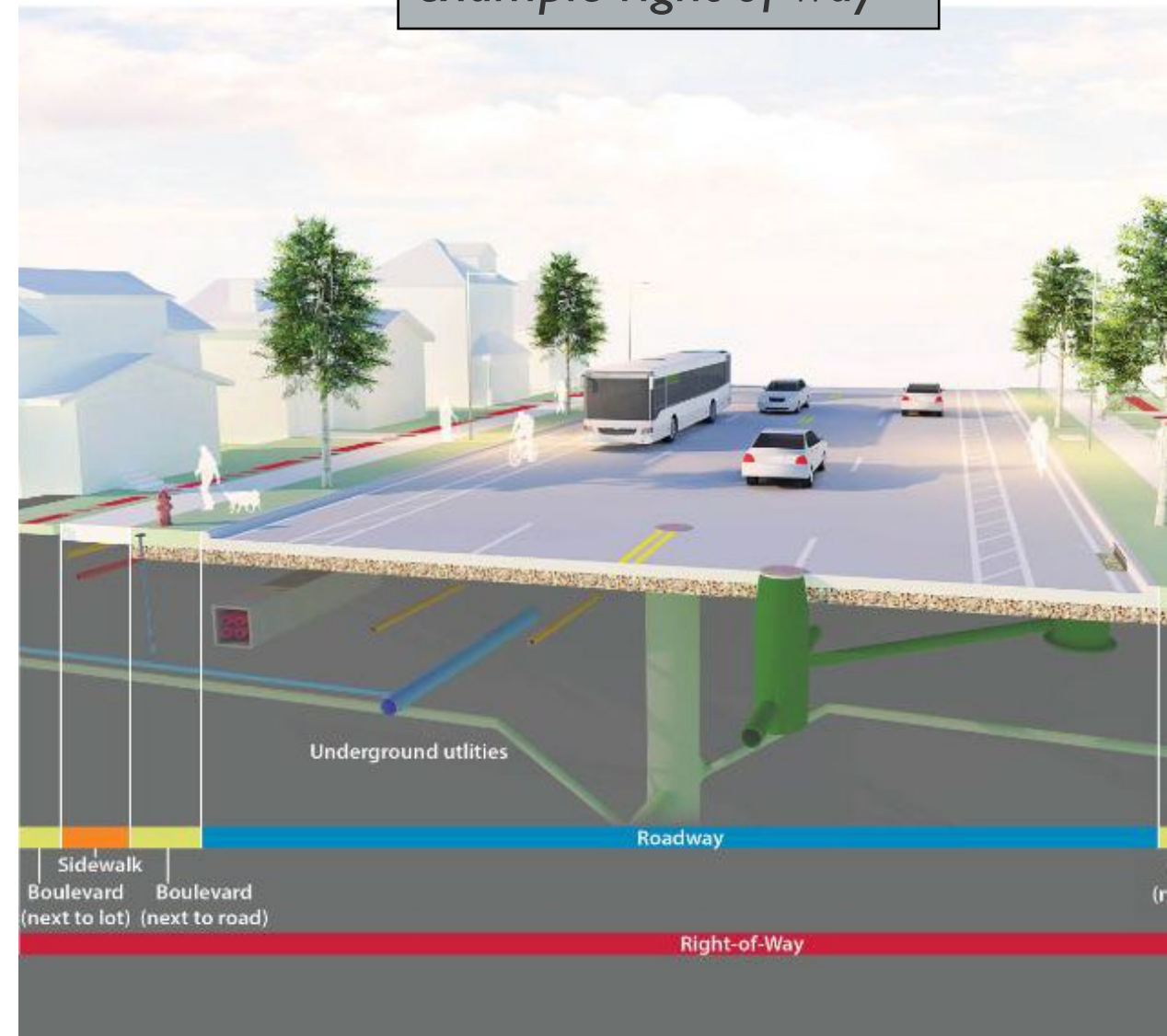
EDINA Comprehensive Plan

7. Water Resources

Core Services - continued

- Water: Promote public health and safety through clean and safe drinking water, domestic water, abundant fire suppression water
- Sanitary: Promote public health through disposal and treatment of sanitary waste
- Storm: Promote public safety and environmental health through management of surface waters
- Transport: Promote the transportation of goods and services, the mobility of people, safe ways for all users to get places
- Public works infrastructure is the foundation of modern life

example right-of-way



The CITY of
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Public works are the
foundation of modern life

Outline

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Major Trends

- All Utilities
 - Inflation and increasing construction costs
 - Aging infrastructure and post world war two tight cohort of growth
- Sanitary and Stormwater Utility
 - Climate change is increasing risk of extreme storms and drought
 - Water quality regulations are increasing treatment costs
- Water Utility
 - Long term conservation trend
 - Regulatory demand to improve water quality, reduce containments of emerging concern such as PFAS class of chemicals.

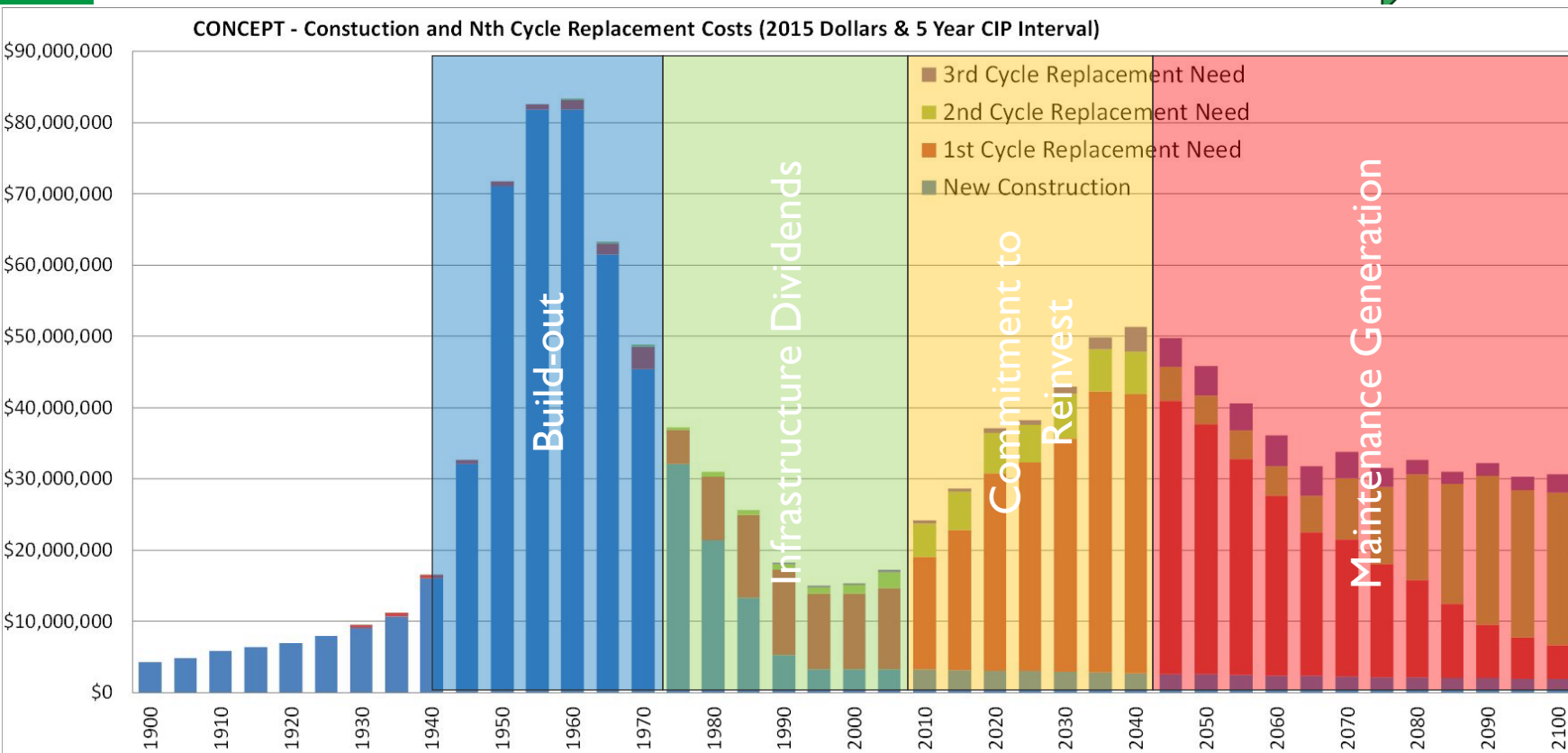
Aging Infrastructure Trends

- Tight infrastructure cohort concept
- Age as proxy for infrastructure condition

1950 to '75 build (+ 75 years =) 2025 to 50 rebuilt

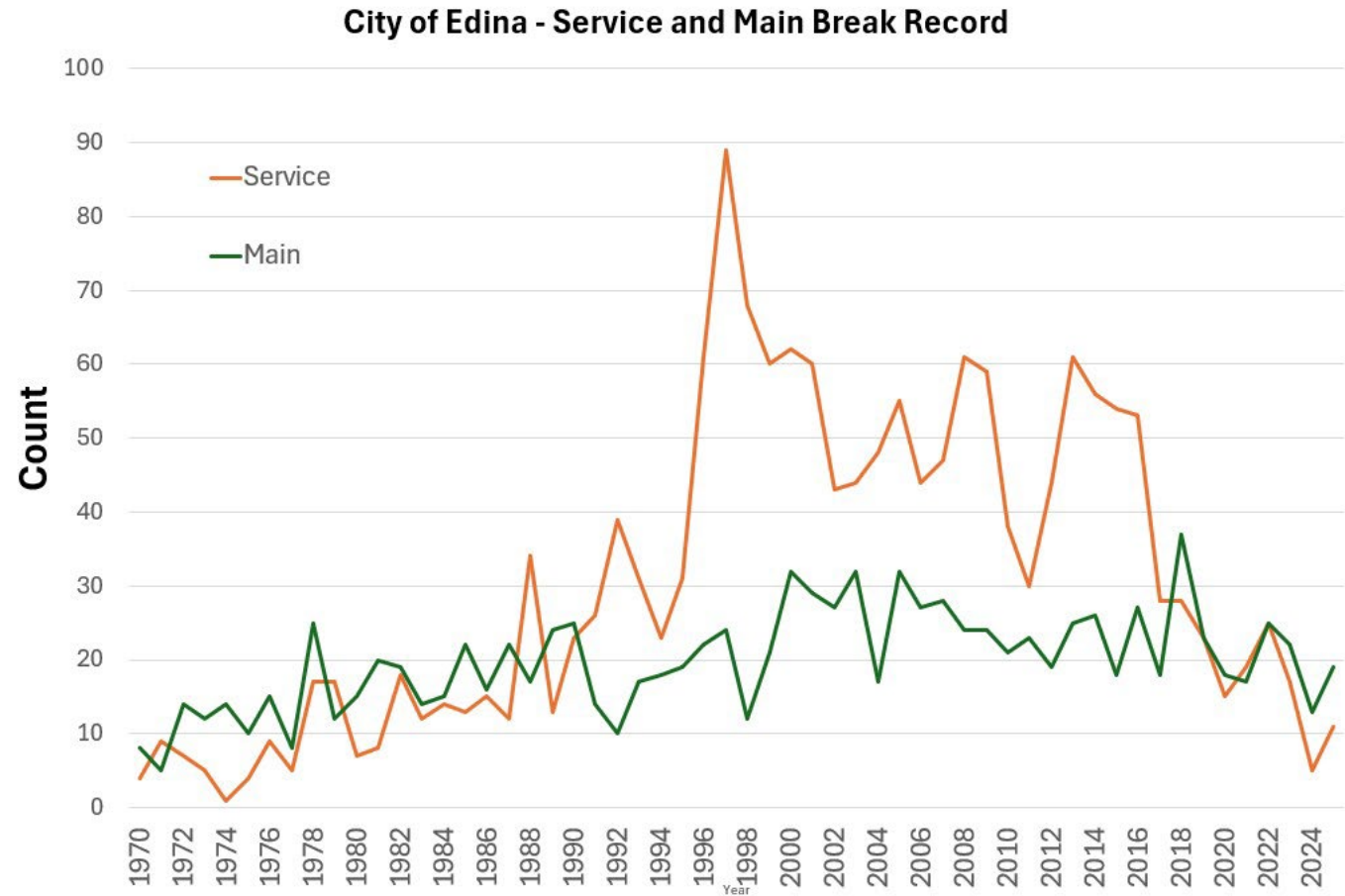
Historical population		
Census	Pop.	%±
1890	531	—
1900	749	41.1%
1910	1,101	47.0%
1920	1,833	66.5%
1930	3,138	71.2%
1940	5,855	86.6%
1950	9,744	66.4%
1960	30,482	212.8%
1970	44,031	44.4%
1980	46,073	4.6%
1990	46,075	0.0%
2000	47,425	2.9%
2010	47,941	1.1%
2020	53,494	11.6%
2022 (est.)	52,437 ^[4]	-2.0%

U.S. Decennial Census^[34]
2020 Census^[3]



Aging Infrastructure Trends - continued

- Watermain and water service break rate
- Outcomes as a proxy for condition
- Edina Country Club watermain estimated install, 1928, was replaced in 2008-09 = 81 years
- Has 1998-2025 reconstruction program stabilized water condition?



Climate Change Trends - continued

- Climate change is increasing extreme weather risk for all water utilities
- Clean water requirements and rising resident expectations are increasing demand for flood and clean water service

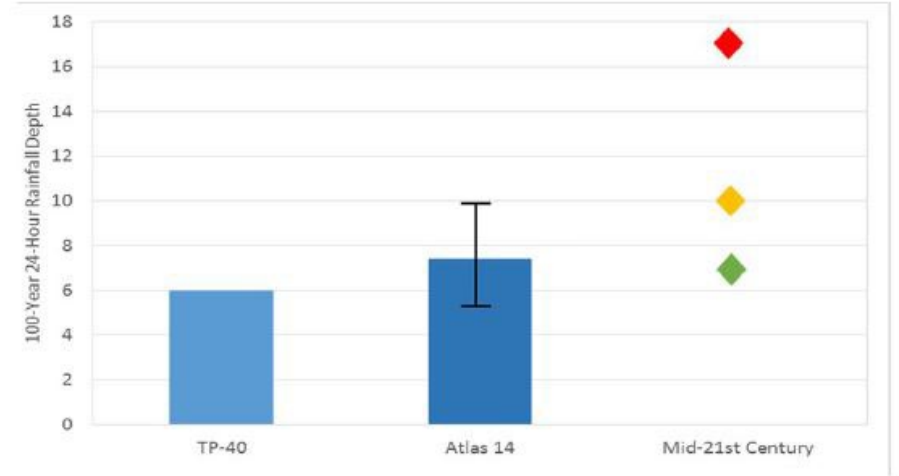
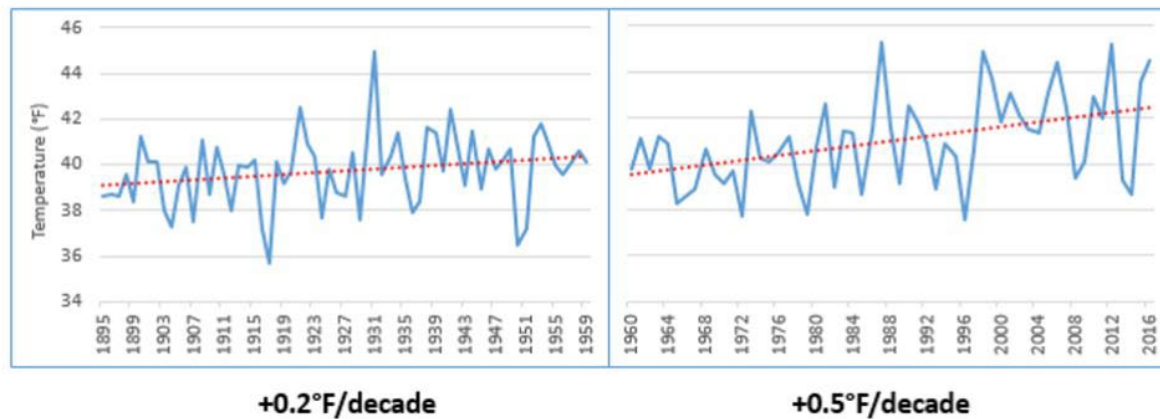


Figure 3.3 Estimates of 100-year 24-hour rainfall depth

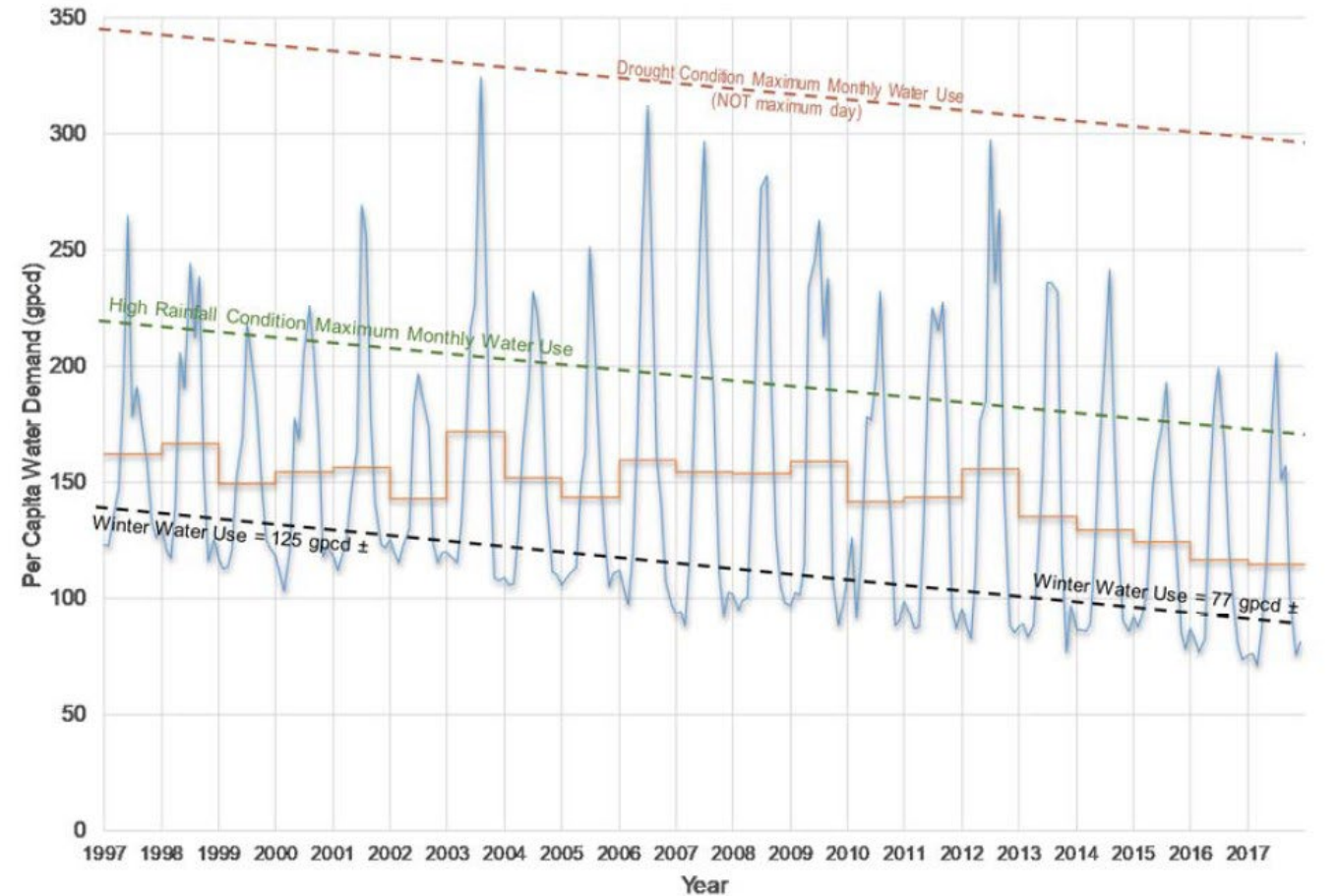
Minnesota Average Annual Temperature, 1895 -2016



Demand Trends

- Indoor, winter water demand, is decreasing
- Flood risk is increasing
- Sewer demand is increasing in areas of redevelopment and growth such as Southdale
- Clean water regulation is increasing service demand in water and stormwater utilities

Figure 3-1 – Annual & Monthly Average Day Water Demand (1997 – 2017)



Outline

- What we heard from Council
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- Major Trends
- **Key Strategies**
- Capital
- Budget



Key Strategies

- Know your customer and what they value (prior section)
- Infrastructure Asset Management Principles
 - Know what you have
 - **Replacement value and assets/person** (later in budget/capital section)
 - Know what condition it's in
 - Average age, age as a proxy for condition, **outcome as a proxy for condition** (prior trend section break data)
 - Know what you need to do in the long term...
 - To keep it reliable, resilient
 - To keep it in service
 - To serve future demands
 - For the most value at the least cost



Key Strategies – Asset Management

Infrastructure Asset Management is about finding our balance between

- the level of service we want to provide
- the level of risk we are comfortable taking
- the cost we are willing to bear

Infrastructure Asset Management is about getting the most out of our assets

- by extending their lifecycle by intervening with the right maintenance at the right time
- by making sure projects level requirements lead to systems level performance
- by replacing assets when they no longer economically serve the demand



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- **Budget**



Capital Infrastructure

Replacement cost; if we had to replace the city infrastructure today, what would it cost?

Example from City of Edina (\$ 2022)

City asset value / Sq-mi = \$58.8M

City asset value / Household = \$41,500

City asset value / Per Person = \$17,910

City asset value / EMV all private = 5.3%

Replacement costs / design life (DL) = long term average capital replacement?

@ 50yr avg DL ~ \$1.2M/sq-mi-yr

Public works represent a historic investment

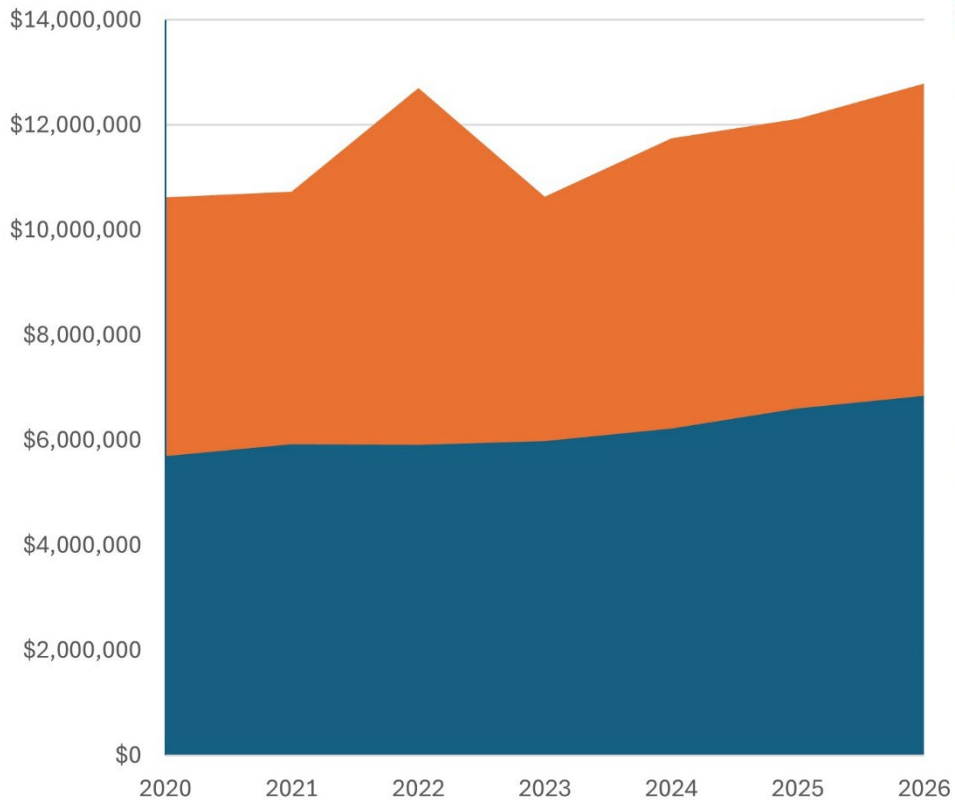


SUMMARY	QUANTITY UNIT	Total Replacement Value of Public Assets	
		VALUE	+/-
Sanitary Sewer Gravity Main	194.2 miles	\$47,132,067	
Sanitary Sewer Manholes	5096 ea	\$41,761,720	
Sanitary Sewer Force Main	4.4 miles	\$1,540,772	
Sanitary Sewer Lift	23 ea	\$30,200,000	
TOTAL SANITARY		\$120,634,559	0.1
Watermain	223.8 miles	\$122,171,893	
Watermain Valves	4925 ea	\$22,162,500	
Hydrants	1972 ea	\$14,928,040	
Water Services	14563 ea	\$43,214,870	
Wells	18 ea	\$18,000,000	
Treatment plants	4 ea	\$31,000,000	
Water towers	3 MG	\$9,000,000	
Water reservoir	4 MG	\$4,800,000	
TOTAL WATER		\$265,277,303	0.1
Storm Sewer Lift	11 ea	\$3,500,000	
Storm Force Main	1.8 miles	\$665,280	
Sump drain	74.3 miles	\$8,238,384	
Sump drain cleanout	1623 ea	\$632,970	
Outlets	668 ea	\$1,937,200	
Storm Sewer Gravity Line	126.5 miles	\$62,777,969	
Storm Sewer Manholes	6483 ea	\$26,619,226	
Underground Treatment	194 ea	\$2,363,054	
Ponds	15 ea	\$1,650,000	
TOTAL STORM		\$108,384,083	0.2
Street lights	910 ea	\$11,375,000	
Traffic signs	9411 ea	\$2,646,844	
Traffic signals	15 ea	\$4,200,000	
Road	207.9 miles	\$333,704,448	
Curb	415.8 miles	\$37,322,208	
Trail and walk	101.9 miles	\$44,640,791	
County ROW Trail and walk	23.0 miles	\$10,064,688	
TOTAL TRANSPORT		\$443,953,980	0.1
Fiber optic	15.3 miles	\$969,840	
TOTAL COMMUNICATIONS		\$969,840	0.2
TOTAL PUBLIC WORKS		\$939,219,764	\$104,857,369

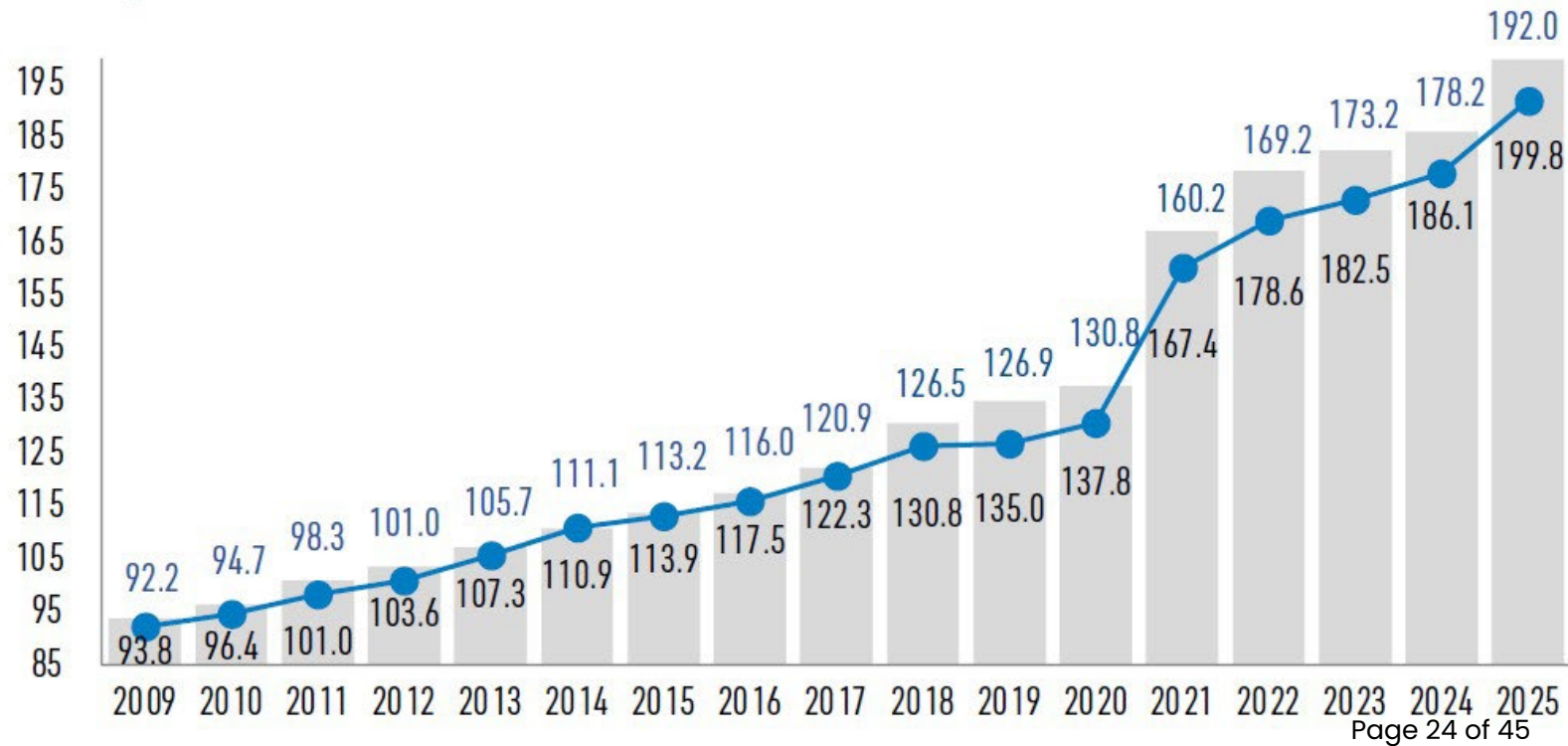
Capital

- Inflation and construction cost indices have increased markedly since 2020
- Sanitary fund passes through >50% of revenue to MCES. Operations make up 50% of our costs, capital needs are paid from the margin.

MCES Pass Through & Local Sanitary Revenue

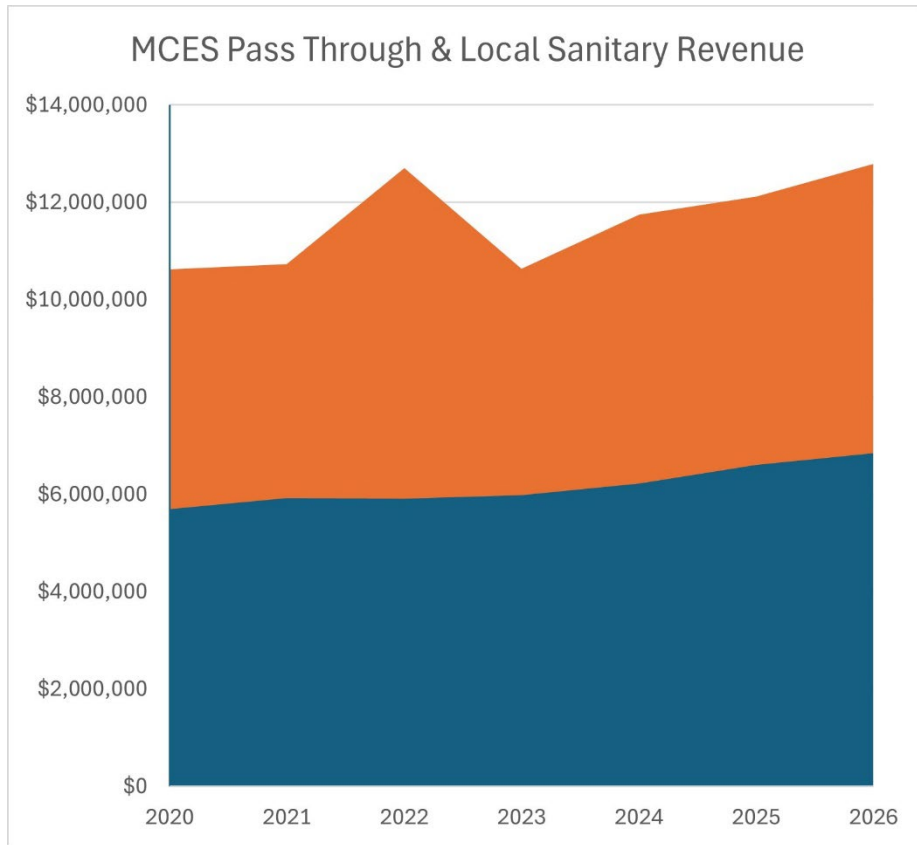


CONSTRUCTION COST INDEX TRENDS
(January 2009 = 100)

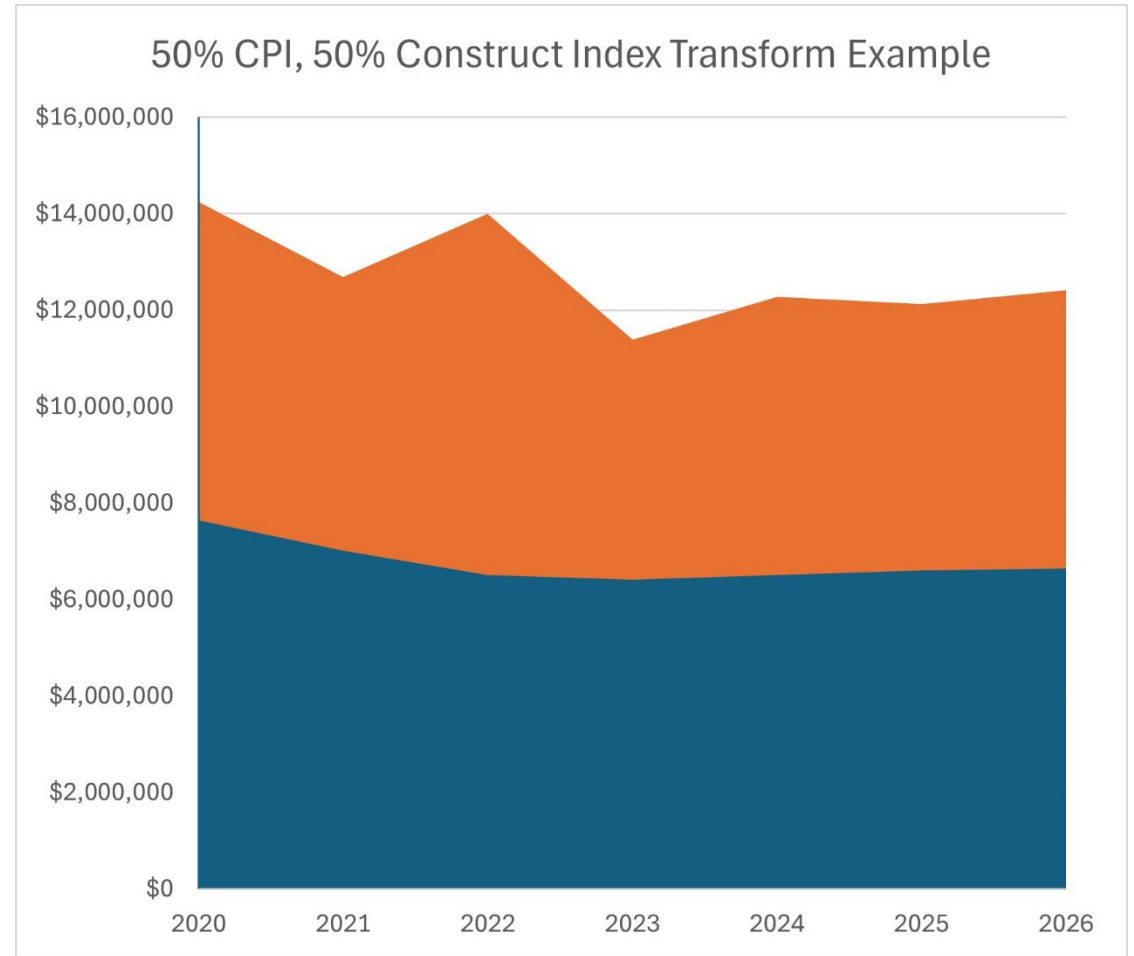


Inflation and MCES Margin

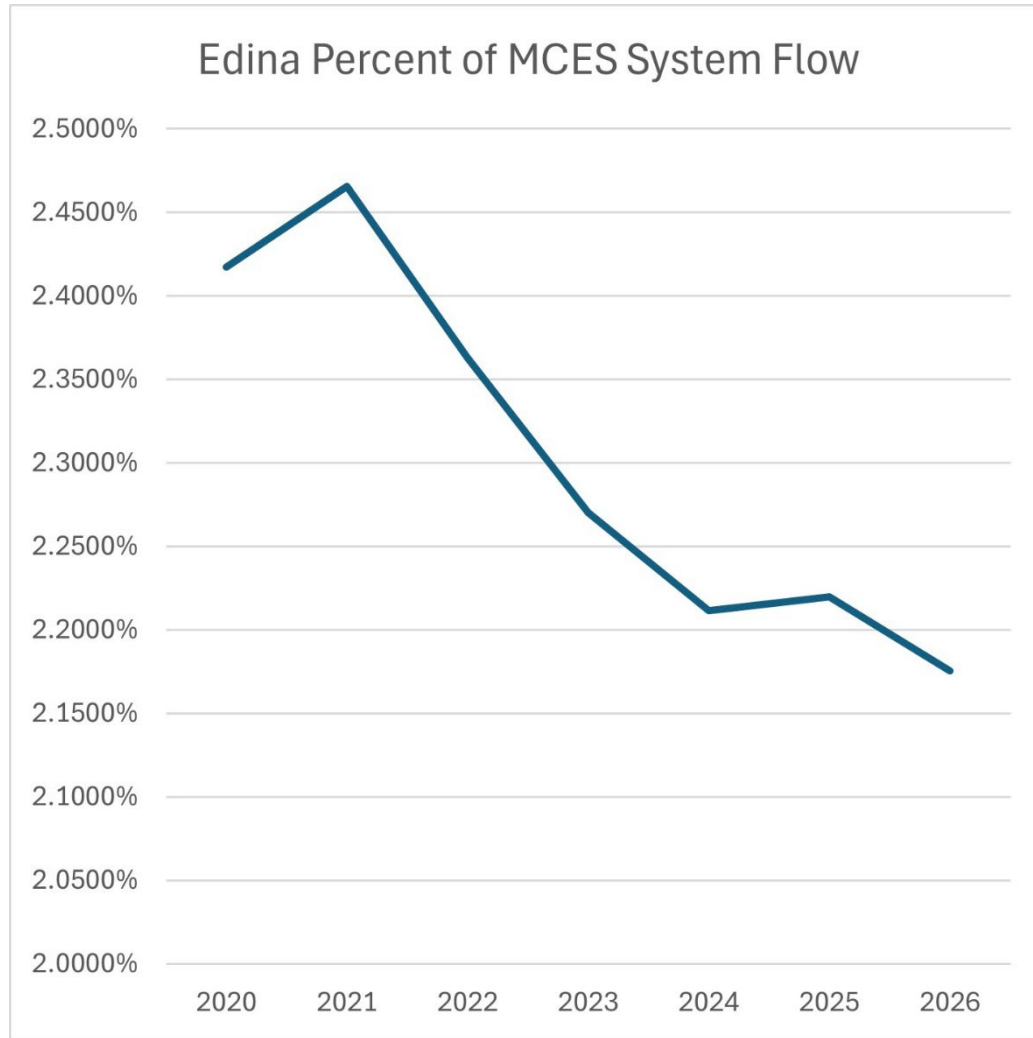
- While **nominal** sanitary utility revenue increased



- **Real** revenue has declined
- 2025 Dollars – 50% CPI and 50% Construction Index example



Inflation and MCES Margin – continued



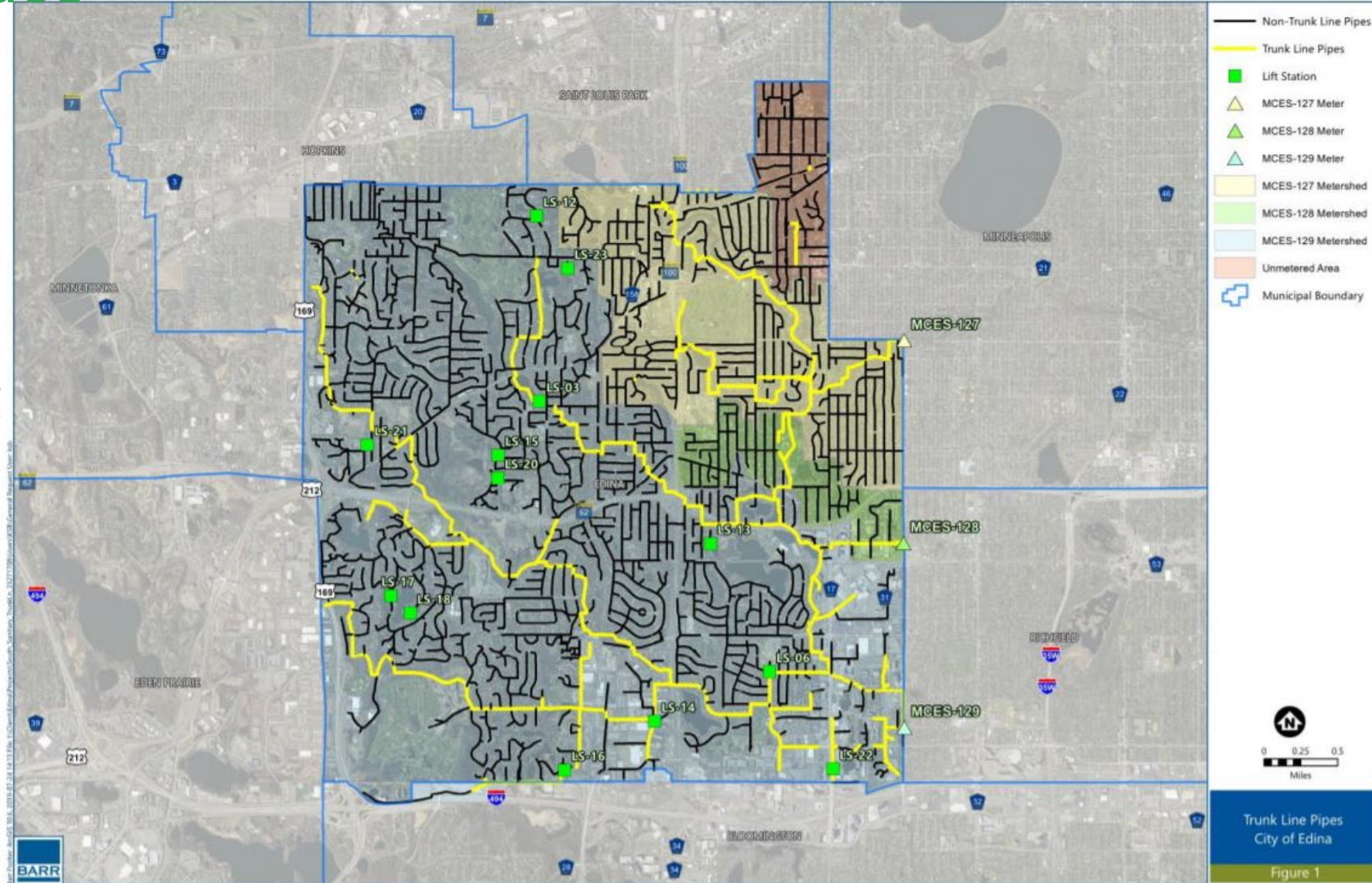
- Edina’s share of MCES system flow have decreased in recent past
- Our work to reduce infiltration and inflow in our system pays back in reduced share of regional system and reduced needs in that system
- We have growing capital replacement needs and recent cost increases outpaced rate growth
- To keep service and risk constant, we need sustained, real utility revenue growth





Capital – continued

- Overall pace of replacement and rehabilitation in reconstruction program 1998-2025 is increasing for all water utilities
- Sanitary and water capacity and rehabilitation projects (next)



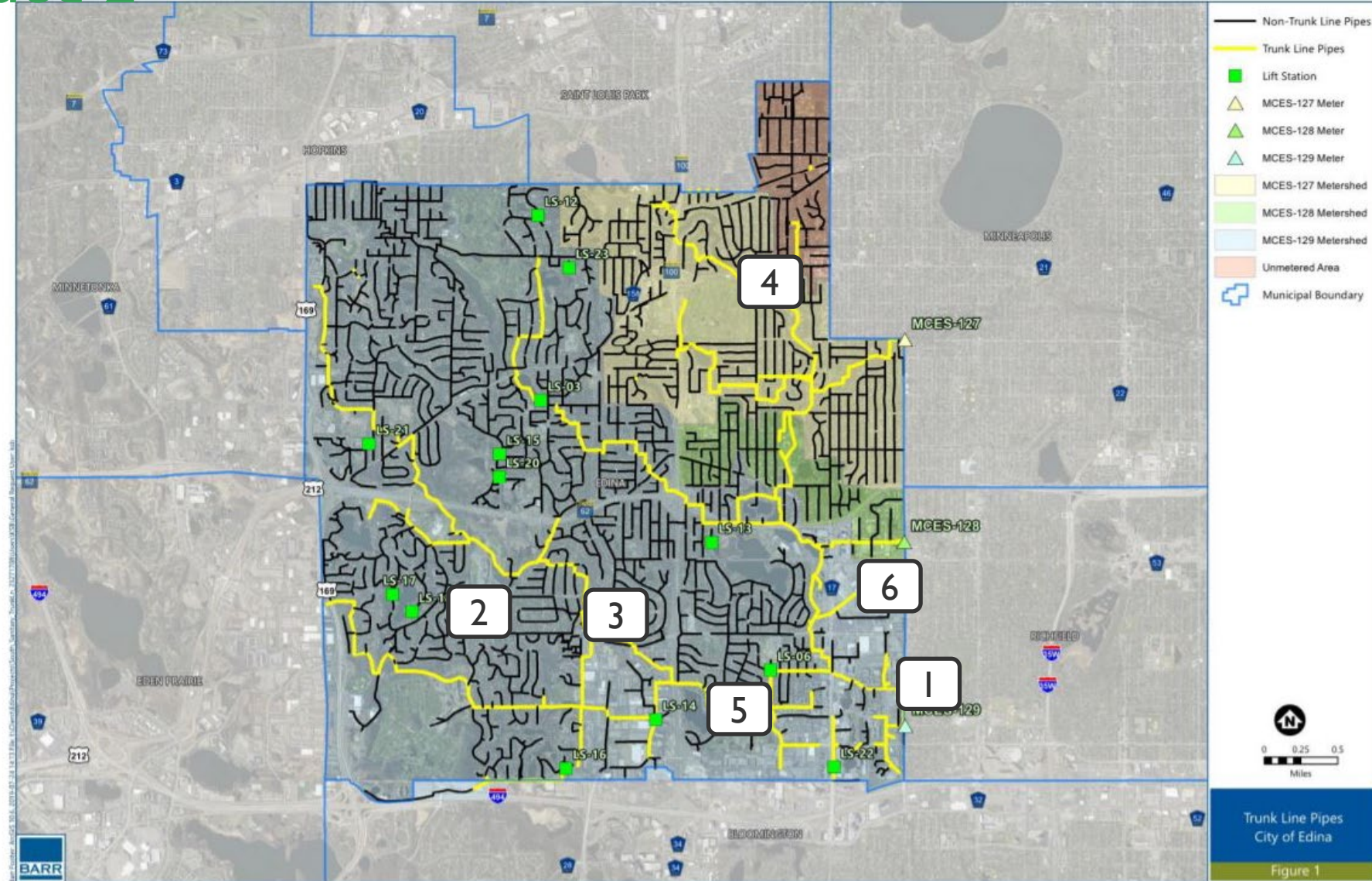
The CITY of EDINA

Figure 7.4: Trunk Line Pipes



Capital – continued 2

1. Water Treatment Plant 5
2. Water age at Dublin Reservoir
3. Water Storage utilization
4. Fire flow NE
5. South trunk sewer
6. York trunk sewer

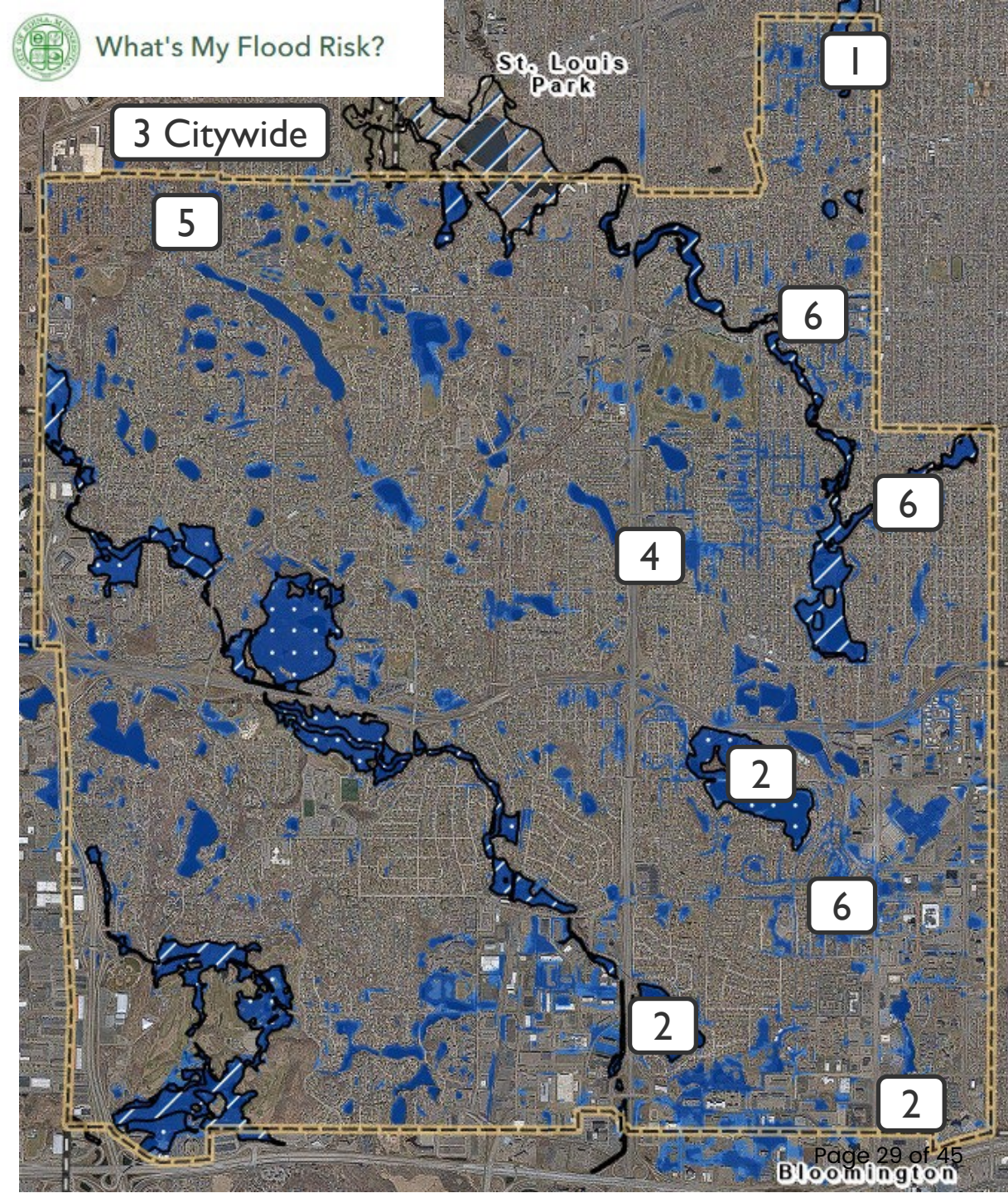


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Figure 7.4: Trunk Line Pipes

Capital – continued 3

1. Morningside Flood Infrastructure Project
2. Adaptive Level Control System – Nine Mile
3. Minor Pipe and Grading
4. Concord Flood Infrastructure Project
5. Adaptive Level Control System – Minnehaha
6. Future Flood Infrastructure Projects



Capital Infrastructure Summary

- Council is hearing complaints on high single digit utility rate increases
- Utility rate increase does not always mean more revenue
- Lower real rate growth will slow capital reinvestment
- To keep service and risk constant, we need long term, sustained, real utility revenue growth

Budget

- Labor and materials costs have increased with inflation
- New meters replacement project 2026-2029
- New customer option to use app or website to track usage, available when new meters are installed



Public infrastructure systems create tremendous value

Ross' Utility and Tax Bill Example

Water, Sewer, Storm Utilities:

- Utility Bills (Use based, \$170/quarter = \$680/yr)

Walk/Trail/Sustainability/Street lights:

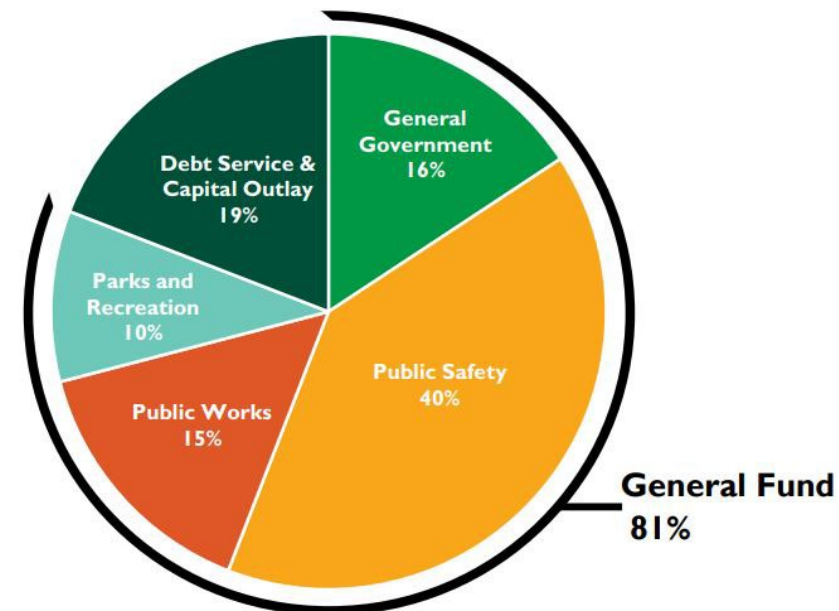
- Franchise fees on Gas/Electric bills, 4% of bill (~\$10/mo = \$120/yr)

Roads, Public Works:

- Tax Bill (3.45% of total, \$5000 total tax x 0.23 x 0.15 = \$172.50/yr)

Total: \$972.5/yr or \$2.66/day (2026, my 4 person household estimate)

- Value = (Value of service level delivered – cost of service)



Public works makes normal happen

Conclusion

- What we heard from Council
- Customer Focus
- Core Services
- Major Trends
- Key Strategies
- Capital
- Budget



Conclusion – Key Talking Points

- What we heard from Council – We are wise stewards of the public's infrastructure
- Customer Focus – We know our customer and work hard for them
- Core Services – Public infrastructure is the foundation of modern life
- Major Trends – Aging infrastructure and climate change are a generational challenges
- Key Strategies – We work smart to improve service, reduce and manage risks, and use resources wisely
- Capital – Public infrastructure systems create tremendous value, but the public's commitment to reinvest is being tested
- Budget – To keep service and risk constant, we need sustained, real utility revenue growth





Item Number: 3.2

Department: Parks & Recreation

Item Activity: Discussion
Information

Prepared By: Perry Vetter, Parks & Recreation Director

Item Title: Edina Liquor Operations Update

Action Requested:

None, for informational and discussion purposes with the City Council.

Information/Background:

Edina Liquor operations began in 1948 after voter approval of a referendum in favor of municipal liquor stores. The initial store location was in the 50th and France area and a second store in the Southdale area was opened in 1956. Eight years later, a third store was opened in the Grandview area in 1964. To date, Edina Liquor operates three stores in the general vicinity of those original locations. Edina Liquor operates with three priorities: to provide safe and responsible retailing, to generate profits for city priorities, and to support community events and local partnerships.

Several impacts to the alcohol industry have occurred over the long history of Edina Liquor operations. During this work session, staff will highlight operational changes that have occurred in order to adapt to recent impacts and what the future focus will be on ongoing operations.

Supporting Documentation:

Documents marked with "Board Portal" do not meet [ADA Web Content Accessibility Guidelines \(URL\)](#) and are not included in the public packet. To request a board portal document, please [submit a data request \(URL\)](#).

1. Edina Liquor Update Work Session Presentation



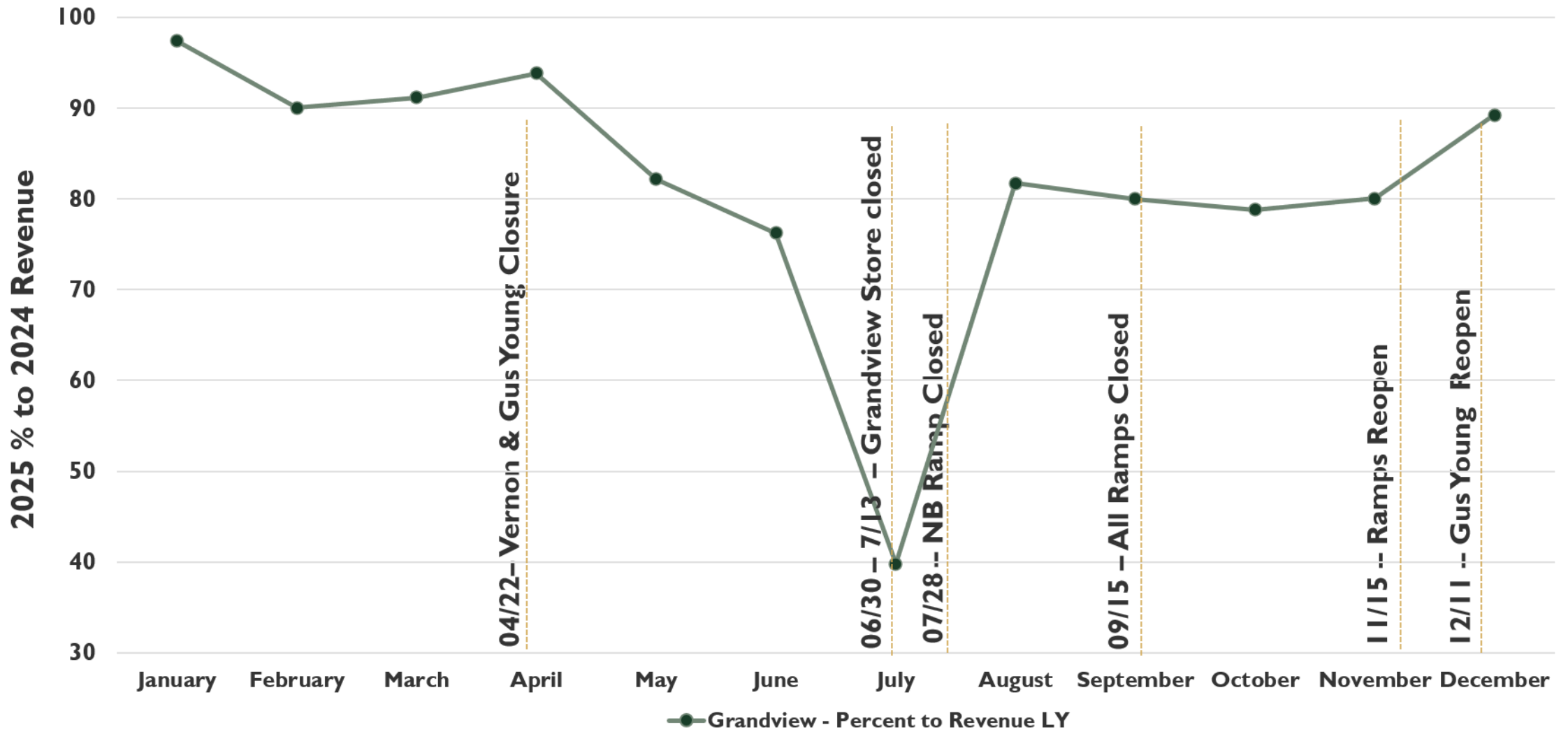
City Council Work Session

March 17th, 2026

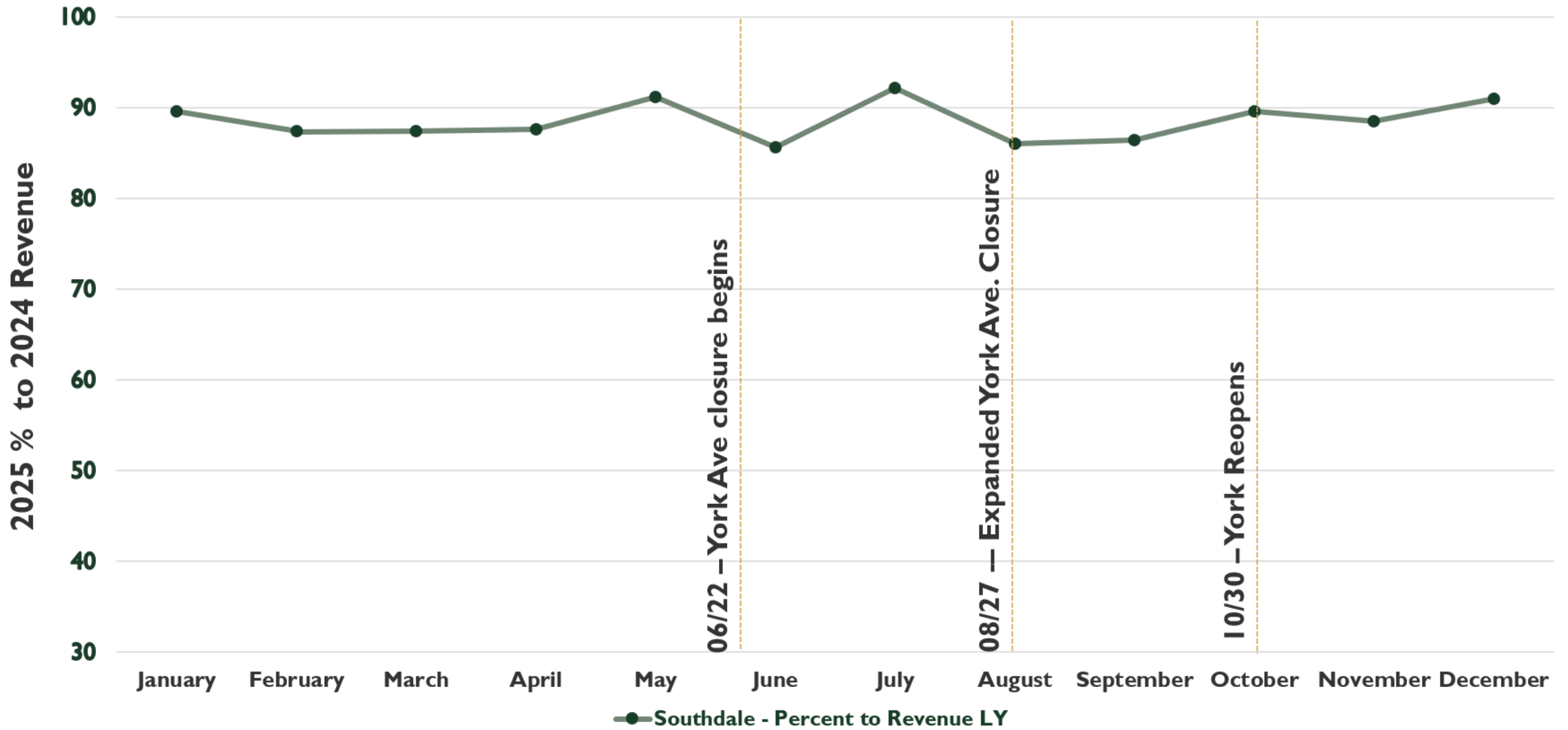
EDINA LIQUOR OPERATIONAL UPDATES

- Operational Impacts
- Organization Changes & Adjustments
- Contribution to City Priorities
- Future Initiatives

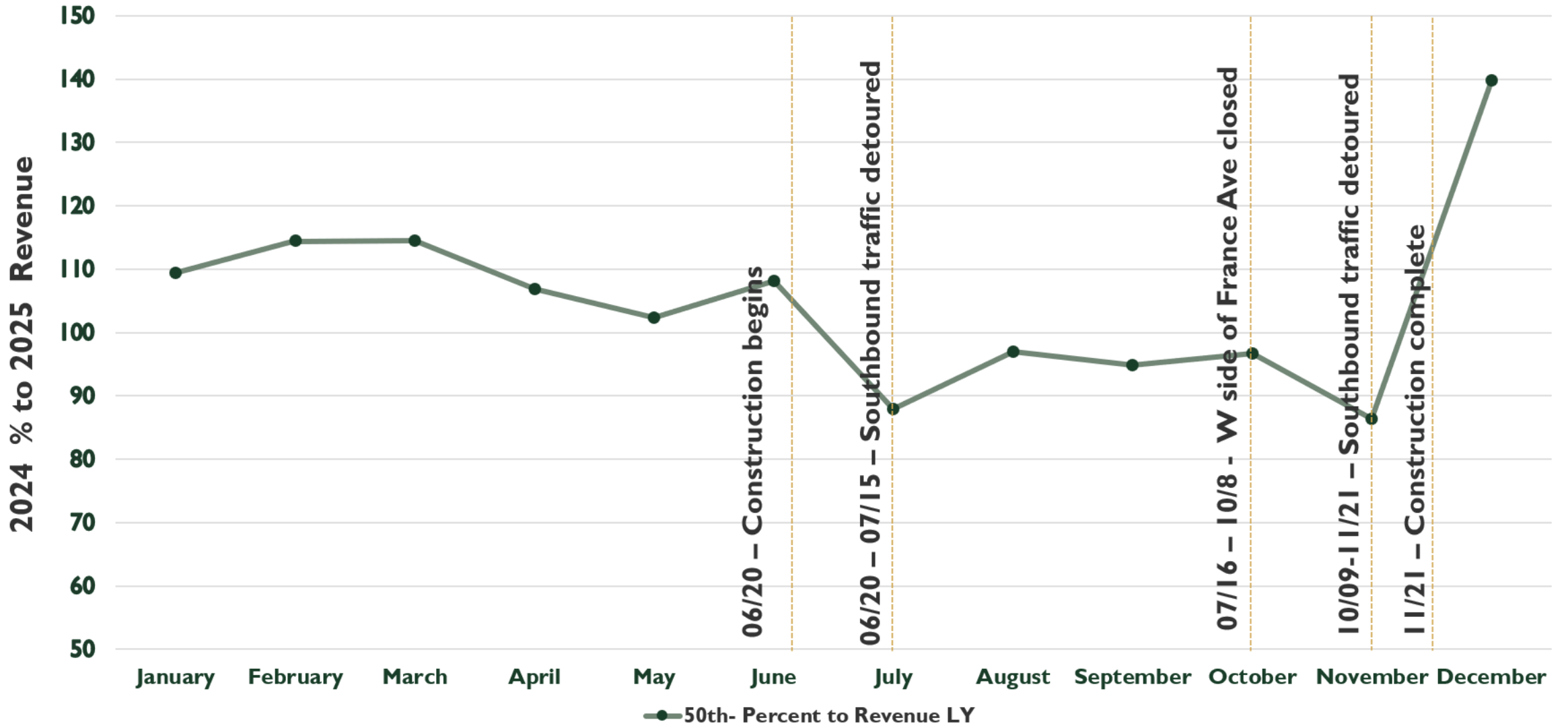
2025 CONSTRUCTION IMPACT - GRANDVIEW



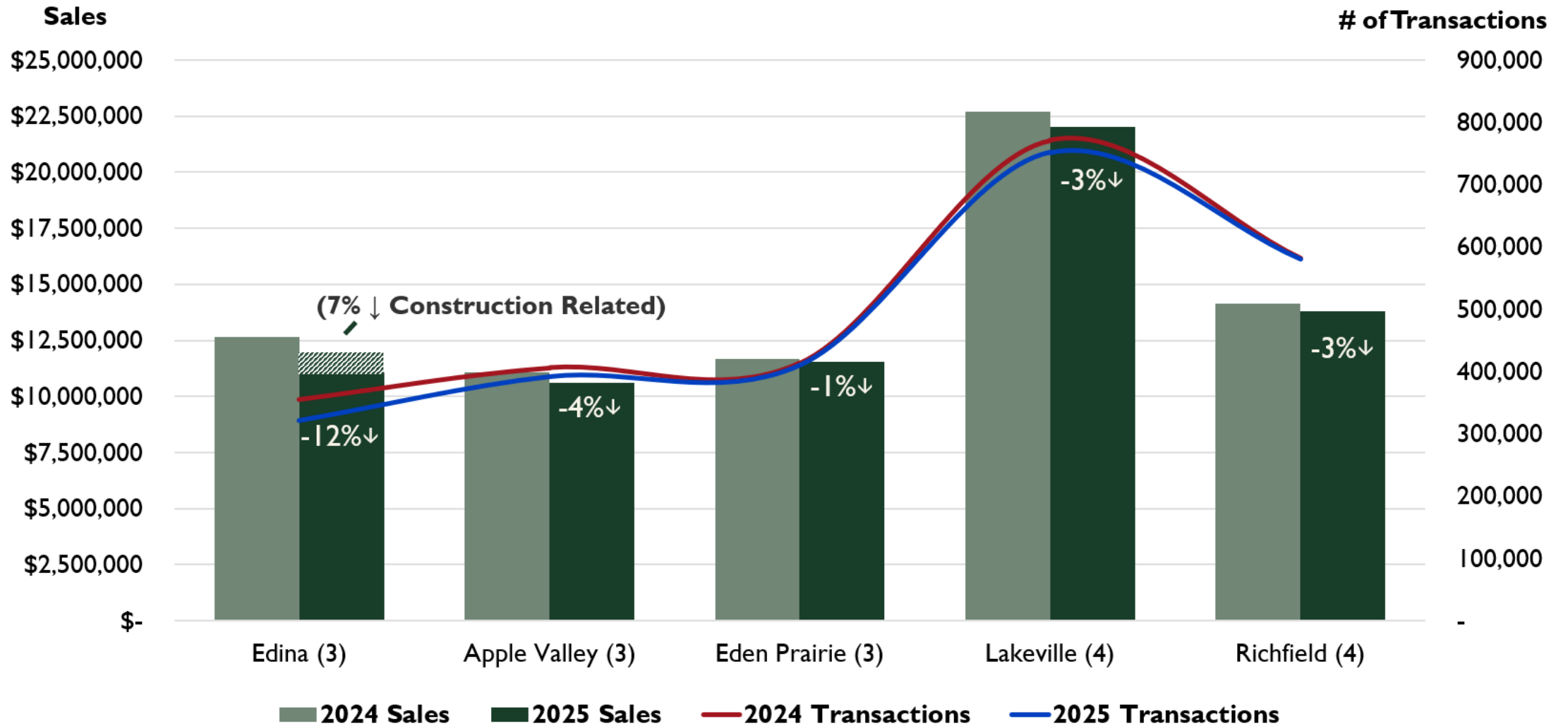
2025 CONSTRUCTION IMPACT - SOUTHDALE



2024 E LINE CONSTRUCTION IMPACT – 50TH & FRANCE



2024 & 2025 COMPARABLE CITIES OVERVIEW



ORGANIZATIONAL CHANGES

PRE PANDEMIC

Implemented Task Force recommendations

Higher labor hours for steady foot traffic

Stable customer demand and revenue levels

PANDEMIC

Loss of part-time staff due to COVID risk

Labor market uncertainty

Retail Sales Lead (RSL) roles created to retain employees and sustain operations

POST PANDEMIC

Decline in customer traffic and gross revenue

RSL labor model misaligned with demand

Construction further reduced traffic and sales

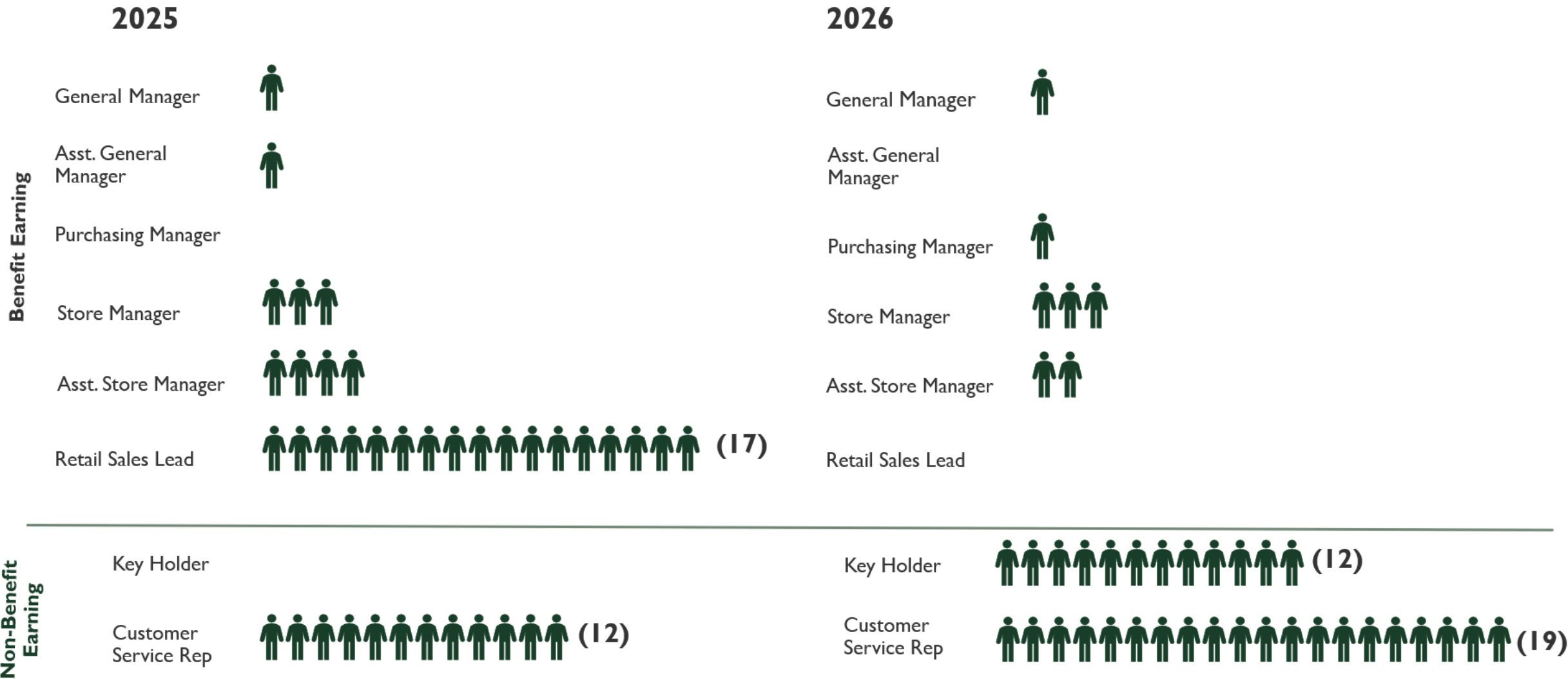
CURRENT

Staffing Structure alignment with current trends

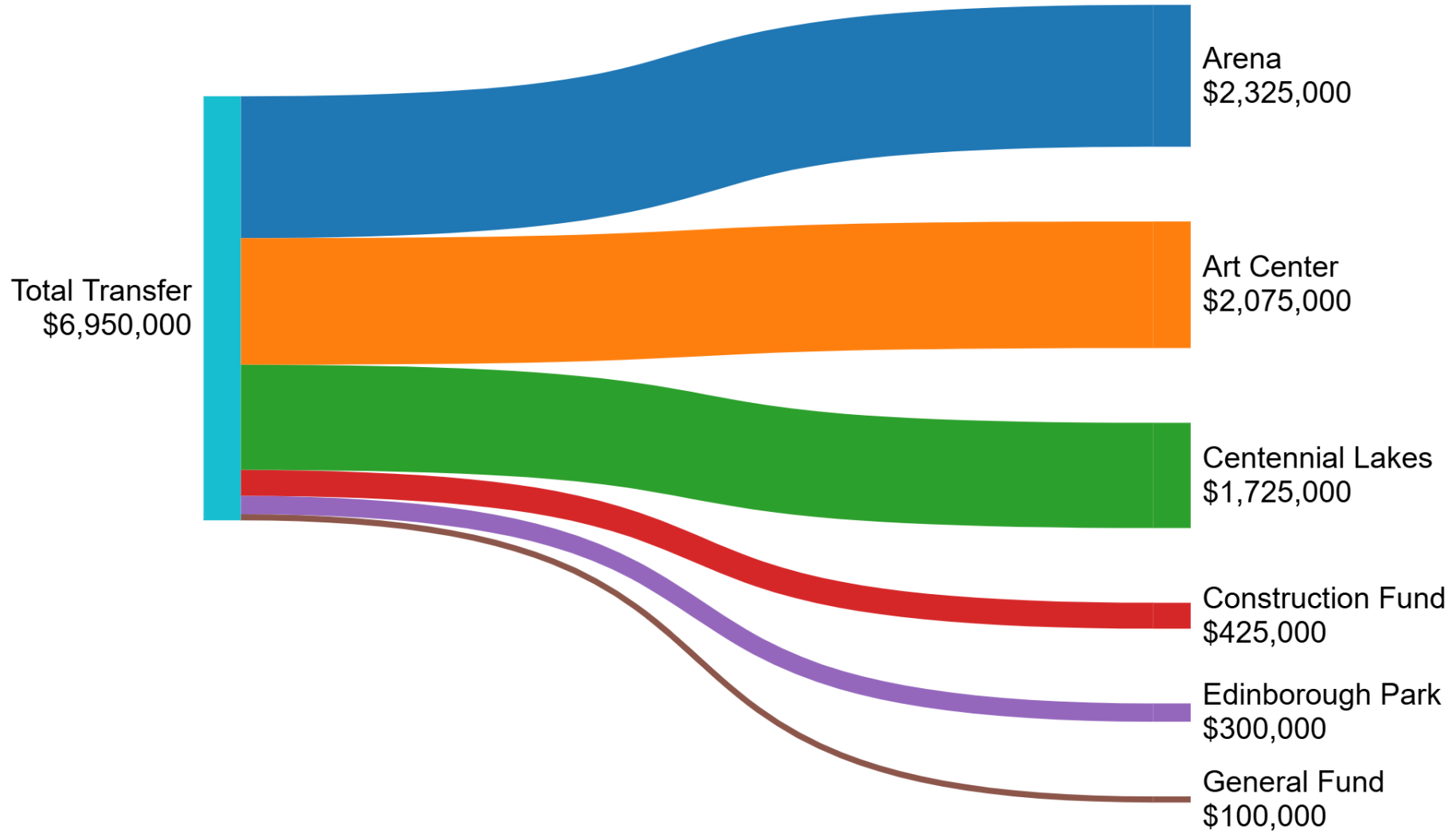
Removed Roles Q3 2025

Labor hours aligned with current traffic and revenue

ORGANIZATIONAL CHANGES - STAFFING



LIQUOR TRANSFER 2019 - 2026



2026 FOCUSES & INITIATIVES

- Maintain efficient operations aligned with customer demand and market conditions
- Expand monthly sales events and promotional programming to drive store traffic
- Convert internal delivery service to a third-party delivery services
- Prepare for potential federal THC deregulation in November 2026 and growth category elimination
- Continue supporting community events & focus on growing local partnerships