

**CITY OF HOUSTON REGULAR COUNCIL MEETING  
AGENDA**

**6:00 P.M., MONDAY, MARCH 9, 2026  
HOUSTON CITY HALL, COUNCIL CHAMBERS  
105 West Maple Street**

**Pledge of Allegiance**

**Regular Meeting**

**Public Comment Period**

**Section 1. Business before the Council**

- A. CohnReznick/Andrew Forliti - Audit Review**
- B. Bolton & Menk – Adoption of Resolution related to Lead Service Line Project**
  - a. Update Potential Development of Stoddard Street**
  - b. Update CSAH13/Spruce Street Project**
- C. Consider Proposal for Construction of Wall and Storage Area \*tentative\***
- D. Personnel Items - Ambulance Policy**
  - a. Authorize advertising for Summer Rec Student Staff**
- E. LMC Annual Conference Attendance**

**Section 2. Action Items:**

- A. Minutes from February 9, 2026, meeting**
- B. Bills**

**Section 3. Consent Agenda Items to Be Placed on File**

- A. Library report, and statistics**
- B. Correspondence from Minnesota DNR and FHA regarding Houston OHV Project**
- C. Sanitary Survey Report from MDH**

**Section 4. Department Reports**

**Adjournment**



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### ENGINEERING MEMORANDUM for the 3/9/26 COUNCIL MEETING

**Date:** March 5, 2026  
**To:** Honorable Mayor and City Council Members  
**From:** Matt Mohs, P.E., City Engineer  
Derek Olinger, P.E. Project Manager  
**Subject:** Miscellaneous Project Updates  
City of Houston

**Lead Service Line (LSL) Replacement**

Plan and specification development are in progress and working toward the submittal to the Minnesota Department of Health (MDH) by March 31, 2026, for plan certification.

Attached to your packet is a resolution of application requiring Council approval. There will be several documents that are required to obtain the funding with most being handled at the staff level. All the required documentation is standard for Public Facilities Authority (PFA) funding.

**Stoddard Street Potential Development**

Staff are meeting on Thursday, March 12 to review the City’s ordinances to outline developer and City obligations.

**Spruce Street**

Houston county has advertised the project for bids and plans have been submitted to the MPCA and MDH for funding certification. The current project schedule is provided below

Schedule	Date
Advertise for Bids	On-going
Open Bids	March 23
Plans Certified with MPCA & MDH*, Submit Final Funding Applications to Mn PFA	Late March
Review Bids, Call for Assessment Hearing, Initiate Local Bond Sale Process	April 13
Neighborhood Meeting	Week of May 4
Hold Assessment Hearing	May 11
PFA and Local Bond approved*	Late May
Construction	Early June – Late August
Payment(s) Due to county	Fall 2026

Notes: \*Approval depends on multiple factors, actual date may vary.

Honorable Mayor and City Council Members

March 5, 2026

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After bids are received, we will immediately update the assessment roll for the project and overall project cost estimates. Details and next steps will be brought forth at the regular April meeting. Over the course of April and May, the assessment process will be restarted and finalized. We'll also use this time to bring residents back up to speed on the schedule and overall plan for this summer.

Recommended Action

None, information only

**Resolution 2026-\_\_\_\_\_**

**Resolution of Application to the Minnesota Public Facilities Authority**

**Drinking Water State Revolving Fund Program – LSLR Application Forms**

BE IT RESOLVED that the City of Houston is hereby applying to the Minnesota Public Facilities Authority for a loan and/or grant from the Drinking Revolving Fund for a lead service line replacement project as described in the application; and

BE IT FURTHER RESOLVED that the City of Houston estimates the MPFA-Financed amount to be \$525,000 or the as-bid cost of the project; and

BE IT FURTHER RESOLVED that the City of Houston has the legal authority to apply for the loan/grant, and the financial, technical, and managerial capacity to repay the loan and ensure proper construction, operation, and maintenance of the project for its design life.

NOW, THEREFORE, BE IT RESOLBED BY the City of Houston that they authorize the submittal of a FY2026 Drinking Water Revolving Fund Application to the Public Facilities Authority for a Lead Service Line Replacement Project.

Adopted by the council this 9<sup>th</sup> day of March, 2026

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Scott Wallace, Mayor

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Michelle Quinn, City Administrator

## MEMORANDUM FOR HOUSTON CITY COUNCIL

Council Date: March 9, 2026

Agenda Item: Proposal

From: Building & Grounds Steve Westby

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Quotes for the work described below have been solicited from three local contractors. They were asked to submit quotes prior to the March 9, 2026, council meeting. One contractor declined the city's request to submit a quote because they are booked out and would be unable to schedule the work within a reasonable time.

Scope of Work: Construction of a storage area and to separate the squad parking from the Police Department Office and common space.

Purpose: Of the feedback received from those who have rented the Community Center, 100% have expressed a need for a storage area for the racks and/or tables and chairs to allow them to utilize the entire space and not have the clutter of empty or partially full table and chair racks. This proposal would provide the necessary storage. In addition, the garage area for the squad would be further isolated from the staff space and the mezzanine over the storage area while being the most cost-effective construction option would maintain the useable space of the Police Department.

**Action Requested:** Consider the quotes received for described work, whether to proceed with the project, and select the contractor if proceeding.

Authorize the transfer of funds for the project from the construction account to the appropriate building/capital improvements account.

## MEMORANDUM FOR HOUSTON CITY COUNCIL

Council Date: March 9, 2026  
Agenda Item: Personnel Items  
From: Michelle Quinn

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**Ambulance:** Ambulance staffing continues to be challenging and is on an unsustainable trajectory unless there are changes. The city is fortunate to have a robust roster of qualified EMTs unfortunately that has not resulted in ease of filling 1,488 manhours minimum needed every 31 days. (24 hours/day x 2 staff/hour x 31 days). A small group of staff have come together to brainstorm ideas to improve the ambulance situations. The council has already implemented higher on-call rates. The city invests in each member to provide adequate opportunities to obtain the 20 CEU hours annually which are required to maintain individual certification and pays staff to attend training which led the group to consideration of minimum give standards. The group is proposing the following minimum requirements of team members:

8 shifts per month or the hour equivalent being 96 hours, several members already meet or exceed this metric.

Attendance at 75% of meetings. This amount of meetings offers the CEU training opportunities to meet recertification requirements. Meeting attendance may result in team building opportunities moving forward and greater opportunities for collaboration and individual input and feedback to guide the department forward.

**Action requested:** Adopt minimum expectations as outlined above.

We will continue to solicit and gather information and feedback from team members to evaluate the effectiveness of higher on-call rates and minimum expectation metrics and to use it to improve things for the team as a whole. We anticipate additional initiatives as we move forward to achieve greater staffing sustainability and job satisfaction.

**Summer Recreation:** It is time to advertise for summer rec staffing. Summer ball signup is currently underway. The activities catalog has been drafted and awaiting finalization. The city will be needing student staff to assist with these activities.

**Action Requested:** Authorize advertising and interviewing for summer rec student staff for the 2026 program.

**YCC:** The Friends of the Nature Center group has reached out and will again be supporting the YCC Program. Jennifer Krings was hired on an ongoing basis to lead that program so there is no need to advertise and/or hire for that position.

**Action Requested:** Authorize advertising and interviewing for YCC student staff.

## **MEMORANDUM FOR HOUSTON CITY COUNCIL**

Council Date: March 9, 2026  
Agenda Item: Conference Attendance  
From: Michelle Quinn

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The 2026 LMC Annual Conference is being hosted in Rochester, Minnesota, making it an affordable opportunity. The following are an overview of the cost for attendance,

\$275 community under 2,500 in population  
\$135 approximate mileage  
\$410

The city budgets for training/conferences. I attended last year and found it to be worthwhile with many sessions covering topics applicable to our community.

**Action Requested:** Authorize Clerk/Administrator's attendance at the Annual LMC Conference.

Mayor Scott Wallace called the City Council meeting to order at 6:00 p.m. February 9, 2026, with the Pledge of Allegiance. Council present: Mayor Scott Wallace, Zeb Baumann, Emily Krage, and Steve Westby. Staff present: Byron Frauenkron, Josh Hongerholt, Brett Hurley, Steve Skifton, and Michelle Quinn. A list of public members present is on file.

**Public Comment:** Hearing no public comment, the Mayor moved to the business before the council.

**Gambling Permit:** Motion by Krage, seconded by Baumann to approve a gambling permit with no waiting period for Houston Area Chamber of Commerce, Inc. for an event to be hosted at the Houston Fest Grounds on July 25, 2026. Motion carried unanimously.

**Potential Development of Stoddard Street:** Derek Olinger reported on a letter of interest which has been received regarding further development of Stoddard Street. It is necessary to determine a process to move forward when a certain level of development already exists. It is being recommended that steps be taken to move towards a formal development agreement to outline who is responsible for what, what are parties financially responsible for and what criteria is required. In these situations, a private developer may be creating public infrastructure which will be taken on by the city for future maintenance and upkeep. This infrastructure needs to be put in place meeting specific requirements. However, the expenses for initial development are those of the developer. The process will require involvement of the Planning Board. Steve Westby expressed a desire to keep the momentum going. One of the first steps will be to take an inventory of the present status of the area being discussed. Discussion was held. Motion by Baumann, seconded by Krage, to authorize meetings of appropriate staff to discuss the project so that a development agreement may be drafted. Motion carried unanimously. The scope of this authorization is outlined in items 1 and 2 of the Engineering Memorandum dated February 5, 2026, and is on file.

**CSAH 13/Spruce Street Coop Project Update:** Project Manager Derek Olinger provided a brief review of the status of the CSAH 13/Spruce Street project that brings us to today. Approval of the Cooperative Agreement with Houston County is being requested. Discussion was held regarding city expenses which include city utilities, sidewalk, and a portion of storm system. MN Dot has provided final approval of the plans which will allow Bolton & Menk to submit final plans to MPCA and the Department of Health for final approval. Bid opening has been tentatively scheduled for March 16<sup>th</sup>, with anticipated bid acceptance following in April. Mr. Olinger anticipates restarting the assessment process and hosting a neighborhood meeting in May. Initial finance projections estimate project funding through various streams including PFA loan and grant, and a local bond issuance. Motion by Westby, seconded by Bauman to approve the Cooperative Agreement with the County of Houston for the CSAH 13/Spruce Street project contingent upon City Attorney approval. Motion carried unanimously.

**Root River Trail Extension/BUILD Grant Letters of Support:** Motion by Baumann, seconded by Westby to authorize submission of letters of support on behalf of the City of Houston Council signed by Mayor Wallace. Motion carried unanimously.

**OEMS Grant:** During the regular meeting of the council held January 12, 2026, the council acted to adopt Resolution 2026-02 Accepting an OEMS Grant in the amount of \$783.42. The contract to finalize acceptance has been received. Motion by Krage, seconded by Westby to affirm previous action, approve the State of Minnesota Grant Contract Agreement and authorize the necessary signatures on the same. Motion carried unanimously.

**Personnel Items:** Clerk/Administrator Quinn provided an overview of proposed updates to the City Personnel Policy. The policy required update to incorporate information about Minnesota Paid Leave. Since work was being completed verbiage was updated to utilize League recommendations. These revisions did not change intent. Due to the adoption of various state programs which volunteer ambulance and fire staff are eligible for, it was necessary to include those employee groups as covered parties to the policy. This does change previous intent which exempted these employee groups. One benefit resulting from the inclusion of these groups is that now the city has a defined discipline process. Previously, had discipline been required, there was no roadmap for these staffing groups. Motion by Westby, seconded by Baumann to approve of the personnel policy revisions as presented. Motion carried unanimously.

**Minutes and Bills:** Motion by Krage, seconded by Westby to approve the minutes of January 8, 2026, regular meeting, and bills as presented. Motion carried unanimously.

**Items to be Placed on File:** Motion by Baumann, seconded by Westby to place the following items on file. Motion carried unanimously.

Library Updates reports, Information, and circulation statistics  
SELCO Agreement for Library Funding  
SMIF Correspondence and Year in Review  
Note of Appreciation from Thesing  
Note of Appreciation from FFA

**Department Head Updates:**

**Police:** Chief Hurley invited any questions from the council related to the annual report which is on file. He reported he is working through various annual reports which are completed with the coming of the new calendar year. Officer Chapel will be attending training in Harmony later this week.

**Fire:** Chief Frauenkron reported that the steel for the equipment port is onsite. The department is working with the general contractor to identify a workday to attach it to the frame which has been erected already. Firefighter 1 & 2 training is being hosted. The department has two new members enrolled in the training.

**Public Works:** Josh Hongerholt reported staff have been busy with equipment maintenance, and upgrading water meters. He stated he recently completed training and testing to upgrade his water license.

**Finance:** See update which is on file.

**Administrator:** See update which is on file.

**Adjourn:** Motion by Westby, seconded by Krage to adjourn the meeting at 6:38 p.m. Motion carried unanimously. The next regular meeting of the Council is scheduled for Monday, March 9, 2026.

By: \_\_\_\_\_  
Scott Wallace, Mayor

Attest: \_\_\_\_\_  
Michelle Quinn, Clerk/Administrator

Houston Public Library Board Meeting Minutes

Tuesday, January 13, 2026

6:30 P.M.

Attendance: Lisa, Heather, Beth, Zeb, Krin, Pat, Lee, Sarah

Call to Order: 6:33 p.m.

1. Agenda approval
  - a. Motion: Zeb; Second: Lee (carried)
2. Public Comment
  - a. None
3. Minutes of December Meeting
  - a. Motion: Lee; Second: Pat (carried)
4. Policy Review
  - a. Add to agenda for next month (February)
5. Library Report
  - a. Circulation Statistics
  - b. Library Report
    - i. Notable highlights: new contract, gardener is secured for the summer, starting a seed library!
  - c. Bylaws
6. Old Business
  - a. Potential Bylaw changes (First Read—need a second reading before changes can be approved by a 2/3 vote of members.)
    - i. Article III, Section 3. Terms of Office
      1. Current Language: Of the seven (7) members appointed, three shall hold office for one year, two for two years, and two for three years. *Notes: We don't need this wording now that the board is established*
      2. Proposed Language: Each of the seven (7) appointed members will serve a term of three (3) years.
    - ii. Article IV, Section 1. Monthly Meetings
      1. Current Language: The library board shall meet regularly, once a month.
      2. Proposed Language: The library board shall meet regularly, once ~~ever~~ every other month. If a meeting is deemed necessary on the non-scheduled meeting month, the meeting can be held on the typically scheduled day and time during that month with notification given at least one day (suggestion 24 hour notice) prior to the meeting in accordance with Article IV, Section 3: Special Meetings.
      3. *Other notes to add to next agenda:*
        - a. *Art. IV Sec. 1: Proposed: Meetings shall be hosted at the Houston Public Library with the option for members to attend virtually.*

- b. *Art. III Sec. 4: Proposed to update attendance policy to say if a board member misses three consecutive meetings without contacting the board members, that board member will need to be replaced.*

7. New Business

- a. Approval of county contract

*Discussion:*

*Members questioned why it was only a one year contract.*

*New contract proposals will need to start in March (add to March minutes)*

*3% increase*

*No ARPA, so total is less than previous years*

*Difficulty to budget on a year-to-year contract*

*Houston gets \$62,549 based on our circulation statistics (this is the more than any of the other county libraries)*

*Houston County Libraries need to agree on a formula to use to disperse the funding*

*Beth electronically signed; needs Krin's electronic signature pending approval*

*Heather made motion to approve the contract; Sarah seconded; motion carried*

8. Adjourn

- a. Lee made a motion to adjourn; Second: Lisa

The meeting adjourned at 6:56 p.m.

## Library Report

### March 2026

1. County Contract: We have reached an agreement on the funding method for 2026. Each library will receive the same base funding as in 2025. Any additional funds from the increase will be distributed based on each library's percentage of 2024 rural circulation, including both physical and digital materials.
2. Annual Report: The Annual Report is complete and ready for submission pending Board approval.
3. Collection Update: We are transitioning to placing barcodes on the front of materials. This change has streamlined circulation procedures and is already saving staff time.
4. Recent & Ongoing Programs
  - Builders Club (twice monthly): Consistently draws 25+ kids.
  - Adult Book Club (monthly): Approximately 10 participants each month.
  - Elementary "Book Club" / Reading Day (every three weeks): One or two grades participate each session.
  - Storytime (weekly): Attendance varies.
  - Friends Basket & Quilt Raffle (February 14):
    - Basket raffle: \$635 (tickets and donations)
    - Quilt raffle: \$544
    - Total raised: \$1,179
  - ECFE Session at the library on February 23: About 10 families attended (approximately 25 individuals).
  - Kids' Book Club (February 23): 5 participants.
  - Shadow Boxes Program (February 24) funded by the "Get to Know Libraries" grant: Approximately 30 participants.
  - Winter Sowing Workshop (February 28) in partnership with the Houston County Master Gardeners: 25 attendees.
5. Upcoming Programs & Events
  - Owl StoryWalk and related activities: Early March
  - Seed Library Development:

We are in the early planning stages of launching a seed library in partnership with the Houston County Master Gardeners. The MN Extension Service has committed \$200 for storage and display supplies, and we have received a grant for free seeds from Seed Savers Exchange.
  - Neighborhood Forests: March 15 is the final day to request a free tree.
  - Kids' Book Club: March 16 and March 18
  - Chamber of Commerce will be holding their meeting at the Library on March 16
  - High School Career Day: March 18
  - Adult Book Club: March 19
  - Breaker Space: March 24
  - Flower Art (funded by "Get to Know Libraries" grant): March 30

- Elementary School Career Day: April 9
- Junk Journaling: April 13
- National Library Week: April 19–25
- Recycled Book Craft: April 21
- Seed Bombs Workshop: Late April
- PBS Independent Lens pop-up Screening of “The Grocery Store” in April

Circulation Statistics attached

County Funding spreadsheet attached

MNPLAR attached

**Houston Public Library  
2026 Circulation Statistics**

**GENERAL CIRCULATION** (not including ebooks)

	<b>CAL</b>	<b>HOK</b>	<b>HOU</b>	<b>LCR</b>	<b>SG</b>	<b>TOTAL</b>
<b>Jan</b>	1,590	585	2,207	4,554	887	<b>9,823</b>
<b>Feb</b>	1,583	542	2,265	4,209	876	<b>9,475</b>
<b>Mar</b>						<b>0</b>
<b>April</b>						<b>0</b>
<b>May</b>						<b>0</b>
<b>June</b>						<b>0</b>
<b>July</b>						<b>0</b>
<b>Aug</b>						<b>0</b>
<b>Sept</b>						<b>0</b>
<b>Oct</b>						<b>0</b>
<b>Nov</b>						<b>0</b>
<b>Dec</b>						<b>0</b>
<b>TOTAL</b>	<b>3,173</b>	<b>1,127</b>	<b>4,472</b>	<b>8,763</b>	<b>1,763</b>	<b>19,298</b>
<b>%</b>	<b>16.44%</b>	<b>5.84%</b>	<b>23.17%</b>	<b>45.40%</b>	<b>9.14%</b>	<b>100%</b>

**HOUSTON COUNTY RURAL USAGE**

	<b>CAL</b>	<b>HOK</b>	<b>HOU</b>	<b>LCR</b>	<b>SG</b>	<b>TOTAL</b>
<b>Jan:</b>	521	227	1,218	978	321	<b>3,265</b>
<b>Feb:</b>	570	242	1,413	768	280	<b>3,273</b>
<b>Mar:</b>						<b>0</b>
<b>April:</b>						<b>0</b>
<b>May:</b>						<b>0</b>
<b>June:</b>						<b>0</b>
<b>July</b>						<b>0</b>
<b>Aug:</b>						<b>0</b>
<b>Sept:</b>						<b>0</b>
<b>Oct:</b>						<b>0</b>
<b>Nov:</b>						<b>0</b>
<b>Dec:</b>						<b>0</b>
<b>TOTAL</b>	<b>1,091</b>	<b>469</b>	<b>2,631</b>	<b>1,746</b>	<b>601</b>	<b>6,538</b>
<b>%</b>	<b>16.67%</b>	<b>7.17%</b>	<b>40.24%</b>	<b>26.71%</b>	<b>9.20%</b>	<b>100.00%</b>

<b>Overdrive checkouts</b>	<b>February</b>	<b>YTD</b>
Audiobooks	205	455
EBooks	80	216
Total	285	671

**Using Filmore County Funding Method**

Each library gets the same funding as 2025, then the is allocated by % of 2024 rural circulation

Houston County 2026 Allocation	\$203,283	2025 funding	\$197,361
Increase in funding from 2025	\$5,922		

	2024		2025	2026		Change from
	RURAL CIRCULATION		ALLOCATION	ALLOCATION		Last Year
Caledonia	8229	20.74%	\$38,167.41	\$39,395.66	19.38%	\$1,228.25
Hokah	8807	22.20%	\$18,765.88	\$20,080.40	9.88%	\$1,314.52
Houston	11360	28.63%	\$59,327.90	\$61,023.48	30.02%	\$1,695.58
La Crescent	7928	19.98%	\$53,847.89	\$55,031.22	27.07%	\$1,183.33
Spring Grove	3352	8.45%	\$27,251.92	\$27,752.24	13.65%	\$500.32
	39,676		\$197,361.00	\$203,283.00		\$5,922.00



500 Lafayette Road  
St. Paul MN, 55155  
January 14, 2026

Mayor Scott Wallace and City Council Members  
City of Houston, MN  
PO Box 667  
105 W. Maple Street  
Houston, MN 55943

Re: Houston OHV Project

Dear Mayor and Council Members,

I am writing to renew the discussion regarding the above-referenced City of Houston (City) OHV Project and to provide additional information. The Minnesota Department of Natural Resources (DNR) understands that the City desires to move the project in a different direction. DNR respects the City's authority as the project sponsor to decide not to move forward; however, DNR remains legally obligated to ensure that grant dollars are used for the purpose for which they have been appropriated and is committed to confirming that is the case. While we have endeavored to provide information regarding the FRTP grant funds in response to previous questions from the City and have done so in coordination with FHA staff and officials, the DNR is not the authority on federal grants. For further clarification, we recommend directing additional questions to FHA staff or officials.

As you will recall, the City passed Resolution 2023-07, which detailed certain conditions of an acceptable resolution to the OHV Project that, in short, would allow the City to exit the motorized vehicle project, retain land ownership, and absolve the City of obligations to repay certain funds. The DNR responded to that resolution in a letter dated April 11, 2023 (attached). In discussions following those correspondences, the DNR agreed to coordinate with the Federal Highway Administration (FHA) to clarify requirements related to the Federal Recreational Trail Program (FRTP) funding and to identify next steps for the Grant-in-Aid (GIA) funding. The DNR has been working on these items since our 2023 interactions.

As previously outlined in the April 7, 2023, letter, there are several issues concerning the property deed restrictions and existing easements. In general, the DNR does not object to the City maintaining ownership of the parcels acquired for the project. However, we do not see a viable option for the City to retain ownership free and clear of the deed and easement restrictions currently in place. These deed restrictions were established through agreements between the City and the original landowners when the parcels were conveyed to the City for the OHV Project. As such, these restrictions run with the land, and the DNR has no authority to unilaterally remove them. Extinguishing such restrictions—if even possible—would likely require the City to initiate legal action, potentially involving additional parties. Therefore, these restrictions cannot be removed simply by mutual consent between the City and the DNR.

Additionally, certain parcels are encumbered by easements that the City granted to the DNR after acquiring the properties with grant funds. These easements likewise are not easily released. Minnesota Statutes, section 84.632 governs the process for releasing a DNR easement that is no longer required for state purposes. Even assuming, without conceding, that the current easements are eligible for release under this statute, that statutory process requires an application and review, fee payment, and payment of the market value of the easement before any release can be issued. Again, these restrictions cannot be removed simply by mutual consent.

With respect to the use of the property, the repayment of state and federal motorized trail grant funds, and the City's eligibility for future DNR grants, the DNR remains committed to finding a resolution that is workable for the City while satisfying all applicable federal and state requirements.

In response to the City's questions about the F RTP funds, the DNR worked with FHA staff to provide clarification. However, as the DNR is not the authority on federal grants, further inquiries should be directed to the FHA. Based on our consultation with the FHA, DNR's understanding is that the City must either (1) complete the required federal environmental review or (2) repay the F RTP grant funds before the end of the 20-year grant agreement and associated deed restrictions—approximately 10 years from now.

If the City fulfills the purpose of the F RTP grant contract or repays the F RTP funds, it will remain eligible for future grants. Similarly, if the City completes the federal environmental review instead of repaying the funds, it will continue to be eligible for future F RTP grant opportunities. However, failure to complete the project purpose, the environmental review, or repayment of funds could render the City ineligible for future DNR and F RTP grant funding.

Accordingly, the City currently has one option regarding the State GIA funds and two possible options regarding the federal funds:

**Option 1: Complete the federal environmental review**

- The City would repay the state funds at or before the end of the 20-year grant agreement period (\$287,000).
- The federal funds (\$230,000) would not need to be repaid, as the federal grant requirements would be satisfied.
- The estimated cost to complete the environmental review is \$50,000–\$100,000.

**Option 2: Decline to complete the federal environmental review**

- The City would repay the state funds at or before the end of the 20-year grant agreement period (\$287,000).

- The City would also repay the federal funds (\$230,000) at or before the end of the same 20-year period.

Despite the hurdles noted above, DNR wishes to emphasize that it remains willing to work collaboratively with the City to find a mutually acceptable resolution. DNR will work with you to set up a repayment plan and milestones. Again, DNR respects the City's decision to not to move forward. DNR remains committed, however, to ensuring that grant dollars are used for the purpose for which they have been appropriated and granted under program authorities. DNR hopes to continue to work with all parties toward a resolution of this matter that allows the City to exit the project if desired but nevertheless preserves the integrity of the grants funds that have already been spent.

Sincerely,



Ann Pierce, Parks and Trails Director

CC:

*Senator Jeremy Miller*

*Representative Greg Davids*

*Bob Meier, DNR Assistant Commissioner*

*Wendall Meyer, Division Administrator, Department of Transportation*

*William Lohr, Field Operations Team Leader, Department of Transportation*

*Joe Campbell, Engineer, Department of Transportation*





U.S. Department  
of Transportation

**Federal Highway  
Administration**

**Minnesota Division**

January 29, 2026

180 5<sup>th</sup> Street E, Suite 930  
St. Paul, MN 55101-1857

651.291.6100  
Fax 651.291.6000

[www.fhwa.dot.gov/mndiv](http://www.fhwa.dot.gov/mndiv)

Ann Pierce, Director  
MN Dept of Natural Resources  
500 Lafayette Road  
St. Paul, MN 55155

Dear Director Ann Pierce:

The Federal Highway Administration (FHWA) appreciates receiving a copy of the January 14, 2026, letter to Mayor Scott Wallace and the City Council Members of Houston, MN. The purpose of this communication is to seek technical corrections to that letter and to inform all parties of the available options at their disposal. The technical corrections are specific to the Federal Recreational Trails Program (F RTP) and any relevant Federal regulations. Specifically, the relevant portion of the letter:

*In response to the City's questions about the F RTP funds, the DNR worked with FHA staff to provide clarification. However, as the DNR is not the authority on federal grants, further inquiries should be directed to the FHA. Based on our consultation with the FHA, DNR's understanding is that the City must either (1) complete the required federal environmental review or (2) repay the F RTP grant funds before the end of the 20-year grant agreement and associated deed restrictions—approximately 10 years from now.*

*If the City fulfills the purpose of the F RTP grant contract or repays the F RTP funds, it will remain eligible for future grants. Similarly, if the City completes the federal environmental review instead of repaying the funds, it will continue to be eligible for future F RTP grant opportunities. However, failure to complete the project purpose, the environmental review, or repayment of funds could render the City ineligible for future DNR and F RTP grant funding.*

*Accordingly, the City currently has one option regarding the State GIA funds and two possible options regarding the federal funds:*

***Option 1: Complete the federal environmental review***

- *The City would repay the state funds at or before the end of the 20-year grant agreement period (\$287,000).*
- *The federal funds (\$230,000) would not need to be repaid, as the federal grant requirements would be satisfied.*
- *The estimated cost to complete the environmental review is \$50,000–\$100,000.*

The FHWA-MNDNR discussions and meetings with the City of Houston that have involved FHWA, the consistent message has been that there appears to be two paths available for the City of Houston:

1. Pay back the FRTP funds per 23 CFR 630.112(c)(1) before the end of the 20-year grant agreement, or
2. Develop and physically construct a Federal-Aid Highway Program (FAHP) eligible project that uses the parcels previously acquired with FRTP funds prior to the end of the 20-year grant agreement horizon that started with the purchase of the right-of-way.

The January 14 letter lists an option ("Option 1") to 'complete the federal environmental review' but not pay back the FRTP funds because "...the federal grant requirements would be satisfied." That is not an option at our disposal. That scenario was discussed at a conceptual level when this issue initially arose many years ago, and the discussion concluded with a determination that federal grant requirements would **\*not\*** be satisfied. Recent communications among interested parties affirms the importance of distinguishing the expectations and options for the federal funds versus non-federal funds that have been leveraged to date in the Houston OHV project development process.

FHWA is available to further discuss the options and technical corrections above and assist the MNDNR in discussions with the City of Houston. Please don't hesitate to follow up with William Lohr at 651-291-6119 if there are any questions or further clarification is needed on any of the points covered.

Sincerely yours,

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Wendall L. Meyer  
Division Administrator



*Protecting, maintaining and improving the health of all Minnesotans*

March 3, 2026

Houston City Council  
c/o Ms. Michelle Quinn, City Adm.  
Houston City Hall  
105 West Maple  
Houston, Minnesota 55943

Dear Council Members:

**SUBJECT: Sanitary Survey Report for Houston Public Water System (PWS), Houston County, PWSID 1280005**

Enclosed is a copy of the sanitary survey report summarizing an on-site inspection of your Community Public Water System. This report includes a review of the system's water source, facilities, equipment, operation, maintenance, and monitoring compliance for the purpose of evaluating the adequacy of the facilities for producing and distributing safe drinking water. Technical and management information regarding the operation of the system may also be provided. Conducting sanitary surveys on a regular basis is an important element in preventing contamination of drinking water supplies and in maintaining compliance with the National Primary Drinking Water Standards. Josh Hongerholt was present during this inspection.

Please take appropriate action to address any deficiencies or recommendations identified within this report. A deficiency may lead to a contamination of the water supply or failure of the system to be in compliance with the Safe Drinking Water Act. The enclosed report must be kept on file and made available for public review for not less than ten (10) years.

The Minnesota Department of Health (MDH) continues to monitor your PWS for contaminants identified by state and federal drinking water regulations. The results of such monitoring are not part of this report. They are sent to you under separate cover as they become available.

If you have questions concerning the information contained in the report, please contact me at 507/978-0765.

Sincerely,

**Seth Ledet**

Digitally signed by Seth  
Ledet  
Date: 2026.03.06  
09:51:43 -06'00'

Seth Ledet  
Community Public Water Supply Unit  
Environmental Health Division  
3425 40th Avenue NW, Suite 115

General Information: 651/201-4700 Toll-free: 888/345-0823 [www.health.state.mn.us](http://www.health.state.mn.us)  
For directions to any of the MDH locations, call 651/201-5000. An equal opportunity employer.



*Protecting, maintaining and improving the health of all Minnesotans*

Rochester, Minnesota 55904

SL

Enclosures

cc: Water Superintendent



**MINNESOTA DEPARTMENT OF HEALTH**  
**Section of Drinking Water Protection**  
**Sanitary Survey Report**

System Name: **Houston**  
PWSID: **1280005**  
System Contact: **Josh Hongerholt**

Survey Date: **02/24/2026**  
Surveyor: **Seth Ledet**  
PWS Type: **Community**

### **Deficiencies**

Deficiencies are observed or identified issues that may indicate noncompliance with regulations, codes, or drinking water standards, result in contamination of drinking water delivered to consumers, or compromise to public health. Deficiencies must be corrected in a timely manner.

### **Distribution**

The required backflow prevention devices are not properly installed or maintained. [Minn. Rules 4720.0025]

*It was observed that the backflow prevention devices within the treatment plant have not been inspected in over one year, with the last inspection occurring on 11/26/2024. It is required that testable backflow prevention devices be tested annually and tagged with the date of inspection.*

*Contact your district engineer when this work has been completed.*

### **Monitoring/Reporting Data Verification**

The Public Water Supply is not following the written bacteriological sample site plan. [Minn. Rules 4720.0350]

*It was observed that the PWS has only been collecting their quarterly bacteriological samples from 300 South Sheridan St. (WWTP) since 07/11/2024. It is required that the PWS rotate the collection location between the approved bacteriological site plan (see below).*

- 105 West Maple St. (City Hall)
- 102 Westgate Dr. (Fire Station)
- 202 East Cedar St. (Library)
- 300 South Sheridan St. (WWTP)

### **Requirements and Recommendations**

Requirements are based on regulation, code, and standard operating procedures across the water industry to be followed to maintain the public water supply and are listed here as informational guidance. Requirements not followed may be elevated to deficiencies. Recommendations are best practices for a public water supply to maintain the safe delivery of drinking water to consumers.

### **Water Source**

As a reminder, it is required that a well for a community public water supply be located according to distances specified in Minn. Rules 4725.4450, including not less than 50 feet from a source of contamination including buried sewers (except as specified in Minn. Rules 4725.5850).

No deficiencies observed.

### **Pumps/Pump Facilities and Controls**

No deficiencies observed.



**MINNESOTA DEPARTMENT OF HEALTH**  
**Section of Drinking Water Protection**  
**Sanitary Survey Report**

System Name: <b>Houston</b>	Survey Date: <b>02/24/2026</b>
PWSID: <b>1280005</b>	Surveyor: <b>Seth Ledet</b>
System Contact: <b>Josh Hongerholt</b>	PWS Type: <b>Community</b>

**Requirements and Recommendations**

Requirements are based on regulation, code, and standard operating procedures across the water industry to be followed to maintain the public water supply and are listed here as informational guidance. Requirements not followed may be elevated to deficiencies. Recommendations are best practices for a public water supply to maintain the safe delivery of drinking water to consumers.

**Treatment**

It is recommended that all chemical feed lines be individually labeled to avoid misidentification.

No deficiencies observed.

**Water Storage**

It is recommended that all water storage structures be inspected externally on a seasonal basis to assess and repair environmental damage and verify integrity of vents and screens. A written maintenance program should include periodic internal inspection and cleaning. Operating procedures addressing minimum and maximum water levels and target turnover rates should be in place. [AWWA Standards Distribution Systems Operation and Management, Sec. 4.3]

No deficiencies observed.

**Distribution**

It is recommended that a free chlorine residual of 0.2 to 0.5 milligrams per liter be maintained on all points of the distribution system.

It is recommended that undersized mains, less than 6 inches in diameter, be replaced as the opportunities present themselves.

**Monitoring/Reporting Data Verification**

It is recommended that the static and drawdown water levels be taken periodically and permanently recorded.



**MINNESOTA DEPARTMENT OF HEALTH**  
**Section of Drinking Water Protection**  
**Sanitary Survey Report**

System Name: **Houston**

PWSID: **1280005**

System Contact: **Josh Hongerholt**

Survey Date: **02/24/2026**

Surveyor: **Seth Ledet**

PWS Type: **Community**

**Requirements and Recommendations**

Requirements are based on regulation, code, and standard operating procedures across the water industry to be followed to maintain the public water supply and are listed here as informational guidance. Requirements not followed may be elevated to deficiencies. Recommendations are best practices for a public water supply to maintain the safe delivery of drinking water to consumers.

**Monitoring/Reporting Data Verification**

The following applicable records are required to be maintained by the water supply system:

- a. Coliform bacteria results - 5 years
- b. Chlorine residual results - 5 years
- c. Chemical results - 10 years
- d. Sanitary survey reports - 10 years
- e. All lead and copper materials - 12 years
- f. Consumer confidence reports - 3 years
- g. Public Notices - 3 years
- h. Fluoride quarterly results and monthly reports - 1 year
- i. Turbidity results - 3 years

[Minn. Rules 4720.0350]

**Water System Management/Operation**

It is recommended that water systems with multiple backflow prevention devices develop, implement and maintain a cross connection control program. The program should be updated on an annual basis and be available for a review during the inspection of the public water supply. [Minn. Rules, 4720.0025].

It is recommended that a service contract be maintained with a qualified water professional to evaluate the water treatment unit performance and to conduct routine maintenance or repairs in accordance with the manufacturer's guidelines.

It is recommended that a licensed Minnesota well contractor regularly evaluate the pump performance and conduct routine maintenance and repairs.

Engineering plans for new, modifications to, or additions to the water supply system, including watermains, are required to be properly submitted to the Minnesota Department of Health for review. All plans must be approved prior to the start of construction. [Minn. Rules 4720.0010]

No deficiencies observed.



**MINNESOTA DEPARTMENT OF HEALTH**  
**Section of Drinking Water Protection**  
**Sanitary Survey Report**

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PWSID: **1280005**

System Contact: **Josh Hongerholt**

Survey Date: **02/24/2026**

Surveyor: **Seth Ledet**

PWS Type: **Community**

**Requirements and Recommendations**

Requirements are based on regulation, code, and standard operating procedures across the water industry to be followed to maintain the public water supply and are listed here as informational guidance. Requirements not followed may be elevated to deficiencies. Recommendations are best practices for a public water supply to maintain the safe delivery of drinking water to consumers.

**Operator Compliance with State Requirements**

The certified operators are required to qualify themselves by attending waterworks operators training seminars offered throughout the state. Continuing education is valuable experience for anyone engaged in this field. The required contact hours in the previous 3 years for certification renewal are:

Class A 32 contact hours

Class B 24 contact hours

Class C 16 contact hours

Class D 8 contact hours

Class E 4 contact hours

[Minn. Rules 9400.1200]

No deficiencies observed.

**Other**

Bacteriological samples were taken at the following locations during the sanitary survey on 2-24-2026:

- Well #1(Source)

- Well #3 (Source)

- Treatment Plant Entry Point (2.1mg/L Free Chlorine, 2.6mg/L Total Chlorine)

- 105 West Maple St. (0.06mg/L Free Chlorine, 0.13mg/L Total Chlorine)

Due to an electrical issue with the incubator being used to test these samples, all four bacteriological samples were deemed invalid due to not being in compliance with the technical requirements for bacteriological samples.



**MINNESOTA DEPARTMENT OF HEALTH**  
Section of Drinking Water Protection  
Sanitary Survey Report

System Name: **Houston**  
PWSID: **1280005**  
System Contact: **Josh Hongerholt**

Survey Date: **02/24/2026**  
Surveyor: **Seth Ledet**  
PWS Type: **Community**

**Bacteriological Results and Chlorine Residuals**

<u>Date</u>	<u>Sampling Location</u>	<u>Chlorine Residual</u> <u>Free / Total</u>	<u>Coliform</u> <u>Bacteria</u>	<u>E.Coli</u>
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**MINNESOTA DEPARTMENT OF HEALTH**  
**SECTION OF DRINKING WATER PROTECTION**  
**Public Water Supply Inventory Report**



System Name: <b>Houston</b>	Survey Date: <b>02/24/2026</b>
PWSID: <b>1280005</b>	Surveyor: <b>Seth Ledet</b>
System Contact: <b>Josh Hongerholt</b>	PWS Type: <b>Community</b>

**Contact Information**

<u>Name</u>	<u>Address</u>	<u>Phone/Email</u>
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<b>Contact</b>		
Josh Hongerholt		Business Phone 1 507/896-2387 Cell Phone 507/458-2317 Email publicworks@houstonmn.us

<b>Owner/Responsible Party</b>		
Houston City Council	c/o Ms. Michelle Quinn, City Adm. Houston City Hall 105 West Maple Houston, MN 55943	Business Fax 507/896-3643 Business Phone 1 507/896-4033 Email mquinn@houstonmn.us

<b>Financial</b>		
Houston City Council	c/o Ms. Michelle Quinn, City Admin. Houston City Hall 105 West Maple Houston, MN 55943	Business Phone 1 507/896-4033 Email mquinn@houstonmn.us

<b>Sample Bottles/General Correspondence</b>		
Houston Water Superintendent	City Hall 105 West Maple Houston, MN 55943	Business Phone 1 507/896-2387 Cell Phone 507/459-9649 Email publicworks@houstonmn.us

<b>Emergency Workday</b>		
Josh Hongerholt		Cell Phone 507/458-2317 Email publicworks@houstonmn.us
Edward Jacobs		Cell Phone 507/459-5070

<b>Emergency After-Hours</b>		
Josh Hongerholt		Business Phone 1 507/896-2463 Cell Phone 507/458-2317 Email publicworks@houstonmn.us

<b>Consumer Confidence Report</b>		
Michelle Quinn		Business Phone 1 507/896-4033 Email mquinn@houstonmn.us

**Classification Information**

Owner Type: Municipal	Population: 997
System Class: C	Service Connections: 409
Service Area Characteristics: Municipal	Class Points: 38

**Certified Operators**

<u>Name</u>	<u>Class</u>	<u>Expiration Date</u>	<u>Name</u>	<u>Class</u>	<u>Expiration Date</u>
Hongerholt, Joshua E.	C	11/30/2028	Jacobs, Edward S.	D	04/30/2027



**MINNESOTA DEPARTMENT OF HEALTH  
SECTION OF DRINKING WATER PROTECTION  
Public Water Supply Inventory Report**



System Name: <b>Houston</b>	Survey Date: <b>02/24/2026</b>
PWSID: <b>1280005</b>	Surveyor: <b>Seth Ledet</b>
System Contact: <b>Josh Hongerholt</b>	PWS Type: <b>Community</b>

**Production Totals**

Design Capacity: 190 Gallons per Minute	Emergency Capacity: 190 Gallons per Minute
Average Daily: 81,000 Gallons	Storage Capacity: 150,000 Gallons
Highest Daily: 120,000 Gallons	

**Source Information**

Well #1

Unique Well No.: 00219274	Source Type: Groundwater
Type: Well	Pump Capacity (gpm): 190
Status: Active	Pumping Rate (gpm): 190
Availability: Primary	Emergency Capacity: 190 Gallons per Minute
Year Constructed: 1946	Static Depth (ft): 32
Well Depth (ft): 259	Drawdown (ft): 133
Casing Depth (ft): 44	Pump Type: Submersible VFD
Casing Diameter (in): 10	Vulnerable: No
Screen Length (ft):	Last Rehabilitated: 2019
Aquifer: Wonewoc-Mt.Simon	

Well #3

Unique Well No.: 00150341	Source Type: Groundwater
Type: Well	Pump Capacity (gpm): 190
Status: Active	Pumping Rate (gpm): 190
Availability: Primary	Emergency Capacity: 190 Gallons per Minute
Year Constructed: 1981	Static Depth (ft): 129
Well Depth (ft): 408	Drawdown (ft): 3
Casing Depth (ft): 338	Pump Type: Submersible VFD
Casing Diameter (in): 10	Vulnerable: No
Screen Length (ft):	
Aquifer: Mt. Simon	



**MINNESOTA DEPARTMENT OF HEALTH**  
**SECTION OF DRINKING WATER PROTECTION**  
**Public Water Supply Inventory Report**



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PWSID: <b>1280005</b>	Surveyor: <b>Seth Ledet</b>
System Contact: <b>Josh Hongerholt</b>	PWS Type: <b>Community</b>

**Treatment Information**

TREATMENT PLANT

Type: Treatment Plant  
 Status: Active  
 Availability: Primary

Source Water: Groundwater  
 Design Capacity: 190 Gallons per Minute  
 Emergency Capacity: 190 Gallons per Minute  
 Operating Rate: 190 Gallons per Day

Treatment Objective

Disinfection  
 Fluoridation  
 Iron/Manganese Removal

Treatment Process Mechanism

Chlorine/Gas  
 Fluoridation/Hydrofluosilicic acid  
 Aeration/Induced Draft  
 Filtration (Gravity)/Anthracite/Greensand  
 Oxidation - chemical/Sodium permanganate  
 Stabilization/Inhibitors/Blended phosphates  
 Filtration (Gravity)/Anthracite/Greensand  
 Oxidation - chemical/Sodium permanganate

Lead/Copper Corrosion Control  
 Radionuclides Removal

**Storage Information**

Ground 150000

Type: Storage-Ground  
 Status: Active

Capacity: 150,000 Gallons  
 Availability: Primary  
 Chlorination:



**MINNESOTA DEPARTMENT OF HEALTH  
SECTION OF DRINKING WATER PROTECTION  
Public Water Supply Inventory Report**



System Name: <b>Houston</b>	Survey Date: <b>02/24/2026</b>
PWSID: <b>1280005</b>	Surveyor: <b>Seth Ledet</b>
System Contact: <b>Josh Hongerholt</b>	PWS Type: <b>Community</b>

**Bacteriological Sample Site Plan**

**Distribution**

<u>Sample Site ID</u>	<u>Sample Location</u>	<u>Status</u>	<u>Notes</u>
	105 West Maple St.	Active	City Hall
	102 Westgate Dr.	Active	Fire Station
	202 E Cedar St.	Active	Library
	300 S Sheridan St.	Active	WWTP