

ORDINANCE NO. 1085

AN ORDINANCE AMENDING NORTHFIELD CITY CODE, CHAPTER 14 – BUSINESS, ARTICLE III. – RENTAL HOUSING, AND CHAPTER 82 – UTILITIES, ARTICLE III. – WATER SYSTEM, DIVISION 2. – RATES, CHARGES AND METERS

THE CITY COUNCIL OF THE CITY OF NORTHFIELD DOES ORDAIN THAT (new material is underlined; deleted material is lined out; sections which are not proposed to be amended are omitted; sections which are only proposed to be re-numbered are only set forth below as to their number and title):

SECTION 1. Northfield Code, Chapter 14 – Business, Article III. – Rental Housing, Division 3. Occupancy, Use, and Maintenance Standards, Sec. 14-118. – Miscellaneous Requirements, is hereby amended to add the following new subsection, to read as follows:

- (d) Utilities – water service. Any property owner redistributing municipal water service or submetering water service at a residential property must do so in compliance with section 82-111.

SECTION 2. Northfield Code, Chapter 82 – Health and Sanitation, Article III. – Water System, Division 2. – Rates, Charges and Meters, is hereby amended to add the following new section, to read as follows:

Sec. 82-111. - Redistribution and submetering in residential properties.

- (a) Definitions. The following words, terms, and phrases, when used in this section, shall have the meanings ascribed to them in this subsection, except where the context clearly indicates a different meaning:

Dwelling unit or unit means a dwelling, dwelling unit, or rooming unit as defined in section 14-80.

Submeter means a meter that; (1) is owned or installed by the property owner or by a third-party billing agent or other agent of the owner, and (2) measures the water service consumed solely within an individual dwelling unit on a property with more than one dwelling unit. Submeters include those submeters used in multi-unit residential buildings pursuant to Minn. Stat. § 504B.216 and owner-installed meters at manufactured home parks at which the owner redistributes municipal water service pursuant to Minn. Stat. § 327C.05, as each may be amended from time to time.

- (b) Applicability. The owner of property on which the owner redistributes water service to multiple dwelling units or measures water service for multiple dwelling units on the owner's property with installed submeters is subject to the city's authority under this article and shall be the liable for water supplied to the owner's property pursuant to section 82-109(a).

- (c) Compliance with state law. The owner of any property on which the owner redistributes water service or measures water service for multiple residential dwelling units shall comply with all provisions of state law applicable to the owner's property, including, but not limited to, Minn. Stat. §§ 216B.022, 216B.023, 327C.04, and 504B.216, as each may be amended from time to time.
- (d) Accuracy of submeters. All submeters installed by the owner or the owner's agent, regardless of installation date, must accurately measure all water that passes through the submeter.
- (e) Rates and units. The owner must not charge an occupant for water service at a rate that exceeds the water rate established by the City Council from time to time by resolution. All bills for water issued by the owner or the owner's agent to an occupant pursuant to this section, regardless of the unit of measurement used to measure the water that passes through the owner-installed submeter, must be provided in the same unit of measurement as those bills provided to the owner through the City's reading of the water meter installed pursuant to section 82-107.
- (f) Inaccurate owner-installed submeters.
- (1) If an occupant notifies the property owner or the owner's authorized agent in writing that the occupant suspects the owner-installed submeter is incorrectly registering the occupant's water service and includes an explanation for the suspicion, the property owner must promptly investigate to determine whether the submeter is inaccurate. Within 60 days of the date of notification by the occupant, if the submeter is determined inaccurate, the owner must either repair or replace it or inform the occupant in writing why no corrective action is believed to be necessary.
 - (2) If the inaccurate submeter has resulted in an overcharge, the owner must promptly refund the difference between what the occupant paid to the owner or owner's agent and what the occupant would have paid if the submeter had correctly measured and registered the occupant's water service.
 - (3) If the inaccuracy has resulted in an undercharge, the owner may bill the occupant the difference between what the occupant paid and what the occupant would have paid if the submeter had correctly measured and registered the occupant's water service for a period not exceeding the previous six months. Any undercharge the owner seeks to collect must be recovered in accordance with Minn. Stat. § 216B.023, subd. 8, as the same may be amended from time to time.
 - (4) If an occupant has notified the owner or the owner's agent that the occupant suspects the occupant's submeter is incorrectly measuring and registering the occupant's water utility service as provided in paragraph (f)(1) of this section and the owner has failed within 60 days thereof to check the

submeter and provide the occupant with the results of a meter test demonstrating the submeter is accurate, the owner and the owner's agent are prohibited from recovering from the occupant any undercharge for the period between the date of the occupant's notification and the date the submeter was checked.

(g) *Administrative costs prohibited.* The owner and the owner's agent shall not charge to or collect from occupants any administrative, capital, or any other expenses associated with the installation, maintenance, repair, replacement, or reading of submeters.

(h) *Right to review and audit submeter charges.*

- (1) The City shall have the right to bi-annually audit and review the total water usage billed to submetered residential dwelling units by a property owner in order to review such charges for compliance with this section, as determined necessary by the City finance director.
- (2) In order to undertake an audit / review, the City finance director shall submit a written request to conduct the audit / review authorized in this subsection to the property owner. The property owner shall cooperate with the written request and timely respond with the requested data within 30 days of the date of the request. Additionally, upon written request submitted to the City finance director by occupants of the submetered residential dwelling units, signed by no fewer than 25% of the total occupants of the submetered residential dwelling units, the City may annually undertake an audit / review as provided in this section.
- (3) The city's audit / review shall be limited to a review of the total water usage billed to submetered residential dwelling units during a single month or series of months, within a timeframe as determined by the City. In addition, the property owner shall provide the City with those bills for water for individual residential dwelling units, identified and as requested by the City on the written request for billing data, provided that the occupants of those residential dwelling units identified in the city's written request have consented to the City receiving and reviewing their bills for water. By signing a request for the City to conduct such review as set forth in this section, the occupant shall be deemed to have consented to the City reviewing their bill for water.
- (4) In the event that the City finds a discrepancy between the amount charged by the City to the property owner for water and the amount charged by the property owner to the residential dwelling units that shows the billing practices in the audited / reviewed water bills are not in compliance with the section, the City shall notify the property owner and seek compliance with the requirement set forth in this section and state law.

- (5) Should compliance not be reached with the property owner within the time specified in the notice of compliance, the cCty may refer the matter to the Minnesota Attorney General for review and enforcement. Referral of this matter to the Minnesota Attorney General by the City shall not preclude the City from seeking compliance with this section through any other lawful means available to the City, including the issuance of administrative citations.
- (6) Nothing in this section shall be intended or interpreted to limit any tenant or occupant from exercising any right otherwise provided to them in state law with regard to their occupancy or tenancy.

(i)Enforcement. Upon a finding by a court of competent jurisdiction or the Minnesota Attorney General that an owner or the owner's agent is violating the requirements set forth in state law referenced in this section, the City may take any action authorized under this article or this code, including issuing administrative citations and, in the event that the violation occurs on property for which the owner has a rental license, the City may take any action authorized under the provisions of chapter 14 of this code as the same may pertain to rental properties.

- (1) Reading and inspection. Pursuant to section 82-106, authorized meter readers shall have free access at reasonable hours of the day to all parts of every building, dwelling unit and premises connected with the City water system in order to read any submeters authorized in this section and make inspections thereof, and the building official, or their designee, may order the timely repair or replacement of inaccurate submeters and otherwise enforce noncompliance with such orders as provided in this article or chapter 14 of this code.

- (j) Effective date. On or after December 31, 2025, all submeters installed by a property owner to measure water service must meet standards established by the American Water Works Association.

Secs. 82-112—82-135. - Reserved.

SECTION 3. This Ordinance shall take effect thirty days after its publication.

Passed by the City Council of the City of Northfield, Minnesota, this ____ day of _____, 2025.

ATTEST:

City Clerk

Mayor

First Reading:	
Second Reading:	
Published:	

VOTE: ___ ZWEIFEL ___ BEUMER ___ DAHLEN ___ HOLMES
 ___ NESS ___ PETERSON WHITE ___ SOKUP