



MAYOR AND COUNCIL COMMUNICATION

DATE: 2/19/2013

REGULAR

ITEM #: 14

MOTION *As part of Regular Agenda*

AGENDA ITEM: Olson Lake Trail Sanitary Sewer Extension Project – Receive Report, Call for Improvement Hearing, Declare Cost to be Assessed, and Call for Hearing on Proposed Assessment

SUBMITTED BY: Jack Griffin, City Engineer

THROUGH: Dean A. Zuleger, City Administrator

REVIEWED BY: Dave Snyder, City Attorney
Adam Bell, City Clerk

SUMMARY AND ACTION REQUESTED: The City Council is respectfully requested to consider adopting Resolution No. 2013-12, Receiving the Feasibility Report for the Olson Lake Trail Sanitary Sewer Extension project and Calling for a Public Improvement Hearing to be held on March 19, 2013. In addition, the City Council is respectfully requested to consider adopting Resolution No. 2013-13, Declaring the Cost to be Assessed and Calling Hearing on Proposed Assessment to also be held on March 19, 2013.

STAFF REPORT: The Olson Lake Trail Sanitary Sewer Extension Feasibility Report was authorized by the City Council on April 3, 2012. The report was prepared in response to a request by the City of Oakdale to jointly complete a sewer extension project that provides sewer service to properties located in both communities. The following summarizes the report findings and recommendations:

- The report recommends that an initial sewer extension project be constructed in 2013 that installs 550 feet of sanitary sewer along the west boulevard of Olson Lake Trail (no excavations in the County roadway needed). This project provides sanitary sewer service to 6 properties; 4 properties in Lake Elmo and 2 properties in Oakdale. In particular this project is responsive to the initial petitioning properties located in Oakdale. The estimated total project cost is \$128,000.
- A second project would then be constructed to continue to extend sewer service north to 50th Street. This project would provide sewer service to an additional 11 Lake Elmo properties and 7 Oakdale Properties. This second project would be constructed in coordination with Washington County when the County completes a road resurfacing

project for Olson Lake Trail (CR 13); scheduled sometime between 2014 and 2016. By working together with Washington County the project can be completed more cost effectively by sharing the road restoration costs.

- Each of the projects would be a joint effort by Lake Elmo, Oakdale, and Washington County coordinated through joint powers agreements.
- The report recommends an assessment methodology that levy's an equal value assessment against all 24 benefitting properties, regardless of which project results in their connection to sanitary sewer service. Detailed analysis determined that this method resulted in the lowest assessment costs for all properties.
- The estimated one-time unit assessment amount is recommended at \$18,500 levied over a period of 15 years. This was based on total estimated project costs of \$444,000 for extending sewer service along the entire corridor north to 50th Street, providing sewer service to 24 total properties; 15 properties in Lake Elmo and 9 properties in Oakdale.
- This assessment methodology requires each city to carry project costs until such time that sanitary sewer is extended to all 24 properties. If future projects do not occur, the cities would be required to cover these costs. The estimated at risk cost for Lake Elmo is \$10,540.
- Additional costs in the estimated combined amount of \$3,500 would be collected from property owners at the time of connection to sewer. This amount is comprised of various permitting and connection fees previously established by the Oakdale utility.
- Properties would also pay a plumbing contractor to make the service connection for their property (from the right-of-way to their home). This cost is property specific.
- Each city ordinance requires properties to connect to sanitary sewer service within 1 year.
- Once connected, the City of Oakdale will bill on a quarterly basis for ongoing sewer use charges. Under current practice, Oakdale uses the winter quarter water use of the property, as metered from the private well, to determine and bill for annual sewer flows.
- The information provided in this report was presented to Lake Elmo and Oakdale property owners at a project informational meeting held on January 17, 2013. Letters, dated January 24, 2013 were also mailed to each property owner summarizing the report findings and recommendations.

RECOMMENDATION: Staff is recommending that the City Council consider receiving the Feasibility Report and calling for the Public Improvement Hearing to be held on March 19, 2013; and consider declaring the costs to be assessed and calling Hearing on the Proposed Assessment to also be held on March 19, 2013. The suggested motions to approve these actions are as follows:

**“Move to adopt Resolution No. 2013-12, Receiving the Feasibility Report
for the Olson Lake Trail Sanitary Sewer Extension**

and Calling Hearing on Improvement to be held on March 19, 2013.”

and

**“Move to adopt Resolution No. 2013-13, Declaring Cost to be Assessed
and Calling Hearing on Proposed Assessment for the
Olson Lake Trail Sanitary Sewer Extension to be held on March 19, 2013.”**

ATTACHMENTS:

1. Resolution No. 2013-12, Receiving Feasibility Report for the Olson Lake Trail Sanitary Sewer Extension and Calling Hearing on Improvement
2. Notice of Hearing on Improvement
3. Resolution No. 2013-13, Declaring Cost to be Assessed and Calling Hearing on Proposed Assessment for the Olson Lake Trail Sanitary Sewer Extension
4. Notice of Hearing on Proposed Assessment
5. Olson Lake Trail Sanitary Sewer Extension Feasibility Report
(available for review at city hall)