



## STAFF REPORT

DATE: December 17, 2019

### **PUBLIC HEARING**

**AGENDA ITEM:** Public Improvement Hearing; Approve Resolution Ordering the Improvement and the Preparation of Plans and Specifications for the Stonegate Addition Street and Utility Improvements

**SUBMITTED BY:** Jack Griffin, City Engineer

**REVIEWED BY:** Kristina Handt, City Administrator  
Sarah Sonsalla, City Attorney  
Marty Powers, Public Works Director  
Chad Isakson, Assistant City Engineer

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**ISSUE BEFORE COUNCIL:** The City Council is respectfully requested to open the Public Improvement Hearing for the Stonegate Addition Street and Utility Improvements; and following the Hearing, consider adopting a Resolution Ordering the Improvement and the Preparation of Plans and Specifications.

**BACKGROUND:** Pursuant to Minnesota Statutes, Section 429.011 to 429.111, a Public Improvement Hearing was noticed for December 17, 2019, to consider making the improvements necessary to extend municipal water into the Stonegate 1st and 2nd Additions to provide clean drinking water to each of the 65 homes, and following the watermain installation, to complete a pavement reclaim improvement for each of the street segments in the Stonegate 2nd Addition, including Jewel Avenue North, Julep Avenue North, and Julep Court North.

The attached notice was published in the official newspaper and individual notifications were sent to each address that will be wholly or partially assessed for the improvements. A feasibility report was adopted by the City Council on November 19, 2019 in order to ready these improvements for 2020 construction. The feasibility report is needed to meet state statutory requirements if any portion of the project is to be assessed. The report identifies the necessary improvements, the estimated project costs, the assessment methodology and preliminary assessment amounts to be levied against benefitting properties.

The City of Lake Elmo was approved to receive grant funding from the Minnesota Pollution Control Agency (MPCA) under the 2018 3M Settlement Agreement as an expedited project to extend municipal water and connect each of the 65 homes in the Stonegate 1st and 2nd Additions. The grant is in the not to exceed amount of \$4,284,300. The terms of the grant are outlined in the Grant Agreement between the City of Lake Elmo and the MPCA dated October 2, 2019. The grant agreement was approved by the City Council on October 1, 2019. The neighborhood is located in a Special Well Construction Area (SWCA) as designated by the Minnesota Department of Health (MDH) after the discovery of PFAS groundwater contamination and many of the properties have received well advisories from the MDH and are currently having their water supply treated using GAC filters supplied by the State.

**PROPOSAL DETAILS/ANALYSIS:** The Stonegate Addition Street and Utility Improvement project will extend municipal water into the Stonegate 1st and 2nd Additions to provide clean drinking water to each of the 65 homes. The work will be completed prior to reclaiming the streets in the Stonegate 2nd Addition as part of the 2020 street Capital Improvement Plan (CIP).

As part of the Grant Agreement with the MPCA, all households in the development, regardless of Health Based Values (HBVs), are required to connect to municipal water and to have the private wells properly sealed and abandoned as part of the project and within the timeframe of the grant agreement. To implement these State requirements for the project the city intends to levy assessments for the public improvements in

accordance with the city's Special Assessment Policy and current practices. Each property will be required to connect to city water and abandon all private wells, unless exempted by the MPCA as a monitoring well, within one year after water service is made available and following written notice from the city to connect. Once the private improvements are completed the public improvement assessments levied for this project will be considered paid in full and removed from the property, including both the watermain assessments and the street and storm sewer assessments for the Stonegate 2nd Addition properties. This assessment relief does not apply to the Stonegate 1st Addition street and storm sewer assessments from the 2016 Street Improvement project.

The total estimated project cost is \$4,284,300, with \$2,480,000 for the public watermain improvements, \$1,004,300 for the private water service connections/well abandonment work, and \$800,000 for street and storm sewer improvements within the Stonegate 2nd Addition. The proposed public watermain assessment is \$38,200 for each of the 65 residential properties in the Stonegate 1st and 2nd Additions, based on assessing 100% of the public watermain improvements on a per REC basis. The proposed street and storm sewer assessment is \$7,300 for each of the 33 residential properties in the Stonegate 2nd Addition, based on assessing 30% of the street and storm sewer costs on a per unit basis.

The preliminary assessment rolls detailing each property's proposed assessment amount are included in the Appendix of the report. Assessments for street and drainage improvements will be levied over a 15-year period. Assessments for new watermain improvements will be levied over a 20-year period. All assessments that are not waived and removed from the property will be charged an interest rate of 1% over the bond rate for the project.

**FISCAL IMPACT:** The total estimated project cost is \$4,284,300. The improvements will be funded through a grant from the MPCA under the 2018 3M Settlement Agreement as an expedited project, and in accordance with the MPCA-Lake Elmo Grant Agreement dated October 2, 2019.

The City will contract for the public improvements located within the public right-of-way, make payment to the contractors and submit invoices for reimbursement through the MPCA Grant. The City intends to use fund reserves for the public improvements to pay the up-front project costs and to cover any city cost participation. Project invoices will be periodically submitted to the MPCA for grant reimbursement in accordance with the terms of the grant agreement. The private water service connection and well sealing work will be contracted separately by each individual property owner. Eligible private property costs will be paid from the MPCA Grant on a reimbursement basis through the city. This reimbursement applies to the contractor costs to install the water service line from the right-of-way to the home connection, the costs to abandon the private well(s) on the property, and all permit fees including a \$3,000 Water Availability Charge (WAC), a \$1,000 Water Connection Charge, a \$1,040 Meter Fee, and a \$61 Plumbing Permit Fee. If the property currently has a granular activated carbon (GAC) treatment system, the removal of the system from the home will also be reimbursed.

**RECOMMENDATION:** Staff is recommending that the City Council adopt a Resolution Ordering the Improvements and the Preparation of Plans and Specifications for the Stonegate Addition Street and Utility Improvements as outlined in the Feasibility Report approved on November 19, 2019. The recommended motion for this action is as follows:

***“Move to adopt Resolution No. 2019-098 Ordering the Stonegate Addition Street and Utility Improvements and the Preparation of Plans and Specifications as outlined in the Feasibility Report approved on November 19, 2019.”***

**ATTACHMENTS:**

1. Resolution Ordering the Improvements and Preparation of Plans and Specifications.
2. Notice of Hearing on Improvement.
3. Preliminary Assessment Roll.
4. Location Map.
5. Project Schedule.

**CITY OF LAKE ELMO  
WASHINGTON COUNTY  
STATE OF MINNESOTA**

**RESOLUTION NO. 2019-098**

**A RESOLUTION ORDERING THE IMPROVEMENT AND  
PREPARATION OF PLANS AND SPECIFICATIONS FOR THE  
STONEGATE ADDITION STREET AND UTILITY IMPROVEMENTS**

**WHEREAS**, pursuant to city council authorization, adopted on July 16, 2019, a feasibility report has been prepared by FOCUS Engineering, Inc. for the Stonegate Addition Street and Utility Improvements; and

**WHEREAS**, ten days mailed notice and two weeks published notice of the hearing was given, and the hearing was held thereon on the 17th day of December 2019, at which all persons desiring to be heard were given the opportunity to be heard thereon; and

**WHEREAS**, the feasibility report prepared by FOCUS Engineering, Inc., and dated November 2019 states that the project is necessary, cost-effective, and feasible.

**NOW, THEREFORE, BE IT RESOLVED,**

1. Such improvement is deemed necessary, cost-effective, and feasible as detailed in the Feasibility Report dated November 2019.
2. Such improvement is hereby ordered as proposed in the council resolution adopted this 17th day of December, 2019.
3. The city engineer is hereby designated as the engineer for making this improvement. The engineer, and his consultants, shall oversee the preparation of the Plans and Specifications for the making of such improvement.
4. The city engineer shall retain the services of a consulting engineering firm to assist, where needed, to prepare Plans and Specifications for the making of such improvement and to assist the city engineer during the construction phase of the improvement as requested.

**ADOPTED BY THE LAKE ELMO CITY COUNCIL ON THE SEVENTEENTH DAY OF  
DECEMBER, 2019.**

**CITY OF LAKE ELMO**

(Seal)  
ATTEST:

\_\_\_\_\_  
Julie Johnson  
City Clerk

By: \_\_\_\_\_  
Mike Pearson  
Mayor

**CITY OF LAKE ELMO  
NOTICE OF HEARING ON IMPROVEMENT  
STONEGATE ADDITION STREET AND UTILITY IMPROVEMENTS**

Notice is hereby given that the City Council of Lake Elmo will meet in the council chambers of the city hall at or approximately after 7:00 P.M. on **Tuesday, December 17, 2019**, to consider the making of the following improvements, pursuant to Minnesota Statutes, Sections 429.011 to 429.111;

The extension of municipal water into the Stonegate 1st and 2nd Additions to provide clean drinking water to each of the 65 homes located in the neighborhood including a water service stub to the public right-of-way. Following the watermain installation the Stonegate 2nd Addition streets, including Julep Avenue North, from the Stonegate 1st Addition to Jewel Avenue; Julep Court North, from Julep Avenue to the end of cul-de-sac; and Jewel Avenue North, from 10th Street North to the end of cul-de-sac will be reclaimed with the installation of drain tile, a new bituminous surface and concrete curb and gutter.

The area proposed to be assessed for the watermain improvements include all 65 properties located in the Stonegate 1st and 2nd Additions that will be receiving access to connect to city water, and the area proposed to be assessed for the street and storm sewer improvements include the properties that gain direct driveway access from the above referenced streets to be improved as part of this project. The estimated total cost for the project is \$4,284,300. A reasonable estimate of the impact of the assessments will be available at the hearing. Such persons as desiring to be heard with reference to the proposed improvements will be heard at this meeting.

**DATED: November 19, 2019**

**BY ORDER OF THE LAKE ELMO CITY COUNCIL**

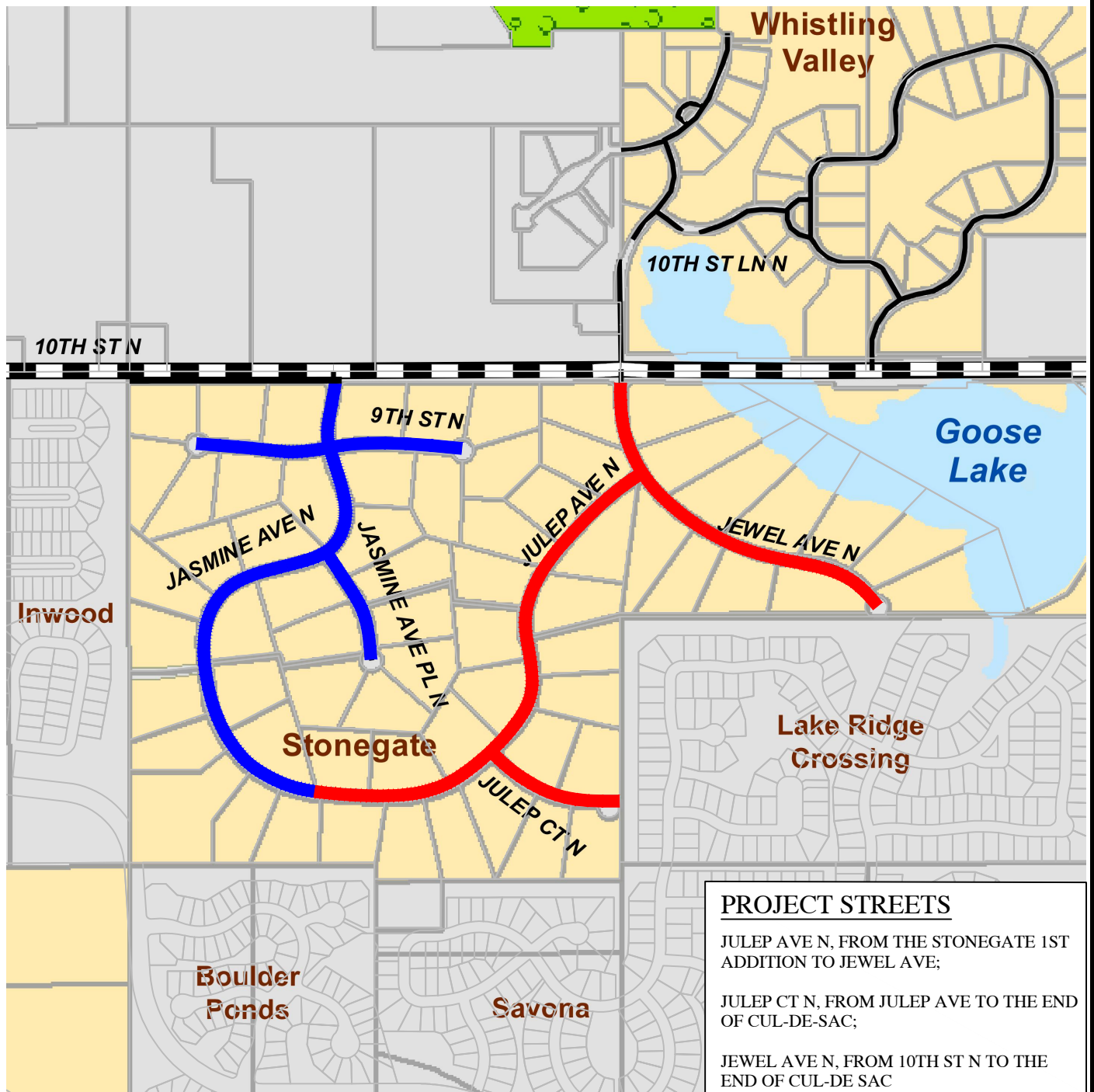
**Mike Pearson, Mayor**

*(Published in the Stillwater Gazette on November 29, 2019 and December 6, 2019)*

NO.	NAME	ADDRESS	MAILING ADDRESS	PID	TOTAL ASSESSMENT	STREET & DRAINAGE ASSESSMENT	WATERMAIN ASSESSMENT
1	SHERRITT BRUCE C & MICHELLE M	9023 9TH ST N	9023 9TH ST N LAKE ELMO MN 55042	3402921220004	\$38,200		\$38,200
2	STADICK DANIEL P & JEANNE M	9034 9TH ST N	9034 9TH ST N LAKE ELMO MN 55042	3402921220003	\$38,200		\$38,200
3	MILNAR GREGORY B & BEVERLY B	9073 9TH ST N	9073 9TH ST N LAKE ELMO MN 55042	3402921220005	\$38,200		\$38,200
4	VU TCHUNENG & MAIXI	9106 9TH ST N	9106 9TH ST N LAKE ELMO MN 55042	3402921220002	\$38,200		\$38,200
5	NELSON DAVID M & MARYBETH H	9123 9TH ST N	9123 9TH ST N LAKE ELMO MN 55042	3402921220006	\$38,200		\$38,200
6	TAYLOR KRISTINA J	9179 9TH ST N	9179 9TH ST N LAKE ELMO MN 55042	3402921220007	\$38,200		\$38,200
7	YEMANEAB SEMHAR T & YOHANNA W	9242 9TH ST N	11406 SAND CASTL DR WOODBURY MN 55129	3402921220012	\$38,200		\$38,200
8	MONICO GINO A & PEGGI A	9251 9TH ST N	9251 9TH ST N LAKE ELMO MN 55042	3402921210008	\$38,200		\$38,200
9	ISRAELSON RONALD J & COLLEEN A	9314 9TH ST N	9314 9TH ST N LAKE ELMO MN 55042	3402921210004	\$38,200		\$38,200
10	SMORCH TERRANCE M	9323 9TH ST N	9323 9TH ST N LAKE ELMO MN 55042	3402921210007	\$38,200		\$38,200
11	KIM M URY TRS	9386 9TH ST N	9386 9TH ST N LAKE ELMO MN 55042	3402921210005	\$38,200		\$38,200
12	MEYER DALE J & BERNIECE L GERNES-MEYER	9391 9TH ST N	9391 9TH ST N LAKE ELMO MN 55042	3402921210006	\$38,200		\$38,200
13	CITY OF LAKE ELMO	750 JASMINE AVE N	3800 LAVERNE AVE N LAKE ELMO MN 55042	3402921230002	\$0		\$0
14	HOHENWALD MARK	755 JASMINE AVE N	755 JASMINE AVE N LAKE ELMO MN 55042	3402921230010	\$38,200		\$38,200
15	YANG KAY	770 JASMINE AVE N	770 JASMINE AVE N LAKE ELMO MN 55042	3402921230005	\$38,200		\$38,200
16	MORREALE JAY B & PAMELA J	785 JASMINE AVE N	785 JASMINE AVE N LAKE ELMO MN 55042	3402921230009	\$38,200		\$38,200
17	SMITH MARK E & KARLEEN M	790 JASMINE AVE N	790 JASMINE AVE N LAKE ELMO MN 55042	3402921230016	\$38,200		\$38,200
18	HENDERSON RANDALL T & GLORIA A	820 JASMINE AVE N	820 JASMINE AVE N LAKE ELMO MN 55042	3402921230015	\$38,200		\$38,200
19	INTIHAR KEVIN & WINDY	829 JASMINE AVE N	829 JASMINE AVE N LAKE ELMO MN 55042	3402921230006	\$38,200		\$38,200
20	LANCETTE MICHAEL & KATHLEEN	832 JASMINE AVE N	832 JASMINE AVE N LAKE ELMO MN 55042	3402921220010	\$38,200		\$38,200
21	SHORT NATHAN & RACHEL	854 JASMINE AVE N	854 JASMINE AVE N LAKE ELMO MN 55042	3402921220009	\$38,200		\$38,200
22	JEFFREY DAVID H & DARCY J SAMSON	868 JASMINE AVE N	868 JASMINE AVE N LAKE ELMO MN 55042	3402921220008	\$38,200		\$38,200
23	YANG DAO G & NALY T	974 JASMINE AVE N	974 JASMINE AVE N LAKE ELMO MN 55042	3402921220001	\$38,200		\$38,200
24	JOHNSON GEORGE N	867 JASMINE AVE PL N	867 JASMINE AVE PL I LAKE ELMO MN 55042	3402921220011	\$38,200		\$38,200
25	LARSON SEAN D & LINDA M	871 JASMINE AVE PL N	871 JASMINE AVE PL I LAKE ELMO MN 55042	3402921230007	\$38,200		\$38,200
26	KOLLER JOINT REV TRS	873 JASMINE AVE PL N	873 JASMINE AVE PL I LAKE ELMO MN 55042	3402921230008	\$38,200		\$38,200
27	JOHN M & KRISTINA W HEILI TRS	875 JASMINE AVE PL N	875 JASMINE AVE PL I LAKE ELMO MN 55042	3402921240002	\$38,200		\$38,200
28	FITZGERALD THOMAS & MARY	877 JASMINE AVE PL N	877 JASMINE AVE PL I LAKE ELMO MN 55042	3402921240001	\$38,200		\$38,200
29	OLSON ROBBIE J & JILL M	881 JASMINE AVE PL N	881 JASMINE AVE PL I LAKE ELMO MN 55042	3402921210003	\$38,200		\$38,200
30	IH2 PROPERTY ILLINOIS LP	883 JASMINE AVE PL N	1717 MAIN ST SUITE DALLAS TX 75201	3402921210010	\$38,200		\$38,200
31	RISNER KYLE P & ADRIENNE B	887 JASMINE AVE PL N	887 JASMINE AVE PL I LAKE ELMO MN 55042	3402921210009	\$38,200		\$38,200
32	MONTEITH CURTIS & DEBRA	331 JULEP AVE N	331 JULEP AVE N LAKE ELMO MN 55042	3402921230012	\$38,200		\$38,200
33	BETZ DOUG M & AMY M	371 JULEP AVE N	371 JULEP AVE N LAKE ELMO MN 55042	3402921230013	\$38,200		\$38,200
34	SCHALLHORN RICHARD S & CATHERI	418 JULEP AVE N	418 JULEP AVE N LAKE ELMO MN 55043	3402921230011	\$45,500	\$7,300	\$38,200
35	JAROS JOHN JOSEPH	429 JULEP AVE N	429 JULEP AVE N LAKE ELMO MN 55043	3402921230014	\$45,500	\$7,300	\$38,200
36	ROSSOW CRAIG L	483 JULEP AVE N	PO BOX 94 LAKE ELMO MN 55042	3402921240007	\$45,500	\$7,300	\$38,200
37	LEHUU DUY K & QUYEN NGUYEN	488 JULEP AVE N	488 JULEP AVE N LAKE ELMO MN 55042	3402921240003	\$45,500	\$7,300	\$38,200
38	SCHULTZ CHRISTOPHER A & KAYLEEN	521 JULEP AVE N	521 JULEP AVE N LAKE ELMO MN 55042	3402921240008	\$45,500	\$7,300	\$38,200
39	STUECKEN JAMES & ANDREA	561 JULEP AVE N	561 JULEP AVE N LAKE ELMO MN 55042	3402921240009	\$45,500	\$7,300	\$38,200
40	ROETTGER WILLIAM & DEBRA	568 JULEP AVE N	568 JULEP AVE N LAKE ELMO MN 55042	3402921240004	\$45,500	\$7,300	\$38,200
41	DIEKMANN PAUL R & REBECCA A R	650 JULEP AVE N	650 JULEP AVE N LAKE ELMO MN 55042	3402921240005	\$45,500	\$7,300	\$38,200
42	ELLINGSON SCOTT R & ANMARIE	665 JULEP AVE N	665 JULEP AVE N LAKE ELMO MN 55042	3402921240014	\$45,500	\$7,300	\$38,200
43	REED DANIEL D & KATHRYN M	697 JULEP AVE N	697 JULEP AVE N LAKE ELMO MN 55042	3402921240015	\$45,500	\$7,300	\$38,200
44	ENRIGHT R MARK & LYNNE M	724 JULEP AVE N	724 JULEP AVE N LAKE ELMO MN 55042	3402921240006	\$45,500	\$7,300	\$38,200
45	VARHOL PAUL L & CINDY W	747 JULEP AVE N	747 JULEP AVE N LAKE ELMO MN 55042	3402921210017	\$45,500	\$7,300	\$38,200
46	PLETSCHER DAVID G & MARY R	772 JULEP AVE N	772 JULEP AVE N LAKE ELMO MN 55042	3402921210012	\$45,500	\$7,300	\$38,200
47	FLANAGAN KAREN K & MICHAEL P	812 JULEP AVE N	7640 44TH ST N OAKDALE MN 55128	3402921210013	\$45,500	\$7,300	\$38,200
48	CHANG ELAINE H	858 JULEP AVE N	858 JULEP AVE N LAKE ELMO MN 55042	3402921210014	\$45,500	\$7,300	\$38,200

STONEGATE ADDITION STREET AND UTILITY IMPROVEMENTS  
PRELIMINARY ASSESSMENT ROLL

NO.	NAME	ADDRESS			MAILING ADDRESS						PID	TOTAL ASSESSMENT	STREET & DRAINAGE ASSESSMENT	WATERMAIN ASSESSMENT
49	AMUNDSON DONNA M	859	JULEP	AVE N	859	JULEP	AVE N	LAKE ELMO	MN	55042	3402921210018	\$45,500	\$7,300	\$38,200
50	HANSON WADE B	577	JULEP	CT N	577	JULEP	CT N	LAKE ELMO	MN	55042	3402921240010	\$45,500	\$7,300	\$38,200
51	GOVE SCOTT A	585	JULEP	CT N	585	JULEP	CT N	LAKE ELMO	MN	55042	3402921240016	\$45,500	\$7,300	\$38,200
52	TWEDT DONALD B & GENA M	605	JULEP	CT N	605	JULEP	CT N	LAKE ELMO	MN	55042	3402921240017	\$45,500	\$7,300	\$38,200
53	PAMELA JEAN SORENSEN REV TRS	617	JULEP	CT N	617	JULEP	CT N	LAKE ELMO	MN	55042	3402921240013	\$45,500	\$7,300	\$38,200
54	ANDERSON MICHAEL O & KATHY J	655	JEWEL	AVE N	655	JEWEL	AVE N	LAKE ELMO	MN	55042	3402921110008	\$45,500	\$7,300	\$38,200
55	POMEROY FRED W	687	JEWEL	AVE N	687	JEWEL	AVE N	LAKE ELMO	MN	55042	3402921110007	\$45,500	\$7,300	\$38,200
56	KRUEGER WALTER J & JANICE G	694	JEWEL	AVE N	694	JEWEL	AVE N	LAKE ELMO	MN	55042	3402921120006	\$45,500	\$7,300	\$38,200
57	DOYLE MARY C	723	JEWEL	AVE N	723	JEWEL	AVE N	LAKE ELMO	MN	55042	3402921120011	\$45,500	\$7,300	\$38,200
58	KREIMER THOMAS A & WENDY S E	772	JEWEL	AVE N	772	JEWEL	AVE N	LAKE ELMO	MN	55042	3402921120005	\$45,500	\$7,300	\$38,200
59	HEINRICHS DAVID M & LORI J	781	JEWEL	AVE N	781	JEWEL	AVE N	LAKE ELMO	MN	55042	3402921120010	\$45,500	\$7,300	\$38,200
60	JOHNSON JEFFREY P & SUSAN V	820	JEWEL	AVE N	820	JEWEL	AVE N	LAKE ELMO	MN	55042	3402921120004	\$45,500	\$7,300	\$38,200
61	FARBAKHSH KAMBIZ	855	JEWEL	AVE N	855	JEWEL	AVE N	LAKE ELMO	MN	55042	3402921120009	\$45,500	\$7,300	\$38,200
62	NEAL MICHAEL G & KIMBERLY S	876	JEWEL	AVE N	876	JEWEL	AVE N	LAKE ELMO	MN	55042	3402921120003	\$45,500	\$7,300	\$38,200
63	BARBARA L OLFELT TRS	914	JEWEL	AVE N	914	JEWEL	AVE N	LAKE ELMO	MN	55042	3402921210015	\$45,500	\$7,300	\$38,200
64	HANKEE MICHAEL J & DIANE L	921	JEWEL	AVE N	921	JEWEL	AVE N	LAKE ELMO	MN	55042	3402921120008	\$45,500	\$7,300	\$38,200
65	FAIRROW RICHARD S	968	JEWEL	AVE N	968	JEWEL	AVE N	LAKE ELMO	MN	55042	3402921210016	\$45,500	\$7,300	\$38,200
66	DREIS CHRISTOPHER G & ANGELA B	975	JEWEL	AVE N	975	JEWEL	AVE N	LAKE ELMO	MN	55042	3402921120007	\$45,500	\$7,300	\$38,200
TOTALS											\$2,723,900	\$240,900	\$2,483,000	



## LEGEND

- █ STONEGATE 1ST ADDITION
- █ STONEGATE 2ND ADDITION

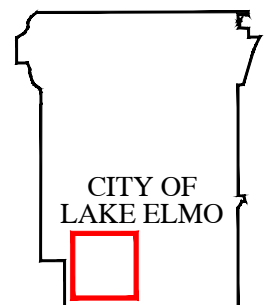


FIGURE NO. 1

## LOCATION MAP

STONEGATE NEIGHBORHOOD

**FOCUS**  
ENGINEERING, inc.

STONEGATE ADDITION  
STREET AND UTILITY  
IMPROVEMENTS  
PROJECT NO. 2019.120

PROJECT SCHEDULE  
CITY OF LAKE ELMO

**FOCUS** ENGINEERING, inc.

Cara Geheren, P.E. 651.300.4261  
Jack Griffin, P.E. 651.300.4264  
Ryan Stempksi, P.E. 651.300.4267  
Chad Isakson, P.E. 651.300.4283

STONEGATE ADDITION STREET AND UTILITY IMPROVEMENTS  
PROJECT NO. 2019.120

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JULY 16, 2019	Council orders preparation of Feasibility Report.
OCTOBER 1, 2019	Council Approves MPCA Grant Agreement for Stonegate Watermain Project.
OCTOBER 15, 2019	Council Authorizes Topographic Survey and Final Design Services.
NOVEMBER 19, 2019	Presentation of Feasibility Report. Council accepts Report and calls for Improvement Hearing.
DECEMBER 17, 2019	Public Improvement Hearing. Council Orders the Improvement (4/5th Vote) and preparation of Plans and Specifications.
MARCH 3, 2020	Council approves Plans and Specifications and orders Advertisement for Bids.
APRIL 2, 2020	Project Bid Date: Receive contractor bids.
APRIL 21, 2020	Council accepts Bids and awards Contract.
MAY 19, 2020	Conduct Pre-Construction Meeting and issue Notice to Proceed. <ul style="list-style-type: none"><li>• SEPTEMBER 25, 2020 Substantial Completion.</li><li>• NOVEMBER 13, 2020 Final Completion.</li></ul>
SEPTEMBER 7, 2021	Declares Costs to be Assessed and Calls for Hearing on Assessment.
OCTOBER 5, 2021	Final Assessment Hearing. Council adopts the Final Assessment Roll.