



STAFF REPORT

DATE: April 2, 2019
CONSENT

AGENDA ITEM: Approve Development Agreement Amendment for the Hammes Estates 3rd Addition Watermain Oversize Reimbursement Costs

SUBMITTED BY: Jack Griffin, City Engineer

REVIEWED BY: Kristina Handt, City Administrator
Ken Roberts, Planning Director
Chad Isakson, Assistant City Engineer

ISSUE BEFORE COUNCIL: Should the City Council approve an amendment to the Development Agreement for the Hammes Estates 3rd Addition to adjust the watermain oversize reimbursement by the City to account for the required 12-inch Trunk Pressure Reducing Valve (PRV)?

BACKGROUND AND PROPOSAL DETAILS/ANALYSIS: The Hammes Estates 3rd Addition development agreement was approved on March 21, 2018 and the developer began construction in July, 2018. The project includes the extension of 12-inch trunk watermain as required by the City to complete a critical 12-inch watermain loop connection from Keats Avenue to Inwood Avenue. Along this 12-inch extension a pressure reducing valve is required at the interconnect point between the City high pressure zone and south intermediate pressure zone. The 12-inch trunk watermain and 12-inch pressure reducing valve (PRV) were included in the project plans approved for construction on October 3, 2018 (see attached watermain exhibit).

When the developer and staff prepared the original development agreement for council approval the agreement accounted for a trunk watermain oversize reimbursement per Section 28 in the amount of \$40,055. This amount accounts for the pipe oversizing costs for the 12-inch trunk watermain but did not account of the oversize costs between an 8-inch PRV and a 12-inch PRV.

The developer is preparing to initiate construction work on Phase B of the Hammes Estates 3rd Addition which includes the construction of the 12-inch PRV and recently has contacted City staff regarding added costs that were not included in the original development agreement. The developer is requesting the City to amend the development agreement by increasing the watermain oversize reimbursement amount to address the additional oversize costs for the 12-inch PRV.

FISCAL IMPACT: The 12-inch pressure reducing valve (by-pass) to be located within the Hammes Estates 3rd Addition is programmed in the City 2019-2023 Capital Improvement Program to be completed in 2019 in the amount of \$120,000 (Hammes Estates 12" bypass). Since the developer is required to install an 8-inch PRV at the developer's cost, the actual City costs for this improvement are reduced by incurring only the incremental oversize costs to a 12-inch PRV.

RECOMMENDATION: Staff is recommending that the City Council approve, *as part of the Consent Agenda*, an amendment to the Development Agreement for the Hammes Estates 3rd Addition, Section 28, to address the additional trunk watermain oversize reimbursement for the required 12-inch PRV in the amount of \$90,180. If removed from the consent agenda, the recommended motion for the action is as follows:

“Move to approve an amendment to the Development Agreement for the Hammes Estates 3rd Addition, Section 28, to address the additional trunk watermain oversize reimbursement for the required 12-inch PRV in the amount of \$90,180.”

ATTACHMENTS:

1. Trunk Watermain Exhibit and PRV Plan.
2. 2019-2023 Water Fund Capital Improvement Plan.
3. Oversize Cost Estimates.
4. Hammes Estates 3rd Addition – Section 28 Amended Development Agreement.

14" I.D. FEED LINE
FROM TOWER #4:
OVERFLOW - 1,184

10

19

PRV - GROUND ELEVATION 1,000 -
KNOCK PRESSURE DOWN TO 55 PSI

TOWER #3:
OVERFLOW - 1,067
OR
OVERFLOW - 1,085

PRV - GROUND ELEVATION 1,000 -
KNOCK PRESSURE DOWN TO 55 PSI

13

PRV - KNOCK PRESSURE DOWN TO
37 PSI, SERVE AS INTERCONNECT
TO LOW PRESSURE ZONE

PRV - GROUND ELEVATION 1,000
KNOCK PRESSURE DOWN TO 55 PSI

94

94

Source	Project #	Priority	2019	2020	2021	2022	2023	Total
Vehicle Replacement Fund Total			365,000	460,000	170,000	985,000	250,000	2,230,000
Water Fund								
Service Truck	PW-043	1	50,000					50,000
Trac Hoe	PW-044	2		15,000				15,000
Pressure Reduction Valve	W-004	3		120,000				120,000
Hammes Estates 12" bypass	W-007	4	120,000					120,000
Village East Trunk Watermain	W-008	2		132,000				132,000
Paint Water Tank at PW	W-010	4					800,000	800,000
Watermain Oversizing	W-013	3	188,000					188,000
2020 Street & Utility Improvements-Water	W-017	3		50,000				50,000
2021 Street & Utility Improvements-Water	W-018	3			50,000			50,000
SCADA Upgrade	W-019	2				50,000		50,000
Utility Truck	W-022	3			35,000			35,000
Water Meter Change Out	W-023	1	50,000	50,000	50,000	50,000		200,000
Automated Radio Read System	W-024	3				300,000		300,000
OV sewer extension Phase 7; water component	W-026	3					253,000	253,000
Pressure Reduction Station-Connection to WT #3	W-027	3					132,000	132,000
2023 Street Projects-water component	W-030	3					100,000	100,000
Water Fund Total			408,000	367,000	135,000	400,000	1,285,000	2,595,000
GRAND TOTAL			6,488,500	10,232,000	17,112,066	13,265,350	5,400,000	52,497,916

To: City of Lake Elmo
Attn: Jack Griffin
 3880 Laverne Ave N
 Lake Elmo, MN 55042

Date: 3/22/2019

Furnish & Install 8" PRV Structure			Total Cost
Labor			\$ 2,737.00
Equipment			\$ 1,147.00
Materials			\$ 23,924.00
Coating Subcontractor			\$ 1,438.00
TOTAL COST 8" PRV STRUCTURE =			\$ 29,246.00

Furnish & Install 12" PRV Structure			Total Cost
Labor			\$ 12,939.00
Equipment			\$ 6,395.00
Materials			\$ 96,421.00
Coating Subcontractor			\$ 3,671.00
TOTAL COST 12" PRV STRUCTURE =			\$ 119,426.00

TOTAL UPSIZING COST =			\$ 90,180.00
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28. CITY PAYMENTS. The City shall reimburse the Developer in the amount of \$40,055 for oversizing costs associated with the installation of 12 inch water main and reimburse the Developer in the amount of \$90,180 for oversizing costs associated with the installation of 12 inch pressure reducing valve (PRV) as identified on the Plans. City payments shall be made within 30 days of the City's final acceptance of the Improvements, but only if the Developer is not in default with respect to any terms of this Agreement. This payment by the City shall be the City's only responsibility with regard to construction of the Improvements and in no case shall act as a waiver of any other right of the City under this Agreement or under applicable laws, ordinances or rules.