



## STAFF REPORT

DATE: February 4, 2020

**REGULAR**

**AGENDA ITEM:** Approve Resolution Receiving Feasibility Report and Calling Hearing on Improvement for the 31st Street & Stillwater Blvd Watermain 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

---

**ISSUE BEFORE COUNCIL:** Should the City Council accept the Feasibility Report and call a public hearing for the 31st Street & Stillwater Blvd Watermain Improvements to be held at the March 4th, 2020 Council meeting?

**BACKGROUND:** On November 19, 2019, the City Council authorized the preparation of a feasibility report for the 31st Street & Stillwater Blvd Watermain Improvements. The project neighborhood is located just south of Stillwater Boulevard (CSAH 14) and the Union Pacific Railroad, and just east of 31st Street North. The neighborhood has six homes on lots ranging in size from 0.5 to 7.3 acres. The properties reside in an area where per- and polyfluoroalkyl substances (PFAS) contamination exceeds Health Based Values (HBVs) and well advisories have been issued.

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 six homes. The grant is in the not to exceed amount of \$449,100. 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.

**PROPOSAL DETAILS/ANALYSIS:** The project extends the public watermain south across Stillwater Boulevard (CSAH 14) from the north side, approximately 800 feet east of the intersection at 31st Street North. On the south side of CSAH 14, watermain will be extended approximately 780 feet further south along a shared private driveway. Individual water service stubs will be installed for each of the six residential properties. The project will include grant funding and administrative processes for ensuring each property completes the private service connection from the right-of-way to each home, including water meter installation, removal of granular activated carbon treatment systems (if applicable), sealing of any private well, and all permitting and connection fees. The private water connection and well sealing improvements will be contracted separately by each property owner.

As part of the grant agreement with the MPCA, all households within the project limits, 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.

In order to assess all or a portion of the improvements, the City must prepare a feasibility report as required by the statutory process for public improvements that are specially assessed. The feasibility report has been completed and provides the scope of recommended improvements; estimated project costs; identifies easement and right-of-way, permits and other requirements needed to implement the improvements; recommends whether the improvements should be best made as proposed or in connection with some other improvement; and advises that the improvements are necessary, cost effective, and feasible. The report also includes a preliminary assessment roll for each of the benefitting properties based upon the City's Special Assessment Policy for Local Improvements.

The total estimated project cost is \$449,100. This includes \$370,000 for the watermain improvements and service stubs, and \$79,100 for the private water service connections and well sealing improvements. The proposed public watermain assessment is \$61,700 for each of the six residential properties in the neighborhood, based on assessing 100% of the public watermain improvements on a per REC basis. 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 \$449,100. 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 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 approve a Resolution, receiving the Feasibility Report and calling a public hearing for the 31st Street & Stillwater Blvd Watermain Improvements. The recommended motion for this action is as follows:

***“Move to approve Resolution No. 2020-015, receiving the Feasibility Report and Calling a Public Hearing for the 31st Street & Stillwater Blvd Watermain Improvements.”***

**ATTACHMENTS:**

1. Resolution Receiving Report and Calling for Hearing on Improvements.
2. Notice of Hearing on Improvement.
3. 31st Street & Stillwater Blvd Watermain Improvements – Location Map.
4. 31st Street & Stillwater Blvd Watermain Improvements – Project Schedule.

Feasibility Report (*available for review at City Hall*).

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

**RESOLUTION NO. 2020-015**

**A RESOLUTION RECEIVING A FEASIBILITY REPORT FOR THE  
31ST STREET & STILLWATER BLVD WATERMAIN IMPROVEMENTS  
AND CALLING HEARING ON IMPROVEMENT**

**WHEREAS**, pursuant to City Council authorization, adopted on November 19, 2019, a feasibility report has been prepared by FOCUS Engineering, Inc. for the 31st Street & Stillwater Blvd Watermain Improvements; and

**WHEREAS**, the feasibility report recommends that benefitting properties be assessed all or a portion of the cost of the improvements pursuant to the City's Special Assessment Policy and Minnesota Statutes, Chapter 429; and

**WHEREAS**, the feasibility report provides information regarding whether the proposed improvement is necessary, cost-effective, and feasible; whether it should best be made as proposed or in connection with some other improvement; the estimated cost of the improvements as recommended; and a description of the methodology used to calculate individual assessments for affected parcels.

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

1. That the City Council will consider the improvements in accordance with the report and the assessments of the abutting properties for all or a portion of the cost of the improvements pursuant to Minnesota Statutes, Chapter 429 at an estimated total project cost of \$449,100.
2. A public hearing shall be held on such proposed improvements on the 4th day of March, 2020, in the council chambers of the City Hall at or approximately after 7:00 P.M. and the clerk shall give mailed and published notice of such hearing and improvement as required by law.

**ADOPTED BY THE LAKE ELMO CITY COUNCIL ON THE FOURTH DAY OF FEBRUARY,  
2020.**

**CITY OF LAKE ELMO**

(Seal)  
ATTEST:

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

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

**CITY OF LAKE ELMO  
NOTICE OF HEARING ON IMPROVEMENT  
31ST STREET & STILLWATER BLVD WATERMAIN 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 **Wednesday, March 4, 2020**, to consider the making of the following improvements, pursuant to Minnesota Statutes, Sections 429.011 to 429.111;

The extension of municipal water along a private driveway located just south of Stillwater Boulevard and the Union Pacific Railroad, and just east of 31<sup>st</sup> Street North, to provide clean drinking water to 6 residential properties, including the extension of a private water service stub for each home.

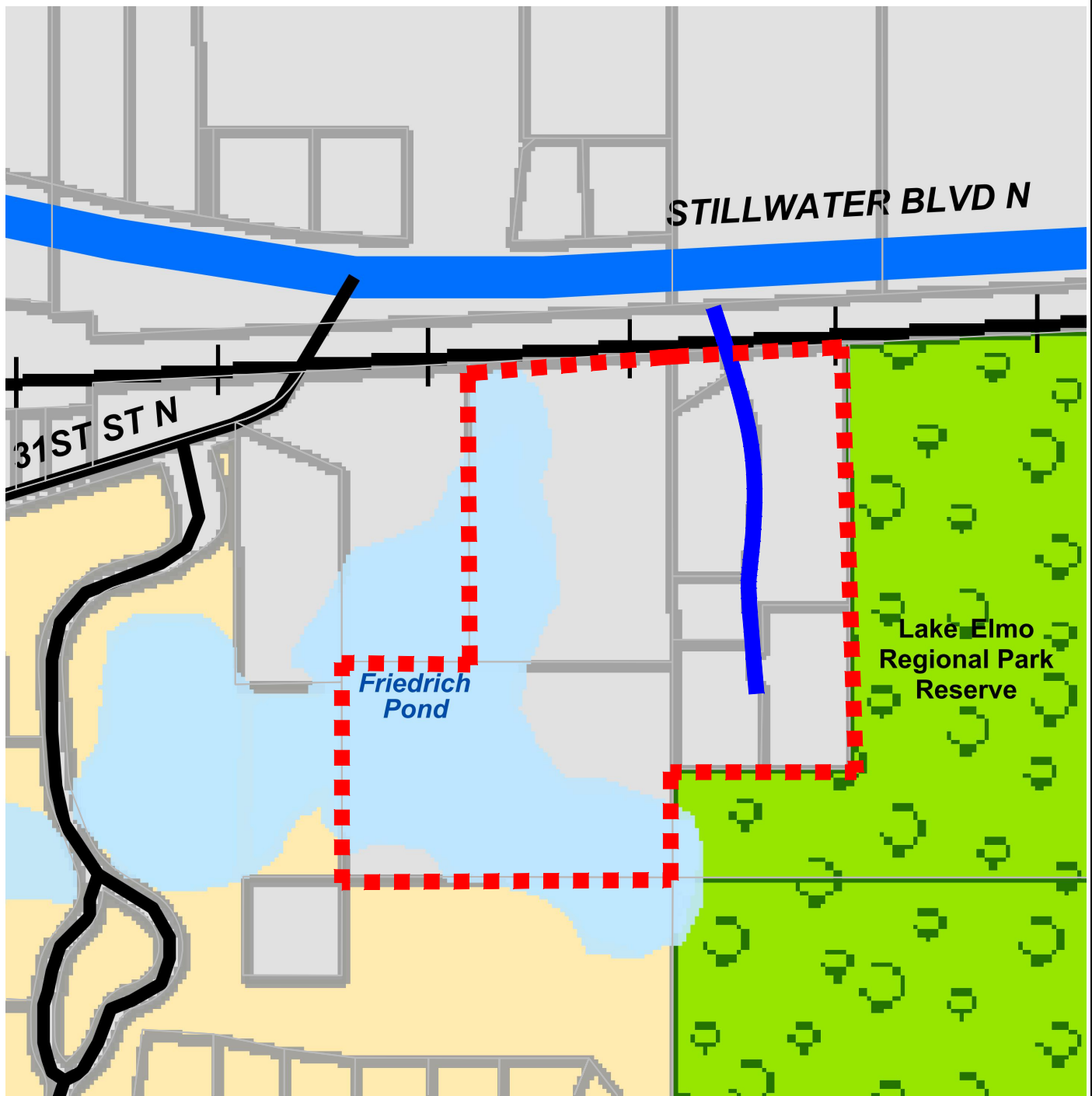
The area proposed to be assessed for the watermain improvements include all six properties located in the neighborhood that will be receiving access to connect to city water. The estimated total cost for the project is \$449,100. A reasonable estimate of the impact of the assessments will be available at the hearing. Such persons as desiring to be heard with reference to the proposed improvements will be heard at this meeting.

**DATED: February 4, 2020**

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

**Mike Pearson, Mayor**

*(Published in the Stillwater Gazette on February 7, 2020 and February 14, 2020)*



**LEGEND**

- PRIVATE DRIVE
- - - PROPERTIES SERVED

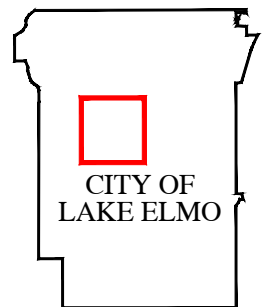


FIGURE NO. 1

**LOCATION MAP**

31ST STREET & STILLWATER BLVD

**FOCUS**  
ENGINEERING, inc.

31ST STREET &  
STILLWATER BLVD  
WATERMAIN EXTENSION  
PROJECT NO. 2019.124

PROJECT SCHEDULE  
CITY OF LAKE ELMO

**FOCUS** ENGINEERING, inc.

31ST STREET AND STILLWATER BLD WATERMAIN IMPROVEMENTS  
PROJECT NO. 2019.124

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

---

OCTOBER 1, 2019	Council Approves MPCA Grant Agreement for 31st Street and Stillwater Boulevard Watermain Improvements.
OCTOBER 15, 2019	Council Authorizes Topographic Survey and Final Design Services.
NOVEMBER 19, 2019	Council orders preparation of Feasibility Report.
FEBRUARY 4, 2020	Presentation of Feasibility Report. Council accepts Report and calls for Improvement Hearing.
MARCH 4, 2020	Public Improvement Hearing. Council Orders the Improvement (4/5th Vote). 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	Council Declares Costs to be Assessed and Calls for Hearing on Assessment.
OCTOBER 5, 2021	Final Assessment Hearing. Council adopts the Final Assessment Roll.