



## STAFF REPORT

DATE: March 4, 2020

### **PUBLIC HEARING**

**AGENDA ITEM:** Public Improvement Hearing; Approve Resolution Ordering the 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

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**ISSUE BEFORE COUNCIL:** The City Council is respectfully requested to open the Public Improvement Hearing for the 31st Street & Stillwater Blvd Watermain Improvements; and following the Hearing, consider adopting a resolution Ordering the Improvement. A 4/5th vote of the city council is required to order the improvement.

**BACKGROUND:** Pursuant to Minnesota Statutes, Section 429.011 to 429.111, a Public Improvement Hearing was noticed for March 4, 2020, to consider making the improvements necessary to extend municipal water into the 31st Street & Stillwater Blvd neighborhood to provide clean drinking water to each of the 6 homes.

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 February 4, 2020 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 six homes in the 31st St and Stillwater neighborhood. 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. The properties reside in an area where per- and polyfluoroalkyl substances (PFAS) contamination exceeds Health Based Values (HBVs) and well advisories have been issued.

**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 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.

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.

The preliminary assessment rolls detailing each property's proposed assessment amount are included in the Appendix of the feasibility report. 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 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 \$430 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 as outlined in the Feasibility Report dated January 2020. A 4/5th vote of the city council is required to order the improvement. The recommended motion for this action is as follows:

***“Move to adopt Resolution No. 2020-019 Ordering the 31st Street and Stillwater Boulevard Improvements as outlined in the Feasibility Report dated January 2020.”***

**ATTACHMENTS:**

1. Resolution Ordering the Improvements for the 31st Street & Stillwater Blvd Watermain Improvements.
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. 2020-019**

**A RESOLUTION ORDERING THE IMPROVEMENT FOR THE  
31ST STREET & STILLWATER BLVD WATERMAIN IMPROVEMENTS**

**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**, ten days mailed notice and two weeks published notice of the hearing was given, and the hearing was held thereon on the 4th day of March 2020, 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 January 2020 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 January 2020.
2. Such improvement is hereby ordered as proposed in the council resolution adopted this 4th day of March, 2020.

**ADOPTED BY THE LAKE ELMO CITY COUNCIL ON THE FOURTH DAY OF MARCH,  
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 EXTENSION**

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 to serve six homes located along a private drive between 31<sup>st</sup> Street North and Keats Avenue North and south of Stillwater Boulevard including the extension of water services to provide clean drinking water to 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.

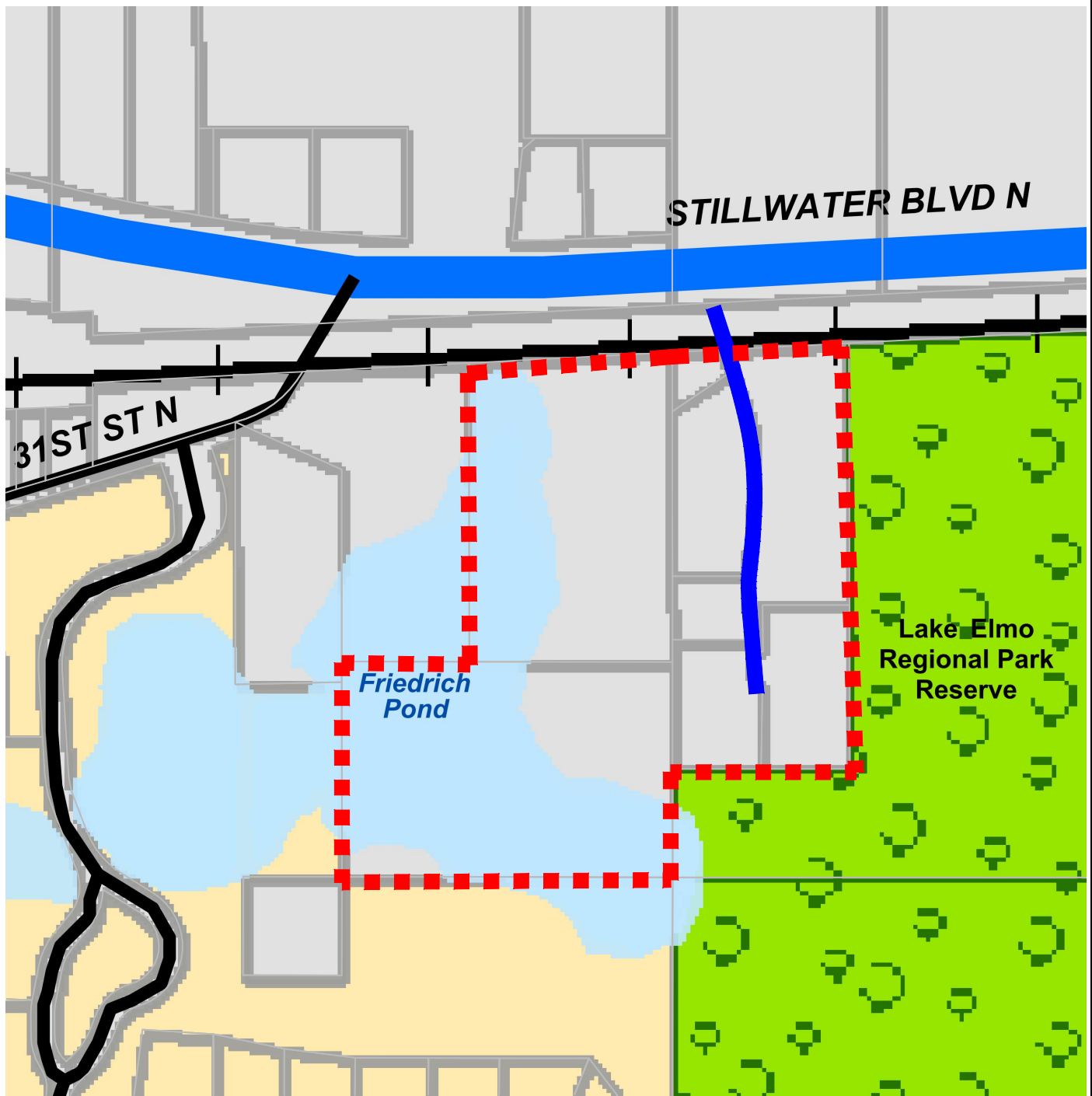
**DATED: February 4, 2020**

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

**Mike Pearson, Mayor**

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

NO.	NAME	ADDRESS	MAILING ADDRESS				PID	TOTAL ASSESSMENT AMOUNT
1	O'SHEA DOUGLAS J & ANDREA D	9517 STILLWATER BLVD N	9517	STILLWATER BLVD N	LAKE ELMO MN 55042	1502921430009	\$61,700	
2	GOIFFON WAYNE J	9519 STILLWATER BLVD N	9519	STILLWATER BLVD N	LAKE ELMO MN 55042	1502921430002	\$61,700	
3	TOWNSEND JEFFREY M & JENNIFER M	9521 STILLWATER BLVD N	9521	STILLWATER BLVD N	LAKE ELMO MN 55042	1502921430010	\$61,700	
4	HAYEK RICHARD J & MARJORIE A	9523 STILLWATER BLVD N	9523	STILLWATER BLVD N	LAKE ELMO MN 55042	1502921430007	\$61,700	
5	KOTASKA GREGORY W	9495 STILLWATER BLVD N	9495	STILLWATER BLVD N	LAKE ELMO MN 55042	1502921340006	\$61,700	
6	ALGUIRE TODD	9447 STILLWATER BLVD N	9447	STILLWATER BLVD N	LAKE ELMO MN 55042	1502921340007	\$61,700	
						<b>TOTAL</b>	<b>\$370,200</b>	



**LEGEND**

-  PRIVATE DRIVE
-  PROPERTIES SERVED

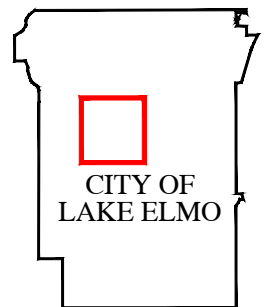


FIGURE NO. 1

**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 Stempki, P.E. 651.300.4267  
Chad Isakson, P.E. 651.300.4283

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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).
MARCH 17, 2020	Council approves Plans and Specifications and orders Advertisement for Bids.
APRIL 16, 2020	Project Bid Date: Receive contractor bids.
MAY 5, 2020	Council accepts Bids and awards Contract.
JUNE 2, 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.