



STAFF REPORT

DATE: August 17, 2021

CONSENT

AGENDA ITEM: Approve Cooperative Agreement between City of Oakdale and City of Lake Elmo for the Construction Costs of Sanitary Sewer Lift Station Improvements

SUBMITTED BY: Jack Griffin, City Engineer

REVIEWED BY: Kristina Handt, City Administrator
Marty Powers, Public Works Director
Chad Isakson, Assistance City Engineer

ISSUE BEFORE COUNCIL: Should the City Council approve the Cooperative Agreement between City of Oakdale and City of Lake Elmo for Construction Costs of Sanitary Sewer Lift Station Improvements?

BACKGROUND: The City of Lake Elmo has been working with Oakdale to establish a sanitary sewer connection to Oakdale to serve the 180 acres located along Ideal Avenue and County State Aid Highway 14 (CSAH 14). Amongst these efforts the City has approved a Comprehensive Plan Amendment to allow for sewer development, is in the process of negotiating and establishing an ongoing sanitary sewer use agreement with the City of Oakdale, and has entered into a purchase agreement with NorthPoint Development, LLC to develop the approximately 75 acres located at Ideal Avenue, South of CSAH 14.

PROPOSAL DETAILS/ANALYSIS: In order to secure a sanitary sewer connection with the City of Oakdale by the fall of 2022, to support the proposed NorthPoint development schedule, the Oakdale lift station located at the intersection of Ideal Avenue and Stillwater Blvd/Helmo Avenue will need to be reconstructed to increase capacity and relocated further outside of the road right-of-way. Staff has prepared a Cooperative Agreement with Oakdale for the reconstruction of the sanitary sewer lift station (Lift Station 6) so that the reconstruction includes additional capacity to support the sewer development for the 180 acres in Lake Elmo.

Key elements of the agreements are as follows:

- Oakdale will be responsible for the construction of the Project and the preparation of all plans and specifications for the Project.
- The Improvements include the relocation and reconstruction of Lift Station 6, including related pumps, wet wells, force mains, and site work. The improvements do not include the extension of gravity sewer from the lift station to the NorthPoint development property. This sanitary sewer extension work will be completed under separate contracts.
- Oakdale shall award a construction contract to the lowest responsible bidder, upon concurrence by the City of Lake Elmo.
- Lake Elmo will be responsible for 30% of the total estimated project costs, or \$267,900 based on the preliminary project cost estimates.
- If Lake Elmo does not enter into a Sanitary Sewer Use Agreement, Lake Elmo shall reimburse Oakdale for 100% of the costs associated with redesigning the Project to serve only Oakdale.

- Any modifications or additions to the construction contract shall be made part of the construction contract through a written amendment, but only after concurrence by Lake Elmo's designated project manager. Costs for such changes shall be appropriated using the 30% cost share by Lake Elmo and 70% costs share for Oakdale
- Payment terms by Lake Elmo o Oakdale are detailed in the Agreement.

FISCAL IMPACT: The total estimated Project cost is \$893,000 as set forth in Exhibit B of the Agreement. Lake Elmo's share of the Project construction costs shall be 30%, or \$267,900. The total estimated Project cost and share attributable to Lake Elmo and payable to Oakdale are merely estimated and a final reconciliation of construction costs as set forth in Agreement shall be completed at the end of the Project.

In lieu of the above costs, if Lake Elmo does not enter into a Sanitary Sewer Use Agreement, Lake Elmo shall reimburse Oakdale for 100% of the costs associated with redesigning the Project to serve only Oakdale.

RECOMMENDATION: Staff is recommending that the City Council approve, *as part of the consent agenda*, a Resolution approving the Cooperative Agreement between the City of Oakdale and City of Lake Elmo for Construction Costs of Sanitary Sewer Lift Station Improvements. If removed from the consent agenda, the recommended motion for the action is as follows:

“Move to approve Resolution No. 2021-089 Approving the Cooperative Agreement between City of Oakdale and City of Lake Elmo for Construction Costs of Sanitary Sewer Lift Station Improvements.”

ATTACHMENTS:

1. Resolution Approving Cooperative Agreement between City of Oakdale and City of Lake Elmo for Construction Costs of Sanitary Sewer Lift Station Improvements.
2. Cooperative Agreement between City of Oakdale and City of Lake Elmo.

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

RESOLUTION NO. 2021-089

**A RESOLUTION APPROVING COOPERATIVE AGREEMENT BETWEEN THE CITY
OF OAKDALE AND THE CITY OF LAKE ELMO FOR THE CONSTRUCTION COSTS
OF SANITARY SEWER LIFT STATION IMPROVEMENTS**

WHEREAS, Lake Elmo has requested, by mutual agreement with Oakdale, to add future sanitary sewer flows from 180-acres of undeveloped land (“Property”) in Lake Elmo near Ideal Avenue and County Road 14, which is proposed to be developed with industrial, commercial, and residential uses; and

WHEREAS, the sewage from the Property would flow to Oakdale’s existing Lift Station 6 located at Ideal Avenue and Stillwater Boulevard in Oakdale’s Sewer District 8, which then flows by gravity to Oakdale’s Sewer Districts 9, 11, 7, 12, 15, and 17; and

WHEREAS, Oakdale intends to make improvements to its sanitary sewer system on Stillwater Boulevard, including relocation of Lift Station 6 and improvements to related pumps, wet wells, force mains, and other sanitary sewer infrastructure (“Project”); and

WHEREAS, Oakdale and Lake Elmo desire to share in the costs of the Project; and

WHEREAS, this Agreement is the result of a cooperative effort between Oakdale and Lake Elmo to determine the appropriate method to facilitate Oakdale’s construction of the Project and Oakdale and Lake Elmo’s share in the costs of the Project; and

WHEREAS, Lake Elmo and Oakdale intend to enter into a future cooperative agreement (“Sanitary Sewer Service Agreement”) addressing ongoing obligations, including establishing certain responsibilities and charges for Lake Elmo to pay to Oakdale for such future sanitary sewer flows; and

WHEREAS, if Lake Elmo does not enter into the Sanitary Sewer Agreement, Lake Elmo is willing to reimburse Oakdale for 100% of the costs associated with redesigning the Project to serve only Oakdale.

NOW, THEREFORE, BE IT RESOLVED,

1. That Cooperative Agreement between the City of Oakdale and the City of Lake Elmo for the construction costs of sanitary sewer lift station improvements, is hereby approved and the Mayor and City Administrator are hereby authorized to execute the agreement on behalf of the City of Lake Elmo.

**ADOPTED BY THE LAKE ELMO CITY COUNCIL ON THE SEVENTEENTH DAY OF
AUGUST, 2021.**

CITY OF LAKE ELMO

(Seal)
ATTEST:

By: _____
Charles Cadenhead
Mayor

Julie Johnson, City Clerk

**COOPERATIVE AGREEMENT BETWEEN
THE CITY OF OAKDALE AND THE CITY OF LAKE ELMO FOR THE
CONSTRUCTION COSTS OF SANITARY SEWER LIFT STATION IMPROVEMENTS**

This COOPERATIVE AGREEMENT (“the Agreement”), is made and entered into this ____ day of _____, 2021 (the “Effective Date”), by and between the City of Oakdale (“Oakdale”), a Minnesota municipal corporation, and the City of Lake Elmo (“Lake Elmo”), a Minnesota municipal corporation.

RECITALS

WHEREAS, Lake Elmo has requested, by mutual agreement with Oakdale, to add future sanitary sewer flows from 180-acres of undeveloped land (“Property”) in Lake Elmo near Ideal Avenue and County Road 14, which is proposed to be developed with industrial, commercial, and residential uses; and

WHEREAS, the sewage from the Property would flow to Oakdale’s existing Lift Station 6 located at Ideal Avenue and Stillwater Boulevard in Oakdale’s Sewer District 8, which then flows by gravity to Oakdale’s Sewer Districts 9, 11, 7, 12, 15, and 17; and

WHEREAS, Oakdale intends to make improvements to its sanitary sewer system on Stillwater Boulevard, including relocation of Lift Station 6 and improvements to related pumps, wet wells, force mains, and other sanitary sewer infrastructure (“Project”); and

WHEREAS, Oakdale and Lake Elmo desire to share in the costs of the Project; and

WHEREAS, this Agreement is the result of a cooperative effort between Oakdale and Lake Elmo to determine the appropriate method to facilitate Oakdale’s construction of the Project and Oakdale and Lake Elmo’s share in the costs of the Project; and

WHEREAS, Lake Elmo and Oakdale intend to enter into a future cooperative agreement (“Sanitary Sewer Service Agreement”) addressing ongoing obligations, including establishing certain responsibilities and charges for Lake Elmo to pay to Oakdale for such future sanitary sewer flows; and

WHEREAS, if Lake Elmo does not enter into the Sanitary Sewer Agreement, Lake Elmo is willing to reimburse Oakdale for 100% of the costs associated with redesigning the Project to serve only Oakdale.

NOW THEREFORE, Oakdale and Lake Elmo agree as follows:

AGREEMENT

1. PURPOSE

The purpose of this Agreement is set forth in the above recitals, which are incorporated by reference as if fully set forth herein, and shall consist of this Agreement, Exhibit A (the “Lift Station 6 Site Plan”) and Exhibit B (“Lift Station 6 Improvements and Cost Estimates”).

2. PLANS AND SPECIFICATION PREPARATION

Oakdale shall be responsible for the construction of the Project and the preparation of all plans and specifications for the Project, including but not limited to, compliance with all applicable laws, standards, and policies and obtaining all approvals required in formulating the bid specifications for all components of this Project.

3. ADVERTISEMENT AND AWARD OF CONTRACT

After plans and specifications have been approved and all permits and approvals have been obtained by Oakdale, Oakdale shall advertise for construction bids and, upon concurrence by the City of Lake Elmo, shall award the contract to the lowest responsible bidder.

4. CONSTRUCTION ADMINISTRATION, INSPECTION, OBSERVATION, AND TESTING

Oakdale shall be responsible for the construction administration, inspection, and for the observation and testing for all construction items.

5. COST PARTICIPATION AND ESTIMATED COSTS

The total estimated Project cost is \$893,000 as set forth in Exhibit B of this Agreement. Lake Elmo’s share of the Project construction costs shall be 30% and Oakdale’s share shall be 70%. The total estimated Project cost and share attributable to Lake Elmo and payable to Oakdale are merely estimated and a final reconciliation of construction costs as set forth in Section 6 below shall be completed at the end of the Project.

In lieu of the above costs, if Lake Elmo does not enter into the Sanitary Sewer Agreement, Lake Elmo shall reimburse Oakdale for 100% of the costs associated with redesigning the Project to serve only Oakdale.

6. PAYMENT

A. Construction

- I. After Oakdale has awarded the construction contract, Oakdale shall update Exhibit B to conform the Exhibit to the amounts in the awarded bid and shall invoice Lake Elmo ten percent (10%) of Lake Elmo’s estimated construction

costs based on the updated Exhibit B.

- II. During construction, Oakdale shall submit to Lake Elmo partial estimates of work performed under the construction contract and Lake Elmo shall pay to Oakdale its share of the partial estimates.
- III. Upon substantial completion of the work, Oakdale shall submit to Lake Elmo a final invoice and final reconciliation of costs. The reconciliation will add or subtract adjustments for liquidated damages pursuant to Section 8 of this Agreement and previous Project cost payments made by Lake Elmo to Oakdale. Lake Elmo shall pay its remaining share of the final invoice and final reconciliation of costs.

B. In the event that Lake Elmo pays more in-advance than the actual cost of Lake Elmo's portion of the Project, Oakdale shall refund without interest the amount to Lake Elmo.

C. Lake Elmo shall pay one hundred percent (100%) of an invoice amount within thirty (30) days of receipt.

7. CONSTRUCTION CONTRACT CHANGES

Any modifications or additions to the final approved plans or specifications shall be made part of the construction contract through a written amendment to the construction contract, but only after concurrence by Lake Elmo's designated project manager and the cost for such changes shall be appropriated as set forth in Section 5 of this Agreement. Lake Elmo's concurrence shall be received upon request and may not be unreasonably conditioned, withheld, or delayed.

8. LIQUIDATED DAMAGES

Any liquidated damages assessed to the contractor in connection with the work performed on the Project shall be shared by Oakdale and Lake Elmo in the following proportion: The respective total share of construction work to the total construction cost without any deduction for liquidated damages.

9. CIVIL RIGHTS AND NON-DISCRIMINATION

The provisions of Minnesota Statutes, Section 181.59 and of any applicable ordinance relating to civil rights and discrimination shall be considered part of this Agreement as if fully set further herein and shall be part of any Agreement entered into by the parties with any contractor subcontractor, or material suppliers.

10. WORKERS COMPENSATION

It is understood and agreed that any and all employees of Lake Elmo and all other persons employed by Lake Elmo in the performance of this Agreement shall not be considered employees of Oakdale. Any and all claims that may or might arise under the Worker's Compensation Act of the State of Minnesota on behalf of said employees while so engaged and any and all claims made by any third parties as a consequence of any act or omission on the part of said Lake Elmo

employees while so engaged on any of the construction or construction engineering work or services to be rendered herein shall in no way be the obligation or responsibility of Oakdale.

11. INDEMNIFICATION

- A. Oakdale agrees that it will defend, indemnify, and hold harmless Lake Elmo against any and all liability, loss, damages, costs, and expenses which Lake Elmo may hereafter sustain, incur, or be required to pay by reason of any negligent act by the Oakdale, its agents, officials, officers, or employees during the performance of this Agreement.
- B. Lake Elmo agrees that it will defend, indemnify, and hold harmless the Oakdale against any and all liability, loss, damages, costs, and expenses which Oakdale may hereafter sustain, incur, or be required to pay by reason of any negligent act by Lake Elmo, its agents, officials, officers, or employees during the performance of this agreement.
- C. To the fullest extent permitted by law, actions by the parties to this Agreement are intended to be and shall be construed as a “cooperative activity.” It is the intent of the parties that they shall be deemed a “single governmental unit” for the purposes of liability, as set forth in Minnesota Statutes, Section 471.59, subdivision 1a (b). The parties to this Agreement are not liable for the acts or omissions of another party to this Agreement except to the extent they have agreed in writing to be responsible for the acts or omissions of the other parties as provided for in Minnesota Statutes, Section 471.59, subdivision 1a.
- D. Each party’s liability shall be governed by the provisions of Minnesota Statutes, Chapter 466 and other applicable law. The parties agree that liability under this Agreement is controlled by Minnesota Statutes, Section 471.59, subdivision 1a and that the total liability for the parties shall not exceed the limits on governmental liability for a single unit of government as specified in Minnesota Statutes, Section 466.04, subdivision 1(a).

12. DATA PRACTICES

All data collected, created, received, maintained, disseminated, or used for any purposes in the course of this Agreement is governed by the Minnesota Government Data Practices Act, Minnesota Statutes Section 13.01, et seq. or any other applicable state statutes and state rules adopted to implement the Act, as well as state statutes and federal regulations on data privacy.

13. TERM AND TERMINATION

This Agreement is effective as of the Effective Date indicated above and shall terminate upon completion of reimbursement of costs by Lake Elmo or upon mutual agreement of the parties.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the Effective Date.

OAKDALE

CITY OF LAKE ELMO

Paul Reinke, Mayor

Charles Cadenhead, Mayor

Date

Date

Christina Volkers, City Administrator

Kristina Handt, City Administrator

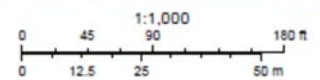
Date

Date

Exhibit A - Lift Station 6 Site Plan



November 18, 2020



Disclaimer: Map and parcel data are believed to be accurate, but accuracy is not guaranteed. This is not a legal document and should not be substituted for a title search, appraisal, survey, or for zoning verification.

Exhibit B - Cost Estimate

Oakdale, MN
 Lift Station 6 Improvements
 SEH No. 157611
 Date: 12-18-20

Cost Estimate

Item No.	Item	Quantity	Units	Unit Cost	Total Cost
PROCESS					
1	Flygt Triplex Submersible Pump System, 1,100 gpm @ 116' TDH at 60 hz, (3) 2in gulderall	1	LS	\$ 120,000	\$ 120,000
2	Remove Existing Lift Station	1	LS	\$ 20,000	\$ 20,000
3	Bypass/Temporary Sewer Pumping/connections	1	LS	\$ 6,000	\$ 6,000
4	12" PVC Sanitary Sewer	200	LF	\$ 75	\$ 15,000
5	Connection to Existing Forcemain	1	LS	\$ 3,000	\$ 3,000
6	10" DIP Force Main	250	LF	\$ 80	\$ 20,000
7	Fittings	1	LS	\$ 9,500	\$ 9,500
8	6" Plug Valve	4	EA	\$ 1,200	\$ 4,800
9	6" Swing Check Valve, Lever and Weight	3	EA	\$ 1,600	\$ 4,800
COATINGS					
10	Coatings	691	SF	\$ 15	\$ 10,365
STRUCTURAL					
11	Ballast Fill and Grout	9	CY	\$ 900	\$ 8,100
12	9ft dia precast wetwell	33	LF	\$ 1,600	\$ 52,800
13	9ft dia precast wetwell - Base slab	2	LF	\$ 2,500	\$ 5,000
13	9ft dia precast valve vault	14	LF	\$ 1,600	\$ 22,400
14	Sanitary MH	20	LF	\$ 450	\$ 9,000
CIVIL					
15	Traffic Control	1	LS	\$ 15,000	\$ 15,000
16	Site Grading & Restoration	1	LS	\$ 50,000	\$ 50,000
17	Access Drive	1	LS	\$ 14,000	\$ 14,000
18	Site Fencing	250	LF	\$ 40	\$ 10,000
19	15" RCP Culvert	90	LF	\$ 60	\$ 5,400
GEOTECHNICAL					
20	Excavation	1	LS	\$ 15,000	\$ 15,000
21	Dewatering	1	LS	\$ 10,000	\$ 10,000
22	Sheeting & Bracing	1	LS	\$ 20,000	\$ 20,000
HARDWARE					
23	30in x 30in Aluminum Hatch	1	EA	\$ 1,700	\$ 1,700
24	78in x 30in Aluminum Hatch	1	EA	\$ 2,625	\$ 2,625
ELECTRICAL					
25	Installation	1	LS	\$ 15,000	\$ 15,000
26	Engine Generator, 100KW	1	LS	\$ 80,000	\$ 80,000
27	Control Panel, VFD, DVRT filter, Pressure Transducer, (4) Floats, Battery Backup, TVSS	1	LS	\$ 75,000	\$ 75,000
Subtotal					\$ 624,490
+ 10% Contingencies					\$ 62,449
Total Estimated Construction Cost					\$ 687,000
+ 30% Eng. Adm. Indirect Cost					\$ 206,100
Total Estimated Project Cost					\$ 893,000