



## STAFF REPORT

DATE: October 19, 2021  
**REGULAR**

**AGENDA ITEM:** Approve Resolution Receiving Feasibility Report, Calling Hearing on Improvement, Approving Plans and Specifications, and Ordering Advertisement for Bids for the Torre Pines Street and Utility Improvements

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

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

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**ISSUE BEFORE COUNCIL:** Should the City Council accept the Feasibility Report, call a Public Hearing, approve the Plans and Specifications, and Order the Advertisement for Bids for the Torre Pines Street and Utility Improvements, with the Improvement Hearing to be held at the December 7, 2021 council meeting?

**BACKGROUND:** On July 6, 2021, the City Council authorized the preparation of a feasibility report and the preparation of plans and specifications for the Torre Pines Street and Utility Improvements. The project area includes the Torre Pines subdivision, located east of Inwood Avenue (CSAH 13), with a single access to the neighborhood at the intersection of Inwood Avenue and 21st Street North. The neighborhood was developed as residential Rural Estate lots ranging in size from 2.5 to 5.4 acres. The residential properties are served by private wells and individual on-site wastewater treatment systems. 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. Eleven (11) well advisories have been issued.

The public streets located in the subdivision, including 21st Street, 22nd Street, and 22nd Street Court have been identified in the street capital improvement plan (CIP) for improvement in 2022. In addition, 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 23 properties.

**PROPOSAL DETAILS/ANALYSIS:** A Feasibility Report has been prepared to address the extension of clean drinking water to 23 properties located in the Torre Pines subdivision by extending the municipal water system into the neighborhood prior to reconstructing the neighborhood streets as scheduled for improvement in 2022 in the City's capital improvement plan. The report serves to identify the necessary improvements, the estimated project costs, and to consider the assessment of a portion of the project costs to properties adjacent to and benefitting from the improvements.

The proposed project extends a 10-inch HDPE (nominal 8-inch) public watermain from Inwood Avenue into and throughout the Torres Pines neighborhood along 21st Street, 22nd Street, and 22nd Street Court. Watermain will be installed through directional drilling to minimize impacts to the streets and boulevards. Individual water service stubs will be installed to the edge of right-of-way at each of the 23 residential properties. Following the watermain installation, street and drainage improvements will be completed including the excavation and replacement of the aggregate base to a depth of 6-inches, and pavement of a new bituminous surface. The existing concrete curb and gutter was found to be in servable condition

therefore, only curb and gutter sections found to be cracked or damaged will be replaced. The project plans include an alternate bid package for replacing all curb and gutter to determine if full replacement is more cost effective than spot replacement.

As part of the Grant Agreement with the MPCA, all households in the development, regardless of Health Based Values (HBVs), are eligible to connect to municipal water and all households that connect to city water must 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 watermain, and the street and storm sewer improvements in accordance with the city's Special Assessment Policy and current practices. Each property that connects to city water must 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 watermain, and street and storm sewer improvement assessments levied for this project will be fully or partially reduced based on the grant amount applied by the state.

In order to assess all or a portion of the improvements, the city has prepared 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 \$2,243,000. This includes \$875,000 for the public watermain improvements, \$944,000 for the street and drainage improvements, and \$424,000 for the private water service connections/well sealing improvements. The proposed public watermain assessment is \$38,000 for each of the 23 residential properties based on assessing 100% of the public watermain improvements on a per REC basis. The proposed street and storm sewer assessment is \$12,300 for each of the 23 residential properties with direct access to the improved roadways. This unit assessment is based on assessing 30% of the street and storm sewer costs on a per unit basis. 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.

In addition, the plans and specifications have been completed for the improvements and are ready to be advertised for contractor bids. A bid date has been scheduled for December 15, 2021. Once received, bids may be held for up to 60 days providing the option to present Council with an award recommendation at a future council meeting up the first meeting in February.

**FISCAL IMPACT:** The total estimated project cost is \$2,243,000. The improvements will be funded primarily through a grant from the MPCA under the 2018 3M Settlement Agreement, in the amount of \$2,219,000, and in accordance with the terms of the MPCA-Lake Elmo Grant Agreement dated April 2, 2021. Special assessments will be levied, and general city funds will be considered to cover costs incurred outside the grant agreement terms.

The city will contract for the public watermain, and street and storm sewer 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 \$60 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, calling a public hearing, approving the plans and specifications, and ordering the advertisement for bids for the Torre Pines Street and Utility Improvements. The recommended motion for this action is as follows:

***“Move to approve Resolution No. 2021-116, receiving the Feasibility Report, Calling Hearing on Improvement, Approving the Plans and Specifications, and Ordering the Advertisement for Bids for the Torre Pines Street and Utility Improvements.”***

**ATTACHMENTS:**

1. Resolution Receiving a Feasibility Report, Calling for Hearing on Improvement, Approving Plans and Specifications, and Ordering Advertisement for Bids.
2. Notice of Hearing on Improvement.
3. Preliminary Assessment Roll and Exhibit.
4. Location Map.
5. Proposed Improvements Exhibit.
6. Project Schedule.

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

Project Plans and Specifications *(available for review at City Hall)*.

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

**RESOLUTION NO. 2021-116**

**A RESOLUTION RECEIVING A FEASIBILITY REPORT, CALLING  
HEARING ON IMPROVEMENT, APPROVING PLANS AND  
SPECIFICATIONS AND ORDERING ADVERTISEMENT FOR BIDS FOR  
THE TORRE PINES STREET AND UTILITY IMPROVEMENTS**

**WHEREAS**, pursuant to City Council resolution, adopted on July 6, 2021, a feasibility report has been prepared by FOCUS Engineering, Inc. for the Torre Pines Street and Utility 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; and

**WHEREAS**, pursuant to City Council resolution, adopted on July 6, 2021, the City Engineer, together with Bolton and Menk, Inc., has prepared plans and specifications for the Torre Pines Street and Utility Improvements and has presented such plans and specifications to the Council for approval.

**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 \$2,243,000.
2. A public hearing shall be held on such proposed improvements on the 7th day of December, 2021 in the council chambers of 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.
3. Such plans and specifications, a copy of which is on file at Lake Elmo City Hall, and made a part hereof, are hereby approved.
4. The City Clerk shall prepare and cause to be inserted in the official paper and posted online with Quest Construction Data Network (QuestCDN.com) an advertisement for bids upon the making of such improvements under such approved plans and specifications. The advertisement shall be published for at least 21 days, shall specify the work to be done, and shall state that sealed bids provided by following required electronic bidding procedures outlined by QuestCDN prior to the specified bid date and time and accompanied by a bid bond or cashier's check made payable to the City of Lake Elmo in an amount not less than 5% of the amount of such bid will be considered.



**ADOPTED BY THE LAKE ELMO CITY COUNCIL ON THE NINETEENTH DAY OF  
OCTOBER, 2021.**

**CITY OF LAKE ELMO**

(Seal)  
ATTEST:

By: \_\_\_\_\_  
Charles Cadenhead  
Mayor

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

**CITY OF LAKE ELMO  
NOTICE OF HEARING ON IMPROVEMENT  
TORRE PINES STREET AND UTILITY IMPROVEMENTS**

Notice is hereby given that the City Council of Lake Elmo will conduct a public hearing on **Tuesday, December 7, 2021**, at or approximately after 7:00 PM 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 Torre Pines subdivision to replace individual private wells along 21st Street North, 22nd Street North, and 22nd Street Court North to provide clean drinking water to each of the 23 homes adjacent to the new watermain, including a water service stub to the public right-of-way. Following the watermain installation, street and drainage improvements will be completed along the following public streets:

- 21st Street North, from Inwood Avenue North to 22nd Street Court North.
- 22nd Street North, from 21st Street North to 22nd Street Court North.
- 22nd Street Court North.

The area proposed to be assessed for the watermain improvements include each of the 23 properties located along 21st Street North, 22nd Street North, and 22nd Street Court North 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 each of the 23 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 \$2,243,000; consisting of \$875,000 for the public watermain improvements, \$944,000 for the street and drainage improvements, and \$424,000 for the private water service connections/well sealing improvements. A reasonable estimate of the impact of the assessment 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: October 19, 2021**

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

**Charles Cadenhead, Mayor**

*(Published in the Stillwater Gazette on October 22, 2021 and October 29, 2021)*

TORRE PINES STREET AND UTILITY IMPROVEMENTS  
PRELIMINARY ASSESSMENT ROLL

NO.	NAME	ADDRESS			MAILING ADDRESS						PID	TOTAL ASSESSMENT	STREET & DRAINAGE ASSESSMENT	WATERMAIN ASSESSMENT
1	KROSCHER DAVID M & BRENDA K	8141	21ST	ST N	8141	21ST	ST N	LAKE ELMO	MN	55042	2102921330010	\$50,300	\$12,300	\$38,000
2	GOLDSTROHM AARON C & TRISTA L SCHAGAT	8171	21ST	ST N	8171	21ST	ST N	LAKE ELMO	MN	55042	2102921330011	\$50,300	\$12,300	\$38,000
3	BEST WALTER G & LAN N	8180	21ST	ST N	8180	21ST	ST N	LAKE ELMO	MN	55042	2102921330014	\$50,300	\$12,300	\$38,000
4	LIEBENOW DAVID W & BEVERLY A	8219	21ST	ST N	8219	21ST	ST N	LAKE ELMO	MN	55042	2102921330012	\$50,300	\$12,300	\$38,000
5	BOURNE MICHAEL R & KATHERINE M	8260	21ST	ST N	8260	21ST	ST N	LAKE ELMO	MN	55042	2102921340008	\$50,300	\$12,300	\$38,000
6	LISA LARAE SETTERSTROM TRS	8271	21ST	ST N	8271	21ST	ST N	LAKE ELMO	MN	55042	2102921340011	\$50,300	\$12,300	\$38,000
7	SELBY MEGAN A	8311	21ST	ST N	8311	21ST	ST N	LAKE ELMO	MN	55042	2102921340012	\$50,300	\$12,300	\$38,000
8	YOCUM RUTH A	8330	21ST	ST N	8330	21ST	ST N	LAKE ELMO	MN	55042	2102921340009	\$50,300	\$12,300	\$38,000
9	SEVENICH JOHN & BETH	8381	21ST	ST N	8381	21ST	ST N	LAKE ELMO	MN	55042	2102921340014	\$50,300	\$12,300	\$38,000
10	KATARE RAJESH & SHILPA SHUKLA	8125	22ND	ST N	8125	22ND	ST N	LAKE ELMO	MN	55042	2102921330013	\$50,300	\$12,300	\$38,000
11	MATTHEW D MOORE TRS & JANE B MOORE TRS	8134	22ND	ST N	8134	22ND	ST N	LAKE ELMO	MN	55042	2102921330004	\$50,300	\$12,300	\$38,000
12	GARDENHIRE RONALD C & CAROL J	8206	22ND	ST N	8206	22ND	ST N	LAKE ELMO	MN	55042	2102921330003	\$50,300	\$12,300	\$38,000
13	MCGEE FAMILY REV TRS	8263	22ND	ST N	8263	22ND	ST N	LAKE ELMO	MN	55042	2102921340007	\$50,300	\$12,300	\$38,000
14	COHEN ANNE N & DWAYNE L	8276	22ND	ST N	8276	22ND	ST N	LAKE ELMO	MN	55042	2102921340005	\$50,300	\$12,300	\$38,000
15	LARSON MICHAEL P & MELISSA D	8335	22ND	ST N	8335	22ND	ST N	LAKE ELMO	MN	55042	2102921340006	\$50,300	\$12,300	\$38,000
16	SCHARA JODELL L	8340	22ND	ST N	8340	22ND	ST N	LAKE ELMO	MN	55042	2102921340004	\$50,300	\$12,300	\$38,000
17	MALMBERG JOHN A & JUDITH A	8382	22ND	ST N	8382	22ND	ST N	LAKE ELMO	MN	55042	2102921340003	\$50,300	\$12,300	\$38,000
18	EMILY M BLISS IRREV TRS	8414	22ND	ST N	11514	PLANDOME	DR SE	HOBE SOUND	FL	33455	2102921340002	\$50,300	\$12,300	\$38,000
19	CASWELL JEFFREY K & VICTORIA	8006	22ND	CT N	8006	22ND	CT N	LAKE ELMO	MN	55042	2102921330008	\$50,300	\$12,300	\$38,000
20	PETERSON BRUCE A & NORMA JEAN	8028	22ND	CT N	8028	22ND	CT N	LAKE ELMO	MN	55042	2102921330007	\$50,300	\$12,300	\$38,000
21	KORY L & MAUREEN C NEISES LIV TRS	8042	22ND	CT N	8042	22ND	CT N	LAKE ELMO	MN	55042	2102921330006	\$50,300	\$12,300	\$38,000
22	FLEMING BERNHARD M & JEANNE	8047	22ND	CT N	8047	22ND	CT N	LAKE ELMO	MN	55042	2102921330009	\$50,300	\$12,300	\$38,000
23	ODOM LISA M & ANTHONY L WINCZEWSKI JR	8074	22ND	CT N	8074	22ND	CT N	LAKE ELMO	MN	55042	2102921330005	\$50,300	\$12,300	\$38,000
TOTALS												\$1,156,900	\$282,900	\$874,000

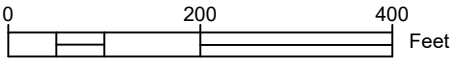




**LEGEND**



ASSESSABLE PROPERTY - STREET AND WATERMAIN IMPROVEMENTS

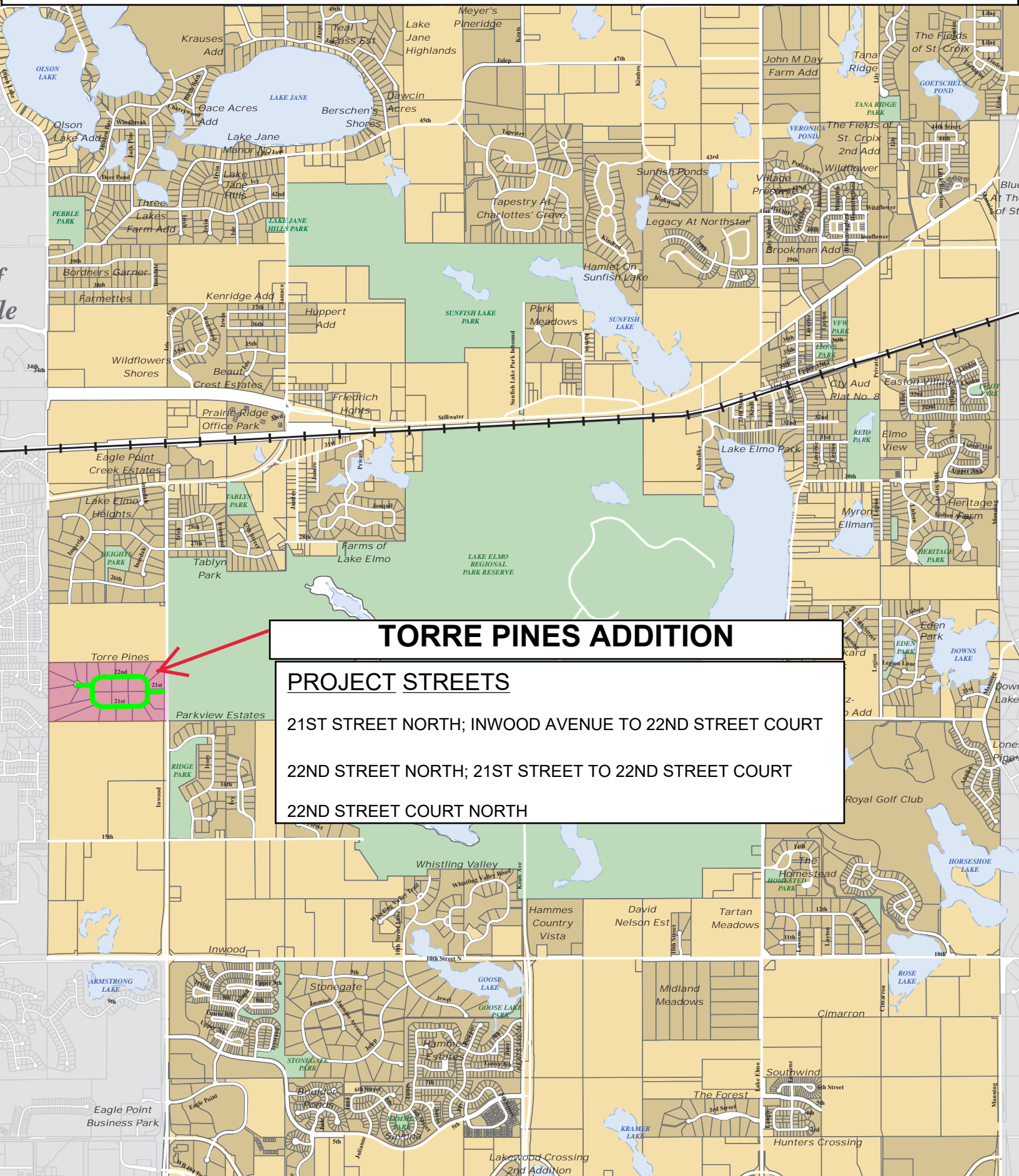




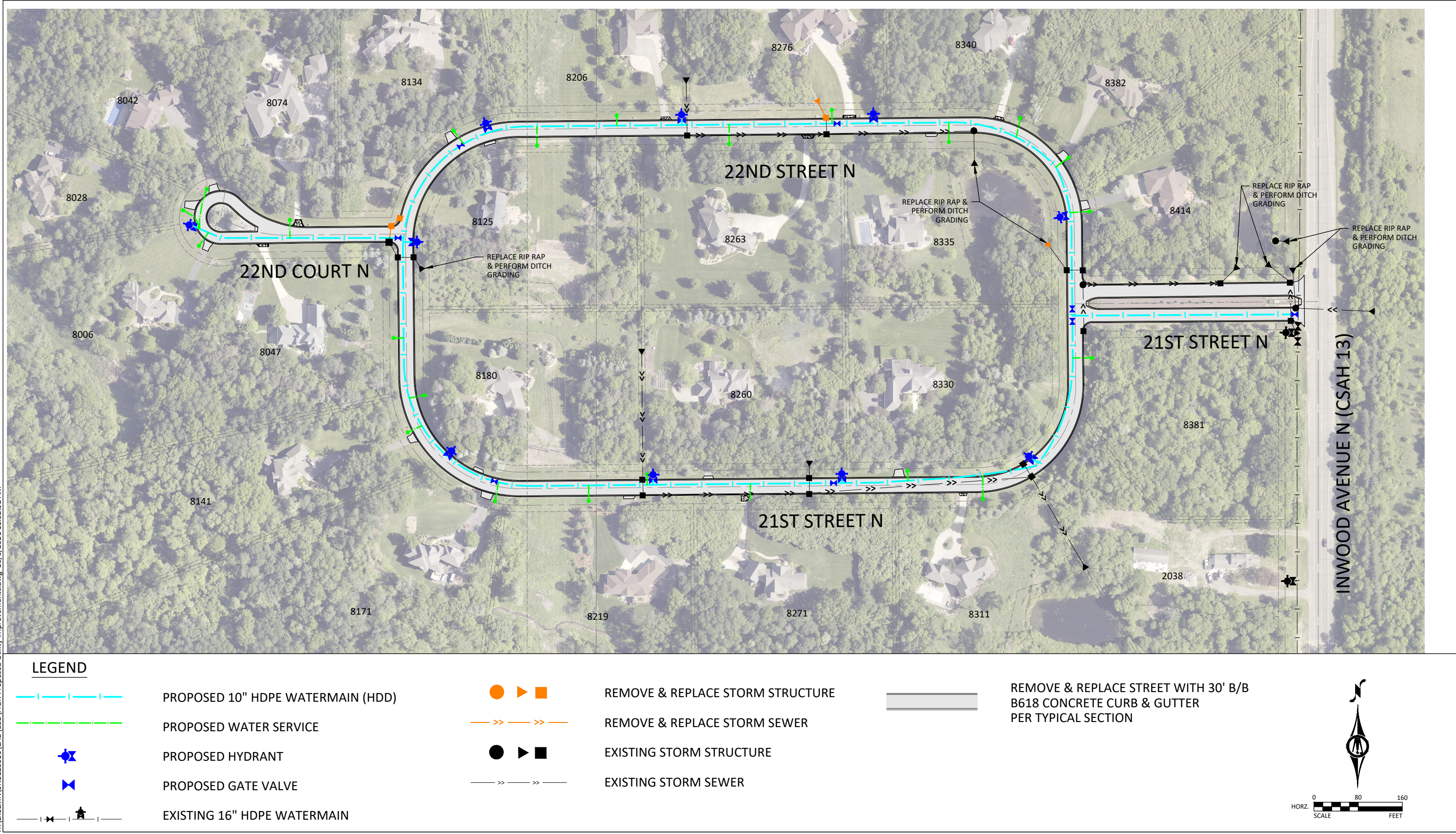
# CITY OF LAKE ELMO

## TORRE PINES STREET AND UTILITY IMPROVEMENTS

### PROJECT LOCATION MAP







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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

TORRES PINES STREET AND UTILITY IMPROVEMENTS  
PROJECT NO. 2020.122

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APRIL 6, 2021	Council Approves MPCA Grant Agreement.
JULY 6, 2021	Council orders preparation of Feasibility Report and Design Phase Services.
OCTOBER 19, 2021	Presentation of Feasibility Report. Council accepts Report and calls for Improvement Hearing. Council approves Plans and Specifications and orders Advertisement for Bids.
DECEMBER 7, 2021	Public Improvement Hearing. Council Orders the Improvement (4/5th Vote).
DECEMBER 15, 2021	Project Bid Date: Receive contractor bids.
DECEMBER 21, 2021 or JANUARY 4, 2022 or JANUARY 18, 2022	Council accepts Bids and awards Contract. <i>(bids may be held for 60 days)</i>
MARCH, 2022	Conduct Pre-Construction Meeting and issue Notice to Proceed. <ul style="list-style-type: none"><li>OCTOBER 14, 2022 Substantial Completion.</li><li>NOVEMBER 25, 2022 Final Completion.</li></ul>

*\*Final Assessment Hearing Schedule TBD*