



## STAFF REPORT

DATE: May 21, 2024

**REGULAR**

**AGENDA ITEM:** Accept Petition from the Stillwater Area Public School District (District) for Connection to Public Water and Sanitary Sewer and Authorize the Preparation of a Feasibility Report

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

**REVIEWED BY:** Clark Schroeder, Interim City Administrator  
Sarah Sonsalla, City Attorney  
Clarissa Hadler, Finance Director  
Marty Powers, Public Works Director  
Chad Isakson, Assistant City Engineer

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**ISSUE BEFORE COUNCIL:** Should the City Council accept the petition from the Stillwater Area Public School District (District) for connection to public water and sanitary sewer and authorize the preparation of a Feasibility Report?

**BACKGROUND:** A petition requesting the connection to City water and sanitary sewer was received from the District on May 8, 2024, most likely consisting of 100% of the properties that would benefit from the proposed improvements. See attached petition.

Leading up to the formal petition request, City and District staff held several meetings related to the District's expansion plans for the Oak-Land Middle School. Included in the expansion plan discussions was the inquiry from the District to connect to public water and sanitary sewer. In response to these inquiries, the City Engineer prepared 3 high level concepts for connecting the Oak-Land Middle School to public sewer, including information for connecting to public water (see attached Engineering Memorandum dated April 8, 2024). Two of the sewer options also contemplated/included the new Lake Elmo Elementary School to be located at 10th Street (CSAH 10) and Lake Elmo Avenue (CSAH 17). These options were developed together with connection fees and high level (order of magnitude) cost estimates. The options were prepared for the purpose of discussions between the City and District to then determine if the District remained interested in the utility connections based on the costs presented.

**PROPOSAL DETAILS/ANALYSIS:** A detailed Feasibility Report is required as the next step in the process to better define the scope of desired/required improvements and to produce more accurate cost estimates needed to make an informed decision. A Feasibility Report is also required as part of the statutory process for public improvements that are specially assessed. The feasibility report will advise on the scope of recommended improvements; provide estimated project costs; identify easement and right-of-way, permits and other requirements of other local agencies needed to implement the improvements; recommend whether the improvements should be best made as proposed or in connection with some other improvement; and advise if the improvements are necessary, cost effective, and feasible. The report will also provide a proposed preliminary assessment roll for each of the benefitting properties based upon the City's Special Assessment Policy for Local Improvements.

Because the District is likely the only benefitting property, staff is suggesting the following steps to process this request.

1. District submits formal letter petitioning the City for connection to City sewer (and/or City water as may be applicable) for Oak-Middle School. Letter indicates that the District agrees to pay all costs for the feasibility report, currently estimated to be \$21,000. *This letter has been received.*

2. District submits signed "City of Lake Elmo Petition for Local Improvement" form as provided by the City and as reviewed by the City Attorney. *Petition is attached.*
3. City staff presents petition to the City Council for consideration and if accepted, recommends Council authorize the preparation of a Feasibility Report.
4. Upon City Council approved resolution authorizing the Feasibility Report, the District submits an escrow check in the amount of \$21,000 to cover the costs of the study.
5. Upon receipt of escrow payment, City staff will proceed with the report. The first step for the study will include a kick-off meeting with the City, City's engineering consultants, and District staff to review/verify scope.

If the proposed project moves forward to design/construction, the District would be asked to sign a Waiver of Assessment in the City's standard form, agreeing to the proposed special assessment amounts.

**FISCAL IMPACT:** None. The District will be asked to pay all costs for the Feasibility Report, in the estimated amount of \$21,000.

**RECOMMENDATION:** Staff is recommending that the City Council approve a Resolution Declaring Adequacy of Petition, and Ordering Preparation of a Feasibility Report for connection to Public Water and Sanitary Sewer for the Oak-Land Middle School. The recommended motion for this action is as follows:

***“Move to approve Resolution No. 2024-065, Declaring Adequacy of Petition, and Ordering Preparation of a Feasibility Report for connection to Public Water and Sanitary Sewer for the Oak-Land Middle School, to be completed jointly by FOCUS Engineering, Inc. and Bolton and Menk, Inc. in the not to exceed amount of \$21,000.”***

**ATTACHMENTS:**

1. Resolution Declaring Adequacy of Petition, and Authorizing Preparation of a Feasibility Report.
2. District Petition for connection to City Water and Sanitary Sewer, dated May 8, 2024.
3. Preliminary Engineering Memorandum dated April 8, 2024.

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

**RESOLUTION NO. 2024-065**

**A RESOLUTION DECLARING ADEQUACY OF PETITION AND ORDERING THE  
PREPARATION OF A FEASIBILITY REPORT FOR CONENCTION TO MUNICIPAL  
WATER AND SANITARY SEWER FOR THE OAK-LAND MIDDLE SCHOOL**

**WHEREAS**, a petition was received on May 8, 2024 from the Stillwater Area Public School District, formally requesting connection to municipal water and sanitary sewer for the Oak-Land Middle School; and

**WHEREAS**, it is proposed to assess the benefiting properties for all or a portion of the cost of the improvements, pursuant to the City's Special Assessment Policy and Minnesota Statutes, Chapter 429.

**NOW, THEREFORE, IT IS HEREBY RESOLVED,**

1. The Petition requesting the improvements is hereby declared to be signed by the required percentage of owners of property affected thereby. This declaration is made in conformity to Minnesota Statutes 429.035.
2. The Petition for the proposed improvements are hereby referred to the City Engineer and his consultants, to complete a feasibility report in accordance with Minnesota Statutes, Chapter 429 for the proposed improvements, and to report to the council in a preliminary way as to 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 improvement as recommended; and a description of the methodology used to calculate individual assessments for affected parcels.

**ADOPTED BY THE LAKE ELMO CITY COUNCIL ON THE TWENTY-FIRST DAY OF MAY,  
2024.**

**CITY OF LAKE ELMO**

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

(Seal)  
ATTEST:

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



May 8, 2024

City of Lake Elmo  
3800 Laverne Ave N,  
Lake Elmo, MN 55042

RE: Petition for connection to city sewer and water – Oakland Middle School

Stillwater Area Public Schools is formally submitting a petition for connection to city sewer and water for Oak-Land Middle School. The Oak-Land Middle School's septic system is not in compliance with the Washington County Subsurface Sewage Treatment System code and is currently operating with a grandfathered system. Utilizing public sewer and water is the best solution for the longevity of Oak-Land Middle School

This letter is authorizing the commissioning of the feasibility study for sewer and water connections and acknowledging the District will pay for all costs associated with the study. We understand the initial estimate is \$21,000 for that work.

Sincerely,

Dr. Michael Funk

Superintendent of Stillwater Area Public Schools

# CITY OF Lake Elmo

## PETITION FOR LOCAL IMPROVEMENT


DATE:

TO THE CITY COUNCIL OF LAKE ELMO, MINNESOTA:

We the undersigned, being the owners of real property in the City of Lake Elmo and representing at least 35% of the affected properties abutting or receiving benefit from the requested improvements, hereby petition the City to extend to our properties municipal sanitary sewer service pursuant to Minnesota Statutes, Chapter 429, and that the City assess the cost of the improvement against our property described below and hereby agree to pay the entire cost as apportioned by the City.

We understand that if the City Council orders the improvements, we may be assessed for these improvements in accordance with the City's Special Assessment Policy and State Statutes, we understand that the City Council has full authority to authorize improvements to be made, and assessments to be levied against my property, and that any decision to order the improvements is NOT subject to vote by the abutting properties.

*(To allow for proper City notifications, each signature must be accompanied by a legibly printed name and address)*

SIGNATURE OF PROPERTY OWNER(S)	NAME (printed)	ADDRESS (printed)
1. 	Mike Funk	1875 Greeley Street S. Stillwater, MN 55082
2. _____		
3. _____		
4. _____		
5. _____		
6. _____		
7. _____		
8. _____		
9. _____		
10. _____		
11. _____		
12. _____		
13. _____		

**PETITION FOR LOCAL IMPROVEMENT**

Page 2

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- 22. \_\_\_\_\_
- 23. \_\_\_\_\_
- 24. \_\_\_\_\_

Examined, checked, and found to be in proper form and to be signed by the required number of owners of property affected by the making of the improvement petitioned for.

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

(Seal)



- d. Example. Oak-Land School Building SAC determination by Met Council = 140 SAC units (est.)
  - i. Connection Fees =  $(\$3,000 + \$1,000 + \$2,485) \times 140$  SAC units. \$907,900.
- e. Example. Lake Elmo Elementary School @ 148,000 SF is 129 SAC units (est.)
  - i. Connection Fees = \$836,565.

#### WATER

- 1. Water Availability Charge (WAC) = \$3,000 per WAC unit (based on Met Council SAC Determination: 1 SAC = 1 WAC).
  - 2. Water Connection Charge = \$1,000 per WAC unit.
  - 3. Example. Oak-Land School Building WAC determination by Met Council = 140 WAC units (est.)
    - a. Connection Fees =  $(\$3,000 + \$1,000) \times 140$  SAC units. \$560,000 + Meter Fee (based on size).
  - 4. Example. Lake Elmo Elementary School @ 148,000 SF is 129 SAC units (est.)
    - a. Connection Fees = \$516,000 + Meter Fee.
3. Infrastructure ownership and maintenance responsibilities.
- a. City owns and maintains public infrastructure (infrastructure used by more than one property owner).
  - b. City owns/maintains all fire hydrants and watermain lines feeding each fire hydrant.
  - c. Infrastructure constructed for sole use of property owner remains privately owned and maintained. This includes lift stations and forcemains.

#### SANITARY SEWER CONNECTION INFRASTRUCTURE IMPROVEMENTS

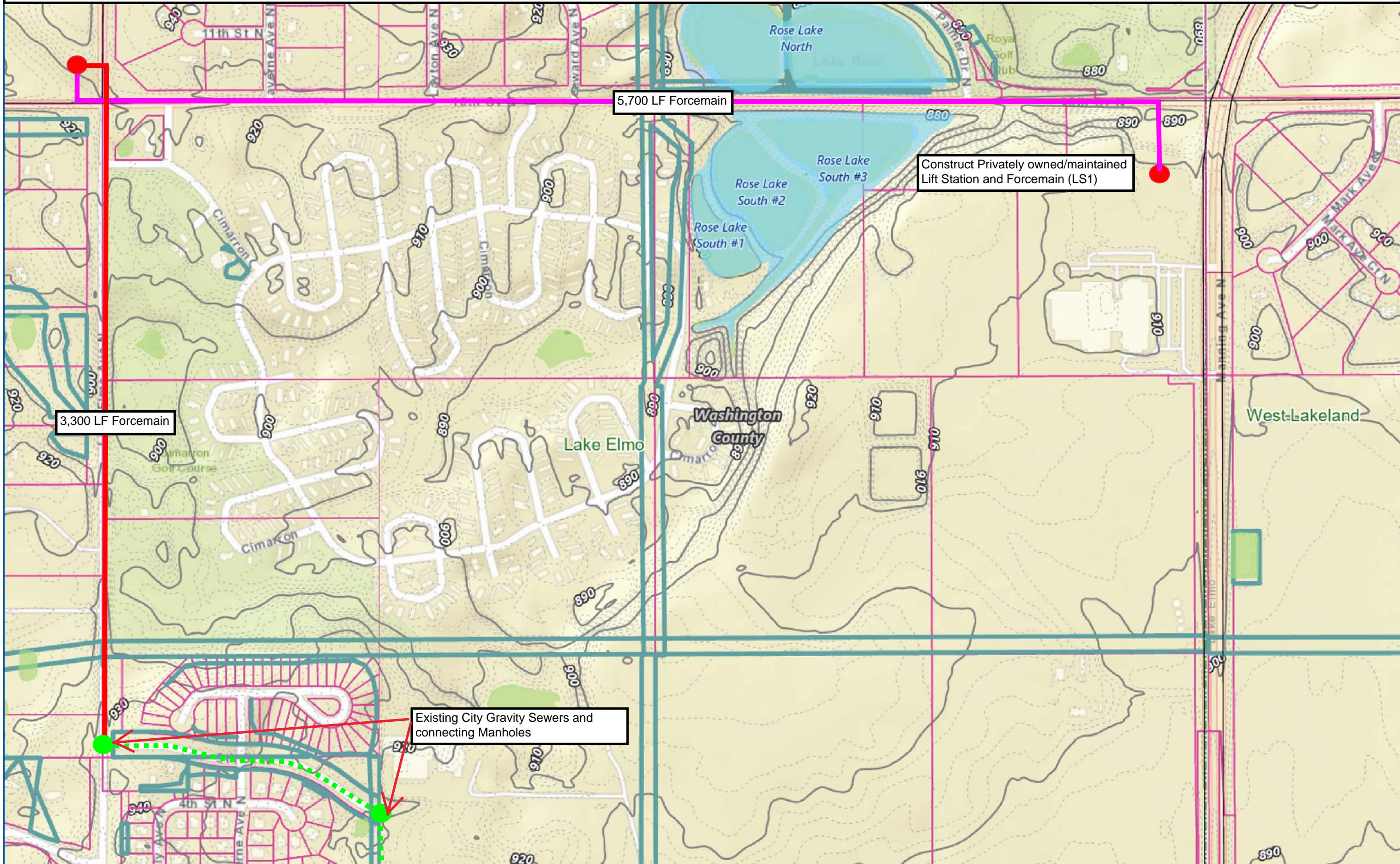
- 1. Option 1. Combined sewer project with new Lake Elmo Elementary School Build.
  - a. Privately owned LS/FM to Elementary School Site (5,700 LF).
  - b. LS = \$450K. FM = \$70/LF. \$1.1M with 30% soft costs and contingency.
  - c. Elementary School (LS + 3,300 LF FM). \$900K with 30% soft costs and contingency.
  - d. Add Connection Fees at time of each building permit.
- 2. Option 2. Privately owned LS/FM to east manhole on 5th Street (6,000 LF).
  - a. LS = \$450K. FM = \$70/LF. \$1.1m with 30% soft costs and contingency.
  - b. Add Connection Fees at time of building permit.
- 3. Option 3. Private Gravity Sewer to Ex. RGC LS + Public system LS/FM upgrades.
  - a. Privately owned Gravity sewer (1,400 LF) to Ex. RCG LS. \$250K.
  - b. Upgrade RCG LS and replace ex. Forcemain (7,400 LF). \$900k.
  - c. Future Elementary School (LS + 200 LF FM). \$600K with 30% soft costs and contingency.
  - d. Add Connection Fees at time of each building permit.

#### CITY WATER CONNECTION INFRASTRUCTURE IMPROVEMENTS

- 1. Public owned maintained watermain from 10th Street (CSAH 19) and Palmer Drive intersection.
  - a. Watermain with Hydrants (3600 LF) = \$520K.
  - b. Add Connection Fees at time of connection/building permit.



# OAK-LAND MIDDLE SCHOOL SANITARY SEWER CONNECTION: OPTION 1



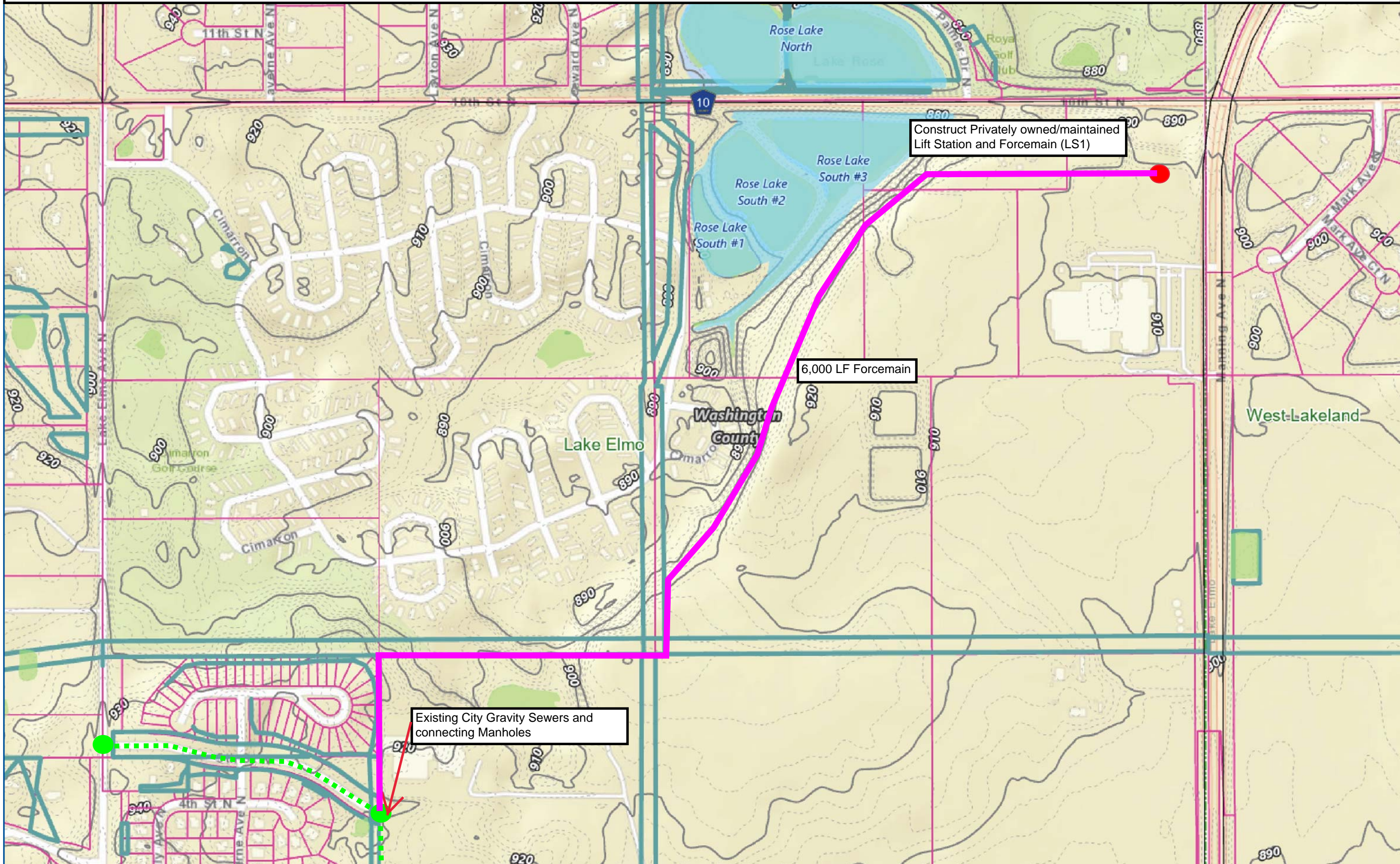
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# OAK-LAND MIDDLE SCHOOL SANITARY SEWER CONNECTION: OPTION 2



Construct Privately owned/maintained Lift Station and Forcemain (LS1)

6,000 LF Forcemain

Existing City Gravity Sewers and connecting Manholes

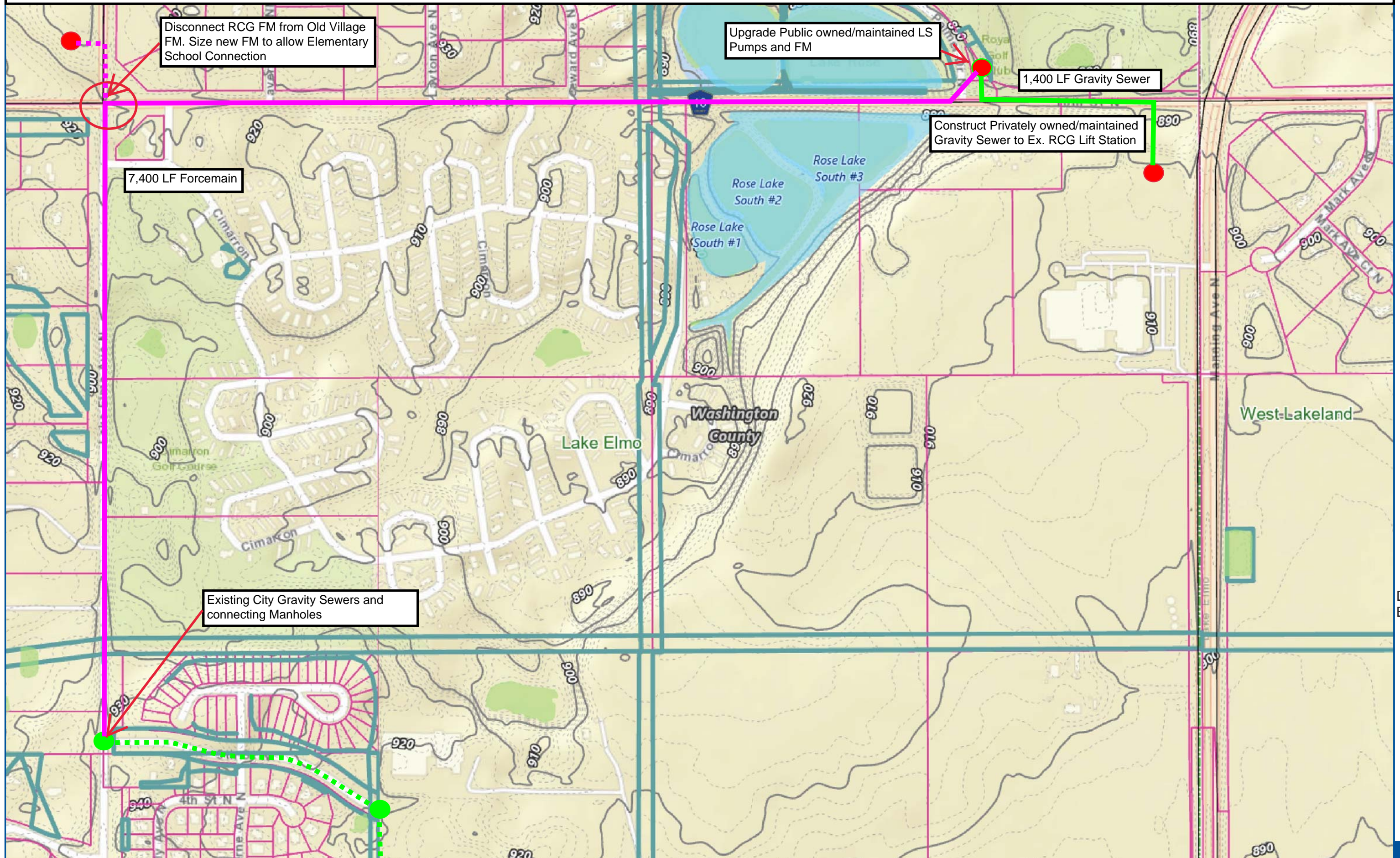
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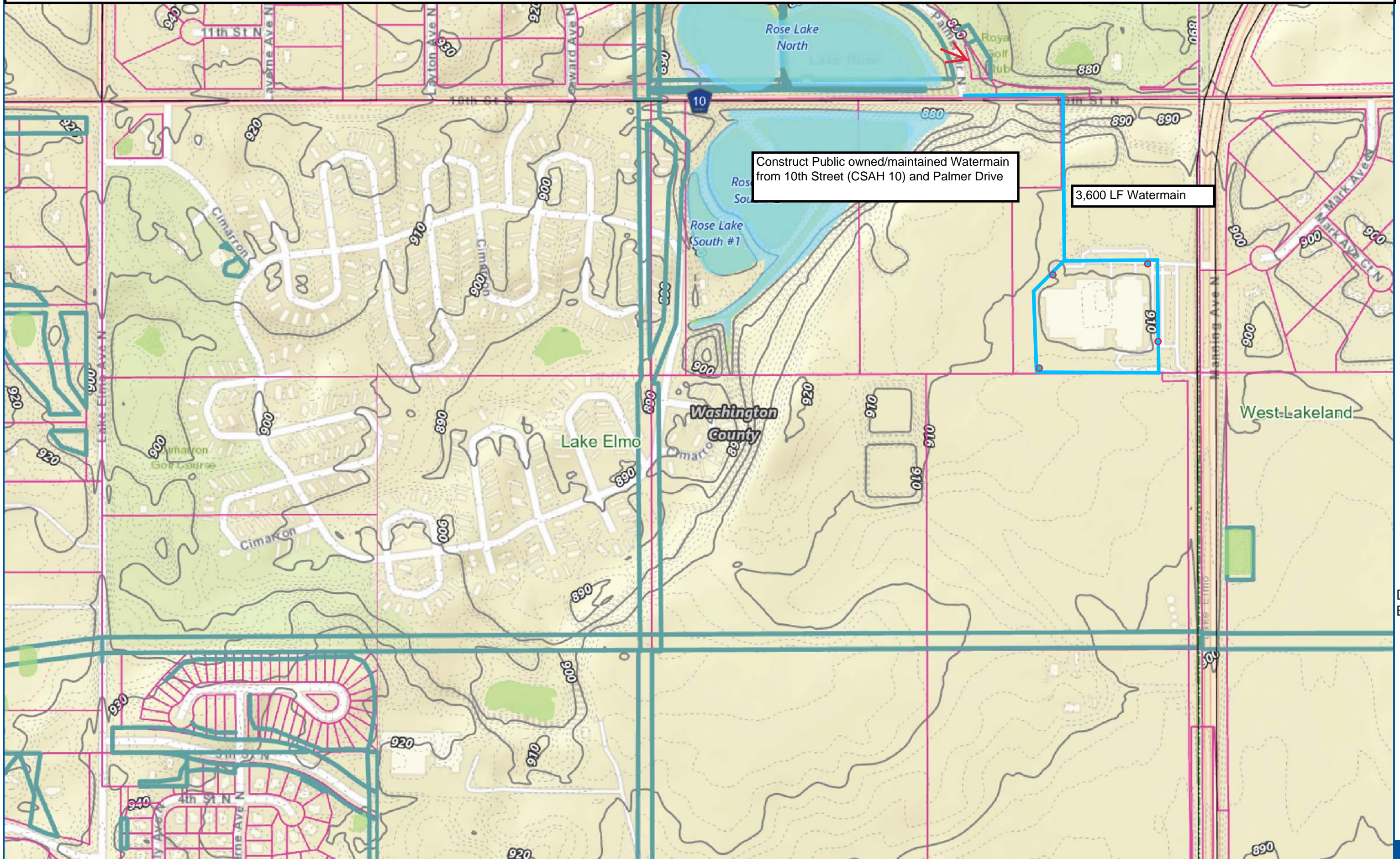
# OAK-LAND MIDDLE SCHOOL SANITARY SEWER CONNECTION: OPTION 3



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# OAK-LAND MIDDLE SCHOOL PUBLIC WATERMAIN CONNECTION



Construct Public owned/maintained Watermain from 10th Street (CSAH 10) and Palmer Drive

3,600 LF Watermain

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