

**OLSON LAKE TRAIL
SANITARY SEWER EXTENSION**

**CITY OF LAKE ELMO PROJECT NO. 2012.124
CITY OF OAKDALE PROJECT NO. 2012-05**

EXECUTIVE SUMMARY

This feasibility report has been prepared in response to a petition for sanitary sewer improvements by two (2) property owners in the City of Oakdale. With the proposed sewer alignment to be located along Olson Lake Trail (CR 13), a shared border with the City of Lake Elmo, both cities agreed to study the feasibility of jointly extending sanitary sewer service to properties abutting the proposed project. Benefitting properties would include the two (2) properties located in the City of Oakdale and four (4) properties located in the City of Lake Elmo.

The proposed improvements include the extension of an 8-inch gravity sanitary sewer line 550 feet north from Oakdale's existing lift station (located in an easement on 7814 Upper 45th Street). These improvements are recommended for construction in 2013. The sanitary sewer line is proposed to be located in the ditch on the west side of the street in order to minimize costs and protect the pavement on Olson Lake Trail. Individual grinder pump stations will be installed as part of the project for the Lake Elmo properties. Grinder pump stations are required for the properties along the east side of the road due to the relative elevation of the existing homes as compared to the roadway and existing sewer depths. Oakdale properties would be served by gravity sewer. Sewer service lines would be installed to the property line for each benefitting property, with the Lake Elmo service lines bored under the road to the east right-of-way. Property owners would then be responsible at their cost for connecting to the new service connection pipe, any internal plumbing required at the home, connecting the grinder pump station to their home, if applicable, and disposing of their existing sewage treatment system. The initial project as proposed in this report will extend the sewer north to two (2) benefitting properties in Oakdale and four (4) benefitting properties in Lake Elmo. The total estimated project cost for this improvement is \$128,000.

This Report recommends that this project be implemented and assessed with consideration given to a larger sewer service area. While this initial project is recommend for construction in 2013, a future extension of this sanitary sewer main is likely needed and desired in the near future. The ultimate sanitary sewer extension continues north to 50th Street and will provide sanitary sewer service to an additional 18 properties; seven (7) properties located in the City of Oakdale and eleven (11) properties

located in the City of Lake Elmo. Because the sewer alignment and configuration along the entire corridor is integral to serving all of the properties, it was determined that the most equitable assessment methodology is to levy an equal value assessment against all 24 benefitting properties. The equal value assessment would be determined by the estimated costs for the initial and future project as though constructed as one project. The estimated project cost for the extension of sanitary sewer from the existing lift station, north to 50th Street is \$444,000. Assessing 100% of the estimated project costs to each of the twenty four (24) benefitting properties equates to an assessment amount of \$18,500. While this assessment methodology is considered fair and equitable, the cities must consider the risk of levying a uniform assessment for the initial project. Should the future extension project not be constructed, this will result at best in the cities carrying project costs until the future project is completed, and potentially never recovering the costs if the future project is not completed.

This report further recommends that this future extension project be constructed sometime between 2014 and 2016 to coordinate the construction with the Washington County road resurfacing project, scheduled in the County's 5-year CIP. By completing the projects together a cost savings is realized by sharing the road restoration costs. The proposed uniform assessment assumes shared restoration costs with Washington County.

By code, Oakdale and Lake Elmo residents are required to connect to the sewer system within one year after sewer becomes available to their property. When a property connects to city sewer, they must also pay a \$550 Sewer Availability Charge (SAC), a \$352 Water Meter Fee, a \$66 Permit Application Fee, and a \$2,435 Metropolitan Council Sewer Availability Charge. These are the fee rates for 2013, which are subject to change in subsequent years. As the owner of the sewer system, the City of Oakdale administers the services and receives these amounts from both Oakdale and Lake Elmo properties. A Joint Powers agreement between the cities will need to be executed to facilitate the connection of Lake Elmo properties to the Oakdale sewer system. Oakdale uses the winter quarter water use to determine sewer flows year round for billing purposes. Water use is measured through a water meter installed on the private well.

Project cost details are included in the Appendix. The recommended Project Improvements are necessary, cost-effective, and feasible and will result in a benefit to the properties proposed to be assessed. It is recommended that the City Council accept this Report, hold the public hearing, and order the improvements.