



## STAFF REPORT

DATE: April 4, 2023

### **CONSENT**

**AGENDA ITEM:** MPCA Grant for Watermain Extension to Parkview Estates, Cardinal Ridge and Cardinal View Neighborhoods

**TO:** Mayor and City Council

**SUBMITTED BY:** Kristina Handt, City Administrator

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### **BACKGROUND:**

On April 6, 2021, the city council approved a grant agreement with the MPCA to provide for the extension of water main into the Parkview Estates, Cardinal Ridge and Cardinal View neighborhoods. At the February 21, 2023 meeting, council approved Change Order No. 3 for the Parkview-Cardinal Street and Utility Improvements, thereby increasing the contract amount by \$443,817.79, under the condition the MPCA grant amendment request is approved. This change order was necessary after learning private septic lines were installed in the city's right of way.

The grant also includes additional funds to close the well at Pebble Park which has tested positive for PFAS.

### **ISSUE BEFORE COUNCIL:**

Should the Council approve the Grant Agreement Amendment #1 with the MPCA for Watermain Extension to the Parkview Estates, Cardinal Ridge and Cardinal View neighborhoods?

### **PROPOSAL:**

Included in your packet is Amendment #1, which increases the grant amount for this project by \$451,120. The estimate for sealing the well at Pebble Park is \$6,120.

### **FISCAL IMPACT:**

The grant provides for a reimbursement of up to \$5,651,120.

### **OPTIONS:**

- 1) Approve the Parkview Estates, Cardinal Ridge and Cardinal View Neighborhoods Grant Agreement Amendment #1 with MPCA
- 2) Do not approve the Parkview Estates, Cardinal Ridge and Cardinal View Neighborhoods Grant Agreement Amendment #1 with MPCA

### **RECOMMENDATION:**

If removed from the consent agenda:

***Motion to approve the Parkview Estates, Cardinal Ridge and Cardinal View Neighborhoods Grant Agreement Amendment #1 with MPCA***

### **ATTACHMENTS:**

- Grant Amendment #1



520 Lafayette Road North  
St. Paul, MN 55155-4194

# Grant Agreement Amendment #1

State of Minnesota

*Doc Type: Contract*

SWIFT Contract Number: 188424

Agency Interest ID: 224243

Activity ID: PRO20210001

Contract Start Date:	<u>April 2, 2021</u>	Total Contract Amount:	<u>\$5,651,120.00</u>
Original Contract Expiration Date:	<u>December 31, 2023</u>	Original Contract:	<u>\$5,200,000.00</u>
Current Contract Expiration Date:	<u>December 31, 2023</u>	Previous Amendment(s) Total:	<u>\$0</u>
Requested Contract Expiration Date:	<u>December 31, 2024</u>	This Amendment:	<u>\$451,120.00</u>

This amendment is by and between the State of Minnesota, acting through its Commissioner of the **Minnesota Pollution Control Agency**, 520 Lafayette Road North, St. Paul, MN 55155-4194 ("MPCA" or "State") and **City of Lake Elmo**, 3800 Laverne Avenue North, Lake Elmo, MN 55042 ("Grantee" or "Contractor").

## Recitals

1. The State has a grant contract with the Grantee identified as SWIFT Contract Number 188424 ("Original Grant Agreement") to provide the **Parkview-Cardinal Extension of Municipal Water Supply Project**.
2. The Original Agreement is being amended to extend the end date, increase funding, include well abandonment at Pebble Park, and update authorized representatives.
3. The State and the Grantee are willing to amend the Original Grant Agreement as stated below.

## Grant Agreement Amendment

In this Amendment, changes to pre-existing Agreement language will use ~~strike through~~ for deletions and underlining for insertions.

**REVISION 1.** Clause 1. "**Term of Grant Agreement**" is amended as follows:

### 1. Term of Grant Agreement

- 1.1 **Effective date:** April 2, 2021, Per [Minn. Stat. §16B.98](#), Subd. 5, the Grantee must not begin work until this grant contract is fully executed and the State's Authorized Representative has notified the Grantee that work may commence. Per [Minn.Stat. §16B.98](#) Subd. 7, no payments will be made to the Grantee until this grant contract is fully executed.
- 1.2 **Expiration date:** December 31, 2024, or until all obligations have been satisfactorily fulfilled, whichever occurs first.

**1.3 Survival of terms.** The following clauses survive the expiration or cancellation of this grant agreement: Indemnification; State Audits; Government Data Practices and Intellectual Property; Publicity and Endorsement; Governing Law, Jurisdiction, and Venue; and Data Disclosure.

**REVISION 2.** Clause 2.1. "Grantee's Duties" is amended as follows:

**2.1 Grantee's duties.** The Grantee, who is not a state employee, will perform the duties specified in **Revised Attachment A**, which is attached and incorporated into this grant agreement.

**REVISION 3.** Clause 4.1(c). "Total obligation" is amended as follows:

**(c) Total obligation.** The total obligation of the State for all compensation and reimbursements to the Grantee under this grant agreement will not exceed ~~\$5,200,000.00 (Five Million Two Hundred Thousand Dollars and Zero Cents)~~ **\$5,651,120.00 (Five Million Six Hundred Fifty-one Thousand One Hundred Twenty Dollars and Zero Cents).**

**REVISION 4.** Clause 6. "Authorized Representative" is amended as follows:

**6. Authorized Representative**

The State's Authorized Representative is ~~Gary Krueger~~, 520 Lafayette Road, St. Paul, MN 55155, 651-757-2509, ~~gary.krueger@state.mn.us~~, **Elizabeth Kaufenberg**, 520 Lafayette Road, St. Paul, MN 55155, 651-757-2481, [elizabeth.kaufenberg@state.mn.us](mailto:elizabeth.kaufenberg@state.mn.us), or their successor, and has the authority to monitor the Grantee's performance and to accept the services provided under this agreement. If the services are satisfactory, the MPCA's Project Manager will certify acceptance of each invoice submitted for payment.

The State's Project Manager is ~~Tim Lockrem~~ **Megan Holthaus**, 520 Lafayette Road North, St. Paul, MN 55155, 651-757-2686 ~~2843~~, ~~timothy.lockrem@state.mn.us~~ [megan.holthaus@state.mn.us](mailto:megan.holthaus@state.mn.us), or their successor, and has the authority to monitor the Grantee's performance and receive invoices from the Grantee.

The Grantee's Authorized Representative is **Kristina Handt**, 3800 Laverne Avenue North, Lake Elmo, MN 55042, 651-747-3905, [khandt@lakeelmo.org](mailto:khandt@lakeelmo.org), or their successor. If the Grantee's Authorized Representative changes at any time during this grant agreement, the Grantee must immediately notify the State.

Except as amended herein, the terms and conditions of the Original Grant Agreement and all previous amendments and change orders remain in full force and effect. The Original Grant Agreement and any previous amendments and change orders are incorporated into this amendment by reference.

**Signatures**

Title	Name	Signature	Date
Encumbrance Verification	Katie Shea		March 29, 2023

City Administrator

Kristina Handt



520 Lafayette Road North  
St. Paul, MN 55155-4194

# Project Workplan

Doc Type: Contract

Swift #:	188424
AI #:	224243
Activity ID #:	PRO20210001

**Project Title:** Parkview-Cardinal Extension of Municipal Water Supply Project

## 1. Project Summary:

**Organization:** City of Lake Elmo (the City)  
**Contact name:** Kristina Handt  
**Address:** 3800 Laverne Ave North  
 Lake Elmo, MN 55042  
**Phone:** 651-747-3905  
**E-mail:** khandt@lakeelmo.org

### Minnesota Pollution Control Agency (MPCA) contact:

**MPCA project manager:** ~~Tim Lockrem~~ Megan Holthaus  
**Address:** 520 Lafayette Road North  
 St. Paul, MN 55155  
**Phone:** 651-757-~~2686~~ 2843  
**E-mail:** ~~Timothy.lockrem@state.mn.us~~ megan.holthaus@state.mn.us

### Project information

**Start date:** 4/2/2021      **End date:** ~~12/31/2023~~ 12/31/2024

**Total estimated costs:** ~~\$5,200,000~~ \$5,651,120

## 2. Statement of Problems, Opportunities, and Existing Conditions

This project will extend clean drinking water to 62 homes located in and adjacent to the Parkview Estates, Cardinal Ridge, and Cardinal View subdivisions in the City of Lake Elmo 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 project extends an 8-inch public watermain from Inwood Avenue into and throughout the Parkview Estates neighborhood along Ivory Avenue, Ivory Court and 16th Street. The watermain then extends into the Cardinal Ridge neighborhood along 16th Street and then along Ivy Avenue. A watermain is also extended along 15th Street, making a looped connection to the Inwood Avenue trunk watermain while also extending the public watermain to 15<sup>th</sup> Street Court to serve the properties within the Cardinal View neighborhood. An additional six properties along 15<sup>th</sup> Street would also be able to connect to City watermain. Individual water service stubs will be installed to the edge of right-of-way at each of the 62 residential properties. Following the installation of the public watermain improvements, the public streets, including Ivory Avenue, Ivory Court, 16th Street, Ivy Avenue, 15th Street and 15<sup>th</sup> Street Court will be improved.

The properties reside in an area where per- and polyfluoroalkyl substances (PFAS) contamination exceeds Health Based Values (HBVs) and well advisories have been issued. The project is consistent with the long-term drinking water supply plan to address PFAS contamination to drinking water supplies in the East Metro area.

Individual water services will be stubbed from the main line for each of the 62 residential properties. The project will include grant funding and administrative processes for ensuring each property completes the private service connection from the service stub to each home, including water meter installation, sealing of the private well including a well at Pebble Park, removal of any existing granular activated carbon (GAC) filters, and all permitting and connection fees. The City intends to directly implement the public improvement portion of the project for the water main components that will remain owned and operated by the City and will require property owners to contract directly for the work to be completed on their individual properties. The private property work will be funded on a reimbursement basis. The City will distribute materials, provided by the MPCA, regarding individual/residential water service connections and well sealing to all residents impacted by this project.

In accordance with the City's standard Capital Improvement Program process, a feasibility study and project design will be completed to ready the project for 2022 construction. Bids will be received in early 2022 with construction to commence in May 2022. The water main will be tested, operational and ready for connection to the individual properties in late 2022.

No environmental review is required to implement this project. The project will require the following permits:\*

- Minnesota Department of Health Watermain Extension Permit
- Washington County Right-of-Way Permit
- Valley Branch Watershed District Permit
- MPCA National Pollutant Discharge Elimination System Construction Permit

\* The City will need to demonstrate expenses related to these items are attributable to actions necessary to address PFAS impacts.

## 3. Measurable Outcomes

The City will report at least quarterly to the MPCA regarding progress of the project. The City will also report to the MPCA as part of the quarterly report the itemized costs incurred for that quarter for reimbursement by the MPCA. Monthly reimbursement requests can be provided as determined by the City.