

TO: Honorable Mayor and City Council

FROM: City Administrator Ron Johnson

SUBJECT: River Road Water/Sanitary Sewer (Alternate 1 to Westside II Project)

DATE: July 1, 2016

BACKGROUND

The Public Works Commission conducted a special meeting on Tuesday, June 28 to discuss options regarding the River Road Water/Sanitary Sewer Project that was included as an alternate (Alternate 1) in the Westside II Project.

When Council earlier ordered the Westside II Project, it rejected Alternate 1. If Council decided later (within a reasonable time frame) to order the work included in Alternate 1, the contractor, S.M. Hentges, agreed to add it as a change order at the same prices submitted in their bid.

The approximate cost of construction for the project is \$122,000 and includes no street construction- only water and sanitary sewer mains. Further, this cost only gets the water and sewer to the front of their properties. The property owners will still need to install service lines from their homes to our project. Two of the three properties share a well, but have individual septic systems.

It was asked if there was potential funding available for the residents or the city. Lisa Hanni, Goodhue County, said she would have staff forward any available information to the property owners and the city. I subsequently talked to a rep at the MN Pollution Control Agency who said that we could make an application to them for loan/grant funding for this project combined with our sanitary sewer bridge project (the River Road project on its own would be too small). The funding, if received wouldn't be available until at least 2018 however. MPCA would determine the amount of grant and/or loan funding after review of the application.

Upon conclusion of the Commission's meeting, they recommended that Council proceed with the water/sewer project and asked staff to bring back possible solutions for assessments- perhaps something similar to that which was done with the Cedar Hills project a few years ago (in that project there was a 429 special assessment of approximately \$17,000 for water, sewer and streets, and a separate agreement with residents to install water and sewer within a specified number of years (5 or 10)).

City Attorney Knutson recommends that if Council wants to pursue an assessment project for River Road, an improvement hearing be ordered and conducted. (Although an improvement hearing was held for the Westside II project, the hearing was closed

and the Westside II project was ordered. The River Road Alternate 1 was not ordered at that time, however, and he recommends a new improvement hearing be conducted for this project. This hearing would have to be ordered tonight by resolution, with the improvement hearing to be held on August 3 (S.M. Hentges will honor the prices submitted in the bid until this date). The amount of special assessments to be applied would be determined at the final assessment hearing which would be held sometime after completion of the project.

Other options available would be to not assess the property owners (not recommended by staff), or delay the project and include it in a future major reconstruction project (currently planned for 2018) allowing time to seek out potential funding assistance for the residents and/or city.

REQUESTED COUNCIL ACTION

Consider options related to whether or not to proceed with the River Road Project. Adopt a resolution setting the improvement hearing if wanting to continue to consider the River Road project.

Note: A draft resolution will be provided at (or before) the July 5 meeting.

**CITY OF CANNON FALLS
GOODHUE COUNTY, MINNESOTA**

RESOLUTION NUMBER _____

**A RESOLUTION CALLING FOR A HEARING ON IMPROVEMENTS
FOR THE WEST SIDE II ALTERNATE NO. 1**

WHEREAS, pursuant to action of the Cannon Falls City Council, a feasibility report was prepared by Short Elliott Hendrickson Inc. for the West Side II Public Improvement which included Alternate No. 1 (River Road between the center line of Stoughton Street West and the center line of St. Clair Street West),

WHEREAS, the feasibility report was received by the Council on the 15th day of September, 2015, a public hearing was held on September 20, 2015, and the public improvement project was ordered excluding Alternates No. 1 and No. 2.

WHEREAS, THE City Council will again consider the Alternate No.1 improvements set forth in the West Side II feasibility study.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF CANNON FALLS, MINNESOTA:

That the City Council hereby will consider the Alternate No. 1 improvements in accordance with the report and the assessment of property abutting said improvement for all or portion of the cost of the improvement pursuant to Minnesota Statutes Chapter 429 at an estimated total cost of the improvement of \$122,942.49.

BE IT FURTHER RESOLVED that a public hearing shall be held on such proposed improvement on the 3rd of August, 2016 in the Council Chambers of City Hall at 6:30 p.m. and the clerk shall give mailed and published notice of such hearing and improvement as required by law.

ADOPTED by the Council this 5th day of July, 2016.

CITY OF CANNON FALLS

By: _____
Lyman M. Robinson, Mayor

ATTEST: _____
Ronald S. Johnson
City Administrator