



Osseo City Council

AGENDA

WORK SESSION
Monday, November 7, 2022
6:00 p.m., Council Chambers

MAYOR DUANE POPPE COUNCILMEMBERS: JULIANA HULTSTROM, HAROLD E. JOHNSON, LARRY STELMACH, ALICIA VICKERMAN

1. **Call to Order**
2. **Roll Call** (quorum is 3)
3. **Approval of Agenda** (requires unanimous additions)
4. **Discussion Items**
 - A. **Discuss Utility Rates**
 - B. **Review 2020, 2021 and 2022 Street and Alley Projects**
5. **Adjournment**



City of Osseo City Council Work Session Meeting Item

Agenda Item: Discuss Utility Rates

Meeting Date: November 7, 2022

Prepared by: Riley Grams, City Administrator

Attachments: Sample Utility Bill Comparison
2021 Utility Rate Study Presentation from Ehlers
Minutes from December 13, 2021 Council Meeting
Spreadsheet of Capital Expenses and Debt Service in Water and Sewer Funds

Background:

After the third quarter utility bills were delivered to property owners, the City and City Council received several complaints questioning their utility bills. Councilmembers Johnson and Hultstrom asked Staff to prepare a discussion item on the City's current utility rates for the November 7 work session.

At the December 13, 2021 Council meeting, the City Council reviewed a completed utility rate study conducted by Ehlers and approved updated utility rates for 2022 and 2023. The overarching goals of the utility rate study were to ensure that the City's enterprise funds is self-sufficient, pay for the operations, maintenance and capital expenses/debt service needed to operate the system, and maintain an adequate cash balance reserve. One of the other major driving forces of changing the rates was the Council's desire to ensure that lower consumption users did not financially subsidize higher consumption users. In order to accommodate the Council's direction, Ehlers and Staff developed a rate structure that accomplished that. Utility rates, particularly sewer rates, were structured in a way that those who consume high volumes of water on a quarterly basis (ie, those with irrigation systems, pools, etc.) paid a higher rate in both water and sewer. This recommended utility rate structure met the Council's direction, and the Council approved the rate structure as presented. The water utility rate was approved by a 5-0 vote, the sanitary sewer rate was approved by a 4-1 vote (Johnson opposed), and the storm sewer rate was approved by a 5-0 vote. A copy of that meetings minutes are included in your packet for review.

One of the other recommendations of the utility rate study was to conduct an updated study in 2023 in order to set rates for 2024 and beyond. This would have allowed the City to complete the then on-going water meter replacement project (which was completed shortly afterwards) and allow the City at least one full year of data using the updated smart meters. The meter replacement project was a massive project in which every single meter in the City was changed out. The old meters, in some cases, were well over 20 years old and were highly inaccurate at metering water entering each property. This is noted through the City's higher than normal water loss data (water loss is the amount of unbilled water that the City pays for but does not charge for, usually due to leaks at properties or aging and inaccurate water meters). Previous to the new water meters, the City was experiencing approximately 20% water loss throughout the entire City. Again, this is water used by properties, but not billed by the City. Once the new meters have been installed, we are currently collecting data to determine our new water loss percentage. However, because the meters are so new, we have not been able to collect a meaningful set of data yet to determine our updated water loss amount. We hope to have this new data sometime next year.

The new smart meters are far more accurate at metering actual water consumption at each property. It's likely that many residents were receiving a high volume of "free" water which placed a cost burden on the City's utility system. The new smart meters allow City staff to observe actual water usage down to the minute. The City can more accurately determine if there is a probable leak at a property and recently City Staff has been contacting residents and property owners in cases where there is a suspected leak. Those residents have then been getting the leaks fixed, and Staff can actually see the amount of water used decrease. Many times, residents report that even though they have an irrigation system, they "rarely use it". Staff can go into the utility system and determine just how frequently a residents irrigation system is being used as well as the number of gallons. In most cases, residents simply were not aware that their irrigation systems were being used that frequently or just how much water is actually used during a typical watering session.

The City has also been aggressive in its attempt to overhaul the City's utility infrastructure system in recent years. Several water and sanitary sewer projects needed to be completed in the past few years in order to maintain a healthy and adequate utility system for the City's property owners. Unfortunately, this has placed a larger financial burden on the utility accounts. City staff did attempt to get the lift station project included in the Governor's bonding bill request, but ultimately the Legislature were unable to reach a bonding deal during this past session, and no projects were funded. However, we remain hopeful that in next year's bonding session, Osseo's lift station project will again be considered for possible funding. Should that be successful, those funds would go directly into the City's sanitary sewer system to pay for the project bonds, reducing the financial burden on the sewer account. Staff has included a spreadsheet showing the capital expenses that have been included in the City's utility accounts for Council's review. Each of these projects have been approved by Council in the past, including how to finance the projects. Likewise, the Met Council rates to handle and treat sanitary sewer water have continued to increase each year, increasing by 8% alone in 2022. The sanitary sewer rates have been built with an estimated 5% increase year after year. For 2022 alone, the cost for the City to send all of it's waste water through our system to the Met Council's system for eventual treatment was \$186,000.

The main complaint that the City has received with this most recent quarterly billing has been how the sanitary sewer rates are structured. Currently, the rates are structured so that all water coming into the property is charged for sewer rates regardless of how the water leaves the property (whether that's through the drain, or through a residential lawn or garden) gallon for gallon. This means that for every gallon of water a resident used, they paid the sewer charge on that same gallon of water. Back in 2019, the Council reviewed utility rates and one of the options was to structure the sewer rates by winter quarterly averaging. Winter quarterly averaging is a method of stabilizing sewer rates by calculating an average sewer usage during non-outdoor watering quarters. This method is used by a majority of cities currently to calculate sewer rates. However, in 2019, the Council opted not to move to that method of sewer calculations because doing so would raise the base sewer rate significantly. The rates themselves would go up, but the number of actual gallons used would be lower for properties. This would shift some of the financial burden from the higher consumption users to the lower consumption users. Because of this, the City Council maintained the existing sewer rate structure into 2022 and 2023.

Options:

In reviewing potential options for the Council to consider, Staff would suggest that the Council freeze the current utility rates heading into 2023. Right now, the rates, as approved by Council last year, are scheduled to slightly increase in 2023. If the Council would like Staff to conduct a new utility rate structure in the first quarter of 2023, we might be able to recommend new rates and possibly a new rate structure to take effect at the beginning of quarter two in 2023 (April 1, 2023) which would be before the bulk of the watering season begins. The Council would need to pass a new Resolution prior to the end of this year, that rescinds Resolutions 2021-66 and 2021-67 (which set the 2023 water and sewer utility rates for 2023) and freezes those rates heading into 2023. Staff would not recommend any changes to the storm sewer rates, as those are unaffected by water and sanitary sewer usage. Staff and Council would then conduct a utility rate study, with the assistance of Ehlers, in early 2023 to set new rates for quarter two or quarter three of 2023 moving forward.

Recommendation/Action Requested:

Staff recommends the City Council discuss the item and direct Staff accordingly.

2021

Usage (0-8,000 gallons)	7,000
Water	\$ 41.90
MN Connect	\$ 2.43
Sanitary Sewer	\$ 53.31
Storm Water	\$ 38.10
Current Bill	\$ 135.74

Usage (8,000-16,000 gallons)	15,000
Water	\$ 71.23
MN Connect	\$ 2.43
Sanitary Sewer	\$ 53.31
Storm Water	\$ 38.10
Current Bill	\$ 165.07

Usage (16,000-24,000 gallons)	23,000
Water	\$ 112.10
MN Connect	\$ 2.43
Sanitary Sewer	\$ 135.39
Storm Water	\$ 38.10
Current Bill	\$ 288.02

Usage (over 24,000)	50,000
Water	\$ 287.64
MN Connect	\$ 2.43
Sanitary Sewer	\$ 412.41
Storm Water	\$ 38.10
Current Bill	\$ 740.58

Usage (over 24,000)	75,000
Water	\$ 451.39
MN Connect	\$ 2.43
Sanitary Sewer	\$ 668.91
Storm Water	\$ 38.10
Current Bill	\$ 1,160.83

2022

Usage (0-8,000 gallons)	7,000
Water	\$ 43.68
MN Connect	\$ 2.43
Sanitary Sewer	\$ 55.44
Storm Water	\$ 40.86
Current Bill	\$ 142.41

Usage (8,000-16,000 gallons)	15,000
Water	\$ 74.27
MN Connect	\$ 2.43
Sanitary Sewer	\$ 55.44
Storm Water	\$ 40.86
Current Bill	\$ 173.00

Usage (16,000-24,000 gallons)	23,000
Water	\$ 116.86
MN Connect	\$ 2.43
Sanitary Sewer	\$ 140.80
Storm Water	\$ 40.46
Current Bill	\$ 300.55

Usage (over 24,000)	50,000
Water	\$ 299.90
MN Connect	\$ 2.43
Sanitary Sewer	\$ 428.89
Storm Water	\$ 40.46
Current Bill	\$ 771.68

Usage (over 24,000)	75,000
Water	\$ 470.65
MN Connect	\$ 2.43
Sanitary Sewer	\$ 695.64
Storm Water	\$ 40.46
Current Bill	\$ 1,209.18



City of Osseo

Utility Rate Study Update
December 13, 2021

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History of the Utility Rate Study

- Major capital improvements considered in 2018-2019
- Rate study completed to fund improvements
- Water rate structure modified to lower base charge
- In 2020 project bids came in higher than expected
- Re-evaluated rates and needed higher increases
- Issued bonds in 2020
- 2021 Update to ensure rates are “on track”



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Goals for the Utility Funds

- Enterprise funds should be financial self-sufficient
- Pay for operations, maintenance, and capital
- Maintain adequate cash reserves



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Conclusions - 2021 Update

Utility	2021 Increase	Proposed 2022 Increase	Future Annual Increases	Factors Contributing to Rate Increases
Water	4.75%	4.25%	4.25%	Debt payments on 2020 bond issue Future street projects
Sanitary Sewer	4.00%	4.00%	4.00%	MCES Treatment Fees increased 8.8% Debt payments on 2020 bond issue Pipe rehabilitation
Storm Water	6.75%	7.25%	7.25%	Debt payments on 2020 bond issue Future street projects

↑
Represents \$0.92 per month increase
in storm water for a single-family home



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Sample Residential Bills

	Impact Analysis on Rate Payers		
	Proposed Bills		
	2021	2022	2023
Single Family Residential Property (Low User)			
Water (7,500 gallons)	\$41.90	\$43.68	\$45.54
Sewer (5,500 gallons)	\$53.31	\$55.44	\$57.66
Storm Sewer	\$38.10	\$40.86	\$43.82
Total Quarterly Utility Bill	\$133.31	\$139.98	\$147.02
\$ Increase/(Decrease)		\$6.68	\$7.04
Single Family Residential Property (Moderate User)			
Water (15,000 gallons)	\$71.23	\$74.26	\$77.41
Sewer (10,000 gallons)	\$53.31	\$55.44	\$57.66
Storm Sewer	\$38.10	\$40.86	\$43.82
Total Quarterly Utility Bill	\$162.64	\$170.56	\$178.90
\$ Increase/(Decrease)		\$7.92	\$8.34



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Sample Residential Bills

	Impact Analysis on Rate Payers		
	Proposed Bills		
	2021	2022	2023
Single Family Residential Property (High User)			
Water (37,500 gallons)	\$205.70	\$214.45	\$223.56
Sewer (25,500 gallons)	\$161.04	\$167.48	\$174.18
Storm Sewer	\$38.10	\$40.86	\$43.82
Total Quarterly Utility Bill	\$404.84	\$422.79	\$441.57
\$ Increase/(Decrease)		\$17.95	\$18.78



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Commercial and Industrial Sample Bills

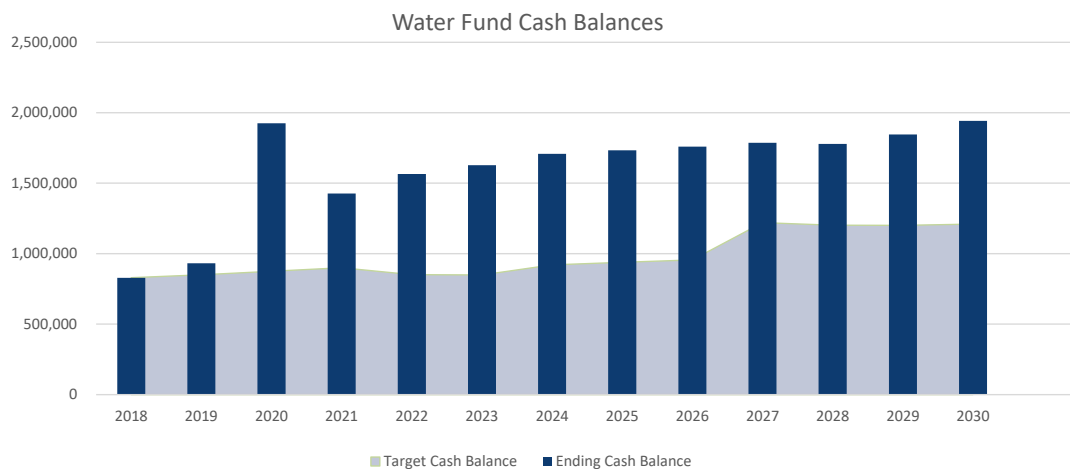
	Impact Analysis on Rate Payers		
	Proposed Bills		
	2021	2022	2023
Commercial Property (Low User)			
Water (6,000 gallons)	\$46.09	\$48.05	\$50.09
Sewer (6,000 gallons)	\$53.31	\$55.44	\$57.66
Storm Sewer=3 REU	\$114.30	\$122.59	\$131.47
Total Quarterly Utility Bill	\$213.70	\$226.07	\$239.22
\$ Increase/(Decrease)		\$12.38	\$13.15
Industrial User			
Water (343,500 gallons)	\$2,002.97	\$2,088.10	\$2,176.84
Sewer (343,500 gallons)	\$3,577.77	\$3,720.88	\$3,869.71
Storm Sewer=13 REU	\$495.30	\$531.21	\$569.72
Total Quarterly Utility Bill	\$6,076.03	\$6,340.18	\$6,616.27
\$ Increase/(Decrease)		\$264.15	\$276.09



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Health of Water Fund

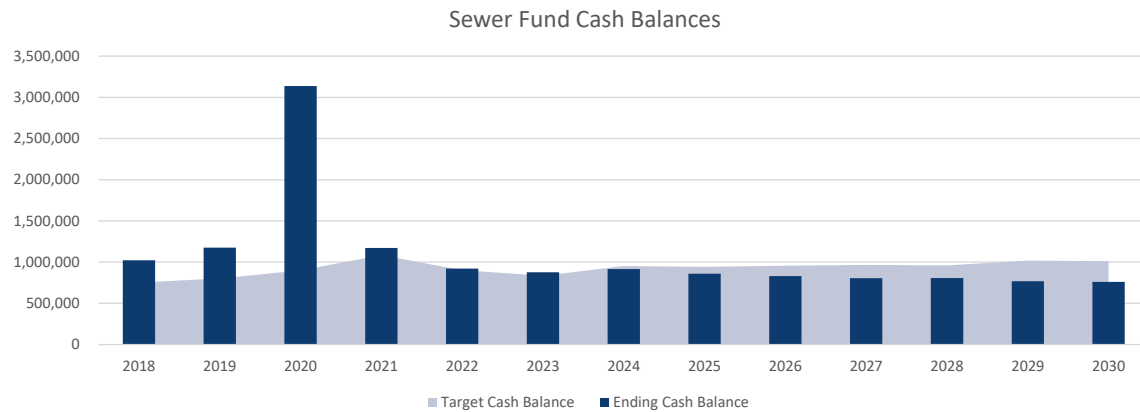


No future debt anticipated. Capital projects will be funded with cash on hand.

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Health of Sanitary Sewer Fund



Anticipates that future annual improvements over \$100,000 will be financed.



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A word on MCES Charges

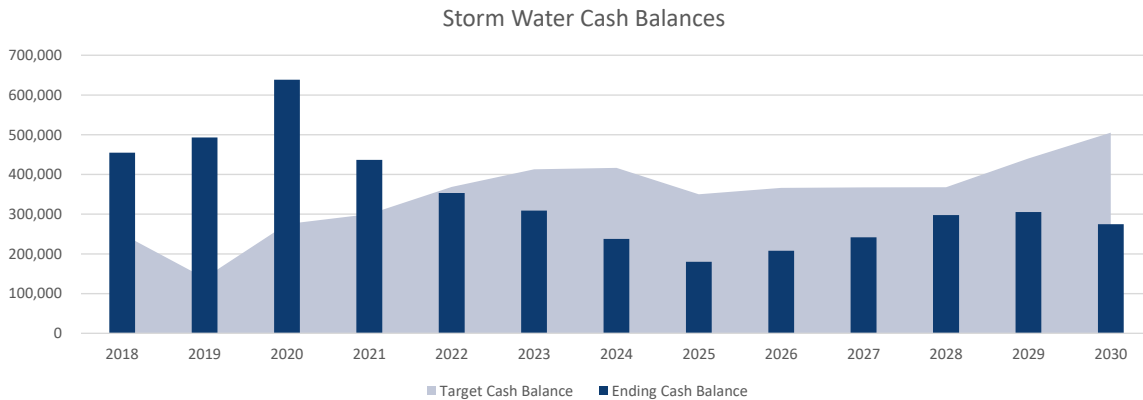
- Paid to Metropolitan Council Environmental Services (MCES) for sewer treatment
- Make up almost half of total sewer expenditures
- Annual charge increased an average of 4.44% each of the last three years
- 8.8% increase in 2022
- 5% annual rate increases assumed in rate study
- Recommend monitoring future increases and adjusting city sewer rates accordingly



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Health of Storm Water Fund



Anticipates that future annual improvements over \$100,000 will be financed.



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Conclusions and Recommendations

- City has accommodated significant improvements in 2020-2022 to upgrade utility infrastructure
- Rate increases similar to prior recommendations
 - ✓ Modest adjustments to account for actual capital expenditures
- Proposed 2022 Rate Increases (see handout for rates)
 - ✓ Water – 4.25%
 - ✓ Sanitary Sewer – 4.00%
 - ✓ Storm Water – 7.25% or 92 cents per month
- Update rate study after we have 12 months of water usage with new meters



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Proposed Utility Rates

City of Osseo

Water Rates

Quarterly Water Rates				
	Current		Proposed	
	2021	2022	2023	
Flat Rates				
Minimum (includes 8,000 gallons for single family residential users)	20.95	21.84	22.77	
3/4"	20.95	21.84	22.77	
1"	20.95	21.84	22.77	
1.5"	31.43	32.76	34.15	
2"	41.90	43.68	45.54	
3"	104.75	109.20	113.84	
4"	419.00	436.81	455.37	
6"	419.00	436.81	455.37	
Usage Rates				
Residential				
Tier 1 (8,000 to 16,000 gallons)	4.19	4.37	4.55	
Tier 2 (16,000-24,000 gallons)	5.24	5.46	5.69	
Tier 3 (over 24,000 gallons)	6.55	6.83	7.12	
Multi Family				
all Usage	4.45	4.64	4.84	
Commercial				
Tier 1 (to 50,000 gallons)	4.19	4.37	4.55	
Tier 2 (50,000-100,000 gallons)	4.82	5.02	5.24	
Tier 3 (100,000-125,000 gallons)	5.54	5.78	6.02	
Tier 4 (over 125,000)	6.37	6.64	6.93	
Irrigation				
All usage	6.55	6.83	7.12	
Bulk Water Sales				
All usage	6.55	6.83	7.12	

Proposed Utility Rates
City of Osseo
Sanitary Sewer and Storm Water Rates

Quarterly Sewer Rates			
	Current	Proposed	
	2021	2022	2023
Usage Rate	10.26	10.67	11.10
Base Rate	53.31	55.44	57.66

(Base Rate Include 15,000 gallons)

Quarterly Storm Water Rate			
	Current	Proposed	
	2021	2022	2023
REF Rate	38.10	40.86	43.82

Resolution No. 2021-xx

RESOLUTION SETTING WATER USER FEES IN 2022 AND 2023

WHEREAS, the costs for providing water services are funded via a quarterly base fee and user fees; and

WHEREAS, the base and water user fees are designed to cover ongoing operating expenses and future replacement costs; and

WHEREAS, the current user fees and base fees are not adequate to cover both operating and service replacement costs;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Osseo, County of Hennepin, Minnesota, that water user fees are set as follows and charged quarterly, effective January 1, 2022, for the years of 2022 and 2023:

Quarterly Water Rates		
	Proposed	
	2022	2023
Flat Rates		
Minimum (includes 8,000 gallons for single family residential users)	21.84	22.77
3/4"	21.84	22.77
1"	21.84	22.77
1.5"	32.76	34.15
2"	43.68	45.54
3"	109.20	113.84
4"	436.81	455.37
6"	436.81	455.37
Usage Rates		
Residential		
Tier 1 (8,000 to 16,000 gallons)	4.37	4.55
Tier 2 (16,000-24,000 gallons)	5.46	5.69
Tier 3 (over 24,000 gallons)	6.83	7.12
Multi Family		
all Usage	4.64	4.84

Commercial		
Tier 1 (to 50,000 gallons)	4.37	4.55
Tier 2 (50,000-100,000 gallons)	5.02	5.24
Tier 3 (100,000-125,000 gallons)	5.78	6.02
Tier 4 (over 125,000)	6.64	6.93
Irrigation		
All usage	6.83	7.12
Bulk Water Sales		
All usage	6.83	7.12

Resolution No. 2021-xx

RESOLUTION SETTING SANITARY SEWER USER FEES IN 2022 AND 2023

WHEREAS, the costs for providing sanitary sewer services are funded via a quarterly base charge and user fees; and

WHEREAS, the sanitary sewer base charge and user fees are designed to cover ongoing operating expenses, maintenance, and future replacement costs; and

WHEREAS, the current base charge and user fees are not adequate to cover both operating and service replacement costs for 2022 and 2023;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Osseo, County of Hennepin, Minnesota, that sanitary sewer user fees be set as follows and charged quarterly, effective January 1, 2022, for the years of 2022 and 2023:

2022: A base charge of \$55.44 per quarter which includes 15,000 gallons and \$10.67 per 1,000 gallons beyond 15,000 gallons.

2023: A base charge of \$57.66 per quarter which includes 15,000 gallons and \$11.10 per 1,000 gallons beyond 15,000 gallons.

Resolution No. 2021-xx

RESOLUTION SETTING STORM WATER UTILITY FEES IN 2022 AND 2023

WHEREAS, the storm water utility fee is a method of financing the administration, planning, implementation, and maintenance of storm water management programs; and

WHEREAS, the costs for providing storm water services are funded via a utility fee that is charged quarterly; and

WHEREAS, the current storm water utility fee is not adequate to cover operating and other costs as outlined in years 2022 and 2023;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Osseo, County of Hennepin, Minnesota, that the storm water utility fee be set as follows and charged quarterly, effective January 1, 2022, for the years of 2022 and 2023:

2022: \$40.86 per REF per quarter

2023: \$43.82 per REF per quarter

preliminary budget, which was approved by the City Council on September 13, 2021. Truth in Taxation public hearings were first enacted in 1988 in order to enhance public participation in Minnesota's property tax system. Each local Government is required to formally adopt a preliminary budget and tax levy in September each year. When the final budget is approved, the levy shall not exceed the preliminary levy. The County takes the preliminary tax levy information and computes each parcel's proposed property tax. The county uses property valuations as well. Then, each local government is required to hold a public hearing after the notices have been delivered where budget and taxing issues are discussed, and where public testimony must be allowed, prior to adopting its final levy.

Grams explained the process was enacted with a goal of improving accountability by focusing taxpayers on the relationship between budget decisions and property taxes and providing taxpayers with a greater opportunity to become involved in the local government budgeting process. Staff provided the Council with a presentation on the proposed tax levy and budget, noting property values in Osseo were at an all-time high. He discussed how the median value homeowner would be impacted by the proposed tax levy. He reported all Osseo taxpayers were invited to provide public comments relating to this process (virtually this year).

There were no comments from the public for the Truth in Taxation Public Hearing.

A motion was made by Hultstrom, seconded by Stelmach, to close the Public Hearing at 7:48 p.m. A roll call vote was taken. The motion carried 5-0.

9. OLD BUSINESS – None.

10. NEW BUSINESS

A. APPROVE EDA ACTIONS OF DECEMBER 13, 2021

Grams discussed the actions of the EDA. He noted the EDA approved accounts payable, approved the 2022 EDA budget, and reviewed the 2022 schedule of EDA meetings.

A motion was made by Johnson, seconded by Vickerman, to Confirm the EDA Actions of December 13, 2021. A roll call vote was taken. The motion carried 5-0.

B. APPROVE 2022 UTILITY RATES – Jessica Cook, Ehlers - (Resolution)

Jessica Cook, Ehlers & Associates, provided the Council with a presentation on the utility rates study and discussed the goals for the utility funds. She reviewed the conclusions and recommendations for the 2022 utility rates and asked for comments or questions.

Johnson requested clarification on the city's storm sewer rates. Ms. Cook reviewed how storm sewer fees were charged to residents.

Johnson stated he would like to see the Council discuss the storm sewer rates further at a future work session.

Poppe recommended this be discussed after all the new water meters have been installed. Ms. Cook explained she was recommending the Council complete an updated rates study in 2023.

Johnson reported the City had a large storm water expenditure coming up and questioned if this was included in the cash flow projections for 2022. Grams stated this project was included in the cash flow projections.

A motion was made by Stelmach, seconded by Vickerman, to adopt Resolution No. 2021-66, setting the water user fees in 2022 and 2023. A roll call vote was taken. The motion carried 5-0.

A motion was made by Vickerman, seconded by Stelmach, to adopt Resolution No. 2021-67, setting the sanitary sewer user fees in 2022 and 2023.

Johnson stated he would not be supporting this Resolution because he did not support the proposed rate for low end users.

A roll call vote was taken. The motion carried 4-1 (Councilmember Johnson opposed).

A motion was made by Hultstrom, seconded by Johnson, to adopt Resolution No. 2021-68, setting the storm water utility fees in 2022 and 2023. A roll call vote was taken. The motion carried 5-0.

C. APPROVE 2022 SEWER LINING PROJECT – Lee Gustafson, WSB & Associates

Lee Gustafson, WSB & Associates, stated the 2022 sanitary sewer lining project consists of reviewing approximately 34,000 lineal feet of sanitary sewer closed circuit television (CCTV) televising videos to determine which segments should be rehabilitated with a cured-in-place epoxy resin pipe liner. The proposed improvements will help reduce infiltration of rainwater and groundwater into the system, eliminate root growth at joints, and ultimately extend the serviceable life of this underground infrastructure. The sanitary sewer lines that are proposed for rehabilitation are eligible for up to \$52,762 of grant funding from the Metropolitan Council through the Inflow & Infiltration Grant Program.

Mr. Gustafson reported a similar lining project was completed in 2020 in the northeastern portion of the City. At the conclusion of this proposed project, all of the sanitary sewer lines within the City will have been cleaned, televised, and improved where necessary. The proposal from WSB includes review of CCTV televising videos and reports, development of construction documents including final plans and project specifications, bidding assistance, and construction services. All engineering and improvement costs would be funded from the City's utility fund.

A motion was made by Hultstrom, seconded by Vickerman, to approve the engineering proposal with WSB.

Johnson asked what improvements would be completed, if necessary. Mr. Gustafson stated some pipes would require lining and some would not, depending on if there

City of Osseo
Summary of Utility Fixed Costs (Fund Debt Service Obligations & Metro Waste Control Expenditures)

Payment Date	2017A			2020A Bond Issue			2022			Recent Projects Total P & I	Prior Bond Issue Financing			Total All Future Debt Obligations	Metropolitan Council Environmental Services (Est. 5% Annual Inc.)	Total Fixed Cost
	Bond Issue (StormWater Costs)			(Sewer Lining of 1/3 of City & 3 Lift Station Upgrades, SCADA, Water Meters, Jetter, Sweeper))			Bond Issue (Complete Sewer Lining of Entire City)				2009	2012A	2016			
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total		Central Avenue	Improvement Bond	Improvement Bond			
8/1/2022		\$ 2,175			\$ 25,490											
2/1/2023	\$ 15,000	\$ 2,175	\$ 19,350	\$ 180,000	\$ 25,490	\$ 230,980	\$ -	\$ -	\$ -	\$ 250,330	\$ 73,092	\$ 11,265	\$ 31,088	\$ 365,775	\$ 186,000	\$ 551,775
8/1/2023		\$ 2,025			\$ 23,690											
2/1/2024	\$ 15,000	\$ 2,025	\$ 19,050	\$ 180,000	\$ 23,690	\$ 227,380	\$ 25,000	\$ 39,202	\$ 64,202	\$ 310,632	\$ 73,092	\$ 11,040	\$ 30,588	\$ 425,351	\$ 195,300	\$ 620,651
8/1/2024		\$ 1,875			\$ 21,890											
2/1/2025	\$ 15,000	\$ 1,875	\$ 18,750	\$ 180,000	\$ 21,890	\$ 223,780	\$ 40,000	\$ 12,814	\$ 65,628	\$ 308,158	\$ 73,092	\$ 10,780	\$ 30,088	\$ 422,117	\$ 205,065	\$ 627,182
8/1/2025		\$ 1,725			\$ 20,090											
2/1/2026	\$ 15,000	\$ 1,725	\$ 18,450	\$ 190,000	\$ 20,090	\$ 230,180	\$ 40,000	\$ 12,014	\$ 64,028	\$ 312,658	\$ 73,092	\$ 10,520	\$ 34,588	\$ 430,857	\$ 215,318	\$ 646,175
8/1/2026		\$ 1,575			\$ 18,190											
2/1/2027	\$ 15,000	\$ 1,525	\$ 18,100	\$ 195,000	\$ 18,190	\$ 231,380	\$ 45,000	\$ 11,214	\$ 67,428	\$ 316,908	\$ 73,092	\$ 10,260	\$ 33,988	\$ 434,247	\$ 226,084	\$ 660,331
8/1/2027		\$ 1,350			\$ 16,240											
2/1/2028	\$ 15,000	\$ 1,350	\$ 17,700	\$ 195,000	\$ 16,240	\$ 227,480	\$ 45,000	\$ 10,314	\$ 65,628	\$ 310,808	\$ 73,092		\$ 33,388	\$ 417,287	\$ 237,388	\$ 654,675
8/1/2028		\$ 1,125			\$ 14,290											
2/1/2029	\$ 15,000	\$ 1,125	\$ 17,250	\$ 200,000	\$ 14,290	\$ 228,580	\$ 45,000	\$ 9,414	\$ 63,828	\$ 309,658	\$ 73,092		\$ 37,713	\$ 420,462	\$ 249,258	\$ 669,720
8/1/2029		\$ 900			\$ 12,290											
2/1/2030	\$ 15,000	\$ 900	\$ 16,800	\$ 210,000	\$ 12,290	\$ 234,580	\$ 50,000	\$ 8,514	\$ 67,028	\$ 318,408			\$ 36,925	\$ 355,333	\$ 261,721	\$ 617,053
8/1/2030		\$ 675			\$ 10,190											
2/1/2031	\$ 15,000	\$ 675	\$ 16,350	\$ 105,000	\$ 10,190	\$ 125,380	\$ 50,000	\$ 7,514	\$ 65,028	\$ 206,758			\$ 35,963	\$ 242,720	\$ 274,807	\$ 517,527
8/1/2031		\$ 450			\$ 9,140											
2/1/2032	\$ 15,000	\$ 450	\$ 15,900	\$ 95,000	\$ 9,140	\$ 113,280	\$ 50,000	\$ 6,514	\$ 63,028	\$ 192,208				\$ 192,208	\$ 288,547	\$ 480,755
8/1/2032		\$ 225			\$ 8,190											
2/1/2033	\$ 15,000	\$ 225	\$ 15,450	\$ 100,000	\$ 8,190	\$ 116,380	\$ 55,000	\$ 5,514	\$ 66,028	\$ 197,858				\$ 197,858	\$ 302,974	\$ 500,832
8/1/2033					\$ 7,190											
2/1/2034				\$ 105,000	\$ 7,190	\$ 119,380	\$ 55,000	\$ 4,689	\$ 64,378	\$ 183,758				\$ 183,758	\$ 318,123	\$ 501,881
8/1/2034					\$ 6,140											
2/1/2035				\$ 105,000	\$ 6,140	\$ 117,280	\$ 55,000	\$ 3,864	\$ 62,728	\$ 180,008				\$ 180,008	\$ 334,029	\$ 514,037
8/1/2035					\$ 5,090											
2/1/2036				\$ 110,000	\$ 5,090	\$ 120,180	\$ 60,000	\$ 3,025	\$ 66,050	\$ 186,230				\$ 186,230	\$ 350,731	\$ 536,961
8/1/2036					\$ 3,990											
2/1/2037				\$ 75,000	\$ 3,990	\$ 82,980	\$ 60,000	\$ 2,080	\$ 64,160	\$ 147,140				\$ 147,140	\$ 368,267	\$ 515,407
8/1/2037					\$ 3,203											
2/1/2038				\$ 75,000	\$ 3,203	\$ 81,405	\$ 65,000	\$ 1,105	\$ 67,210	\$ 148,615				\$ 148,615	\$ 386,681	\$ 535,296
8/1/2038					\$ 2,415											
2/1/2039				\$ 75,000	\$ 2,415	\$ 79,830				\$ 79,830				\$ 79,830	\$ 406,015	\$ 485,845
8/1/2039					\$ 1,628											
2/1/2040				\$ 75,000	\$ 1,628	\$ 78,255				\$ 78,255				\$ 78,255	\$ 426,315	\$ 504,570
8/1/2040					\$ 840											
2/1/2041				\$ 80,000	\$ 840	\$ 81,680				\$ 81,680				\$ 81,680	\$ 447,631	\$ 529,311
Totals	\$ 165,000	\$ 28,150	\$ 193,150	\$ 2,530,000	\$ 420,370	\$ 2,950,370	\$ 740,000	\$ 236,374	\$ 976,374	\$ 4,119,894	\$ 511,644	\$ 53,865	\$ 304,325	\$ 4,989,728	\$ 5,680,255	\$ 10,669,983
Bond Principal																
Water				\$ 600,000						\$ 600,000				Average Annual Fixed Cost Over 19 Years	\$ 262,617	\$ 561,578
Sewer	\$ 175,000			\$ 1,820,000			\$ 740,000			\$ 2,735,000				(Debt Service & MCES Charges - Does Not Include) Any Water Purchases)		
StormWater				\$ 280,000						\$ 280,000						
	\$ 175,000			\$ 2,700,000			\$ 740,000			\$ 3,615,000						

Agenda Item: Discuss 2020, 2021 and 2022 Project

Meeting Date: November 7, 2022

Prepared By: Alyson Fauske, PE (MN), City Engineer

Below is a summary and status of what was discussed at the August 23, 2022 work session.

2022 Alley Project

SOIL WASHOUTS. Locations were marked and noted on the punch list.

Fixed.

DRIVEWAY GRADE- on north end of Alley 5 (between 4th and 5th Ave NE) pitches to garage.

In progress. This portion of Alley 5 was removed and replaced at no cost to the city. Driveway replacement scheduled for the week of 11/7/2022.

POOR DRAINAGE in the alley. Locations were marked and noted on the punch list.

In progress. Need to verify concrete work that was done the week of 10/24.

2021 Central Ave Project

Address the slippery concrete by St. Benedictine's (Steeple Pointe) and the park

Addressed. The slope meets ADA requirements and specifications based on field verification.

2020 Street Reconstruction Project

532 2nd AVE NE- reinstall catwalk, driveway length from sidewalk to home is ~7' shorter than preconstruction condition.

Addressed. Property owner has not indicated that this is an issue.

440 2nd AVE NE- height of catwalk steps is inconsistent. The last section of the catwalk was initially ramped to the sidewalk. The property owner requested a step instead.

In progress. New steps scheduled to be installed on 11/7/2022.

SOD- some areas restored have settled and the sod died.

In progress. Quote to replace sod was rejected at the 9/26/2022 City Council meeting. Rebid in early 2023 for Spring, 2023 work

RETAINING WALLS- missing end caps and cornerstones at some locations; vertical gaps between block.

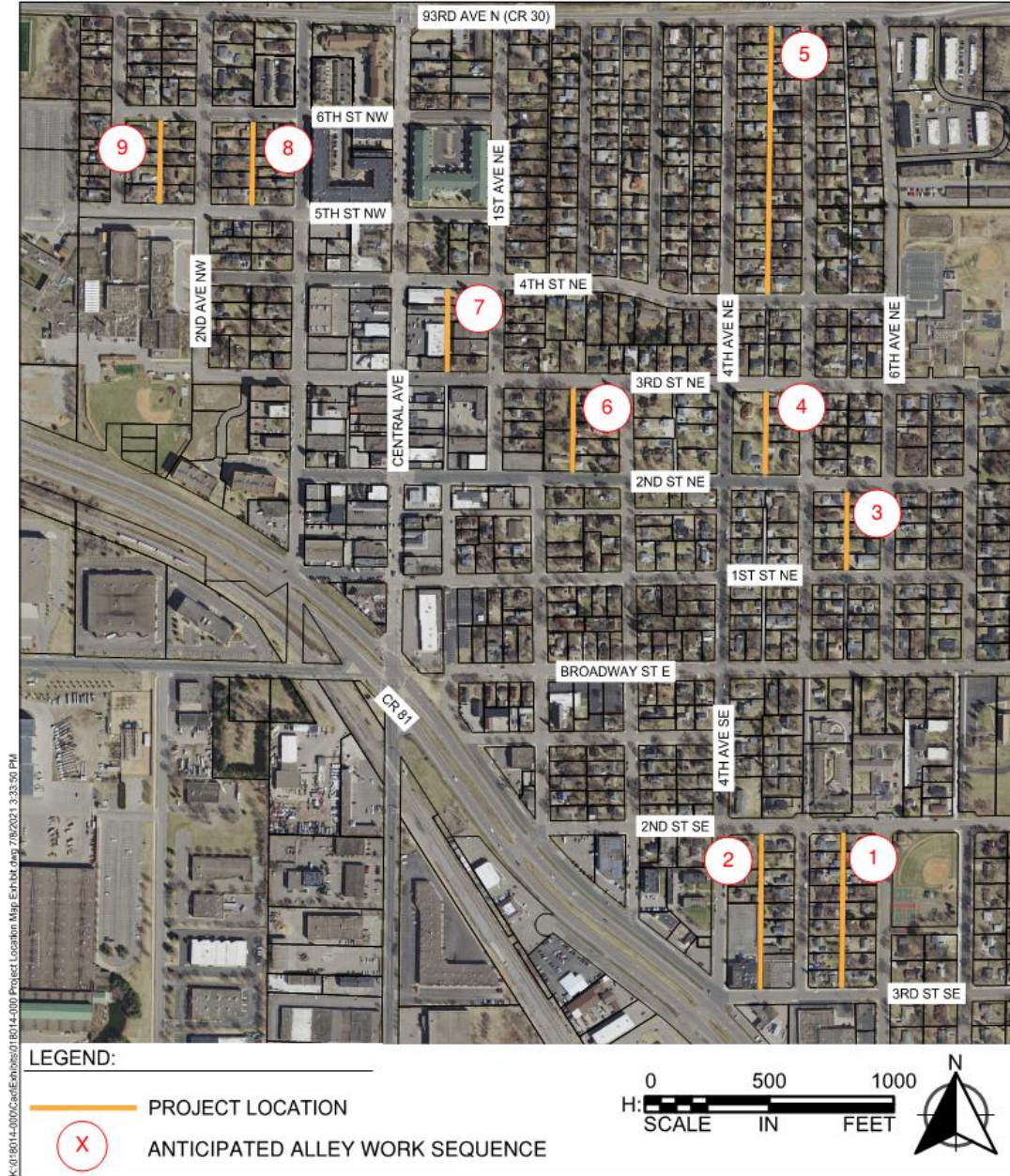
In progress. Punch list item. Contractor has been notified in writing. Warranty period has not started.

Review of 2020, 2021 and 2022 Projects

November 7, 2022

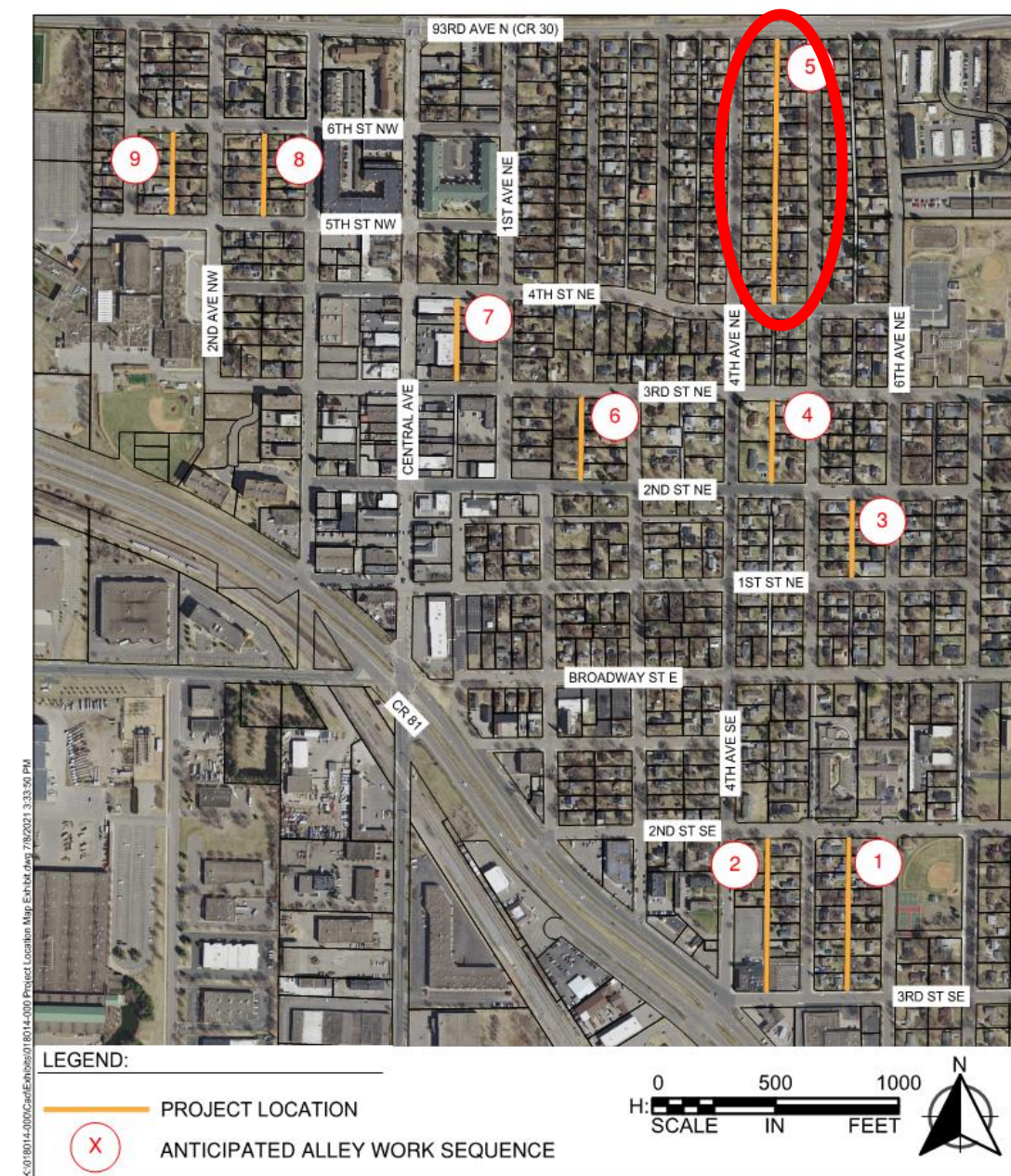
2022 Project- Soil Washouts

Fixed



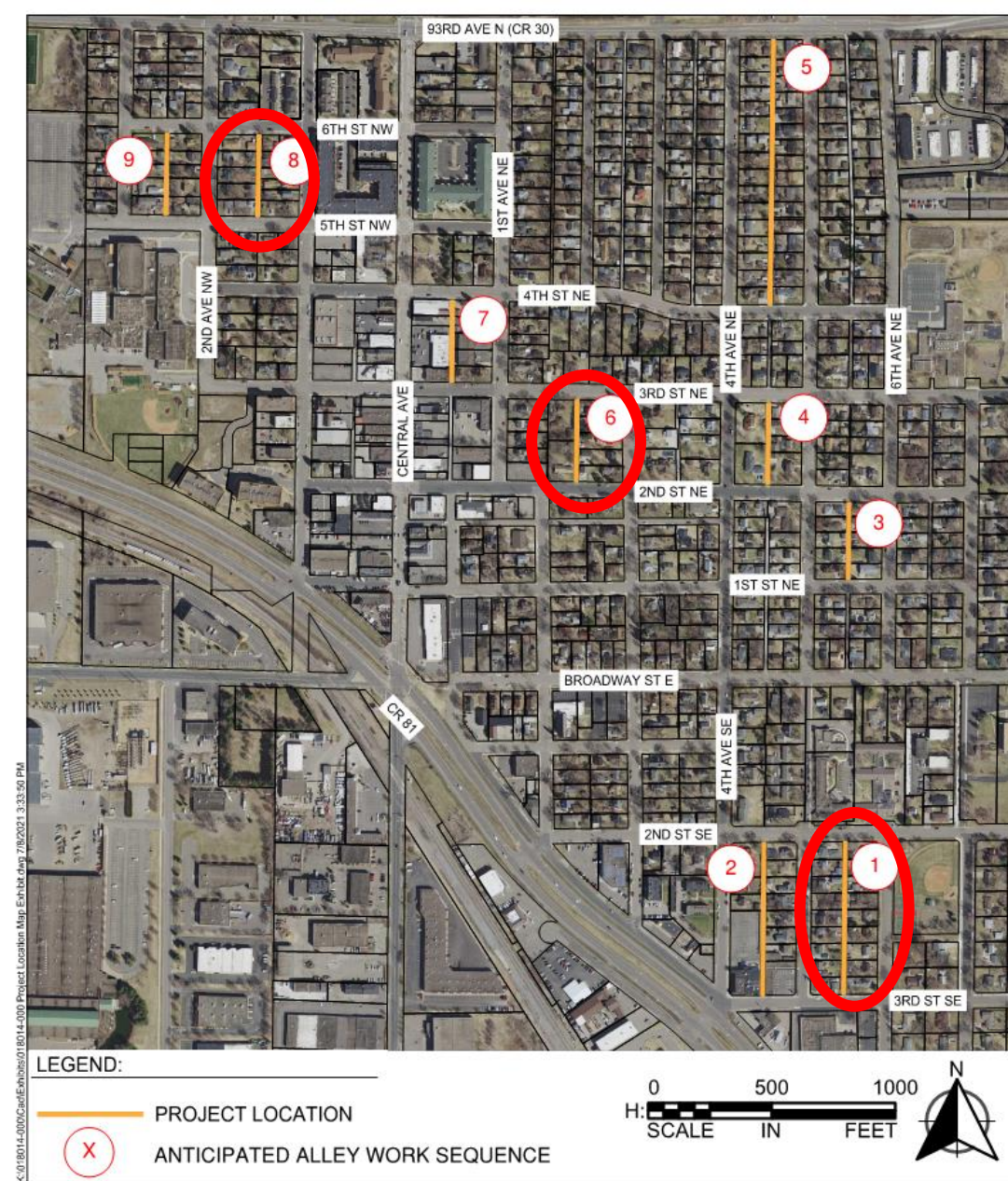
2022 Project- Alley 5

In progress



2022 Project- Poor Drainage

In progress



2021 Project- sidewalk at Central Ave & 6th St NW

Addressed



2020 Project- Catwalk and Driveway



532 2nd Ave NE

Catwalk connected to the road at the catch basin
Driveway length



440 2nd Ave NE

Height of catwalk steps

In progress

2020 Project- Sod

- Areas where restoration has settled, and/or sod has died
- Quotes to replace sod rejected at 9/26/2022 meeting
- Rebid in early 2023

In progress

2020 Project- Retaining Walls

- Punch list
 - Walls out of tolerance
 - Mismatched blocks
 - Secure end caps



In progress



Next steps

- Sod in 2020 project
 - Rebid in early 2023
- Retaining wall corrections
 - Performance bond
- If 2022 Alley project isn't completed by November 11
 - Liquidated damages
 - Performance bond
- Two Year Maintenance Bond on projects

Thank you