

COUNCIL MEMO FORM

9.5

Meeting Date	August 3, 2015
Agenda Section	Ordinances & Resolutions
Item Description	RES/Amendment to the Joint Powers Agreement with the City of Ramsey; Sewer/Water Services for 6050 and 058 Highway 10
Submitted By	Greg Lee, Public Services Director

BACKGROUND INFORMATION

On February 2, 2015 the City Council adopted a resolution approving a Joint Powers Agreement with the City of Ramsey for the construction and maintenance of utilities to serve 6050 and 6058 Highway 10.

There were several options reviewed to serve 6050 and 6058 Highway 10 with utilities. The most cost effective option was to extend utilities as part of the Ridgepoint project. This is a seven lot, single family residential project that extends utilities that currently terminate at the east end of Rivlyn Avenue. The following are the options that were considered:

Option 1 – Service provided by the City of Ramsey - Ridgepoint: \$40,000

This option would include extension of sewer and water from the new cul-de-sac that is proposed with a new development known as Ridgepoint that is currently under consideration and includes an extension of Rivlyn Avenue. This proposed development will bring services within 200 feet of the Anoka municipal boundary.

Option 2 – Service provided by the City of Ramsey – Frontage Road: \$350,000

This option would include extension of sewer from a manhole on Tungsten Street and water from a main that serves Lano Equipment. This option cannot be exercised until such time as additional right-of-way is acquired and a frontage road is constructed.

Option 3 – Service provided by Anoka from north of Highway 10: \$375,000

This option would include the extension of sewer starting from the manhole that is just northwest of the Anoka Technical College and extension of the watermain that is directly north of the Woodlyn Property on the north side of highway 10.

Option 4 – Service provided by Anoka from Cutters Grove Avenue: \$550,000

This option would include providing sewer service via a lift station and forcemain that would parallel highway 10 on the south side and discharge to the system at Cutters Grove Avenue. The water service would parallel the forcemain.

DISCUSSION

The developer of the Ridgepoint, Village Bank, acquired this property as part of a foreclosure. The financial benefit of developing this property was always a concern given its small size.

In recent months, soils borings have indicated poor soils which will require additional soils corrections to extend the utilities and create building pads. Also, the public improvements bids received to extend the utilities and build the roadway were approximately 15% more than the engineers estimate.

These two factors, along with other factors, have made this project financially infeasible. As a result, the developer is asking the City of Anoka to revisit the Joint Powers Agreement and consider not only paying for the utility services for 6050 and 6058 Highway 10, but also financially contributing to the trunk utility systems that the services for these properties would connect to.

Based on discussions with the developer and the City of Ramsey Staff, it was determined that if the City of Anoka contributed a total of \$130,000 to fund a portion of the trunk system and all of the costs associated with the services to 6050 and 6058 Highway 10 including, engineering and administration costs, this project could proceed later this year. Staff believes this amount is reasonable and recommends that the Joint Powers Agreement be amended to include language that the City of Anoka's contribution to this project shall not exceed \$130,000. Attached is a draft amended Joint Powers Agreement with the revisions underlined and shown in red.

COUNCIL ACTION REQUESTED

It is recommended that the City Council adopt a resolution amending the Joint Powers Agreement with the City of Ramsey for the construction and maintenance of utilities to serve 6050 and 6058 Highway 10.



2015 First Avenue, Anoka, MN 55303
Phone: (763) 576-2700 Website: www.ci.anoka.mn.us

**CITY OF ANOKA, MINNESOTA
RESOLUTION**

RES-2015-XX

RESOLUTION AMENDING THE JOINT POWERS AGREEMENT WITH THE CITY OF RAMSEY FOR THE CONSTRUCTION & MAINTENANCE OF WATER AND SEWER UTILITIES TO SERVE 6050 AND 6058 TRUNK HIGHWAY 10

WHEREAS, on February 2, 2015, the City Council adopted a resolution approving a Joint Powers Agreement with the City of Ramsey for the construction and maintenance of utilities to serve 6050 and 6058 Highway 10 (PIN #35-32-31-0004 and 35-32-25-31-0001); and

WHEREAS, in recent months various factors have made this project financially infeasible; and

WHEREAS, the developer of Ridgepoint is asking the City of Anoka to revisit the Joint Powers Agreement and consider financially contributing to the trunk utility systems that the services for 6050 and 6058 Highway 10 would connect to; and

WHEREAS, based on discussions with the developer and City of Ramsey staff, it was determined that a financial contribution by the City of Anoka in an amount not to exceed \$130,000 to fund a portion of the trunk system and all of the costs associated with the services to 6050 and 6058 Highway 10 would allow this project to proceed this year; and

WHEREAS, staff believes this amount is reasonable and recommends that the Joint Powers Agreement be amended to include language that the City of Anoka's contribution to this project shall not exceed \$130,000.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Anoka, Minnesota:

1. The amended Joint Powers Agreement with the City of Ramsey for the construction and maintenance of water and sewer utilities to serve 6050 and 6058 Trunk Highway 10 is hereby approved.
2. The City of Anoka continues to concur that the City of Ramsey will not be responsible for any administrative or legal fees required to record the Joint Powers Agreement.
3. The City of Anoka continues to concur that the City of Ramsey will not be responsible for costs required to upsize the City of Anoka owned and maintained utility extensions, or to provide additional utilities to serve 6050 and 6058 Trunk Highway 10 within the City of Anoka in perpetuity.

4. The City of Anoka continues to concur that the City of Ramsey will not be responsible for any costs required to remove the City of Anoka owned and maintained utility extensions in perpetuity.

5. The Mayor and City Clerk are hereby authorized to execute said amended Joint Powers Agreement with the City of Ramsey.

Adopted by the Anoka City Council this the 3rd day of August 2015.

ATTEST:

Amy T. Oehlers, City Clerk

Phil Rice, Mayor

**A JOINT POWERS AGREEMENT BY AND BETWEEN THE
CITIES OF ANOKA AND RAMSEY
FOR THE CONSTRUCTION AND MAINTENANCE OF
CERTAIN PUBLIC UTILITIES WITHIN THE
CITY OF ANOKA AND THE CITY OF RAMSEY**

This Agreement made and entered into this the 9th day of December, 2014, by and between the City of Anoka, a municipal corporation (hereinafter referred to as "Anoka") and the City of Ramsey, a municipal corporation (hereinafter referred to as "Ramsey").

WITNESSETH:

WHEREAS, Anoka and Ramsey share a common border; and

WHEREAS, there are two parcels within the City of Anoka limits currently not served by municipal sewer or water service; and

WHEREAS, said parcels are commonly known as 6058 Highway 10 (PIN #35-32-25-31-0001), a 0.43 acre parcel, and 6050 Highway 10 (PIN #35-32-25-31-0004), a 3.85 acre parcel; and

WHEREAS, Ramsey has a proposed subdivision ("Ridgepoint") whereby the public utilities located within the Rivlyn Avenue right-of-way would be extended to the east near the common municipal border as more fully illustrated in the attached Exhibit A; and

WHEREAS, an engineering analysis indicates that the most efficient and cost-effective way to provide parcels PIN #35-32-25-31-0001 and PIN #35-32-25-31-0004 in Anoka with municipal utilities is by extending water and sanitary sewer services from the Ridgepoint to these parcels in Anoka; and

WHEREAS, Minnesota Statutes Section 471.59 authorizes political subdivisions of the State to enter into joint power agreements for the joint exercise of powers common to each.

NOW, THEREFORE, it is mutually stipulated and agreed:

- 1 Purpose: As part of the public improvement process associated with the Ridgepoint, Ramsey will allow for the extension of water and sanitary sewer services into that parcel located in the City of Anoka, identified as PIN #35-32-25-31-0004, as more fully illustrated in the attached Exhibit A.
- 2 Services: The services contemplated by this Agreement shall include an 8 inch diameter ductile iron pipe as the water service, with a hydrant connection and hydrant at the end, and a 4 inch ductile iron pipe (force main) to serve as a sanitary sewer service.

3. Cost: The City of Anoka shall ~~contribute funds pay for all costs~~ to extend the sanitary sewer ~~foremain from the easternmost manhole to the end of the pipe~~, and the watermain ~~from the easternmost valve to the end of the pipe and the hydrant on to serve~~ parcel PIN#35-32-25-31-0004, including, but not limited to engineering, inspection, testing, and administrative costs. Total fund contribution from the City of Anoka shall not exceed \$130,000.
4. Sewer and Water Charges: Upon connection to the water system constructed under this Agreement, and upon the development of parcel PIN#35-32-25-31-0004, the City of Ramsey shall install or require the developer of parcel 35-32-25-31-0004 to install a water meters to monitor water services provided to said property. The owner(s) of said property within Anoka will be billed by the City of Ramsey for sewer and water services based upon methods and policies establishes for similar parcels within the Ramsey city limits and in accordance with rates established by the City of Ramsey. The City of Anoka will notify the City of Ramsey at such time as any new connection is made to the system.
5. Facility Maintenance and Operation: The City of Anoka shall retain ownership of and shall maintain the utility services for parcel PIN #35-32-25-31-0004 in Anoka. Maintenance work performed by the City of Anoka within the Ramsey City limits will require the City of Anoka to receive authorization from the City of Ramsey. The services will be defined as the point of connection to the Ramsey municipal systems to the common municipal border. The point of connection for the water service will be the last, easterly most gate valve on Rivlyn Avenue. The sanitary sewer service connection will be the point where the service connects to the last, easterly most, sanitary sewer manhole on Rivlyn Avenue.
6. Inspection: The City of Anoka grants the City of Ramsey the right to install and periodically monitor the sewage flow in the sewer manhole located at the Rivlyn Avenue right-of-way to evaluate any infiltration or inflow that may be introduced into the sewage line.
7. Indemnification: Each party hereto agrees to indemnify, defend and hold harmless the other from any claims, losses, costs, expenses or damages resulting from the acts or omissions of its respective officers, agents, or employees relating to activities conducted under this Agreement.
8. Contingency: This Agreement is contingent upon the extension of the Ramsey utility services identified herein to the points illustrated in attached Exhibit A.
9. Termination: This agreement shall continue until rescinded by joint resolution of Ramsey and Anoka.
10. Entire Agreement/Requirement of a Writing: It is understood and agreed that the entire agreement of the parties is contained herein and this Agreement supersedes all

Agreements and all negotiations between the parties relating to the subject matter thereof as well as any previous Agreement presently in effect between the parties relating to the subject matter thereof. Any alterations, variations, or modifications of the provisions of the Agreement shall be valid only when they have been reduced to writing and duly signed by the parties therein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers.

CITY OF ANOKA

CITY OF RAMSEY

Phil Rice, Mayor

Sarah Strommen, Mayor

Tim Cruikshank, City Manager

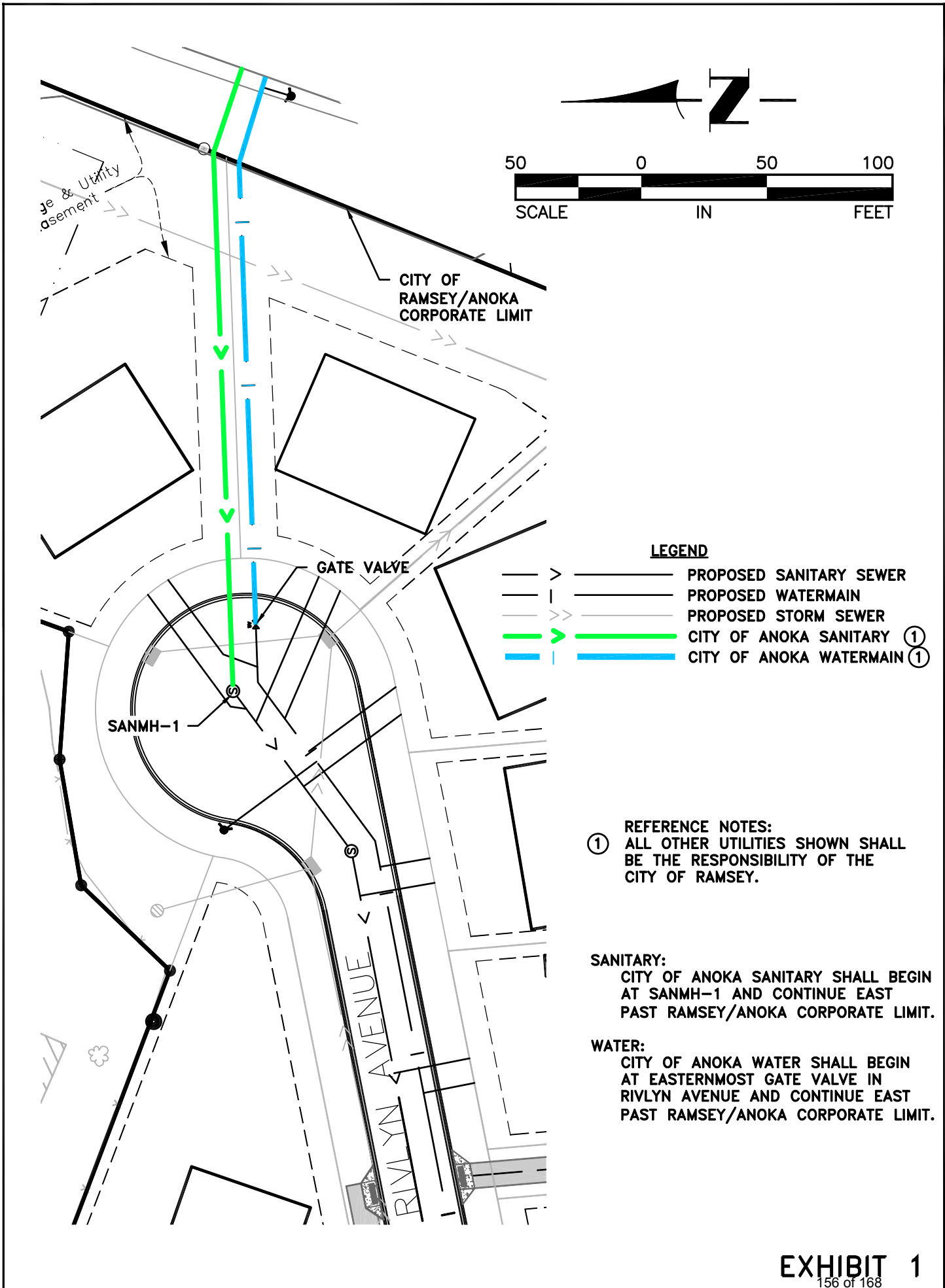
Kurt Ulrich, City Administrator

Approved as to Form

Approved as to Form

Scott C. Baumgartner, City Attorney

Joseph J. Langel, City Attorney



Gas & Utility
Assessment

CITY OF
RAMSEY/ANOKA
CORPORATE LIMIT

GATE VALVE

SANMH-1

RIVLYN AVENUE

LEGEND

- > — PROPOSED SANITARY SEWER
- | — PROPOSED WATERMAIN
- >> — PROPOSED STORM SEWER
- > — CITY OF ANOKA SANITARY ①
- | — CITY OF ANOKA WATERMAIN ①

① REFERENCE NOTES:
ALL OTHER UTILITIES SHOWN SHALL
BE THE RESPONSIBILITY OF THE
CITY OF RAMSEY.

SANITARY:
CITY OF ANOKA SANITARY SHALL BEGIN
AT SANMH-1 AND CONTINUE EAST
PAST RAMSEY/ANOKA CORPORATE LIMIT.

WATER:
CITY OF ANOKA WATER SHALL BEGIN
AT EASTERMOST GATE VALVE IN
RIVLYN AVENUE AND CONTINUE EAST
PAST RAMSEY/ANOKA CORPORATE LIMIT.