



CITY OF MENDOTA HEIGHTS
CITY COUNCIL WORKSHOP AGENDA

August 24, 2015 – 4:45 pm
Mendota Heights City Hall

- 1. Call to Order**
- 2. Roll Call**
- 3. St. Paul Regional Water Contract Discussion**
- 4. Fire Station Feasibility and Programming Study**
- 5. Continued Budget FY 2016 Discussion**
- 6. Adjourn**



DATE: August 24, 2015

TO: Mayor, City Council, and City Administrator

FROM: John R. Mazzitello, PE, PMP
Public Works Director/City Engineer

SUBJECT: New Water Service Agreement

BACKGROUND

The City of Mendota Heights has been in its existing contractual agreement with Saint Paul Regional Water Service (SPRWS) since 1995. The agreement expires in December of 2015, and SPRWS has initiated the process of renewing the agreement. Under the current agreement, the City of Mendota Heights owns the distribution system and is responsible for all routine maintenance, rehabilitation, and replacement of system components. SPRWS supplies the water and is responsible for all emergency repairs, inspection or completion of new or replacement projects, and conducts all billing for the utility. Because of this arrangement, SPRWS charges a rate 20% higher than their base rate for other municipal customers to all customers in the City of Mendota Heights. Additionally, the City charges a 10% surcharge to all water utility customers to gain revenue for the Water Utility Fund, which is used to fund maintenance activity as well as rehabilitation and replacement projects.

The proposed contract has been reviewed at 2015 City Council Workshop sessions held on February 3rd, May 15th, and June 29th. Comments, questions, and SPRWS responses from the June 29th workshop are summarized in the attached letter from the Board of Water Commissioners. A red-lined version of the actual contract, showing updates made based on the June 29th comments and questions, is also attached.

UPDATE

With the latest revisions, the proposed Omnibus Agreement can be summarized by the following:

- Mendota Heights deeds ownership of the water distribution system to SPRWS
- Mendota Heights would be able to enter into a separate agreement with other municipal partners (Maplewood, Falcon Heights, Lauderdale, West Saint Paul) and hold one of two seats on the Board of Water Commissioners
- SPRWS would be responsible for all routine maintenance, emergency repairs, and capital improvements
- Mendota Heights would still be responsible for painting the fire hydrants
- SPRWS and Mendota Heights are required to review capital projects at least once per year, SPRWS cannot initiate a capital project without MH concurrence
- Surcharge will be eliminated through the following schedule:

- 2016 – 20%
- 2017 – 20%
- 2018 – 20%
- 2019 – 18%
- 2020 – 18%
- 2021 – 14%
- 2022 – 0%
- SPRWS would utilize the surcharge and \$4.40 flat fee per bill (ending in 2022) to accumulate the funds necessary to complete capital improvement projects on deficient mains as identified in contract Exhibits A-D
- In the event SPRWS is purchased or dissolved, Mendota Heights has the right to choose between remaining under agreement with the new operating agency, or to regain ownership of the system
- SPRWS would warranty all repairs for 1-year after certified completion of the repair or improvement
- Mendota Heights would collect cell tower revenue from the water tower according to the following schedule:
 - 2016 – 100%
 - 2017 – 100%
 - 2018 – 100%
 - 2019 – 100%
 - 2020 – 100%
 - 2021 – 100%
 - 2022 – 50%
 - All years after 2022 – 50%
- Mendota Heights would retain ownership of the land the water tower sits on; SPRWS would own the water tower itself
- Mendota Heights would grant SPRWS access across City land via easement to get to the water tower
- SPRWS would allow Mendota Heights to store items in the water tower via easement
- No exterior modifications or alterations to the water would be completed without the prior permission of Mendota Heights (will be included in the cross-easement agreement for access & storage)
- SPRWS would complete all quarterly billing
- SPRWS would administer any City surcharge Mendota Heights sees fit to charge
- SPRWS would collect 2% of surcharge funds collected as an administrative fee
- Mendota Heights may place billing inserts into the SPRWS bills
- Mendota Heights would not be allowed to connect a supplemental water source to the SPRWS system, although independent systems (not connected) may exist
- Mendota Heights would be responsible for any adjustments to the water system that are directed by the City (relocation of fire hydrants, Valve box casting replacement, etc.) and not part of an Identified SPRWS improvement
- Mendota Heights would not be billed for water consumed for fire response or fire training
- Mendota Heights would be billed at standard retail rates for water consumed (other than fire)
- SPRWS would get 60 days to fix any report of failure of service
- Mediation would occur after 60 days if service issue is not sufficiently resolved
- Mendota Heights may choose (for any reason) to terminate the agreement and regain ownership of the system
 - Mendota Heights would reimburse SPRWS for the depreciated costs of capital improvements made to the system not listed in exhibits A-D
 - Mendota Heights would be reimbursed for any funds collected but not expended on the capital improvements listed in Exhibits A-D

BUDGET IMPACT

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The impacts to the annual budget will depend on the structure of the new agreement with SPRWS. The proposed ownership conveyance agreement would reduce revenues to the Water Utility Fund, but would also greatly reduce expenses from that fund, dependent on the structure of the agreement. While not related to the City budget, the ownership conveyance would reduce the rates paid by Mendota Heights' water users in the long term.

RECOMMENDATION

Staff recommends Council review the responses and agreement provided by SPRWS. Staff further recommends Council find the proposed agreement acceptable. If the agreement is acceptable, staff would bring it forward to City Council for formal approval at an upcoming City Council Meeting.



BOARD OF WATER COMMISSIONERS

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President: Matt Anfang ♦ Vice President: Amy Brendmoen
Commissioners: Mara Humphrey ♦ David Meisinger ♦ Will Rossbach ♦ Russ Stark ♦ Chris Tolbert

July 28, 2015

John Mazzitello
City of Mendota Heights
1101 Victoria Curve
Mendota Heights, Minnesota 55118

Subject: Response to Requests Arising at June 29, 2015 City Council Workshop

John:

Thank you for the opportunity to attend the City Council Workshop on June 29, 2015. I offer the following as the SPRWS responses to the questions or requests for information raised:

- Article II, Section 1, 2nd Paragraph - Change “normal” to “routine”
 - AGREE
- Article III, Section 1, Phase-in schedule – Request to modify the schedule
 - DO NOT AGREE – The phase in schedule as proposed was developed to reimburse the Board for the cost to correct deficient assets that currently exist in the Mendota Heights water system and to compensate the Board for lost antenna revenue during the Phase-in period.
- Article VI, Section 1, 2nd Paragraph – Change “the gross” to “total”
 - AGREE
- Article VI, Section 1, 2nd Paragraph – Reduce the 50% to a lower percentage
 - DO NOT AGREE – 50% of revenues is the least amount of revenue the Board receives from other suburban municipalities in the SPRWS system for antenna revenue. The Board will not consider a lower amount.
- Article VIII, Section 4, 1st Paragraph – Request to consider a fee of less than 2%
 - DO NOT AGREE – We believe that a 2% fee for collecting, processing and transferring more than \$200,000 per year to the City is a reasonable.
- Article IX, Section 1, 2nd Paragraph - change “but” to “and”
 - AGREE

SAINT PAUL REGIONAL WATER SERVICES

Stephen P. Schneider, General Manager

1900 Rice St., Saint Paul, MN 55113-6810 ♦ TTY: 651-266-6299 ♦ 651-266-6350

Saint Paul Regional Water Services provides quality water services to the following cities:

Arden Hills • Falcon Heights • Lauderdale • Little Canada • Maplewood • Mendota • Mendota Heights • Roseville • Saint Paul • West St. Paul
AA-ADA-EEO Employer

John Mazzitello
July 28, 2015
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- Article XI, Section 7 – Request to be charged a wholesale rate for this water
 - DO NOT AGREE – All municipalities, including Saint Paul, are charged full retail rate for all water used. Wholesale rates are charged only according to the terms of wholesale water agreements.
- Article XIII, Section 4 - Add language that would allow Mendota Heights the option to terminate for reasons other than failure of the Board to meet the contract terms with a five-year notice.
 - AGREE – Language drafted
- Article XIII, Section 5 - Remove comma between “appurtenances” and “constructed” in last sentence
 - AGREE
- Article XIII, Section 5 - Add language that would require the Board to reimburse Mendota Heights an amount equal to the value of any “deficient assets” identified but not completed by the Board assuming that the revenue for those improvements have been collected by the Board during the Phase-in period.
 - AGREE – Language drafted
- Lease Agreement for Tank and Tank Site - The Mendota Heights tank is an icon that many identify with the City of Mendota Heights. Request to include a provision giving Mendota Heights approval authority for any modifications to tank that will significantly change its appearance.
 - AGREE – Language drafted

The requested changes to the agreement that are agreed upon have been incorporated into the latest draft, which is attached to this letter.

Sincerely,



Stephen P. Schneider
General Manager

cc: Matt Anfang, President
Steve Gleason, Business Division Manager
Dave Wagner, Engineering Division Manager

**OMNIBUS AGREEMENT BETWEEN
THE CITY OF MENDOTA HEIGHTS AND
THE BOARD OF WATER COMMISSIONERS OF THE CITY OF SAINT PAUL**

This Agreement, dated this _____ day of _____, 2015, is by and between the **BOARD OF WATER COMMISSIONERS OF THE CITY OF SAINT PAUL** (“**Board**”), and the **CITY OF MENDOTA HEIGHTS** (“**Mendota Heights**”).

WHEREAS, the Board has provided water services to properties located within the City of Mendota Heights continuously since 1962 pursuant to the terms of retail water service agreements between the Board and Mendota Heights, with the current agreement dated December 27, 1995 being scheduled to expire on December 26, 2015; and

WHEREAS, the Board and Mendota Heights have reached a mutual understanding by which the Board will continue to provide water services to properties within the City of Mendota Heights at water rates that will become equal to the rates charged to properties within the City of Saint Paul; Mendota Heights will have representation on the Board of Water Commissioners through suburban representation; and Mendota Heights will convey title to its water facilities to the Board.

NOW THEREFORE, in consideration of the respective covenants contained herein, Board and Mendota Heights do hereby agree as follows:

ARTICLE I

Section 1. EFFECTIVE DATE

This Agreement is effective on December 27, 2015, or after execution by the designated officials as authorized by resolution of the Board and Mendota Heights, whichever occurs last.

Section 2. EXISTING CONTRACTS SUPERSEDED

As of the effective date of this Agreement, all previous water service agreements and contracts existing between the Board and Mendota Heights shall be and are hereby superseded.

Section 3. BOARD REPRESENTATION BY MENDOTA HEIGHTS

An ordinance, approved on December 11, 1996 by the Saint Paul City Council, amended the Saint Paul Home Rule Charter to increase the membership of the Board of Water Commissioners and allowed the appointment of suburban representatives to said Board. In accordance with the terms of that amendment, the Board has increased its membership to seven (7) members. Of those seven (7) members, two (2) Non-Saint Paul resident members represent all suburban cities served by agreements similar to this Agreement, and this provision would apply to Mendota Heights. Mendota Heights will contract separately with the other suburbs with regard to representation.

In the event that the total number of residential water accounts plus commercial and industrial accounts (excluding auto-fire accounts) of communities located outside the City of Saint Paul and served by agreements similar to this Agreement exceeds forty-three percent (43%) of the total number of the Board's water accounts, the Board will seek to change the number of Saint Paul appointees to four (4) and the number of suburban representatives to three (3).

ARTICLE II

Section 1. BOARD TO EXTEND SERVICE TO MENDOTA HEIGHTS

The Board will extend its water service to properties located within the City of Mendota Heights subject to the rules and regulations enacted by the Board of Water Commissioners and in accordance with the terms of this Agreement.

Mendota Heights does hereby concur in the Board's extension of its water service and does hereby grant permission to the Board to construct, operate, maintain, repair, and replace water mains and other necessary appurtenances within the streets and rights-of-way of the City of Mendota Heights. The Board is responsible to provide an adequate quantity of water to

properties located within the City of Mendota Heights, and to provide ~~routine~~normal maintenance and repair to all of the facilities operated by Board in the supply of water, pursuant to the same terms, conditions, and policies that it follows for the provision of similar properties located within the City of Saint Paul.

Section 2. MENDOTA HEIGHTS MUNICIPAL CODE

The Board shall abide by the city of Mendota Heights Municipal Code when performing work in Mendota Heights' rights-of-way.

Mendota Heights agrees to waive permit fees required for utility work and excavation in Mendota Heights' rights-of-way for the duration of the phase-in schedule described in Article III, Section 1 of this agreement.

Section 3. CONSTRUCTION COORDINATION

In order to provide the greatest efficiency and to minimize traffic disruptions and replacement costs, Board shall perform water main replacement and/or other water system repair work in conjunction with Mendota Heights street paving projects whenever possible.

Section 4. AUTHORITY TO EXTEND SYSTEM

Mendota Heights does hereby agree that the Board has full and exclusive right to construct and maintain water piping in Mendota Heights' property and rights of way, including public easements, for extending the Board's water system to municipalities located beyond the corporate limits of Mendota Heights. Routing of mains and appurtenances shall be coordinated with Mendota Heights' City Manager, which approval shall not be unreasonably withheld or delayed. The Board shall be solely responsible for all costs associated with the construction of such water system extensions, including the design, construction, and street restoration.

Section 5. EXISTING MAINS AND APPURTENANCES OWNED BY MENDOTA HEIGHTS

Upon the effective date of this Agreement, the Board will assume the maintenance and repair of all the existing water mains, hydrants, service connections, tanks, and appurtenances.

The Board recognizes that the appearance of the existing tank located at 2431 Lexington Avenue

holds a special iconic value to the City of Mendota Heights. Therefore, any modifications that may significantly change its appearance shall require the approval of Mendota Heights, which approval shall not be unreasonably withheld.

Section 6. MENDOTA HEIGHTS TO CONVEY TITLE TO FACILITIES

Mendota Heights shall, by resolution of its City Council, and by appropriate deed of conveyance acceptable to the Board, convey to the Board all of its rights, title, and interest to all water mains, hydrants, service connections, tanks, and appurtenances owned by Mendota Heights including all easement rights held by Mendota Heights for the purpose of installing, repairing, maintaining, or replacing public water mains and appurtenances. It is intended by the parties hereto that the said conveyances shall be free and clear of all liens and encumbrances whatsoever, and thereafter title shall remain with the Board except as may be otherwise provided by the terms of this Agreement.

Section 7. EASEMENT AT TANK SITE

Mendota Heights agrees to provide a perpetual easement, in a separate recordable document, to the Board for purposes of access and maintenance at the water tower tank site located at the northwest quadrant of the intersection of Medallion Drive and Lexington Ave S in the City of Mendota Heights to be in effect by the date of execution of this Agreement.

ARTICLE III

Section 1. WATER RATES

Commencing December 27, 2015, water rates, surcharges, and fees charged by the Board to properties located within the City of Mendota Heights shall be adjusted to the following Phase-In Schedule:

PHASE-IN SCHEDULE

December 27, 2015 through December 26, 2016 – 120 percent of Saint Paul rate

December 27, 2016 through December 26, 2017 – 120 percent of Saint Paul rate

December 27, 2017 through December 26, 2018 – 120 percent of Saint Paul rate

December 27, 2018 through December 26, 2019 – 118 percent of Saint Paul rate

December 27, 2019 through December 26, 2020 – 118 percent of Saint Paul rate

December 27, 2020 through December 26, 2021 – 114 percent of Saint Paul rate

December 27, 2021 and thereafter – 100 percent of Saint Paul rate

Saint Paul Regional Water Services (“SPRWS”) performed an assessment of Mendota Heights water facility assets and identified certain assets that are deemed to be deficient and require upgrade or replacement. All assets not so identified, including the water tower, have been determined to be in acceptable condition and are not in need of improvement at the time of acquisition. The Board recognizes Mendota Heights’ renovation of the water tower in 2010. Funds generated from water rates greater than 100 percent of the Saint Paul Rate shall be used to compensate the Board for certain additional costs it agrees to assume pursuant to this Agreement, which costs are more fully described in Article III Sections 2 through 4 of this Agreement. The board shall have full authority in the scheduling and performance of the corrective work.

Section 2. DEFICIENT MAINS

Deficient water mains based on break history, a pipe failure predictability model, and SPRWS Standard for the Installation of Water Mains, as identified in Exhibit “A”, attached hereto and incorporated herein, shall be replaced at Board expense.

Mendota Heights shall pay the costs to adjust the depth on segments of main with non-conforming earth cover as listed in Exhibit “B”, attached hereto and incorporated herein.

Mendota Heights is responsible to manage and maintain water main easements such that the Board has ready access to conduct water facility maintenance, repair, and replacement or relocation activities. However, extraordinary costs due to the existing placements of water mains or services in non-conforming public water main easements as listed in Exhibit “C” shall be the responsibility of the Board.

Section 3. WATER SERVICES WITH HISTORY OF FREEZING

The Board shall be responsible for the costs of replacing, lowering, and/or insulating the water services to those services listed in Exhibit “D”, attached hereto and incorporated herein, which have a history of freezing.

Section 4. ANTENNAE

Extraordinary costs incurred in the maintenance of existing or future tanks serving Mendota Heights due to the placement of antennae facilities on or near such tanks shall be the responsibility of the Board, excepting those costs previously made the responsibility of any lessees as a course of existing and/or future leases entered into between Mendota Heights and a third party.

ARTICLE IV

**Section 1. CONSOLIDATION OR ACQUISITION; MENDOTA HEIGHTS’
OPTIONS**

In the event that the Board ceases to operate in its present form due either to consolidation with a local or regional authority or to an acquisition of its assets by another entity (together referred to as “Alternate Authority”), it is the intent of the Board and Mendota Heights to protect the rights of Mendota Heights properties to the continued supply of an adequate water service as well as to adequately compensate Mendota Heights for its previous investments in the water facilities located within its boundaries. The rights and liabilities of this Agreement are not transferable or assignable by either party without the written consent of the other.

Therefore, to the extent legally permissible the Board shall insure that in the event of any such consolidation or acquisition, Mendota Heights may terminate this Agreement or negotiate a new water service agreement with the Alternate Authority.

In the event Mendota Heights should elect to terminate this Agreement, then and in that event, it is hereby agreed that:

- a) The Board shall for the sum of one dollar (\$1.00), reconvey title to the facilities and real estate previously conveyed by Mendota Heights, pursuant to Article II, Section 6 of this Agreement; and

- b) The Board shall request, to the extent legally permissible, that the Alternate Authority execute a water service contract with Mendota Heights so as to continue to provide an adequate water service to properties located within Mendota Heights; and
- c) The Board shall be compensated for the depreciated value of all water mains and other water service facilities, including water meters, hydrants, and other appurtenances, constructed or caused to be constructed by the Board to serve the Mendota Heights water system from and after the effective date of this Agreement. The Board shall receive such compensation from the Alternate Authority and not from Mendota Heights.

In the event that Mendota Heights elects not to terminate this Agreement, the Board shall require that the Alternate Authority assume the Board's contractual obligations as set forth in this Agreement, and shall require that Mendota Heights be compensated for the amortized value of the facilities and real estate previously conveyed to the Board pursuant to Article II, Section 6, of this Agreement.

Section 2. FACILITIES INVESTMENT

The Board shall monitor and track all water system infrastructure investments within Mendota Heights to identify to what degree those investments benefit Mendota Heights.

The Board shall monitor and track its investments in the water system, treatment plant, and transmission mains outside of Mendota Heights to identify to what degree those investments benefit Mendota Heights. The Board shall determine the asset value of Mendota Heights' existing water system in order to assist Mendota Heights in determining whether to enter into a new agreement with the Alternate Authority, or to regain ownership of the system.

ARTICLE V

Section 1. MAINS CONSTRUCTED BY MENDOTA HEIGHTS

When Mendota Heights installs new water mains, service connections, and/or appurtenances for the distribution of water within the corporate limits of Mendota Heights, all construction shall be in accordance with Board standards. Plans of all extensions to the water system by Mendota Heights shall be submitted for approval to the Board before advertising for bids, awarding contracts, or beginning of actual construction. This initial construction for water

system expansion shall be considered development costs and shall be provided at no expense to the Board. Costs for engineering plan review, inspection and other miscellaneous activity by Board forces required by the water system expansion shall be reimbursed to the Board. Mendota Heights agrees to provide the Board with “as-built plans” of all such extensions of the water system.

Section 2. NEW FACILITIES; FURNISHED BY THE BOARD

The Board may construct and maintain new water service facilities and appurtenances, including all extensions of such facilities and appurtenances. Title to all such facilities shall be held by the Board.

Section 3. WARRANTY

The Board and Mendota Heights further agree that as Mendota Heights constructs and contracts for the construction of new mains, services, and/or appurtenances to be connected to the system and supplied with water by the Board, that the Board shall not be responsible for the maintenance or repairs to such newly constructed additions to the water supply system until one (1) year from the date the same have been placed in operation, or until the Board has notified Mendota Heights in writing of the acceptance of such installation, whichever date is earlier. At such time that the Board assumes responsibility for the maintenance and repair of said new water system facilities, Mendota Heights will convey said facilities to the Board according to the conditions of Article II, Section 6.

Section 4. STANDARDS

Water mains, services, and appurtenances shall be in conformity with the established standards, rules, and regulations as are in effect at the execution of this Agreement or as may thereafter be established by the Board.

Mendota Heights and Board staff shall meet upon the request of either party to discuss standards relating to water system construction. Where differences in standards are not resolved at the staff level, the Board shall have the ultimate authority for determining such standards.

Section 5. SERVICE CONNECTION APPLICATIONS

New applications for water service connections shall be made to and through the Board, and each applicant shall furnish the Board a certified street address established by Mendota Heights. No new service connection work shall be performed by Mendota Heights or its agent until the Board's application process has been completed and inspection of the installation work scheduled by the Board.

Section 6. SERVICE CONNECTIONS – INSTALLED BY BOARD

It is agreed that, except in those projects which may be mutually designated by the parties, all service connections from the main to the property line shall be installed by Board forces under rules identical with those in effect in the City of Saint Paul, or as may hereafter be modified by the Board. The charges for such service connections shall be in accordance with charges established from time to time by the Board.

Section 7. SERVICE CONNECTION GUARANTEE BY BOARD

The Board shall make all necessary repairs and maintenance to that part of the service connection located within the public right-of-way, under rules identical with those in effect in the City of Saint Paul. This requirement shall apply to all existing and future service connections constructed to Board standards. Service connections from private mains or a system not served by the Board's water supply shall not be so guaranteed.

Section 8. PIPING, FIXTURES, ETC.

Mendota Heights shall, by the enactment of suitable rules, regulations, or ordinances, require that all piping, fixtures, accessories, or on premises piping in any manner connected to the public water system supplied by the Board, shall be of the same materials, installed in the same manner, and meet the same standards as are required for the same or similar work in the City of Saint Paul.

Section 9. RIGHT TO INSPECT

The Board, through its officers, agents, and employees, shall have the right at all times to examine, inspect, and test any materials or workmanship used, or to be used, in connection with the water system within Mendota Heights and supplied with water by the Board, or connections

thereto, for the purpose of determining whether or not they comply with the foregoing provisions. For the same purpose, the Board shall have the right to examine and inspect the materials, workmanship, and method of installation of house plumbing connection to said water system.

ARTICLE VI

Section 1. ANTENNAE

Mendota Heights shall transfer to the Board all ownership rights to Mendota Heights' water service facilities, including easements and access rights for the transmission and reception of radio communication signals in and on its water tower, located at 2431 Lexington Avenue South ("Tank"). However, because Mendota Heights desires to retain control over the placement of antennae on the Tank after such ownership has been transferred to the Board, the Board agrees to enter into a site lease agreement with Mendota Heights, which grants back to Mendota Heights the right and authority for placement of existing and future antennae on the Tanks ("Site Lease"). The parties shall execute said Site Lease, identified as Exhibit "E," attached hereto and incorporated herein, as part of this Agreement. In said Site Lease, the parties agree that, prior to approval by Mendota Heights of third-party sub-lease agreements for the placement of antennae or any other facilities on the Tank, Mendota Heights shall first submit proposed plans and said third-party sub-lease agreements to the Board for prior review and approval, which approval shall not be unreasonably withheld.

The parties further agree in said Site Lease that, due to the increased administrative, impact review, maintenance, liability, staff, and other costs associated with such placements, Mendota Heights shall compensate the Board by paying to it fifty percent (50%) of the ~~total~~gross revenues received from any and all such activities. The Board shall initially collect payment as part of Article III, Section 1, Phase-In Schedule in the amounts shown in Exhibit "F". Pursuant to said Site Lease, beginning December 26, 2020, Mendota Heights shall pay directly to the Board fifty percent (50%) of said gross revenues within thirty (30) days of receipt of same.

Section 2. STORAGE IN TANK COLUMN/TANK GROUNDS ACCESS

Mendota Heights presently uses the column base of the Tank for storage. Mendota Heights and the Board shall execute a separate agreement that shall establish a lease for one dollar (\$1.00) allowing Mendota Heights to continue storage of equipment in the column of the Tank. Said lease shall identify the responsibilities and obligations of both Mendota Heights and the Board concerning equipment storage.

As part of said lease, Mendota Heights will be responsible for maintenance of the grounds including turf and roadway access to the tank within the easement conveyed to the Board.

ARTICLE VII

Section 1. RIGHT-OF-WAY

All expenses or costs accruing to the water system in Mendota Heights, which result from the maintenance, reconstruction, grinding, overlaying, or paving of public streets, alleys, or rights-of-way resulting from the action of Mendota Heights, County of Dakota, or State of Minnesota, shall be the responsibility of Mendota Heights.

Changes proposed by Mendota Heights, County of Dakota, or State of Minnesota to the elevation of public streets, alleys, or rights-of-way where water system facilities are situated shall be reviewed and approved in advance by the Board. The Board and Mendota Heights agree that the Board's standards pertaining to elevation changes, grades, and earth cover over water system facilities shall apply to all said elevation change proposals. Where elevation changes are greater than the parameters outlined in the Board's standards, all expenses or costs accruing to the water system in Mendota Heights shall be the responsibility of Mendota Heights.

Section 2. ACCESS TO INFRASTRUCTURE

Mendota Heights shall allow the Board uninterrupted access to all water mains, hydrants, service connections, tanks, and appurtenances within the public streets, alleys, or rights-of-way under the jurisdiction of the City of Mendota Heights.

Section 3. PUBLIC WATER MAIN EASEMENTS

Mendota Heights warrants that all public water mains and appurtenances outside public street rights-of-way are situated within perpetual easements guaranteeing access rights for the purpose of maintenance, repair, or replacement of such mains and appurtenances.

ARTICLE VIII

Section 1. BOARD TO FURNISH METERS

The Board shall furnish, install, retain title to, and maintain all water meters required by the Board for its domestic and commercial water service accounts to properties located within the City of Mendota Heights.

Section 2. BILLING AND COLLECTION

The Board shall have full responsibility for reading water meters and billing and collection of accounts, pursuant to the rules, regulations, statutes, and policies of the Board.

Mendota Heights shall immediately adopt an ordinance giving the Board authority to certify past due billed charges to Dakota County for collection with property taxes. Any unpaid bills shall become a continuing lien on the property. Mendota Heights shall indemnify, defend, and hold harmless the Board against any claim, action or lawsuit brought to dispute any such certification or unpaid bill. Upon receipt by Mendota Heights or the Board of such claim, action, or lawsuit, Mendota Heights shall reimburse the Board the full amount of the disputed certification to the extent Mendota Heights has received those funds.

Section 3. OPTIONAL BILLING AND COLLECTION SERVICES

Mendota Heights may choose to have the Board perform additional billing services (for example; sanitary sewer or storm water billing). If Mendota Heights makes this selection, the parties shall execute a written addendum to this Agreement, which shall specify the responsibilities of each party with regards to such additional billing services.

Section 4. WATER SURCHARGE

Mendota Heights has established a water surcharge equal to ten percent (10%) of the charge imposed for water supplied to properties within the City of Mendota Heights ("Mendota

Heights Water Surcharge”). Mendota Heights will pay the Board a monthly payment equal to two percent (2%) of the total monthly Mendota Heights Water Surcharge collections.

The Board will send a monthly payment to Mendota Heights equal to the amount of collections received during the month (less the two percent (2%) for billing and collection) on or before the 15th day of the following month.

Section 5. BILLING INSERTS

Mendota Heights may provide materials to be inserted with the water bills of customers located within Mendota Heights, with the prior approval of the Board, at a reasonable charge to Mendota Heights for the cost of such bill-stuffing process. Said material shall not cause the mailing to exceed the postal weight limit.

ARTICLE IX

Section 1. SUPPLEMENTAL WATER SUPPLY

No supplemental supply of water shall be connected to the water system being served by the Board without the prior written approval of the Board.

This Agreement shall not preclude Mendota Heights from obtaining a portion of its water from any source approved by the Minnesota Department of Health in areas where water supply from the Board is impractical or unworkable, or in case a central water supply system is constructed and installed for a housing development prior to the extension of water mains supplying the area with water provided by the Board. However, in no case shall there be direct connections between the Board’s supply system and other supply systems, and when the Board’s supply system is practical and workable, the other supply shall be discontinued and disconnected, at no cost to the Board. Existing private wells are exempted from this requirement, ~~and~~ but no direct connection to the Board’s supply shall be permitted.

ARTICLE X

Section 1. RULES AND REGULATIONS.

The use and distribution of water in Mendota Heights derived from the supply furnished from the Board shall at all times be governed by rules, regulations, policies, and conditions which the Board has heretofore adopted for the City of Saint Paul, or which it may hereafter adopt concerning the preservation, regulation, and protection of its water supply, including water waste, water conservation, sprinkling restrictions and water use for air conditioning equipment; and as more fully detailed in the most recent version of “Title XI – Water Utility, Legislative Code of the City of Saint Paul” and “Saint Paul Regional Water Services Standards for the Installation of Water Mains”.

Mendota Heights shall enact such rules, regulations, policies, and conditions into ordinances, make them legally effective and binding, and shall provide the Board with copies thereof. Within sixty (60) days after the effective date of this Agreement Mendota Heights shall also enact any amendments thereto adopted by the Board within sixty (60) days after being notified of such adoption, and shall adopt suitable penalties for the violation of rules, regulations, policies, and conditions, and shall strictly enforce such rules, regulations, and requirements.

Section 2. BOARD’S JURISDICTION IN MENDOTA HEIGHTS

It is further agreed that the Board, through its officers, agents, and employees, shall have the same authority and jurisdiction in the enforcement of such rules and regulations in Mendota Heights that the Board has in the City of Saint Paul.

Section 3. MENDOTA HEIGHTS’ PERMITTING AUTHORITY

Mendota Heights does issue permits to other governmental and private agencies for the installation of natural gas, telephone, cable, and other facilities. Mendota Heights shall cooperate with the Board to assure no location conflicts occur. Mendota Heights shall cooperate to the fullest extent possible in protecting the water system by ensuring facility installation, replacement or repair is permitted in strict accordance with the Board’s standards and performing the terms and conditions of this Agreement.

ARTICLE XI

Section 1. HYDRANTS

Hydrant use for purposes other than firefighting by Mendota Heights shall be subject to the same rules and regulations applied by the Board in the City of Saint Paul. Mendota Heights Fire Department requires hydrants with one (1) large and two (2) small nozzles, and the Board shall maintain the water system with this type of hydrant.

Section 2. INSPECTION OF HYDRANTS

Board forces shall perform an annual inspection of all standard public hydrants in Mendota Heights. Repair and maintenance work, except for painting, required on all standard public hydrants in Mendota Heights shall be performed by Board forces in the same manner as that same work is performed in the City of Saint Paul.

Section 3. PAINTING OF HYDRANTS

Mendota Heights shall paint all public hydrants in Mendota Heights, and shall do so in accordance with the Board's established standards for such work. Mendota Heights shall notify Board staff of its schedule to perform such painting prior to commencement. Mendota Heights may designate a hydrant cap color code to distinguish dead end mains, circulating mains, and other selected criteria.

Section 4. HYDRANT NOZZLE THREADS

The Board recognizes the Saint Paul Standard for hydrant nozzle threads as selected by Mendota Heights for hydrants within the city of Mendota Heights. All new and replacement hydrants shall include one Storz connection.

Section 5. RELOCATIONS AND ADJUSTMENTS

Where relocations or adjustments of hydrants are necessary due to public works projects, or for other reasons, Board forces shall perform the required work and Mendota Heights shall reimburse the Board for all costs and expense thereof.

Section 6. FIRE USE

In consideration for Mendota Heights' agreement to paint all standard and non-standard hydrants, the Board shall not charge Mendota Heights for water used for municipal firefighting and fire equipment testing.

Section 7. STREET CLEANING

Mendota Heights agrees to keep a record of all water used for street sprinkling, street flushing, sewer maintenance, and/or any related uses and to pay for the same annually to the Board.

Section 8. LOCATION MARKERS

Where it is necessary for the location of hydrants to be marked with flags, signage, etc. for firefighting or other purposes, Mendota Heights shall pay for said markers and assume the costs thereof, including installation, maintenance, and liability.

Section 9. SNOW REMOVAL

Any snow removal from and around fire hydrants for any purpose shall be performed by Mendota Heights at its sole expense.

Section 10. HYDRANT SPACING

Mendota Heights has reviewed the hydrant spacing throughout the water system and has determined that the current hydrant spacing is adequate. Hydrants with a spacing of greater than 700 feet are listed in Exhibit "G", attached hereto and incorporated herein. The cost of future changes to hydrant spacing requested by Mendota Heights shall be borne in total by Mendota Heights. When requested by the Board, the cost to provide hydrant spacing reduction shall be borne in total by the Board.

ARTICLE XII

Section 1. AGREEMENT AMENDMENTS

Mendota Heights and the Board agree that from time to time changes to this Agreement may be necessary. Mendota Heights and the Board agree that said changes shall be in the form of written addendums to this Agreement and shall be valid only when duly approved by and executed on behalf of the respective parties.

ARTICLE XIII

Section 1. NOTICES

In the event that Mendota Heights should deem that the Board has failed in its obligations to supply an adequate water supply and normal maintenance of the facilities, or should find cause that the Board is failing in its provision of services, Mendota Heights shall notify the Board in writing, setting forth the specific details of any such claim of failure(s). Notices shall be sent by certified mail to the parties at the following addresses:

Mendota Heights City Administrator
1101 Victoria Curve
Mendota Heights, MN 55118

General Manager
Board of Water Commissioners
1900 Rice Street
Saint Paul, MN 55113

Section 2. CORRECTIVE ACTION

Board shall undertake to correct the claimed failure(s) within sixty (60) days from the date it receives said written notification. The Board shall notify Mendota Heights in writing within the specified sixty (60) day period what necessary corrective actions have been taken, if any, and any explanation if the Board disagrees with Mendota Heights' claim of failure(s).

Section 3. MEDIATION

Following the specified sixty (60) day period, if Mendota Heights deems that sufficient corrective actions have not been taken, it may require that its claim of failure(s) be submitted to mediation by a panel of three (3) persons. Mendota Heights and the Board may each appoint a representative to the panel, and those two appointed representatives shall select the third member. The mediation panel shall provide a reasonable opportunity to both Mendota Heights

and the Board to express its opinions and facts regarding whether the Board is adequately and reasonably performing its obligations under this Agreement. The mediation panel shall submit its written findings, conclusions, and recommendations to Mendota Heights and the Board within sixty (60) days after the parties' presentation of facts. By agreeing to this provision, neither party forfeits any rights it may have to fully pursue any claim to the fullest extent provided by law.

Section 4. OPTION TO TERMINATE; FIVE-YEAR NOTICE

~~The mediation panel shall submit its written findings, conclusions, and recommendations to Mendota Heights and the Board within sixty (60) days after the parties' presentation of facts.~~
~~In the event the mediation panel should confirm Mendota Heights' claim of failure,~~ Mendota Heights may elect to terminate this Agreement by giving written notice to that effect via certified mail to the Board. Notice of termination shall specify the effective date of termination, which in any event shall not occur until at least five (5) years following the date of election to terminate.

Section 5. RECONVEYANCE; COMPENSATION

Upon the effective date of termination of this Agreement, Board will reconvey title to the facilities previously conveyed by Mendota Heights pursuant to Article II, Section 6 of this Agreement for the sum of \$1.00, and Mendota Heights will compensate the Board for depreciated value of all water service facilities, including water mains, hydrants, water tower, and other appurtenances, constructed by the Board to serve the Mendota Heights system from and after the date of the execution of this Agreement. Such compensation shall be reduced by the amount of funds received by the Board, pursuant to Article III, Section 1 Phase-In Schedule and as itemized in Exhibits A, B, C, and D for the correction of facilities or circumstances, which have remained unused for their intended purpose at the time of termination.

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Exhibit A
Deficient Mains

ON STREET	LOCATION	LENGTH	COST/FT	TOTAL COST
BROMPTON PL	SIBLEY MEMORIAL HWY TO 220' S	238	\$ 150.00	\$ 35,700.00
APACHE ST	300' N OF CHEYENNE TO KEOKUK	1755	\$ 150.00	\$ 263,250.00
APACHE ST	KEOKUK TO PUEBLO	770	\$ 150.00	\$ 115,500.00
AZTEC LN	100' N OF CREEK TO HOKAH	1140	\$ 150.00	\$ 171,000.00
AZTEC LN	HOKAH TO CUL-DE-SAC	310	\$ 150.00	\$ 46,500.00
CHEYENNE LN	200' E OF PONTIAC PL TO APACHE ST	1250	\$ 150.00	\$ 187,500.00
CREEK AVE	AZTEC TO DODD	750	\$ 150.00	\$ 112,500.00
DECORAH LN	PUEBLO TO PONTIAC	760	\$ 150.00	\$ 114,000.00
EASEMENT 629	FOX TO DODD	325	\$ 150.00	\$ 48,750.00
FOX PL	CREEK TO AZTEC	800	\$ 150.00	\$ 120,000.00
HOKAH AVE	AZTEC TO DODD	325	\$ 150.00	\$ 48,750.00
KEOKUK LN	PUEBLO LN TO APACHE	850	\$ 150.00	\$ 127,500.00
KEOKUK LN	W OF PUEBLO DR	100	\$ 150.00	\$ 15,000.00
KEOKUK LN	APACHE TO PUEBLO DR	450	\$ 150.00	\$ 67,500.00
MOHICAN CT	PUEBLO LN TO 450' S	450	\$ 150.00	\$ 67,500.00
MOHICAN LN	PUEBLO LN TO PUEBLO DR	900	\$ 150.00	\$ 135,000.00
NAVAJO LN	PONTIAC TO PUEBLO	650	\$ 150.00	\$ 97,500.00
OCALA LN	PONTIAC TO 200' E	350	\$ 150.00	\$ 52,500.00
PONTIAC PL	CHEYENNE TO APACHE ST	1200	\$ 150.00	\$ 180,000.00
PUEBLO DR	KEOKUK TO MOHICAN	275	\$ 150.00	\$ 41,250.00
PUEBLO DR	S OF MOHICAN	150	\$ 150.00	\$ 22,500.00
PUEBLO LN	DECORAH TO MOHICAN	1100	\$ 150.00	\$ 165,000.00
PUEBLO LN	S OF MOHICAN	150	\$ 150.00	\$ 22,500.00
DECORAH LN	INTERSECTION OF APACHE ST	40	\$ 150.00	\$ 6,000.00
EASEMENT 649	AZTEC TO APACHE	600	\$ 150.00	\$ 90,000.00
EASEMENT 450	INTERMEDIATE EASEMENT	400	\$ 150.00	\$ 60,000.00
TOTAL LENGTH		16088		\$ 2,413,200.00

Exhibit B
Excessive Depth

ON STREET	LOCATION	LENGTH	COST
EASEMENT 568	EASEMENT 568-3 TO EAGLE RIDGE	580	\$ 7280.00
DELAWARE AVE	DODGE TO HUBER	2250	\$ 93,275.00
	TOTAL LENGTH	2335	\$ 100,555.00

Exhibit C

Non-conforming Easements

1. North of Diane Rd from Wachtler Rd to Victoria Rd
East/west section through trees and brush, with a creek and difficult slopes
\$97,500.00
2. Between Deer Trail Ct and Deer Trail Pt cul-de-sacs
Through private property of 825 Deer Trail PT., with trees and difficult access
\$25,000.00
3. Eagle Ridge Townhomes
Through private yards and driveways, difficult access between buildings and retaining walls
\$104,400.00
4. Southerly portion of 1500 Commerce Dr
Under storm water pond
\$41,600.00
5. Between Field Stone Ct and Pond Circle cul-de-sacs
Through private yards and driveways with difficult access to middle section
\$14,150.00
6. North of Highway 110 between Crown Point Dr and Wachtler Ave
Through a wetland
\$369,000.00
7. North from Glenhill Rd cul-de-sac to 1889 Hunter Ln
Through private properties with large trees and landscaping
\$49,500.00

TOTAL \$701,150.00

Exhibit D

Services with a history of freezing

<u>ADDRESS</u>	<u>COST</u>	<u>COUNT</u>	<u>YEAR</u>
1016 WINDWOOD CT	\$2,500.00	1	2014
1046 LONDON RD	\$2,500.00	2	2014
1070 CHIPPEWA AVE	\$2,500.00	1	1977
1105 DODD RD	\$2,500.00	2	2014
1415 DODD RD	\$2,500.00	1	1977
1483 DODD RD	\$2,500.00	1	2014
1516 VANDALL ST	\$2,500.00	1	1991
1665 S LEXINGTON AVE	\$2,500.00	1	1994
1818 FARO LN	\$2,500.00	1	1977
1818 TWIN CIRCLE DR	\$2,500.00	1	2014
1821 TWIN CIRCLE DR	\$2,500.00	2	1979
2330 APACHE ST	\$2,500.00	1	2014
2330 ROGERS AVE	\$2,500.00	3	1978
2331 APACHE ST	\$2,500.00	1	2014
2350 PUEBLO DR	\$2,500.00	1	2014
552 MIRIAM ST	\$2,500.00	2	1979
596 MAPLE PARK DR	\$2,500.00	1	2014
6 BEEBE AVE	\$2,500.00	3	2014
601 W EMERSON AVE	\$2,500.00	1	2014
614 W BUTLER AVE	\$2,500.00	2	1979
654 1ST AVE	\$2,500.00	1	1977
668 1ST AVE	\$2,500.00	1	2014
678 3RD AVE	\$2,500.00	1	1977
685 CALLAHAN PL	\$2,500.00	1	1971
720 W WENTWORTH AVE	\$2,500.00	1	2014
731 KEOKUK LN	\$2,500.00	1	2014
743 KEOKUK LN	\$2,500.00	1	2014
TOTAL	\$80,000.00		

Exhibit E
Site Lease

Exhibit F
Antennae Revenue

\$346,110.67

Exhibit G**Hydrant Spacing**

LOCATION	LOCATION	SPACING
HWY 13 / EUGENIA	HWY 13 / GARDEN	700'
HIAWATHA / GARDEN	CHIPPEWA / HIAWATHA	750'
SIMARO	CHIPPEWA / MIRIAM	800'
KIRCHNER / BUTLER	ESTHER LN / BUTLER	750'
CHIPPEWA / JOHN	ESTHER LN / BUTLER	800'
JUNCTION LN	CHIPPEWA / JUNCTION	800'
CHIPPEWA / JOHN	CHIPPEWA / DODD	900'
DELAWARE / DODD	CHIPPEWA / DODD	1000'
SYLVANDALE / ARCADE	SYLVANDALE	730'
SYLVANDALE / ARCADIA	CASCADE LN / ARCADIA	740'
BEEBE	CHIPPEWA / DODD	800'
SOMERSET / EMERSON	HINGHAM / EMERSON	950'
FIRST / CLEMENT	CLEMENT / THIRD	750'
EMERSON / DODD	FIRST / DODD	800'
WENTWORTH / DODD	FOURTH / DODD	850'
BACHELOR / DODD	DODD / EVERGREEN	750'
DODD / EVERGREEN	WENTWORTH / DODD	750'
JAMES RD	JAMES RD / DOUGLAS	700'
LILAC	VICKI LN	800'
HIGHVIEW CIR/VICTORIA	DOUGLAS / VICTORIA	750'
MARIA / CALLAHAN	MARIE	730'
MARIE AVE / WARRIOR DR	MARIE AVE / NATURE WAY	740'
MARIE AVE / WARRIOR DR	MARIE AVE WEST OF WARRIOR	720'
LEXINGTON/ORCHARD PL	LEXINGTON/ORCHARD HILL	730'
WILLOW LN/VALLEY CURVE	VALLEY CURVE /WACHTLER	900'
GLENHILL /VICTORIA CURVE	HUNTER /VICTORIA CURVE	800'
VAIL DR	LEXINGTON / VICTORIA	750'
KAY / WALSH	VICTORIA / SUMMIT	750'
VICTORIA RD	LEXINGTON / VICTORIA	1000'
FRONTAGE RD	SOUTH FREEWAY/FRONTAGE	1000'
OAK ST / MARKET ST	MENDOTA RD W / SOUTH LN	700'
WARRIOR / SIBLEY CT	FRONTAGE RD	800'
LEXINGTON/CENTRE POINTE CURVE	TOM THUMB / LEXINGTON	740'
PILOT KNOB / ACACIA	PILOT KNOB / ACACIA	800'
CREEK / DODD	AZTEC / CREEK	800'
DEL CT	DELAWARE / DEL CT	800'
LEXINGTON / WAGON	LEXINGTON	800'
DODD RD	WAGON WHEEL / DODD	800'
PONTIAC / NAVAJO	APACHE / DECORAH	900'
LEXINGTON	LEXINGTON	850'
LAKE DR	SWAN / LAKE DR	730'
APACHE / PUEBLO	APACHE / KEOKUK	800'



DATE: August 24, 2015
TO: Mayor and City Council
From: John Maczko, Fire Chief
Mark McNeill, City Administrator
SUBJECT: Presentation of Fire Station Feasibility and Programming Study

COMMENT:

INTRODUCTION

At the workshop meeting on August 24th, the City Council will hear a presentation report by Buetow 2 Architects, regarding a study of needs and options for the existing Fire Station building.

BACKGROUND

The 2014 City Budget provided funding for a study of the existing fire station, which is now 30 years old. The building, when constructed, was a state of the art facility and has served the needs of the department and city well. That being said, much has changed in 30 years in relation to equipment needs, training needs and space needs as well as the community needs. For example, when originally designed, the station did not provide space for Health East or facilities for female firefighters.

The study was intended to review existing systems, some of which are at end of their design life; current fire department operations and needs; current building code requirements (accessibility); and look forward to meeting the public safety needs over the next 30 years.

Beginning in January this year, a study committee made up of members of the Fire Department, and Mike Povolny and Steve Norton representing the City Council, have met nine times with the architectural firm. Together with the architect, the committee worked to identify issues and needs of the department, current and future, and developed/studied several solutions which would address those concerns.

At the workshop meeting, Randy Engel, Principal with the firm Buetow 2, will review the committee's work, and will provide a summary sheet showing the various alternates and costs.

Councilmembers have previously been provided with a three-ring binder copy of the Buetow 2 Study, dated June 30, 2015. Please bring that with you

ACTION REQUIRED

The Council will be asked to give feedback on the various options which will be presented regarding the future of the Fire Station and to provide direction to staff on the "next steps"