1. Agenda

   Documents:

   06-09-25 CC REG MTG AGENDA.PDF

2. Agenda Packet

   Documents:

   06-09-25 CC REG MTG AGENDA PACKET.PDF

3. Agenda Item 7A-Water Discussion

   Documents:

   01-STUDY OF THE SUPPORT OF SHOREWOOD PROPERTY OWNERS FOR A PROPOSED CITY-WIDE WATER SYSTEM-NOV 21_1991.PDF
   02-PC MEETING MINUTES_20 YEAR WATER PLAN-JAN 16_1996.PDF
   03-WATER DISTRIBUTION SYSTEM IMPROVEMENT IMPLEMENTATION PLAN REPORT-JAN_1996.PDF
   04-CC WORK SESSION_CAPITAL BONDING, WATER EXTENSION, CONNECTION POLICY, WATERMAIN SURVEY RESULTS-MARCH 9_2006.PDF
   05-CC WORK SESSION_WATER CONNECTION POLICY-JAN 20_2010.PDF
   06-HISTORY OF WATER CONNECTIONS, FEES_1999 CC MEMO RE CITY WATER DISCUSSION-FEB 4_2010.PDF
   07-CC MEMO_AMENDMENTS TO WATER ORDINANCE-FEB 22_2010.PDF
   08-MUNICIPAL WATER BROCHURE-JULY_2010.PDF
   09-2011 SURVEY RESULTS RE CITY WATER-DEC_2011.PDF
   10-CC WS AGENDA PACKET_WATER PLAN UPDATE-JUNE 25_2012.PDF
   11-SHOREWOOD WATER DISTRIBUTION UPDATE-SEP 29_2012.PDF
   13-CC REG MTG AGENDA PACKET_WATER CONNECTION UTILITY BILL INSERT-SEP 24_2018.PDF
   14-CC RETREAT AGENDA PACKET_WATER TREATMENT OPTIONS-FEB 27_2023.PDF
   18-SHOREWOOD WATER CONNECTION MAILER 2025-APRIL 22_2025.PDF
   20-WATER SERVICES RECENT HOME SALES MAP-APRIL_2025.PDF
   21-EXFD WATER SUPPLY MEMO-MAY 9_2025.PDF
   22-PRIVATE WELL TESTING DATA FROM RENTAL LICENSE PROGRAM.PDF
   23-2025 COMMUNITY SURVEY RESULTS RE WATER-JUNE_2025.PDF
   24-MILL STREET SURVEY RESULTS-JUNE_2025.PDF
   25-WATER CONNECTIONS SUMMARY SHEET-JUNE_2025.PDF
   CC REG MTG AGENDA ITEM 7A_WATER DISCUSSION MEMO-JUNE 9_2025.PDF

4. Powerpoint Slides

   Documents:

   06-09-25 CC REGULAR MTG.PDF

CITY OF SHOREWOOD
CITY COUNCIL REGULAR MEETING
MONDAY, JUNE 9, 2025

5755 COUNTRY CLUB ROAD
COUNCIL CHAMBERS
7:00 P.M.

For those wishing to listen live to the meeting, please go to shorewoodMN.gov/CityCouncil for the meeting link. Contact the city at 952.960.7900 during regular business hours with questions.

AGENDA

1. CONVENE CITY COUNCIL MEETING

A. Pledge of Allegiance

B. Roll Call

Mayor Labadie___
Maddy___
Sanschagrin___
Gorham___
DiGruttolo___

C. Review and Adopt Agenda

Attachments

2. CONSENT AGENDA The Consent Agenda is a series of actions which are being considered for adoption this evening under a single motion. These items have been reviewed by city council and city staff and there shall be no further discussion by the council tonight on the Consent Agenda items. Any council member or member of city staff may request that an item be removed from the Consent Agenda for separate consideration or discussion. If there are any brief concerns or questions by council, we can answer those now.

Motion to approve items on the Consent Agenda & Adopt Resolutions Therein:

A. City Council Work Session Minutes of May 27, 2025	Minutes
B. City Council Regular Meeting Minutes of May 27, 2025	Minutes
C. Verified Claims List	Claims List
D. Accept Resignation of Administrative Assistant and Approve Recruitment	City Clerk/HR Director Memo
E. Cannabis Business Registration Authority Resolution	City Clerk/HR Director Memo Resolution 25-054

3. MATTERS FROM THE FLOOR This is an opportunity for members of the public to bring an item, that is not on tonight's agenda, but related to the governance of the City of Shorewood, to the

attention of the City Council. In providing this limited public forum, the City of Shorewood expects respectful participation. We encourage all speakers to be courteous in their language and behavior, and to confine their remarks to those facts that are relevant to the question or matter under discussion. Please remember that this is a public business meeting, available for viewing on television and the internet by members of the public, including children. Consistent with FCC rules, obscenity, and profane or indecent language will not be tolerated by the presiding officer. Anyone wishing to address the Council should raise their hand, or if attending remotely please use the "raise hand" function on your screen and wait to be called on. Please make your comments from the podium and identify yourself by your first and last name and your address for the record. Please limit your comments to three minutes. No discussion or action will be taken by the Council on this matter. If requested by the Council, City staff will prepare a report for the Council regarding the matter and place it on the next agenda.

4. REPORTS AND PRESENTATIONS

A. Deborah Zorn, Lake Minnetonka Conservation District — City Administrator Memo

5. PARKS

6. PLANNING

7. ENGINEERING/PUBLIC WORKS

A. Water Infrastructure — City Administrator Memo

B. Mill Street Trail Watermain Improvement Project, City Project 24-07 — City Engineer Memo, Resolution 25-055

8. GENERAL/NEW BUSINESS

A. HVAC (Chiller) Replacement at Public Safety Building — City Administrator Memo, Resolution 25-056

9. STAFF AND COUNCIL REPORTS AND DISCUSSION

A. Staff

B. Mayor and City Council

10. ADJOURN

CITY OF SHOREWOOD **5755 COUNTRY CLUB ROAD**
CITY COUNCIL REGULAR MEETING **COUNCIL CHAMBERS**
MONDAY, JUNE 9, 2025 **7:00 P.M.**

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Maddy___
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Gorham___
DiGruttolo___

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A. Staff

B. Mayor and City Council

10. ADJOURN

CITY OF SHOREWOOD
CITY COUNCIL WORK SESSION MEETING
TUESDAY, MAY 27, 2025

5755 COUNTRY CLUB ROAD
COUNCIL CHAMBERS
5:30 P.M.

MINUTES

1. CONVENE CITY COUNCIL WORK SESSION MEETING

Mayor Labadie called the meeting to order at 5:32 P.M.

A. Roll Call

Present. Mayor Labadie; Councilmembers Labadie, Maddy, Sanschagrin, and Gorham; City Attorney Shepherd; City Administrator Nevinski; Parks and Recreation Manager Czech; City Clerk/HR Director Thone; Planning Director Griffiths; Director of Public Works Morreim; and, City Engineer Budde

Absent: Councilmember DiGruttolo

B. Review Agenda

Sanschagrin moved, Maddy seconded, approving the agenda as presented. Motion passed 4/0.

2. AUDIO/VIDEO EQUIPMENT UPDATE

City Administrator Nevinski explained that the City was at the point where it needed to replace its audio and video equipment. He explained that staff would like to include this in the 2026 budget planning process and would like some guidance from the Council on what they would like and briefly reviewed some of the rough options for consideration.

Councilmember Sanschagrin asked about the large costs behind the first scenario presented in the staff report. City Administrator Nevinski explained that all of the City's equipment was at least nine years old, and some of it was no longer supported.

Councilmember Sanschagrin asked if they were considering moving to wireless microphones. City Administrator Nevinski stated that he was not sure, but stated that wireless microphones can be a bit of a hit or miss because sometimes they go out, and a hardwired option would most likely be more reliable.

Councilmember Sanschagrin suggested that they consider a minimal build-out first and then a larger-scale upgrade in a few years. City Administrator Nevinski explained that the City, at some point, would need to bring in an architect or designer for their system for a larger upgrade, but if they chose to do something more straightforward, working with a vendor would be sufficient.

Councilmember Gorham asked what the City would be getting for the money and noted in the second scenario, they get more functionality, and with the third, they would get increased functionality, and outlined some questions about what tangible things the City would get if they spent this money. City Administrator Nevinski stated that his question for the Council was what they envisioned or wanted, and if the status quo was acceptable.

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Councilmember Gorham stated that he would like more information from staff about, for example, what one hundred and fifty thousand dollars will get the City. Councilmember Maddy asked if anyone on the Council was dissatisfied with the status quo and explained that things seemed to be working well enough and did not cost a quarter of a million dollars to keep it running.

Mayor Labadie stated that she also had the mindset of keeping the status quo, but would like to see an assessment done related to the safety of City staff and the building, in light of the recent threat received by the Mayor of Excelsior.

City Administrator Nevinski stated that the feedback he heard from the Council was to make sure that the equipment was sound and reliable and to try to keep costs in check with a status quo upgrade of the system. He noted that with the first scenario, he felt the City would rely heavily on Jim Lundberg from LMCC and probably bring in a vendor and not attempt to buy things off the shelf by themselves.

Councilmember Maddy stated that he did think it would be worth one hundred fifty thousand dollars to cater to someone who did not want to come to City Hall and reiterated his support for the status quo. There was a Consensus of the Council that they would support the status quo concerning the audio/video equipment.

3. SCEC TASK FORCE

Park and Recreation Manager Czech explained that staff had worked to create some data points to paint an overall picture of the current SCEC situation. He noted that the Park Commission had discussed the idea of forming an SCEC task force and was receptive, overall, but did express concerns about the recruitment of members. He noted that when analyzing the current structure of the SCEC, the idea of a self-sustaining facility seemed like a highly unlikely outcome, so before proceeding, staff wanted to share some of the information they discovered in their analysis to ensure that they were still in alignment with the Council. He cautioned that there were a lot of variables in the numbers because there were a lot of things that could tilt the numbers. He reviewed details of the assumptions made in order to gather the data to take a look at what a break-even point or self-sustaining facility would look like and explained that they found that the City would need to increase their rates by one hundred seventy-five percent in order to reach a break-even point. He explained that they had looked at a scenario where the SCEC was operating a maximum capacity for rentals and found that in both of the options they looked at, there was still a drastic shortfall in revenue, even if they were operating at full capacity. He asked the Council, with the knowledge running some of the data had given them, to take a step back and evaluate what the SCEC should be before forming a task force. He reviewed some of the questions for the Council to consider in their feedback.

Mayor Labadie gave the example of the time when the City formed a resident task force to give suggestions to the Council regarding traffic at the country club development. She stated that the City did not give them direction, so the suggestions that they brought back were varied and included many things that were not feasible from a budget standpoint. She explained that laying out this and giving the task force a vision would be a good first step.

Councilmember Sanschagrin stated that the task force would be a worthwhile endeavor for looking at what the interests are from the community in utilizing the SCEC and what type of programming. He noted that he felt part of the direction from the Council was related to financial matters, but was not completely focused on the financial aspects of the SCEC. He would like to

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see research on what other cities are charging because he does not want the City to price things higher than the overall market rates, but may be able to find a way to increase the use of the facility by finding things that the community wants.

Councilmember Maddy stated that he felt the seventy percent revenue recovery seemed reasonable and commended Park and Recreation Manager Czech for the overall increase in rental usage for the past year. He stated that he was also around when the traffic task force was operating and noted that it seemed like they were placating the resident and were not genuine, which was something he did not want to repeat.

Mayor Labadie noted that in the formation of the traffic task force, they reached out to people who were already involved, and another way to do this was to also include people who were voicing a lot of dissatisfaction with the community. She stated that she would like them to get on this task force and give them opportunities to share their opinions in this group. She noted that the City needed to get input from a lot of different voices for the SCEC. She stated that while she believed the task force was a great idea, she was leery of the timeline presented in the staff memo. City Administrator Nevinski explained that staff were aware that the Council wanted to have this information included in the 2027 budget discussions, which is what was driving the proposed timeline.

Councilmember Sanschagrin stated that the senior community highly values the SCEC and suggested that the City find other groups like that to broaden the appeal for utilization of the facility. He gave the example of his family members who live in New Hampshire and how much of their community involvement and socialization takes place at their local community center. Mayor Labadie suggested that they also find a way to involve community teenagers in this task force.

Councilmember Gorham explained that he had a hard time visualizing this, and what the staff report said to him was that this was going to be difficult. He stated that he wanted to set this group up for success and noted that there should be some leadership to provide input on some of the things that Mayor Labadie had stated about what the market was telling them about ways to bring younger people into the SCEC. He explained that he was not sure that they would end up getting the correct subset of Shorewood residents to get that kind of expertise and skillset.

Mayor Labadie asked if the intent was for a staff person to sit in on the meetings, or be assigned to the task force, and noted that this could have budget implications. She asked whether the vision was for a Councilmember to serve on the task force.

City Administrator Nevinski stated that those were great questions, but did not think they had totally flushed those kinds of details out yet. He stated that having both a Councilmember and a member of staff at the meetings was probably important and the right thing to do to ensure access to resources and guidance for the task force. He noted that as staff started to crunch some of the numbers to see what could be done, they found that they would not be able to reach the goal that Council set forth to make it self-sustaining, even if they were able to max everything out and raise the rates. He explained that made staff pause because they also did not want to set up the task force to fail. He stated that what he believed the Council was saying was that, from a vision standpoint, working with what they have is what the Council would like to do with the SCEC, even though there may be other potential uses and scenarios for the use of the space because those other uses would require different conversations. He stated that if the Council believed that it was okay for the City to reach the seventy percent revenue recovery, that was helpful for staff to know.

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Councilmember Sanschagrin stated that the City should articulate that and be able to say what was being done and why, including that the SCEC created value for the community.

Councilmember Maddy stated that if the City could set a goal of covering seventy percent of their resources with programming, that would be good because there are a lot of sunk costs in operating the SCEC. He stated that, anyway the City can raise revenues for the SCEC and give the task force that direction and ask them to figure out how the City can get there.

Mayor Labadie stated that she was worried about the membership of the task force being five or six local experts that had skillsets in particular areas because they did not want to turn people away who were interested, but they also cannot have all of the members focused on marketing and no one who focused on community engagement. She suggested that the City be flexible on the five to eight local experts, in case they end up with more people interested, and asked how the envisioned screening of interested parties would work.

City Administrator Nevinski explained that staff had not thought through the entire process related to the task force and was just trying to first figure out what path the Council wanted them to travel and what questions they wanted the task force wanted to address. He noted that this point was raised earlier and was worth repeating that if they did not end up getting the skill set they needed, the City may need to spend some money and bring in some experts to do some type of market analysis.

Councilmember Gorham stated that they all valued the SCEC and asked if there may also be a parallel path that could be taken alongside the task force. He noted that even if nobody ended up volunteering to serve on the task force, the City would still need information and explained that he did not want the SCEC to be unsupported by expertise. He suggested that they may want to go ahead and have the expertise in place, working alongside the things the task force was doing.

City Administrator Nevinski stated that it may make sense in order to have that expertise be able to touch base with the SCEC task force on some of their ideas and help sort out the more viable options.

Councilmember Gorham stated that there may also be a way to make this work that the market expert may have that the City has not thought of yet, outside of programming, where they would still be able to provide a home base for the seniors.

Park and Recreation Manager Czech stated that in other positions he has seen this type of task force be led by the market expert with a staff liaison as the intermediary and was connected to the task force throughout the entire process. He stated that this market expert would know the end goal, so they could lead the work with their market analysis and historical experience.

Councilmember Gorham suggested that what he was thinking when he shared his parallel paths comment was that the City would have the market expert run their numbers and share that information, but not take on the responsibilities of running the task force.

Mayor Labadie stated that if the City was going to hire any kind of expertise, it would become a budgeting item. She explained that if the City was firm in its budgeting and communicated that to the expert, they could determine whether they could bring in one or more people who could run the task force meetings as well as provide the expert analysis.

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City Administrator Nevinski explained that staff may draft a mini-RFP and bring more information to the Council, and agreed that they would have to figure out the budget piece because this was not budgeted for 2025.

Councilmember Sanschagrin asked if the city had reached out to other community centers in the area to see what they were doing and what they had learned. Park and Recreation Manager Czech stated that he had touched base with several of them regarding the financial piece, but not about the same task force process. He noted that most of the ones he spoke with operated under the deficit with the seventy percent revenue recovery, but some had massive indoor playgrounds, for example, that by itself helped the cities by self-sustaining and being able to pay for their operations.

Mayor Labadie asked if they should draft a notice to the community that the city was looking for applicants to serve on this task force to see what kind of interest it may bring because they did not want to get an expert and then have no task force for them to work with. City Administrator Nevinski stated that there would be interest and referenced some of the stakeholders who would be interested in weighing in on this matter. He stated that it may be a good idea to have a one-page 'charter' that was very clear about what the City was looking for, the expectations, and the outcome that they were trying to achieve.

Mayor Labadie cautioned that she did not want the entire task force to be current stakeholders because they may be happy with the status quo and have no idea about the revenue piece and explained that the city was trying to think outside of the box beyond what they have already been doing. Park and Recreation Manager Czech noted that this would be where an impartial third-party leader may be important because there are current stakeholders who are getting a sweet deal and will not want to change.

4. CANNABIS UPDATE

City Administrator Nevinski explained that the City's work to draft a zoning ordinance related to adult-use cannabis businesses and where the City felt they could be located. He noted that part of their discussion at the time was whether the City should be the regulating authority for cannabis sales like they were for alcohol and tobacco sales. He stated that cannabis sales were a bit different because it would be the State issuing the license, but do check with cities to verify some of the zoning requirements and the cities would also register the businesses, but Shorewood has chosen to defer their registration authority to the County, even though it would only potentially be one business because of their population. He stated that after the City did this, the County drafted an ordinance that had different standards than what the City had adopted and reviewed the differences, including that the County's setbacks/buffers were roughly about half of what the City had established. He stated that in light of the different standards, staff wanted input from the Council on whether they wanted to continue to delegate the registration authority to the County, which meant adjusting the adopted standards, or if the City would take back that registration authority themselves. He referenced the map included in the packet and noted that, under the County's standards, there would be two additional properties allowed to contain a cannabis business.

Councilmember Sanschagrin asked for an idea of what the City's costs would be to take on the registration themselves. City Administrator Nevinski stated that the city had already done some of the ramp-up work, and would envision perhaps a day of staff time.

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Planning Director Griffiths explained that the ordinance adoption would just follow the normal code amendment procedures for a zoning rule, but noted that there is a model ordinance available through the League of Minnesota Cities. He stated that for ongoing costs from Planning, they would be involved in the CUP for the initial zoning registration would be covered, but would then shift over to City Clerk/HR Director Thone and her team.

Mayor Labadie stated that the City's standards for cannabis businesses were the result of lengthy discussions. Councilmember Maddy noted that they had intentionally created them in order to keep them further from the high school.

Mayor Labadie reminded the Council that the City was required to allow one business in the City and had put together their standards to try to regulate where the businesses could be located in the City. She stated that she felt it made sense, to her, that the City could take on overseeing one application, which would also perpetuate the original intent of the Council with their standard creation. She explained that she would support rescinding this authority from the County and providing them with the necessary ninety-day notice.

Councilmember Gorham asked if this would also involve enforcement. City Administrator Nevinski stated that his understanding is that if the City comes across an issue, they would refer that to the State Office of Cannabis Management, which handles enforcement as the licensing authority. City Clerk/HR Director Thone explained that there would also be an annual enforcement that the SLMPD would handle, like what is done with tobacco and liquor.

Councilmember Maddy stated that it would be a direct cost to the city and asked which option would be cheaper or if there would just be a marginal difference. City Clerk/HR Director Thone explained that if the city handled it, there would be minimal staff hours/costs. Councilmember Maddy stated that it looked like it would be close to a wash and just a bit more expensive if the city took this on itself but would be able to maintain some local control. City Clerk/HR Director Thone stated that she agreed with Mayor Labadie's comment and did not feel that this would end up being too labor-intensive for staff.

There was a Consensus of the Council to retain local authority related to cannabis businesses.

5. ADJOURN

Maddy moved, Sanschagrin seconded, Adjourning the City Council Work Session Meeting of May 27, 2025, at 6:45 P.M. Motion passed 4/0.

ATTEST:

Jennifer Labadie, Mayor

Sandie Thone, City Clerk

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CITY OF SHOREWOOD
CITY COUNCIL REGULAR MEETING
TUESDAY, MAY 27, 2025

5755 COUNTRY CLUB ROAD
COUNCIL CHAMBERS
7:00 P.M.

MINUTES

1. CONVENE CITY COUNCIL REGULAR MEETING

Mayor Labadie called the meeting to order at 7:00 P.M.

A. Pledge of Allegiance

B. Roll Call

Present. Mayor Labadie; Councilmembers Maddy, Sanschagrin, and Gorham; City Attorney Shepherd; City Administrator Nevinski; City Clerk/HR Director Thone; Planning Director Griffiths; Director of Public Works Morreim; Park and Recreation Manager Czech; Finance Director Schmuck, and, City Engineer Budde

Absent: Councilmember DiGruttolo

C. Review Agenda

Sanschagrin moved, Maddy seconded, Approving the agenda as presented.

Motion passed.

2. CONSENT AGENDA

Mayor Labadie reviewed the items on the Consent Agenda.

Councilmember Sanschagrin asked to remove item 2.M. for further discussion.

Maddy moved, Sanschagrin seconded, Approving the Motions Contained on the Consent Agenda and Adopting the Resolutions Therein.

A. City Council Work Session Minutes of May 12, 2025

B. City Council Regular Meeting Minutes of May 12, 2025

C. Approval of the Verified Claims List

D. Contract with HKGI for Zoning Audit

E. Building Permit Escrow Agreement at 4565 Enchanted Pt.

F. Minnesota Inboard Development and Stormwater Maintenance Agreements for 19765 State Highway 7

G. 2024 Pond Maintenance Improvements – Change Order #1, City Project 21-12, Adopting RESOLUTION NO. 25-049, "A Resolution Authorizing Change

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Order #1 for the 2024 Pond Maintenance Improvement Project, City Project 21-12."

H. Park Recreation Manager Title Update

I. Utility Billing Policy

J. Election Equipment Lease Agreement with ISD 276

K. Planner Appointment

L. Retail Tobacco License, Adopting RESOLUTION NO. 25-050, "A Resolution Approving a License to Sell Tobacco Products in the City of Shorewood to Smoke Shop Tobacco, Inc."

M. ~~SLMPD Excelsior Supplemental Agreement~~ – (moved to 8.B.)

N. Fourth of July Fireworks Display

Motion passed.

3. MATTERS FROM THE FLOOR

Carolyn Bye, 4810 Rustic Way, referenced the flooding at the intersection of Garden Road and West End and the plans to build under the road. She asked if this would require a 404 discharge permit per the Clean Water Act and if so, whether that would be obtained prior to work beginning.

Mayor Labadie asked City Engineer Budde to provide a written answer to this item at the next City Council meeting. City Engineer Budde stated that he would investigate the possible discharge permit and explained that this was private work being done by the property owner and the last he heard was that it would be installed on May 30, 2025.

Joe Schneider, 21125 Christmas Lane, noted that the AIS operations at the Christmas Lake boat launch had been up and running since the beginning of May and expressed their appreciation to the City. He explained that they would like to request time on a future agenda to update the Council on AIS in Christmas Lake.

Petra Cripe, 450 West Lake Street, explained the situation of her property being annexed into Excelsior rather than having a portion in Shorewood, and some situations that have taken place with a neighboring property owner. She referenced the existing CUP for the neighboring property and asked why the City could not enforce the conditions it contained, especially related to buffers.

Mayor Labadie suggested that Ms. Cripe contact Planning Director Griffiths and possibly the Planner from Excelsior, to discuss her concerns.

4. REPORTS AND PRESENTATIONS

A. 2024 Annual Comprehensive Financial Report

DRAFT

Finance Director Schmuck introduced Justin Nilson from Abdo, LLC, and explained that he would be reviewing the annual report.

Justin Nilson, Abdo, LLC, gave a brief overview of the audit results, General Fund results, Governmental Funds, Special Revenue Fund Balances, Debt Service Funds, Capital Projects Fund Balances, Water Fund, Sewer Fund, Stormwater Management Utility Fund, Recycling Fund, Cash and Investment Balances, and Key Performance Indicators. He explained that they had issued a clean/unmodified opinion and found no legal compliance findings.

Councilmember Sanschagrin asked if there was anything Mr. Nilson saw through this process that he felt the City was going well or could improve upon. Mr. Nilson stated that having a clean audit is a positive sign for the City and noted that he did not see any financial red flags from the City.

Councilmember Gorham asked Mr. Nilson how he would interpret the City's debt management over the past five years. Mr. Nilson explained that it was encouraging that the City had a flat ten-year levy payment for debt service funds and noted that there was a significant portion in the Enterprise Funds and would recommend the City continue to work towards a capital improvement plan to ensure the resources are there to make the debt service payments in the future.

Sanschagrin moved, Maddy seconded, Accepting the 2024 Annual Comprehensive Financial Report, as presented.

Motion passed.

5. PARKS

6. PLANNING

A. Report from Commissioner Longo on May 6, 2025, Planning Commission Meeting

Planning Commissioner Longo highlighted some of the discussion and recommendations that took place at the May 6, 2025, Planning Commission meeting and answered Council questions.

B. Nonconformities City Code Amendments
Applicant: City of Shorewood
Location: City-wide

Planning Director Griffiths reviewed proposed City Code amendments related to nonconformities to address inconsistencies between the City's ordinance and State or case law regarding non-conformities. He noted that the Planning Commission had unanimously recommended approval but had asked staff to double-check some of the language before it was brought before the Council, and following review, City Attorney Shepherd found that the proposed language was appropriate.

Councilmember Sanschagrin noted that with flexibility, there would be trade-offs in relation to the integrity of the rules and asked Planning Director Griffiths to address the balance that the City was trying to achieve with this action.

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Planning Director Griffiths explained that regulating nonconformities was always a balancing act and shared variance examples of how that would play out. He noted that the City would still be receiving quite a few variance requests due to the nature of what has been built, but the proposed amendments will allow for implementing the Comprehensive Plan direction on what the balance should be.

Councilmember Gorham stated that the proposed update was vague and against the Comprehensive Plan because it is relaxing things and allowing nonconformities to remain. He shared examples of where he felt the language used was the opposite of the Comprehensive Plan. He noted that the information on State law had not been included in the packet and asked what the City was trying to fix. He stated that it was not transparent because it just asked the Council to trust their legal counsel.

Planning Director Griffiths stated that the 2040 Comprehensive Plan process gave clear direction to reduce the number of variances that were needed for common-sense projects on nonconforming lots and stated that the Comprehensive Plan supported the proposed changes. He agreed that much of the language around nonconformities was vague, but explained that it came directly from State law and, in some cases, legal precedent.

City Attorney Shepherd stated that within State law and City Code, as presented, there was still a general desire to decrease nonconformities but still give property owners the ability to use their lot.

Councilmember Gorham asked to see the State law that has been referenced as being the reason for some of the language choices in what has been proposed. City Attorney Shepherd referenced 462, 357, Subdivision 1E, and explained that people could look it up.

Councilmember Gorham asked if items h.1. and h.2. contradicted each other. Planning Director Griffiths stated that they do not contradict each other.

City Attorney Shepherd highlighted some other portions of the language that are from State law, related to discontinuation of an occupancy for one year or more, or damage to the nonconforming structure of fifty percent or more. He explained that these areas were the principal provisions designed to discontinue nonconformities.

Councilmember Maddy explained that this was saying that when people buy property in the City, they are allowed to use it as they bought it, and if they want to modify it, they can only modify it via the zoning code and asked where the controversy was on this item.

Councilmember Gorham explained that it was that the city did not have any variance control over almost everything. Councilmember Maddy noted that if they were not increasing their nonconformity, there would not be a variance for anyone building a new house on any new lot, and this action just gives staff the ability to say yes to these requests when they are not increasing the nonconformity.

Planning Director Griffiths stated that the Council would still have a substantial amount of variance authority under this Ordinance and noted that this only applied to grandfathered/nonconforming properties and reminded the Council that every other requirement in the Code would have to be met.

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City Attorney Shepherd noted that the variance process would not be the proper framework for looking at nonconformities.

Councilmember Sanschagrin asked for examples of recent variance requests that the Council would no longer review under these proposed amendments. Planning Director Griffiths gave an example of some recent variances that the Council had approved on Manor Road and Cajed Lane. Councilmember Sanschagrin explained his reasons for being fearful that this may result in unintended consequences and shared some concerns that had been shared by former Mayor Zerby.

Mayor Labadie stated that she disagreed with the concern shared by former Mayor Zerby because there were already nonconformities, and these property owners just wanted to do something with their land, and it was not a lack of transparency.

Councilmember Gorham referenced language that stated that a property owner could expand a nonconformity in different ways. Planning Director Griffiths pointed out the language that came directly from the State Statute and explained the portion of the Ordinance that gave the City the authority it needed to regulate the nonconforming structures appropriately. He stated that for alterations and expansions, some criteria allow limited additions or expansions of a nonconforming use, but they still have to meet every other requirement of the City Code. He noted that all of the proposed language was working together to provide guardrails, and restrict nonconformities, but still allowing flexibility, and if people want to do something outside of that process, then it would be back to a variance application.

Councilmember Gorham asked for examples of a nonconforming structure that met all the other City Code requirements. Planning Director Griffiths referenced the Cajed Lane portico situation mentioned earlier, where the front setback was not met, but the lot was substantially deep enough that the rear and side yard setbacks could be met. He stated that another example would be lot size, and it was a lot that had been approved by the City. However, zoning regulations have changed since that time, and now they want to redevelop the lot and replace a single-family home with another single-family home.

Councilmember Maddy asked for the difference in cost to get a variance rather than just a building permit. Planning Director Griffiths explained that the variance process has a one-thousand-dollar application fee upfront, and then legal and engineering fees are billed back to the applicant through escrow, so the overall cost is between one and two thousand dollars. He noted that building permits start at around seventy-five dollars, but they would also need one with the variance process. Councilmember Maddy stated that this would save those residents a few thousand dollars for everyone who was not increasing their nonconformity.

Planning Director Griffiths noted that the variance process was also more time-consuming and took between ninety and one hundred twenty days, which can also be a substantial cost for the property owner.

Maddy moved, Labadie seconded, Ordinance 620, Amending Shorewood City Code Chapter 1201 to Implement the Comprehensive Plan Direction for Nonconformities.

Motion failed 2/2 (Gorham and Sanschagrin opposed).

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Mayor Labadie stated that there have been numerous meetings in a row where the votes have ended up deadlocked because they were missing a Councilmember. She asked if there would be a full Council present at the next meeting.

City Administrator Nevinski stated that there was already a full agenda for the next meeting and, as far as he knew, the full Council would be present.

Mayor Labadie explained that she did not want to see this item continued and asked if there were any questions the Council could ask tonight that may get them the needed clarification.

Councilmember Sanschagrin explained that he would like to see it narrowed a bit and suggested building it around the Magistad situation that was referenced during the meeting. He stated that he was concerned about conflicts that may arise from neighbors that would no longer have recourse or transparency into this process, and would like to see them addressed within the language.

Planning Director Griffiths stated that he agreed with the statement made by City Attorney Shepherd earlier in the meeting that a variance was not the proper tool to regulate nonconformities and explained that regardless of a variance decision by the City Council, the property owner has a right to that nonconformity in perpetuity as long as they continue to maintain it. He stated that nothing in this ordinance was taking away any process that residents have to discuss nonconformities. He noted that another way to look at this ordinance was that it was legalizing improvements that meet City Code on a lot that may have some other small issues, as long as they meet all of the City's ordinance criteria. He explained that one of the reasons this was being brought forward was that under the variance process, the City opened itself up to possible litigation from property owners for denying the variance application that meets all the other City Code requirements and was denied just because there was a nonconformity on the lot.

Councilmember Gorham asked if they could remove Articles 4 and 5 on page four of the ordinance.

City Attorney Shepherd stated that he would recommend the Council keep the provision to allow staff to make decisions related to ADA compliance, because they were best suited for those, and reminded the Council that they can appeal if they are denied. He stated that if the Council was going to edit number five, he would suggest taking out the last clause, but cautioned that this was essentially taken directly from the State statute. He explained that if the Council was planning to edit this document to take another vote, they first needed to make a motion to reconsider this item to put it before the Council.

Councilmember Gorham asked for examples of what City Attorney Shepherd had just described for item h. (4). Planning Director Griffiths stated that an example of that may be where a wheelchair ramp was required to provide for accessibility improvement.

Councilmember Gorham asked for an example for h (5), specifically the portion that referenced public nuisance or protects the public health, safety, and welfare. Planning Director Griffiths stated that public nuisances are defined in City Code and State statute and noted that it could be a situation where there is a hazardous structure. He stated that he could not think of an example where an expansion was done to protect or abate a public nuisance.

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City Attorney Shepherd noted that he also did not have an example off the top of his head, but reiterated that this language was directly derived from State law. He stated that every possible scenario cannot be predicted within the ordinance, nor would it be practical, but should provide staff and the Council the tools they need to deal with the scenarios as they arise.

Mayor Labadie stated that the strongest 'tool' the city could have would be a State statute because it was not discretionary. Planning Director Griffiths stated that even if the city chose to remove this language from the ordinance, State law would still apply. Councilmember Maddy noted that it would just cost the property owner two thousand dollars extra.

Councilmember Sanschagrin asked why the city would not just write it according to State statute instead of having its own code. City Attorney Shepherd clarified that this section states that a municipality may, by ordinance, permit an expansion or impose upon nonconformities, reasonable regulations to prevent and abate nuisances. He explained that the City did not have to have this provision, but it was allowed by State law.

Mayor Labadie asked for a refresher on how the Council could proceed in this manner. Councilmember Maddy noted that if neither of the Councilmembers who voted in opposition to this were reconsidering, he suggested that they would not waste their time making a motion to reconsider it.

Councilmember Gorham explained that he was mourning the general change in direction in State code in that you can make substantial improvements without any real attempt to eliminate nonconformities, the way they have been able to in the past.

Mayor Labadie noted that Planning Director Griffiths had explained that this was a trend that had been taking place over several decades. Planning Director Griffiths stated that it has been taking place since the elimination of amortization, which made it so the cities had no tools at their disposal to eliminate nonconformities and were allowed to continue in perpetuity, so that had not substantially changed.

City Attorney Shepherd described the procedure that needed to be followed if the Council would like to reconsider this item.

Gorham moved, Maddy seconded, to Reconsider Ordinance 620, Amending Shorewood City Code Chapter 1201 to Implement the Comprehensive Plan Direction for Nonconformities.

Motion passed 301 (Sanschagrin opposed).

Gorham moved, Maddy seconded, to Approve Ordinance 620, Amending Shorewood City Code Chapter 1201 to Implement the Comprehensive Plan Direction for Nonconformities.

Motion passed 3-1 (Sanschagrin opposed).

Maddy moved, Gorham seconded, Adopting RESOLUTION NO. 25-051, "A Resolution Approving the Publication of Ordinance 620 Regarding Zoning Regulations to Implement the Comprehensive Plan Direction for Nonconformities."

Motion passed.

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C. Building City Code Amendments
Applicant: City of Shorewood
Location: City-wide

Planning Director Griffiths explained that this item was a housekeeping ordinance update related to the City's Building Code and did not contain any substantial policy changes. He briefly reviewed the proposed amendments and noted that many of these things that the City was already doing this just included within the code. He explained that the most substantial change was the process through which the escrow agreements were handled for building permits, and reviewed the proposed process.

Councilmember Sanschagrin referenced Section 1001.03, Subd.2, and asked about optional provisions identified in the most current edition of the State Building Code and why the City had selected the three that were listed. Planning Director Griffiths explained that the three included were the ones the city currently had adopted, noted that most of the optional chapters of the building code were dependent on the size of the community and the type of development, and noted that Shorewood and Minneapolis would not have the same optional chapters. He stated that the three listed were standard and were adopted by most communities.

Councilmember Sanschagrin asked about violations and penalties, which mentioned fines, and asked how people could find that information. Planning Director Griffiths stated that the fines would be identified in the City's fee schedule and would follow the administrative citation process.

Gorham moved, Maddy seconded, Approving ORDINANCE 621, Amending Shorewood City Code Chapter 1001 to Implement the Direction of the Comprehensive Plan Relative to the Building Code and Chapter 1004 to Correct a Reference.

Motion passed.

Maddy moved, Gorham seconded, Adopting RESOLUTION NO. 25-052, "A Resolution Approving the Publication of Ordinance 621 Regarding Amending Shorewood City Code Chapter 1001 to Implement the Direction of the Comprehensive Plan Relative to the Building Code and Chapter 1004 to Correct a Reference."

Motion passed.

7. ENGINEERING/PUBLIC WORKS

A. 2025 Mill and Overlay Change Order #1, City Projects 24-10, 23-01

City Engineer Budde explained that because the 2025 Mill and Overlay project came in under budget, it provided the City with the opportunity to consider additional improvements. He reviewed the four options for Council consideration, including: additional ash tree removal; West Lane mill and overlay; Freeman Park mill and overlay; and Public Works parking lot mill and overlay.

Councilmember Gorham stated that it sounds like the logic behind considering this change order was that there was a short window of time and some money available, so the City could get some troubled areas taken care of, and called out West Lane. City Engineer Budde explained that the

city had received a lot of out reach from the public about West Lane and noted that he expects that there would be many happy residents if this were added to the project.

Mayor Labadie asked for more information on the possibility of additional ash tree removals, how many were showing signs of Emerald Ash Borer infestation, and explained that this seemed like many trees to come down at one time. City Engineer Budde stated that he did not have a number but acknowledged that some show signs of infestation, and some appear to have been treated by residents. He clarified that they would not plan to take the ones that have been treated without speaking to the residents, and noted that those trees appeared to be in good condition and were not included in the overall counts included in the staff report. He stated that dealing with these trees would continue to be a significant financial burden and time commitment for the City.

Councilmember Maddy asked how many of the tree trunks were on private property. City Engineer Budde stated that fifty to sixty percent were in the City right-of-way, about thirty percent were on the right-of-way line, and about five to fifteen percent were just across the line onto private property.

Councilmember Sanschagrin asked if it would be possible to ask the utility companies to clear out the trees that are tangled with their lines. City Engineer Budde explained that Xcel Energy requires a ten-foot clear zone around their lines and is on a scheduled program for maintenance, but for the small communication lines, there was no clearance or separation required, and noted that in some areas, they have attached them to the trees. He stated that typically when Xcel has done this, they cut it, drop it, and leave it, so the City would still have to come through and clean everything up, but noted that they would need to coordinate with them if this work was done.

Councilmember Gorham stated that typically, change order work was more expensive, but this vendor was honoring unit pricing and noted that getting this work done would be more expensive if the City waited.

Sanschagrin moved, Gorham seconded, Adopting RESOLUTION NO. 25-053, "A Resolution to Authorize Change Order #1 for the 2025 Mill and Overlay Improvements Project, City Project 24-10 and 23-01."

Motion passed.

8. GENERAL/NEW BUSINESS

A. Highway 7 Transportation Management Organization Study Contract

City Administrator Nevinski reviewed highlights from the proposed Highway 7 Transportation Management Organization Study contract with their consultant and reminded the Council that the study was being funded through a State grant. He outlined the RFP, interview, and selection process that took place with involvement from the corridor communities.

Councilmember Sanschagrin noted that the staff report indicated that approval of the contract was subject to MnDOT issuing a Notice to Proceed. City Administrator Nevinski stated that it was true and explained that he was hoping that the notice would be received before the meeting and explained that MnDOT had already reviewed the contract and would just be reviewing the final documents. He stated that the Council could approve this as long as it was subject to receipt of MnDOT's Notice to Proceed.

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Councilmember Sanschagrin asked how much time it would take Shorewood to serve as the project manager. City Administrator Nevinski stated that he did not have an estimate for the time commitment but acknowledged that he had a lot of help and support from neighboring communities. He explained that the legislature had awarded this grant to Shorewood, so they would need to serve as the manager, but much of the work should be able to be pushed off onto the consultant. He stated that he expected that most of his time would be spent administering the grant.

Councilmember Gorham asked about the work product of this contract. City Administrator Nevinski stated the work product would come at the end of the contract, with the proposal and recommendation from SRF Consulting on how they can set up this organization, along with documents.

Councilmember Maddy asked if the Shorewood Council was being asked to choose for all five of the corridor cities. City Administrator Nevinski acknowledged that this may be awkward but explained that they met with staff and mayors from all of the corridor communities throughout this process and had received consensus from them for the SRF consulting proposal.

Sanschagrin moved, Gorham seconded, Approving the Contract with SRF Consulting for the Highway 7 Transportation Management Organization Study, subject to MnDOT issuing a Notice to Proceed.

Motion passed.

B. SLMPD Excelsior Supplemental Agreement (formerly Consent Agenda item 2.M)

City Administrator Nevinski explained that this item was a standard, annual arrangement between SLMPD and the City of Excelsior for code enforcement activity that has been taking place since sometime in the 1980s. He stated that the member cities were being asked to weigh in on this supplemental agreement due to how this was laid out within the Joint Powers Agreement.

Councilmember Sanschagrin explained that he had pulled this item from the Consent Agenda due to the hourly rate listed and what it covered. City Administrator Nevinski stated that he did not know the exact answer, but believed the Excelsior provided some of their vehicles for this use. He stated that if this was an area of concern, they could explore it further this year or make a note of it for when it comes back before them next year.

Councilmember Sanschagrin asked if anyone else on the Council had concerns about the costs. Councilmember Maddy agreed that it did seem a bit like they were subsidizing these costs and suggested that they just ask for more details when this is considered again next year. City Administrator Nevinski suggested that they provide some of this feedback to the incoming SLMPD Chief and see how this may evolve for next year.

Mayor Labadie suggested that City Administrator Nevinski bring this up, in writing, to the Operating Committee, and she would also bring it up to the Coordinating Committee so both groups would hear this feedback.

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Maddy moved, Sanschagrin seconded, approving the SLMPD Excelsior Supplemental Agreement, as presented. Motion passed.

9. STAFF AND COUNCIL REPORTS AND DISCUSSION

A. Staff

Park and Recreation Manager Czech updated the Council on recent activities, including the kick-off meeting for the Parks Master Plan, and will conduct park tours on June 2, 2025, with Bolton and Menk. He noted that the Freeman Park baseball and soccer tournaments were coming up, but have been moved to separate weekends in order to alleviate traffic issues.

Public Works Director Morreim stated that Public Works staff had finished watermain flushing and valve exercising, which takes place every spring and would be moving on to sewer cleaning. He noted that the seasonal staff members had started work and were beginning some of the park maintenance work. He stated that Public Works would also be starting some asphalt patching and noted that on the Vine Hill sidewalk/trail, they would be doing some work to limp it through until the larger improvement project coming up in 2029. He noted that they were also coming to the end of their tree planting work that was taking place in the parks and stated that they planted around one hundred and twenty trees.

City Engineer Budde stated that the pre-construction meeting for the mill and overlay project was scheduled for May 30, 2025, and noted that they would have information for the Council on the questionnaires that were distributed to residents on Mill Street at the next Council meeting.

Finance Director Schmuck stated that she would submit the approved 2024 Annual Report to the State and the Government Finance Officers Association for the Certificate of Achievement and Financial Excellence and noted that the City had received that award for the last twenty-eight consecutive years. She explained that they have also kicked off the 2026 budgeting process.

Planning Director Griffiths stated that included in tonight's Consent Agenda was approval to hire City Planner Aaron Osowski. He expressed his appreciation to other members of his department as well as City Hall staff, for stepping up in the time they have been short-staffed since the retirement of former Planning Director Darling.

City Attorney Shepherd noted that he would not be able to attend the next Council meeting but would send a replacement.

City Administrator Nevinski explained that the June 9, 2025, meeting would be a big meeting and noted that they would be discussing water.

Mayor Labadie encouraged the Council to send questions they had when they received the June 9, 2025, packet before the meeting to help them with time management that night.

City Administrator Nevinski stated that Justin Ballsrud had been selected as the new SLMPD Police Chief.

B. Mayor and City Council

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Councilmember Sanschagrin stated that he had participated in the recent recycling event and suggested that the City may want to consider having people pre-pay or offer electronic options rather than cash. He noted that he had been contacted by a resident earlier today about the selection process for the new SLMPD Police Chief. He explained that he believed that there were some disagreements with Greenwood and had hoped for an update.

Mayor Labadie stated that there was a process to this selection and explained that the Coordinating Committee and the Operating Committee had acted separately. She noted that they had conducted a nationwide search, and the work began last March. She gave a brief overview of the process that had been followed for the Coordinator Committee for the interviews.

City Administrator Nevinski outlined the process followed by the Operating Committee for the interviews.

Councilmember Maddy stated that former SLMPD Chief Tholen was a gift to the community and wished him well in his retirement.

Mayor Labadie noted that the retirement party for former SLMPD Chief Tholen was held at the SCEC and had a large turnout.

10. ADJOURN

Maddy moved, Sanschagrin seconded, Adjourning the City Council Regular Meeting of May 27, 2025, at 9:40 P.M.

Motion passed.

ATTEST:

Jennifer Labadie, Mayor

Sandie Thone, City Clerk

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City of Shorewood

City Council Meeting Item

Item 2C

Title/Subject: **Verified Claims**
Meeting Date: June 9, 2025
Prepared by: Michelle Nguyen, Senior Accountant
Reviewed by: Jeanne Schmuck, Finance Director
Attachments: **Claims Lists**

Background:
Council is asked to verify payment of the attached claims. The claims include compensation, operational or contractual expenditures anticipated in the current budget, or otherwise approved by the Council. Funds will be distributed following approval of the claims list.

Claims for Council authorization:

Payroll-06-02-2025-ACH	$59,628.32
Payroll-06-02-2025-AP	$46,709.68
Council-06-09-2025	$131,372.66
Total Claims: Checks & ACH	**$237,710.66**

Financial or Budget Considerations
The expenditures have been reviewed and determined to be reasonable, necessary, and consistent with the City's budget.

Action Requested
Motion to approve the claims list as presented.

Clearing House

Distribution Report

User: mnguyen
Printed: 06/02/2025 - 12:56PM
Batch: 00002.06.2025

City of Shorewood

Account Number	Debit	Credit	Account Description
700-00-1010-0000	0.00	59,628.32	CASH AND INVESTMENTS
700-00-2170-0000	59,628.32	0.00	GROSS PAYROLL CLEARING
	59,628.32	59,628.32	
Report Totals:	59,628.32	59,628.32	

Accounts Payable

Computer Check Proof List by Vendor

User: mnguyen
Printed: 06/02/2025 - 2:25PM
Batch: 00001.06.2025 - Payroll-06-02-2025

City of Shorewood

Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
Vendor: 5	EFTPS - FEDERAL W/H			Check Sequence: 1	ACH Enabled: True
PR-06-02-2025	PR Batch 00001.06.2025 FICA Employer Portio	5,407.28	06/02/2025	700-00-2174-0000	PR Batch 00001.06.2025 FICA Employer I
PR-06-02-2025	PR Batch 00001.06.2025 FICA Employee Portio	5,407.28	06/02/2025	700-00-2174-0000	PR Batch 00001.06.2025 FICA Employee
PR-06-02-2025	PR Batch 00001.06.2025 Medicare Employee Pc	1,264.61	06/02/2025	700-00-2174-0000	PR Batch 00001.06.2025 Medicare Emplo
PR-06-02-2025	PR Batch 00001.06.2025 Medicare Employer Po	1,264.61	06/02/2025	700-00-2174-0000	PR Batch 00001.06.2025 Medicare Emplo
PR-06-02-2025	PR Batch 00001.06.2025 Federal Income Tax	8,685.34	06/02/2025	700-00-2172-0000	PR Batch 00001.06.2025 Federal Income T
	Check Total:	22,029.12			
Vendor: 1165	FIDELITY SECURITY LIFE INSURANCE COMPANY			Check Sequence: 2	ACH Enabled: True
June-2025	PR Batch 00001.06.2025 Vision-Avesis Benefit-.	242.47	06/02/2025	700-00-2186-0000	PR Batch 00001.06.2025 Vision-Avesis Be
	Check Total:	242.47			
Vendor: 1510	GEN DIGITAL, INC.			Check Sequence: 3	ACH Enabled: True
June-2025	PR Batch 00001.06.2025 Protection-NortonLife	115.89	06/02/2025	700-00-2188-0000	PR Batch 00001.06.2025 Protection-Norto
	Check Total:	115.89			
Vendor: 686	KANSAS CITY LIFE INSURANCE COMPANY			Check Sequence: 4	ACH Enabled: True
June-2025	PR Batch 00001.06.2025 Short Term Disability I	908.68	06/02/2025	700-00-2181-0000	PR Batch 00001.06.2025 Short Term Disat
June-2025	PR Batch 00001.06.2025 Long Term Disability I	842.64	06/02/2025	700-00-2181-0000	PR Batch 00001.06.2025 Long Term Disat
	Check Total:	1,751.32			
Vendor: 11	MINNESOTA DEPARTMENT OF REVENUE			Check Sequence: 5	ACH Enabled: True
PR-06-02-2025	PR Batch 00001.06.2025 State Income Tax	4,052.49	06/02/2025	700-00-2173-0000	PR Batch 00001.06.2025 State Income Tax
	Check Total:	4,052.49			
Vendor: 7	MINNESOTA LIFE INSURANCE COMPANY			Check Sequence: 6	ACH Enabled: True

Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
June-2025	PR Batch 00001.06.2025 MN-Life Insurance Be	1,018.59	06/02/2025	700-00-2180-0000	PR Batch 00001.06.2025 MN-Life Insuran
	Check Total:	1,018.59			
Vendor: 2	MISSION SQUARE RETIREMNT-302131-457			Check Sequence: 7	ACH Enabled: True
PR-06-02-2025	PR Batch 00001.06.2025 Deferred-MissionSq-Fl	2,246.20	06/02/2025	700-00-2176-0000	PR Batch 00001.06.2025 Deferred-Missior
	Check Total:	2,246.20			
Vendor: 1091	MSRS-MN DEFERRED COMP PLAN 457			Check Sequence: 8	ACH Enabled: True
PR-06-02-2025	PR Batch 00001.06.2025 Deferred Comp-MSRS	25.00	06/02/2025	700-00-2176-0000	PR Batch 00001.06.2025 Deferred Comp-M
	Check Total:	25.00			
Vendor: 10	NCPERS GROUP LIFE INSURANCE			Check Sequence: 9	ACH Enabled: True
June-2025	PR Batch 00001.06.2025 PERA Life Benefit	128.00	06/02/2025	700-00-2180-0000	PR Batch 00001.06.2025 PERA Life Benef
	Check Total:	128.00			
Vendor: 665	OPTUM BANK			Check Sequence: 10	ACH Enabled: True
PR-06-02-2025	PR Batch 00001.06.2025 HSA-Optum Bank-Em	1,383.11	06/02/2025	700-00-2183-0000	PR Batch 00001.06.2025 HSA-Optum Ban
PR-06-02-2025	PR Batch 00001.06.2025 HSA-Optum Bank-Ber	1,074.18	06/02/2025	700-00-2183-0000	PR Batch 00001.06.2025 HSA-Optum Ban
	Check Total:	2,457.29			
Vendor: 9	PERA			Check Sequence: 11	ACH Enabled: True
PR-06-02-2025	PR Batch 00001.06.2025 MN-PERA Deduction	5,870.11	06/02/2025	700-00-2175-0000	PR Batch 00001.06.2025 MN-PERA Dedu
PR-06-02-2025	PR Batch 00001.06.2025 MN PERA Benefit Em	6,773.20	06/02/2025	700-00-2175-0000	PR Batch 00001.06.2025 MN PERA Benef
	Check Total:	12,643.31			
	Total for Check Run:	46,709.68			
	Total of Number of Checks:	11			

Accounts Payable

Computer Check Proof List by Vendor

User: mnguyen
Printed: 06/04/2025 - 2:20PM
Batch: 00002.06.2025 - Council-06-09-2025



Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
Vendor: 102	ABDO LLP			Check Sequence: 1	ACH Enabled: True
507171	Audit Service-2024 Final Invoice	4,812.00	06/09/2025	101-16-4301-0000	
	Check Total:	4,812.00			
Vendor: 817	ARCPOINT LABS OF EDINA			Check Sequence: 2	ACH Enabled: False
15551	Drug Testing	79.75	06/09/2025	101-32-4305-0000	
	Check Total:	79.75			
Vendor: 136	CENTERPOINT ENERGY-GAS			Check Sequence: 3	ACH Enabled: True
04-24-25-CR	5755 Country Club Rd	-16.37	06/09/2025	101-19-4380-0000	
04-24-25-CR	6000 Eureka Road	-13.54	06/09/2025	101-52-4380-0000	
04-24-25-CR	24200 Smithtown Rd	-45.35	06/09/2025	101-32-4380-0000	
04-24-25-CR	5735 Country Club Rd-SCEC	-18.30	06/09/2025	201-00-4380-0000	
04-24-25-CR	20630 Manor Rd	-5.84	06/09/2025	101-52-4380-0000	
04-24-25-CR	20405 Knighsbridge Rd	-7.61	06/09/2025	601-00-4394-0000	
04-24-25-CR	28125 Boulder Bridge	-10.47	06/09/2025	601-00-4396-0000	
05-22-2025	20630 Manor Rd	44.00	06/09/2025	101-52-4380-0000	
05-22-2025	5735 Country Club Rd-SCEC	136.56	06/09/2025	201-00-4380-0000	
05-29-2025	20405 Knighsbridge Rd	38.22	06/09/2025	601-00-4394-0000	
05-29-2025	28125 Boulder Bridge	70.57	06/09/2025	601-00-4396-0000	
05-29-2025	24200 Smithtown Rd	155.34	06/09/2025	101-32-4380-0000	
05-29-2025	6000 Eureka Road	102.89	06/09/2025	101-52-4380-0000	
05-29-2025	5755 Country Club Rd	88.45	06/09/2025	101-19-4380-0000	
	Check Total:	518.55			
Vendor: 137	CENTURY LINK			Check Sequence: 4	ACH Enabled: True

Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
05-25-2025	Acct#333778780-PWs-952-470-2294	70.19	06/09/2025	101-32-4321-0000	952-470-2294-642-PWs
05-25-2025	Acct#334037388-C.H.-952-470-6340	123.62	06/09/2025	101-19-4321-0000	952-474-6340-989-C.H.
05-25-2025	Acct#333532729-SCEC-952-470-7819	131.38	06/09/2025	201-00-4321-0000	952-470-7819-261-SCEC
	Check Total:	325.19			
Vendor: 138	CERTIFIED APPLIANCE RECYCLING			Check Sequence: 5	ACH Enabled: False
87059	Spring Clean-up	6,310.20	06/09/2025	621-00-4347-0000	
	Check Total:	6,310.20			
Vendor: 1096	DAVEY RESOURCE GROUP, INC.			Check Sequence: 6	ACH Enabled: True
9000112928	Forestry Consulting Services	1,580.00	06/09/2025	101-32-4400-0000	
	Check Total:	1,580.00			
Vendor: 167	ECM PUBLISHERS INC			Check Sequence: 7	ACH Enabled: True
1049606	Tinglewood HOA Common	62.50	06/09/2025	101-18-4351-0000	
1049607	Impervious Surface	56.25	06/09/2025	101-18-4351-0000	
1049796	Impervious Surface	38.70	06/09/2025	101-18-4351-0000	
	Check Total:	157.45			
Vendor: 181	EXCELSIOR-LAKE MINNETONKA CHAMBER OF COMMERCE			Check Sequence: 8	ACH Enabled: False
11446	4th of July Sponsorship-2025	7,500.00	06/09/2025	101-11-4346-0000	
	Check Total:	7,500.00			
Vendor: 1060	GENERAL SECURITY SERVICES CORPORATION			Check Sequence: 9	ACH Enabled: True
50041983	Badger Park	119.85	06/09/2025	101-52-4400-0000	
50042347	City Hall - Monitor	278.85	06/09/2025	101-19-4400-0000	
50042347	SCEC	105.00	06/09/2025	201-00-4400-0000	
50042347	Park	270.00	06/09/2025	101-52-4400-0000	
	Check Total:	773.70			
Vendor: 211	HAWKINS, INC.			Check Sequence: 10	ACH Enabled: True
7077718	Chlorine for Treatment	2,226.94	06/09/2025	601-00-4245-0000	
	Check Total:	2,226.94			

Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
Vendor: 216	HENNEPIN COUNTY RECORDER'S OFFICE			Check Sequence: 11	ACH Enabled: False
19765Hwy7-6/3/25	Development Agreement for Waterford PUD Am	46.00	06/09/2025	101-13-4400-0000	Record
	Check Total:	46.00			
Vendor: 689	HENNEPIN COUNTY ACCOUNTS RECEIVABLE			Check Sequence: 12	ACH Enabled: False
1000247096	Room Svc: Jacob Mark Fieldseth	140.00	06/09/2025	101-21-4400-0000	
1000247419	REC0001086-View Recorded Documents	10.00	06/09/2025	101-18-4400-0000	
	Check Total:	150.00			
Vendor: 896	HUEBSCH SERVICES			Check Sequence: 13	ACH Enabled: True
20409068	SCEC - Mats	70.67	06/09/2025	201-00-4223-0000	
	Check Total:	70.67			
Vendor: 226	INTEGRATED FIRE & SECURITY, INC.			Check Sequence: 14	ACH Enabled: True
100381	Cellular Service	240.00	06/09/2025	201-00-4321-0000	
100381	Fire Alarm Inspection	335.40	06/09/2025	201-00-4400-0000	
	Check Total:	575.40			
Vendor: 1401	JENCO PROPERTY MAINTENANCE			Check Sequence: 15	ACH Enabled: False
6627	Landscaping Maint. MTCE-Badger-City Hall-PV	443.42	06/09/2025	101-52-4400-0000	
6627	Landscaping Maint. MTCE-Badger-City Hall-PV	443.29	06/09/2025	101-32-4400-0000	
6627	Landscaping Maint. MTCE-Badger-City Hall-PV	443.29	06/09/2025	101-19-4400-0000	
	Check Total:	1,330.00			
Vendor: 1515	KATH FUEL OIL SERVICE CO.			Check Sequence: 16	ACH Enabled: True
826814	Fuel for Trailer	1,334.74	06/09/2025	101-32-4212-0000	
	Check Total:	1,334.74			
Vendor: 247	DREW KRIESEL			Check Sequence: 17	ACH Enabled: False
112624	SCEC Event Setup/Teardown - May Svc	608.00	06/09/2025	201-00-4248-0000	
	Check Total:	608.00			
Vendor: 1075	LAKE RESTORATION, INC.			Check Sequence: 18	ACH Enabled: False
INV065692	Park Maint Treatment	526.00	06/09/2025	101-52-4400-0000	

Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
	Check Total:	526.00			
Vendor: 279	METROPOLITAN COUNCIL (WASTEWATER)			Check Sequence: 19	ACH Enabled: True
1188576	Monthly Waste Water Svc	89,535.36	06/09/2025	611-00-4385-0000	
	Check Total:	89,535.36			
Vendor: 473	MINNESOTA DEPARTMENT OF HEALTH			Check Sequence: 20	ACH Enabled: False
1100847	Statewide Hospitality Fee- 2025	40.00	06/09/2025	201-00-4437-0000	
	Check Total:	40.00			
Vendor: 719	NORTHLAND SECURITIES, INC.			Check Sequence: 21	ACH Enabled: True
INV-1457	Progress Billing	2,871.00	06/09/2025	101-16-4400-0000	
	Check Total:	2,871.00			
Vendor: 1545	PENS.COM			Check Sequence: 22	ACH Enabled: False
114200193	Pens	314.69	06/09/2025	101-13-4200-0000	
	Check Total:	314.69			
Vendor: 336	PITNEY BOWES BANK INC PURCHASE POWER			Check Sequence: 23	ACH Enabled: True
3107243635	QuarterlyLease-Postage Machine	195.00	06/09/2025	101-19-4221-0000	
Refill-05-07-2025	Acct #8000-9000-0743-8223-Ref-PBP#3518081	1,009.75	06/09/2025	101-13-4208-0000	Contract #0041062415
	Check Total:	1,204.75			
Vendor: 355	SHRED-N-GO _446138			Check Sequence: 24	ACH Enabled: True
183558	Shredded Svc	78.93	06/09/2025	101-19-4223-0000	
	Check Total:	78.93			
Vendor: 1181	SPLIT ROCK MANAGEMENT, INC.			Check Sequence: 25	ACH Enabled: True
97158	Custodial Service-CH Building	487.00	06/09/2025	101-19-4223-0000	
	Check Total:	487.00			
Vendor: 1101	SPRINGBROOK HOLDING COMPANY LLC			Check Sequence: 26	ACH Enabled: True
INV-020862	Springbrook-CivicPay Fees	26.50	06/09/2025	621-00-4450-0000	
INV-020862	Springbrook-CivicPay Fees	26.50	06/09/2025	601-00-4450-0000	

Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
INV-020862	Springbrook-CivicPay Fees	26.50	06/09/2025	611-00-4450-0000	
INV-020862	Springbrook-CivicPay Fees	26.50	06/09/2025	631-00-4450-0000	
	Check Total:	106.00			
Vendor: 1194	THE McDOWELL AGENCY, INC.			Check Sequence: 27	ACH Enabled: False
162003	Background Check: Aaron Paul Osowski	93.50	06/09/2025	101-13-4400-0000	
	Check Total:	93.50			
Vendor: 694	TIMESAVER OFF SITE SECRETARIAL, INC.			Check Sequence: 28	ACH Enabled: True
30506	Council Meeting	364.51	06/09/2025	101-13-4400-0000	
30507	Park Meeting	172.00	06/09/2025	101-53-4400-0000	
	Check Total:	536.51			
Vendor: 386	TWIN CITY WATER CLINIC			Check Sequence: 29	ACH Enabled: True
22250	Monthly Water Testing	120.00	06/09/2025	601-00-4400-0000	
	Check Total:	120.00			
Vendor: 408	WM MUELLER & SONS INC			Check Sequence: 30	ACH Enabled: True
311629	Road Materials	262.14	06/09/2025	101-32-4250-0000	
311947	Road Materials	1,559.99	06/09/2025	101-32-4250-0000	
312093	Road Materials	623.20	06/09/2025	101-32-4250-0000	
312140	Road Materials	277.85	06/09/2025	101-32-4250-0000	
	Check Total:	2,723.18			
Vendor: 411	XCEL ENERGY, INC.			Check Sequence: 31	ACH Enabled: True
928742581	5735 Country Club Rd	644.36	06/09/2025	201-00-4380-0000	5735 Country Club Rd
928782812	5755 Country Club Rd	80.05	06/09/2025	101-19-4380-0000	5755 Country Club Rd
928936357	24253 Smithtown Rd	341.39	06/09/2025	601-00-4395-0000	24253 Smithtown Rd
929108399	5700 County Rd 19 - Unit Light	147.50	06/09/2025	101-32-4399-0000	5700 County Rd 19 - Unit Light
929108399	5700 County Rd 19	58.70	06/09/2025	101-32-4399-0000	5700 County Rd 19
929184643	28125 Boulder Bridge Drive	2,863.04	06/09/2025	601-00-4396-0000	28125 Boulder Bridge Drive
929206656	4931 Shady Isalnd Road	18.11	06/09/2025	611-00-4380-0000	4931 Shady Isalnd Road
	Check Total:	4,153.15			

Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
	Total for Check Run:	131,188.66			
	Total of Number of Checks:	31			

Accounts Payable

Computer Check Proof List by Vendor

User: mnguyen
Printed: 06/04/2025 - 2:35PM
Batch: 00003.06.2025 - Council-06-09-2025-1

Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
Vendor: 216	HENNEPIN COUNTY RECORDER'S OFFICE			Check Sequence: 1	ACH Enabled: False
24740AmleeRd	Grant of Permanent Drainage & Utiliy Easement	46.00	06/09/2025	101-13-4400-0000	Record
	Check Total:	46.00			
	Total for Check Run:	46.00			
	Total of Number of Checks:	1			

Accounts Payable

Computer Check Proof List by Vendor

User: mnguyen
Printed: 06/04/2025 - 2:38PM
Batch: 00004.06.2025 - Council-06-09-2025-2

City of Shorewood

Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
Vendor: 216	HENNEPIN COUNTY RECORDER'S OFFICE			Check Sequence: 1	ACH Enabled: False
6170Straberry	Grant of Permanent Drainage/Utiliy Easement-6	46.00	06/09/2025	101-13-4400-0000	Record
	Check Total:	46.00			
	Total for Check Run:	46.00			
	Total of Number of Checks:	1			

Accounts Payable

Computer Check Proof List by Vendor

User: mnguyen
Printed: 06/04/2025 - 2:46PM
Batch: 00005.06.2025 - Council-06-09-2025-3

City of Shorewood

Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
Vendor: 216	HENNEPIN COUNTY RECORDER'S OFFICE			Check Sequence: 1	ACH Enabled: False
19765Hwy7-6/3/25	Stormwater Agreement-19765 Hwy 7	46.00	06/09/2025	101-13-4400-0000	Record
	Check Total:	46.00			
	Total for Check Run:	46.00			
	Total of Number of Checks:	1			

Accounts Payable

Computer Check Proof List by Vendor

User: mnguyen
Printed: 06/04/2025 - 2:50PM
Batch: 00006.06.2025 - Council-06-09-2025-4

City of Shorewood

Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
Vendor: 216	HENNEPIN COUNTY RECORDER'S OFFICE			Check Sequence: 1	ACH Enabled: False
25060GlenRd	Grant of Permanent Drainage & Utiliy Easement	46.00	06/09/2025	101-13-4400-0000	Record
	Check Total:	46.00			
	Total for Check Run:	46.00			
	Total of Number of Checks:	1			

City of Shorewood

Item 2D

City Council Meeting Item

Title/Subject:	**Accept Resignation of Administrative Assistant and Approve Recruitment**
Meeting Date:	June 9, 2025
Prepared by:	Sandie Thone, City Clerk/Human Resources Director
Reviewed by:	Marc Nevinski, City Administrator Jake Griffiths, Planning Director

Background

Shorewood Human Resources department received the resignation of Administrative Assistant Melissa Strandmo on June 2, 2025 with an effective date of June 27, 2025. Melissa has served in this role since June of 2023, beginning part-time in the Administration department and going full-time in January of 2024 when the role was expanded to include 20 hours in the planning department. Melissa expressed her appreciation for the opportunity and experience of working here. Melissa and her husband are expecting their first baby in October and she would like to take this time to prepare for and be home with her baby. We are all very excited for her and her growing family and wish her the very best. Melissa has performed exemplary service to the city and she will be missed.

The city would like to begin recruitment for her position; an Administrative Assistant to work in the Planning and Administration departments and in support of their objectives.

Financial Considerations

The position is full time with full benefits and is Grade 7 on the City's Compensation Schedule with a pay range of $27.80 to $34.75 per hour and is budgeted for in the 2025 Administration and Planning department personell services budget.

Action Requested

Motion to accept Melissa Strandmo's resignation and approve recruitment for the Administrative Assistant position. Motion, second and simple majority vote required.

City of Shorewood

Item
2E

City Council Meeting Item

Title/Subject: **Cannabis Business Registration Authority Resolution**
Meeting Date: June 9, 2025
Prepared by: Sandie Thone, City Clerk/Human Resources Director
Reviewed by: Marc Nevinski, City Administrator
Attachments: **Resolution 25-054**

Background

On August 26, 2024, the Shorewood City Council adopted Ordinance 607 amending the C1 (General Commercial District) to regulate cannabis businesses in the city. At the time the discussion was had with council on whether to delegate to the county, registration of cannabis businesses. The council provided direction to staff to move forward with the delegation of registration to the county. In section 3, Subd. 4 I(c) of Shorewood Ordinance 607 it is states as follows: Retail cannabis businesses (including the retail portions of microbusinesses or mezzobusinesses as defined by MS 342) are limited to one business for each 12,500 residents in Shorewood. Council determined the likelihood of having a retail cannabis business in the city that would fit both zoning requirements and the above criteria was small. This fact would make it onerous for staff to create the necessary registration structure and compliance for what would result in one retail business operation at best and determined it would be more efficiently managed by the county.

Therefore, Resolution 25-017 was approved and passed on January 27, 2025, delegating this registration authority to Hennepin County.

On May 27, 2025, new information was provided to the city council including details of an ordinance passed in May by Hennepin County revealing the city and county zoning standards were not aligned. As a result, the county's more relaxed standards would be applied due to the prior registration delegation. These standards allow additional areas where Cannabis businesses could operate in the city. These additional areas include the strip mall at Highway 7 and Old Market Road and Valvoline. In addition, it would allow these businesses to be open until 10PM (not 9PM as required by the city's standards) and no conditional use permit would be required.

The council discussed the proposed options of the city rescinding the delegation and assuming the registration authority to avoid adopting the more relaxed zoning standards of the county OR continuing to use Hennepin County as the registration authority which would require repealing the city's zoning standards and adopting Hennepin County's. The council provided direction to staff to prepare the resolution to rescind the delegation and for the city to assume the registration authority.

At council's direction, Resolution 25-054 Assuming Cannabis Registration Authority for the City of Shorewood in accordance with MN Statute Section 342.22, as amended and Rescinding Resolution 25-017 Delegating Registration Authority to Hennepin County is attached for your review. The approval of Resolution 25-054 and the notification to the county will begin the 90-day notification process to assume the delegation at the city level. In addition, staff will bring back for council approval and adoption an ordinance regulating the administration of the cannabis registration process.

Action Requested

Motion to approve Resolution 25-054 Assuming Cannabis Registration Authority for the City of Shorewood in accordance with MN Statute Section 342.22, as amended and Rescinding Resolution 25-017 Delegating Registration Authority to Hennepin County.

Simple majority vote required.

City of Shorewood
Hennepin County
State of Minnesota
Resolution 25-054

A Resolution Assuming Cannabis Registration Authority for the City of Shorewood in accordance with MN Statute Section 342.22, as amended and Rescinding Resolution 25-017 Delegating Registration Authority to Hennepin County.

WHEREAS, the Shorewood City Council is the official governing body of the City of Shorewood; and

WHEREAS, Minnesota Statutes Section 342.22, subdivision 1 requires that cannabis microbusinesses with a retail operations endorsement, cannabis mezzobusinesses with a retail operations endorsement, cannabis retailers, and lower-potency hemp edible retailers register with the city, town, or county in which the retail establishment is located before making retail sales to customers or patients; and

WHEREAS, Minnesota Statutes Section 342.22, subdivision 1 allows counties to register cannabis microbusinesses with a retail operations endorsement, cannabis mezzobusinesses with a retail operations endorsement, cannabis retailers, and lower-potency hemp edible retailers where a city or town has provided consent for the county to issue the registration for the jurisdiction; and

WHEREAS, Minnesota Statutes Section 342.22, subdivision 3 requires that the local unit of government that issues a registration to a cannabis microbusiness with a retail operations endorsement, cannabis mezzobusiness with a retail operations endorsement, cannabis retailer, or lower-potency hemp edible retailer conduct compliance checks of every such business or retailer with a registration issued by the local unit of government; and

WHEREAS, the City of Shorewood desires to rescind the consent provided in Resolution 25-017 on January 27, 2025 for Hennepin County to register cannabis microbusinesses with a retail operations endorsement, cannabis mezzobusinesses with a retail operations endorsement, cannabis retailers, medical cannabis combination businesses, and lower-potency hemp edible retailers, and to perform compliance checks of every such business or retailer with a registration issued by Hennepin County, in the City of Shorewood, in accordance with Minnesota Statutes Section 342.22; and

WHEREAS, the City of Shorewood does fully assume Cannabis Business Registration Authority for the City and will register cannabis microbusinesses with a retail operations endorsement, cannabis mezzobusinesses with a retail operations endorsement, cannabis retailers, medical cannabis combination businesses, and lower-potency hemp edible retailers, and perform

compliance checks of every such business or retailer with a registration issued by the City of Shorewood; and

WHEREAS, The City of Shorewood adopted local Ordinance 607 to provide for regulating cannabis businesses that allow for only one retail business per 12,500 Shorewood residents (Section 3, Subd. 4 I (c)); and

WHEREAS, the City of Shorewood will be responsible under Minnesota Statutes 342.13(f) to certify to the Office of Cannabis Management whether a proposed cannabis business complies with local zoning ordinances and, if applicable, whether the proposed business complies with the state fire code and building code.

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

1. That the City of Shorewood RESCINDS consent for Hennepin County to register cannabis microbusinesses with a retail operations endorsement, cannabis mezzobusinesses with a retail operations endorsement, cannabis retailers, medical cannabis combination businesses, and lower-potency hemp edible retailers, and to perform compliance checks of every such business or retailer in accordance with Minnesota Statutes Section 342.22.

2. That the City of Shorewood does fully assume Cannabis Business Registration Authority for the City and will register cannabis microbusinesses with a retail operations endorsement, cannabis mezzobusinesses with a retail operations endorsement, cannabis retailers, medical cannabis combination businesses, and lower-potency hemp edible retailers, and perform compliance checks of every such business or retailer with a registration issued by the City of Shorewood.

Whereupon said resolution was declared duly passed and adopted by the Shorewood City Council this ninth day of June 2025.

_____

Jennifer Labadie, Mayor

ATTEST:

_____

Sandie Thone, City Clerk

City of Shorewood

City Council Meeting Item

Item
4A

Title/Subject: **Lake Minnetonka Conservation District Presentation**
Meeting Date: June 9, 2025
Prepared by: Marc Nevinski, City Administrator
Attachments: **2026 LMCD Budget Memo**

Background
The Lake Minnetonka Conservation District is a statutorily authorized government agency created in 1967 for the purpose of regulating the activity and managing the conservation of Lake Minnetonka. It is governed by a board of directors consisting of representatives from each of the 14 cities around the lake. It is funded mainly through a levy of the cities based on a percentage of thew total net tax capacity.

The City of Shorewood has appointed Deborah Zorn as its representative on the board of directors. Ms. Zorn will provide an overview of the LMCD's activities and initiatives.

Financial Considerations
None

Action Requested
None

LAKE MINNETONKA CONSERVATION DISTRICT
5341 MAYWOOD ROAD, SUITE 200 • MOUND, MINNESOTA 55364 • TELEPHONE 952/745-0789 • FAX 952/745-9085

DATE: May 15, 2025

TO: LMCD Member Mayors, City Managers, Administrators, & Clerks

FROM: Jim Brimeyer, Interim Executive Director

LMCD Budget Work Group: Nicole Stone, Treasurer; and Board Directors Rich Anderson, Deborah Zorn, Ann Hoelscher, Mike Kirkwood

Board Directors: Ben Brandt, Matt Thompson, Dennis Klohs, Mark Kroll, Ryan Nellis, Jim Van Bergen, Denny Newell, Brian Malo, Jim Paul.

SUBJECT: Proposed 2026 LMCD Budget

A copy of the 2026 proposed budget for the Lake Minnetonka Conservation District is attached for your review. By State statute, the allocation of levy to the 14 member cities is based on their percentage of the total net tax capacity, with no city paying greater than 20% of the overall levy.

The LMCD Board reviewed the budget at the May 14, 2025 meeting. The city levy amount is less than the maximum levy allowed by state law. Each city's percentage of levy varies in relation to taxable market values (as required by statute). Because some cities experience greater yearly gains in Total Taxable Market Value, the distribution of levy also changes. Attached is a document displaying the levy for each city for the fiscal years 2025 and 2026. Also included is the history of the levy for the recent five years.

At the May 14th meeting the Board directed staff to notify the executive leadership of each city to obtain any comments or observations regarding the proposed budget and municipal levy. By statute, the LMCD proposed budget must be forwarded to the respective cities by a July 1st deadline. **The Board is anticipating adopting the final budget at the June 11th meeting.**

Any comments or observations should be directed to this office by June 4th.

Budget Highlights

- **Municipal Levy.** The levy amount will increase to the amount it was in 2021. It had been reduced and held steady for the past 3 years to reduce Reserve Fund balances.

- **Reserve Funds.** Use of $60,000 of reserve funds for the 2026 budget. This is a continuation of the Board's effort to reduce the reserve fund balance down to within our Auditor's recommended range of 30-50% of annual expenses. LMCD Goal is 35%. In 2025, LMCD is forecasting to use approximately $130,000. In 2026, we will only be able to decrease by $60,000 to comply with Reserve Fund guidelines.

Income
We expect a large decrease in Code Compliance revenue based on 2024 results. Code Compliance revenue was $127,670 in 2023 but only $33,946 in 2024. Perhaps a shorter boating season or the fact that boaters were following the rules? It seems 2023 was an anomaly. We had used $100,000 for the 2025 budget as that planning is done early mid 2024 before we had actual results. We used $35,000 for Code Compliance for budget planning in 2026. This is a large decrease from the 2025 projection.

Expense
The largest change to the Expense portion reflects an increase in Personnel expenses. We are in the process of reinstating our Executive Director position. This role has remained vacant and temporarily filled by a part-time interim contractor to maintain operational continuity. We are now moving forward with hiring a full-time Executive Director to provide the leadership and oversight necessary for our long-term success. In addition, the Expense portion also reflects an increase in legal civil activity and decrease in legal criminal activity and funds for contracting Drone and Inspection services, as needed.

The Save The Lake fund reflects an increase in the fund balance. In addition to anticipated donations, Hennepin County has committed to pay the expenses of additional water patrol from Memorial Day to Labor Day. LMCD has budgeted $20,000.00 to pay for any necessary overtime costs.

Please contact myself or your member city representative if you have questions.

ATTACHMENTS

I. 2026 All Funds Budget Summary
II. City Levy Share

	LMCD BUDGET	2024 Actuals	2025 BUDGET	2025 Budget Amended	2026 Budget Projections
2	Ordinary Income/Expense				
3	Income				
4	Grants & Other Income				
5	3080M10 · Interest - Gen	18,716.28	$ 20,000	$ 20,000	$ 15,000
6	3260M10 · Code Compliance	33,946.00	$ 100,000	$ 35,000	$ 35,000
7	3300M10 · Other Income - Admin.	10,451.66	$ -	$ -	$ -
8	Total Grants & Other Income	$ 63,113.94	**$ 120,000**	**$ 55,000**	**$ 50,000**
9	Licenses/Permits				
10	3110M10 · Multiple/Perm. Dock Lic -Admin.	81,557.38	$ 85,000	$ 82,000	$ 82,000
11	3120M10 · DMA license - Admin.	3,300.00	$ 3,000	$ 3,000	$ 3,000
12	3130M10 · Deicing License - Admin.	5,434.50	$ 6,000	$ 5,500	$ 5,500
13	3170M10 · Variances - Admin.	5,250.00	$ 5,000	$ 5,000	$ 5,000
14	3200M10 Special Density			$ -	$ -
15	3240M10 · Charter Boats - Admin.	3,600.00	$ 3,000	$ 3,600	$ 3,600
16	3250M10 · Rental Watercraft - Admin.		$ 5,000	$ 5,000	$ 3,500
17	3280M10 · Liquor/Beer/Wine License-Admin.	22,600.00	$ 19,000	$ 22,500	$ 22,500
18	Total Licenses/Permits	**$ 121,741.88**	**$ 121,000**	**$ 126,600**	**$ 125,100**
19	3020M10 · Municipal Dues - Admin.	255,047.00	$ 255,000	$ 255,000	$ 375,000
20	3400M10 · Transfers In - Admin.	$ 90,374.00	$ 60,000	$ 130,707	$ 60,579
21	Total Income	530,276.82	**$ 556,000**	**$ 567,307**	**$ 610,679**
22	Gross Profit	**$ 530,276.82**	**$ 556,000**	**$ 567,307**	**$ 610,679**
23	ENDING YEAR FUND BALANCE	**$ 381,000.00**		**$ 250,293**	**$ 189,714**
24	Expense				
25	AIS Grants	0.00	$ -	$ -	$ -
26	General & Admin Expenses				
27	4060 · Telephone/Internet	5,640.79	$ 3,700	$ 5,000	$ 5,000
28	4070M10 · Webpage & Digital	8,750.00	$ 500	$ 6,600	$ 6,600
29	4090M30 · DMV	43.50	$ 40	$ 40	$ 50
30	4340M10 · Insurance - Admin.	6,154.00	$ 6,000	$ 6,000	$ 6,250
31	4360M10 · Subs/Memberships - Admin.	986.00	$ 2,600	$ 2,600	$ 2,600
32	Total General & Admin Expenses	**$ 21,574.29**	**$ 12,840**	**$ 20,240**	**$ 20,500**
33	Legal				
34	4110M10 · Public Info Legal Fees- Admin.	2,330.19	$ 2,000	$ 2,000	$ 2,500
35	4620M10 · Civil Legal Fees - Admin.	24,198.00	$ 35,000	$ 35,000	$ 45,000
36	4640M10 · Prosecution Legal Fees - Admin.	33,296.38	$ 20,000	$ 20,000	$ 20,000
37	4641M10 · Other Legal Fees - Admin	0.00	$ 2,000	$ -	$ -
38	Total Legal	**$ 59,824.57**	**$ 59,000**	**$ 57,000**	**$ 67,500**
39	Office, Supplies, Equip				
40	4080 · Postage	1,879.11	$ 3,000	**$ 2,000**	$ 2,000
41	4100M10 · Printing - Admin.	543.10	$ 2,000	**$ 2,000**	$ 1,000
42	4140M10 · Office Equipment R&M - Admin.	8,185.49	$ 8,000	**$ 6,000**	$ 6,000
43	4220M10 · Office Supplies -Admin.	3,123.00	$ 2,500	**$ 3,125**	$ 3,125
44	4230M10 · Meeting Exp. - Admin.	4,026.84	$ 8,700	**$ 7,000**	$ 7,000
45	4320M10 · Office Rent - Admin.	22,096.72	$ 24,000	$ 24,000	$ 24,000
46	4400M10 · Mileage/Exp's - Admin.	165.54	$ 400	$ 400	$ 275
47	4410M10 · Training/Prof. Devel.	63.10	$ 2,000	**$ 1,000**	$ 1,000
48	4520M10 · Furniture & Equip - Admin.	596.91	$ 1,000	$ 1,000	$ 1,000
49	4530M10 · Comp. Sftwr & Hdwr - Admin.	11,606.93	$ 4,000	$ 4,000	$ 6,000
50	4531M30 Software & Hardware Training				$ -
51	4550M10 Document Scanning				$ -
52	Total Office, Supplies, Equip	**$ 52,286.74**	**$ 55,600**	**$ 50,525**	**$ 51,400**
53	Personnel Expenses				
54	4020M10 · Salaries-002 - Admin	205,509.04	$ 224,000	**$ 209,450**	$ 215,735
55	4021M10 · ER Share of Admin FICA/Medicare	15,579.81	$ 15,300	**$ 16,023**	$ 16,504
56	4022M10 · ER PERA - Admin	14,616.91	$ 15,000	**$ 15,709**	$ 16,180
57	4024 · Contract Labor	49,720.00	$ 55,000	$ 55,000	$ 120,000
58	4380M10 · Employee Benefits - Admin.	27,006.30	$ 35,600	$ 46,000	**$ 50,000**
59	Total Personnel Expenses	312,432.06	**$ 344,900**	**$ 342,182**	**$ 418,419**
60	Professional Services- ADM				
61	4040M10 · Auditing - Admin.	15,000.00	$ 14,000	**$ 16,000**	$ 16,000
62	4180M10 · Professional Services - Admin.	6,521.39	$ 3,000	**$ 25,000**	**$ 3,000**
63	4181M10 · Professional Comp. Serv.-Admin.	6,853.55	$ 4,000	**$ 6,700**	**$ 6,700**
64	4182M10 · Media (Cable/Internet) - Admin.	8,100.00	$ 9,000	$ 8,100	**$ 8,100**
65	4183M10 · Prof/ Serv. - Communications	28,423.56	$ 32,500	**$ 32,500**	$ 10,000
66	4184M10 · Contract Drone Services	1,000.00	$ 4,000	$ 4,000	$ 4,000
67	Total Professional Services- ADM	65,898.50	**$ 66,500**	**$ 92,300**	**$ 47,800**
68	Public Education & Safety				
69	4111M10 · Public Service Education-Admin	1,239.23	$ 3,000	**$ 60**	$ 60
70	4160M10 · Watercraft/Vehicle Maint	498.51	$ 1,500	$ 1,500	$ 1,500
71	4160M20 Public Health/Safety - SL				$ -
72	4535M10 · Public Safety - SolarLights	10,935.00	$ 5,000	**$ 3,500**	$ 3,500
73	Total Public Education & Safety	12,672.74	$ 9,500	**$ 5,060**	**$ 5,060**
74	Total Expense	**$ 524,688.90**	**$ 548,340**	**$ 567,307**	**$ 610,679**
75	Net Ordinary Income	5,587.92	$ 7,660	0.00	0.00
76					
77					

1	LMCD BUDGET	2024 Actuals	2025 BUDGET	2025 Budget
78	LMCD SAVE THE LAKE BUDGET			
80				
81		2024 Actuals	2025 Budget	2026 Budget
82	Ordinary Income/Expense			
83	Income			
84	Contributions			
85	3001M20 · Donations (General) - S/L	40,874.20	30000.00	30000.00
86	30002M20 Donations (Photograph) - SL		0.00	0.00
87	3004M20 Donations (Solar Light) - SL		0.00	0.00
88	3004M20 Donations Carp Removal West Arm		0.00	0.00
89	Total Contributions	40,874.20	30000.00	30000.00
90	Grants & Other Income			
91	3080M20 Interest SL			
92	3300M20 · Other Income - S/L	3,995.73	750.00	750.00
93	Total Grants & Other Income	3,995.73	750.00	750.00
94	3400M20 · Transfers In - S/L	0.00	0.00	0.00
95	Total Income	44,869.93	0.00	1500.00
96	Gross Profit	44,869.93	30750.00	31500.00
97	Expense			
98	41110M20 Environmental SL			
99	Office, Supplies, Equip STL			
100	4080M20 Postage SL	1,678.84		
101	4100M20 Printing SL	1,218.60		
102	Total Office, Supplies, Equip STL	2,897.44		
103	4160M20 Public Health/Safety - SL		0.00	10000.00
104	4535M10 · Public Safety	76,912.00	20000.00	20000.00
105	4980M10 Contingency - Admin			
106	Total Public Education & Safety	76,912.00	20000.00	30000.00
107	Total Expense	82,706.88	20000.00	30000.00
108	TOTAL	82,706.88	10750.00	1500.00
109	TRANSFER IN	37,836.95	0.00	0.00
110	GENERAL FUND BALANCE	$ 60,027.00	$ 61,500.00	$ 63,000.00

LAKE MINNETONKA CONSERVATION DISTRICT
2026 BUDGET AND LEVY
(Preliminary DRAFT 04/30/2025)

City	2020 U.S. Census Population Data	2024 Estimated Market Value	2024 Net Tax Capacity	% of Total Net Tax Capacity (Note 1)	Share of Total Levy in 2020	Share of Total Levy in 2021	Share of Total Levy in 2022	Share of Total Levy from 2023 - 2025	**Share of Total Levy in 2026**	**Change in Total Levy from 2025**	**% Change from 2025**
DEEPHAVEN	3,703	$ 2,164,727,100	$ 24,316,900	5.4%	$25,798	$25,561	$20,032	$17,200	**$25,318**	$8,118	47.20%
EXCELSIOR	2,224	$ 898,042,200	$ 10,615,481	2.4%	$10,996	$11,555	$9,330	$7,938	**$11,053**	$3,115	39.24%
GREENWOOD	695	$ 575,973,000	$ 6,922,943	1.5%	$7,077	$7,335	$5,781	$4,830	**$7,208**	$2,378	49.23%
MINNETONKA	51,005	$ 13,593,922,600	$ 161,793,644	36.0%	$73,700	$75,000	$60,000	$51,000	**$75,000**	$24,000	47.06%
MTKA BEACH	524	$ 575,228,100	$ 6,726,583	1.5%	$7,009	$7,028	$5,700	$4,708	**$7,004**	$2,296	48.77%
MINNETRISTA	9,007	$ 3,068,665,400	$ 33,093,364	7.4%	$31,279	$31,819	$25,530	$22,343	**$34,456**	$12,113	54.21%
MOUND	8,670	$ 2,248,689,900	$ 24,531,151	5.5%	$23,620	$24,147	$20,012	$16,825	**$25,541**	$8,716	51.80%
ORONO	7,959	$ 5,012,008,500	$ 57,972,639	12.9%	$58,846	$59,500	$48,073	$40,802	**$60,360**	$19,558	47.93%
SHOREWOOD	7,465	$ 2,886,247,600	$ 31,987,967	7.1%	$33,119	$32,985	$26,258	$22,262	**$33,305**	$11,043	49.60%
SPRING PARK	1,594	$ 451,155,800	$ 5,552,020	1.2%	$6,007	$6,013	$4,926	$4,045	**$5,781**	$1,736	42.92%
TONKA BAY	1,697	$ 1,038,219,800	$ 11,304,578	2.5%	$11,422	$11,319	$8,979	$7,795	**$11,770**	$3,975	50.99%
VICTORIA	11,928	$ 2,595,453,300	$ 27,877,817	6.2%	$27,066	$29,463	$23,162	$20,267	**$29,026**	$8,759	43.22%
WAYZATA	4,252	$ 3,324,088,600	$ 41,381,494	9.2%	$46,201	$47,215	$37,380	$30,920	**$43,085**	$12,165	39.34%
WOODLAND	437	$ 520,684,800	$ 5,853,664	1.3%	$6,359	$6,059	$4,837	$4,065	**$6,095**	$2,030	49.94%
	111,160	$ 38,953,106,700	$ 449,930,245	100.0%	$368,500*	$375,000*	$300,000	$255,000	**$375,000**	$120,000	47.25%

Maximum Levy Per MN statute 103B.635 (Total Taxable Market Value * 0.00242%): **$942,665**

*** means Share of AIS Levy included in total**

(Note 1) Per MN statute 103B.631, no city may pay more than 20% of the total levy. The City of Minnetonka would pay a constant 20% of any amounts to be levied

Remaining cities factor for determining levy amounts is computed as: (City Net Tax Capacity / (Total Net Tax Capacity - Minnetonka Net Tax Capacity)) * 80%)* New Total Levy

Total Net Tax Capacity	449,930,245
less Minnetonka Net Tax Capacity	(161,793,644)
Net Tax Capacity for remaining 13 cities	288,136,601

City of Shorewood

City Council Meeting Item

Item
7A

Title/Subject:	**Water Infrastructure**
Meeting Date:	Monday, June 9, 2025
Prepared by:	Marc Nevinski, City Administrator Matt Morreim, Public Works Director Andrew Budde, City Engineer Jeanne Schmuck, Finance Director Jake Griffiths, Planning Director
Attachments:	See Memo Reference section

Executive Summary

Shorewood's Water Enterprise Fund is projected to run a negative balance by 2026, reaching an approximate $4.5M deficit by 2035 if current policies remain unchanged. Despite annual rate increases of 10% since 2019, the current funding model is unsustainable and places increasing strain on both the municipal water system and ratepayers.

This issue is not new. For over 30 years, the City has studied, discussed, and struggled with its municipal water policy. The result is a fragmented municipal water system, underutilized infrastructure, and a growing financial deficit in the fund. Growth and development in Shorewood have added additional resources to the system, but with limited development opportunities remaining, difficult policy decisions must now be made, as continuing the status quo for even a short amount of time will compound the problem.

There is no single solution to address this challenge, but city staff have outlined a range of options that would work together to address the financial deficit. The City Council is requested to consider the information in this memorandum, the various options, and direct staff as to which options should be pursued. Council's direction will inform the assumptions to be used in the Long Term Financial Management Plan which Northland Securities will present in late June. The direction will also be used in developing the 2026 budget.

Introduction

City water infrastructure has been a contentious topic for many decades. Currently, approximately 50% of Shorewood residents are connected to city water and 50% have private wells. Approximately 531 households have access to city water but choose to remain on their private well. In addition to a lack of residential connections, challenges facing Shorewood's water infrastructure are:

- Lack of clear vision on overall infrastructure decisions.
- Infrastructure is aging and will require costly maintenance and replacement.
- Minimal treatment in the city's water supply.
- Current utility funding for projects is spending down reserves.

At the request of City Council, city staff have prepared this memo to provide history, current infrastructure status, financial picture, and options to consider.

Memo References

This memo is intended to provide the city council with a robust historical and current picture of the city's water infrastructure. City staff reference historical content from previous work session, city council meeting and city council retreats. The following references are listed in chronological and numbered order and are available in the Agenda Center on the City's website under the June 9, 2025 regular meeting packet.

1. November 21, 1991 – A Study of The Support of Shorewood Property Owners for a Proposed City-Wide Water System – Report and survey results.
2. January 16, 1996 – Planning Commission Meeting Minutes – Joint meeting with city council discussing 20 year water plan.
3. January, 1996 – Water Distribution System Improvement Implementation Plan Report – Discussed citywide implementation of watermain over 20-year period.
4. March 9, 2006 – City Council Work Session Agenda Packet and Minutes – Council work session packet and minutes detailing capital bonding, water extension, connection policy and practice and watermain survey results.
5. January 20, 2010 – City Council Work Session Agenda Packet and Minutes – Council packet and minutes detailing items regarding the water connection policy.
6. February 4, 2010 – Water Connection Fees – History – Discussed the history of water connections and fees through 2010. Also includes July 1999 council memo regarding City Water Discussion – Study Session
7. February 22, 2010 – City Council Memo – Water Ordinance – Discussed amendments to water ordinance including using special assessments.
8. July, 2010 – Municipal Water Brochure – Brochure explaining water quality, assessment process, connection process and private well information.
9. December, 2011 – Shorewood, MN Citizen Survey Report of Results – Report and survey results of city survey that includes city water questions.
10. June 25, 2012 – City Council Work Session Agenda Packet – Water Plan Update
11. September 29, 2012 – 2012 Water Distribution Plan Update – Update to 1996 water distribution plan. Details implementation of citywide watermain over 20-year period.
12. August 27, 2018 – City Council Work Session Memo and Minutes – Water Connections – Council memo and minutes outlining strategies to increase water connections.
13. September 24, 2018 – City Council Memo and Minutes – Water Connections – Council memo and minutes providing detail for a utility bill insert.
14. February 27, 2023 – City Council Retreat Agenda Packet – Council memo providing detail for water treatment options.
15. January 26, 2024 – City Council Retreat Agenda Packet – Council memo providing details for City Infrastructure and Financing Strategies.
16. October, 2024 – Maps – Map showing which parcels have water available and which are connected or not connected to municipal water. Additionally, map showing areas that have requested water availability in their area.

17. January 27, 2025 – City Council Workshop Memo and Minutes – Information from meeting where direction was provided to City staff to move forward with requiring new subdivisions to connect to the municipal water system.
18. April 22, 2025 – Shorewood Water Connection Program DRAFT – Draft resident mailer for the water connection program.
19. April 28, 2025 – City Council Meeting Agenda Packet and Minutes – Information from meeting where action on subdivision regulations was tabled.
20. April, 2025 – Recent Home Sales Map – Map detailing recent home sales in relation to water availability.
21. May 9, 2025 – Public Water Supply Memo – Memo from Excelsior Fire District Chief regarding importance of a municipal water supply.
22. Private Well Testing Data from Rental License Program – Laboratory testing results of private well water at rental properties from within the last 3 years.
23. June, 2025 – City Water Citizen Survey Results – Survey results from a citizen survey that are specific to city water.
24. June, 2025 - Mill Street Survey Results
25. June, 2025 – Water Connection Summary Sheet

History

Prior to 1973, Shorewood residents were served by private wells. In 1973, the Amesbury development was built along with a deep well and distribution piping. The water infrastructure was paid for by the developer and was turned over to the city upon completion. During this time, the city struggled on whether to have city water or not. One early policy was that any new development of ten or more units was required to construct a community or city well and distribution system.

The following is a timeline of water utility assessments, connections and the water connection fee:

- Boulder Bridge and Woodhaven were built in the late 1970's and 1980 and were subject to the 10-lot water policy. Both developments included wells, pump houses and water lines at the cost to the developer. The Woodhaven well and pump house were decommissioned while the Boulder Bridge wells are still in operation today. Residents of Boulder Bridge paid $6,500 per lot while the costs are unknown for the Woodhaven development. The city negotiated deals with the developers for any future connections to the system outside of the developments. The cost was $2,000 plus interest.
- In 1981, the Badger well, pump house and water lines were installed as part of the Wild Duck Third Addition. The funding is unknown for the Badger system.
- In 1987, Shorewood Oaks constructed approximately one mile of watermain to extend the Boulder Bridge system to Shorewood Oaks. The watermain cost Shorewood Oaks residents nearly $6,000 per lot. The city renegotiated (extending it) the reimbursement agreement with Boulder Bridge and waived the $2,000 per lot reimbursement charge for Shorewood Oaks. It was decided by the City Council that residents along the watermain outside of Shorewood Oaks would pay a hook-up charge of $4,000. The Brynmawr development north of Boulder Bridge was the last development to connect for $4,000.
- In 1995, City Council was interested in a city-wide water system and ordered an update of the water distribution plan for the city. As part of the update, it was decided that new development

should pay a $5,000 assessment and a $5,000 “trunk charge” per lot for city water. The $10,000 came out of a plan to serve the majority of the city with city water in three phases over a 20-year time span. At the same time, the $4,000 hook-up fee was raised to $5,000. The Heritage development, south of Edgewood Road, was installed under that policy

- In 1996, Lundgren Brothers developed Marsh Pointe. The developer threatened a lawsuit objecting to the $10,000 in city charges in addition to their cost of installing the development’s water. They alleged that it was unfair that existing residents only paid $5,000 while new residents had to pay $10,000 and more. The City settled with the developer, reducing charges to $8,000 per lot.
- Following the Marsh Pointe development, the City amended its water policy to make the $10,000 ($5,000 assessment and $5,000 trunk charge) for all properties, new or existing. The City Attorney’s office advised the city that there was no statutory authority for a “trunk charge”. As a result, the city amended its code to include the term “connection charge”.

In January of 2010, city staff discussed the water connection policy with the Council at a work session. Discussion included revisions and additions to existing municipal code. Two options were proposed by city staff that would allow the council to initiate a watermain project without special assessments to adjacent property owners. The options are found in Memo Reference #5, PDF pages 17-24. At the end of the meeting, the Mayor stated that there was a consensus to not include the proposed language eliminating assessments in the ordinance. That being said, the following proposed language from the 2010 discussion reflects the City’s current practice.

903.181 CITY INITIATED WATER IMPROVEMENT

Subdivision 1. Initiating an Improvement

a. *The City Council may order the extension of municipal water as part of a planned road improvement project. If the Council makes such a determination, the feasibility report for the road improvement project shall include the feasibility of extending municipal water.*
b. *Upon determination and election to extend municipal water service as part of a planned road improvement project, the Council shall determine if the water improvement will be funded through a Special Assessment against benefiting property or if the improvement will be installed without a Special Assessment.*

Subd. 2. Improvement without Special Assessment. If the City Council elects to proceed with the project without the imposition of a Special Assessment, the Council shall proceed as follows:

a. *Residents abutting the road way where the improvement will be made will be sent notification of the improvement along with information on the municipal water system and costs to connect during the improvement project.*
b. *The City Council may hold a public hearing on the project. If the Council chooses to hold a public hearing on the project, such hearing will cover at least the following items:*
    i. *The estimated cost to complete the improvement;*
    ii. *The estimated cost for residents to connect to the System at time of construction;*
    iii. *The process to connect following completion of construction;*
    iv. *The estimated cost to connect following completion of construction;*

v. Any other information the City Engineer or City Council deems pertinent.

Subd. 3. Improvement with Special Assessment. If the City Council elects to proceed with the project and to assess the costs of the improvement to the benefiting homeowners, the City shall follow all the requirements of Minnesota Statute 429 as may be amended.

According to city records, property owners on Star Lane and Star Circle were assessed for watermain improvements along with the street reconstruction project. This project occurred in 2015 and it appears to be the last city water project that included assessments. All property owners connected to city water as part of the project. All city projects involving watermain after 2015 did not assess property owners for watermain improvements.

In summary, the implementation decisions around watermain have been inconsistent from project to project over the past 30-40 years. The city is currently following a practice that is not detailed in city policy.

Public Input

Over the past several decades the city has conducted a number of public engagement campaigns to seek public input on the municipal water system. These efforts have included several different methods such as statistical surveys conducted by professional consultants, public open houses and hearings for individual projects and proposed policy changes, and community surveys.

In 1991, the City conducted a statistical survey using an outside consultant to study the support of Shorewood property owners for a proposed city-wide water system. In 1996, public engagement was conducted around the Implementation Plan Report for Water Distribution System Improvements. In 2011, a statistical survey was conducted using an outside consultant which had a section devoted to seeking public input on the municipal water system. Since that time, several other less formal community surveys have also been conducted in-house which sought public input on the municipal water system. The 2025 community survey (not statistical; available online) recently closed at the end of May 2025 and a project specific survey related to the Mill Street Trail Watermain closed in early June 2025. Copies of these surveys and their results are attached for reference.

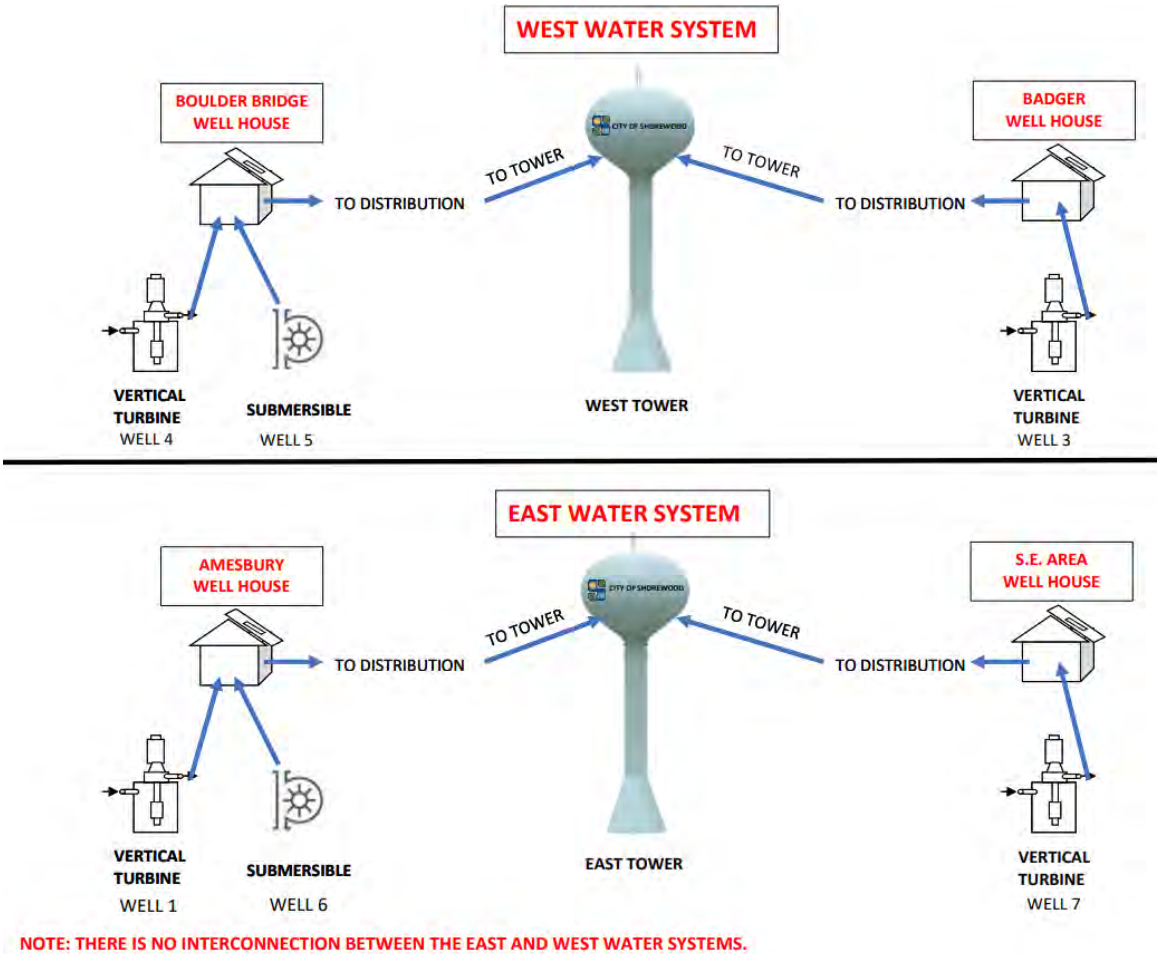
When reviewing these public engagement efforts, a trend has been that public perception of the municipal water system has generally been good. The most common reasons individuals do not connect to the municipal water system being that water is not available to their property or that the cost to connect is too expensive. This trend is echoed by the 2025 Community Survey, where 33.53% of respondents identified no connection being available and 36.47% of respondents identified that the cost to connect were the two most common reasons respondents were not connected to the municipal water system. Concerns about city water quality have historically been less important to residents, which is also echoed by the 2025 Community Survey where only 18.24% of respondents identified these concerns over water quality as a reason for not being connected. Detailed results from the 2025 Community Survey are attached for reference.

Aside from the public engagement and input that has already been conducted on the municipal water system over the past several decades, each of the options presented later in this report would require

their own level of public engagement or hearing as part of the evaluation and implementation process. Some level of public outreach and education is anticipated depending on the direction received for the options outlined in this report.

Current Water System

Shorewood has six municipal wells in four locations that range in flow capacity from 100-1000 gallons per day and range in depth from 280 feet to 640 feet. The municipal wells produce water from the Prairie du Chein-Jordan, St. Peter-Jordan, and Tunnel City-Wonewoc aquifers. Shorewood has two separate water systems, an east and a west system. The eastern system's primary well is Well 7 which is located at Silverwood Park and includes iron filters for treatment. During peak water demand in the summer, Well 7 is supplemented by wells 1 and 6 located in Amesbury. Typically, the western system's primary well is Well 3 located at Badger Park and in the summer supplemented by wells 4 & 5 located in Boulder Bridge. In 2023, the city switched wells 4 & 5 to primary due to their lower iron content compared to Well 3. All wells provide chemical treatment with chlorine and fluorine. The municipal water supply meets all regulated contaminate levels set by the Minnesota Department of Health but often there are complaints from residents about hardness and the amount of iron in the water.



Treatment Site ID	Location	Type (Groundwater, Surface Water, Interconnection)	Year Constructed	Treatment Capacity (Gallons per minute)	Well Depth	Treatment Method
Well 1	Amesbury	Groundwater	1973	750	528	Chemical addition
Well 3	Badger Park	Groundwater	1982	750	359	Chemical addition
Well 4	Boulder Bridge	Groundwater	1981	500	640	Chemical addition
Well 5	Boulder Bridge	Groundwater	1981	500	640	Chemical addition
Well 6	Amesbury	Groundwater	1982	100	280	Chemical addition
Well 7	Silverwood Park	Groundwater	1986	1000	415	Chemical addition, iron filters

The city has two water towers, one for the east system and one for the west system. Both systems operate at similar water pressure which will allow the two systems to be combined at some point in the future to add to the resiliency of the overall system. As comparison, most private wells are 100 feet to 250 feet deep and pull water glacial till acquirers. Lastly, the city has emergency interconnections available with surrounding communities of Minnetonka, Chanhassen, Victoria, and Tonka Bay.

Structure Name	Type of Storage Structure	Year Constructed	Primary Material	Storage Capacity (Gallons)
West Water Tower	Elevated storage	1995	Steel	500,000
East Water Tower	Elevated storage	1986	Steel	400,000
Total	N/A	N/A	N/A	900,000

The city has approximately 25 miles of 8” to 24” watermain providing distribution throughout the city and 435 hydrants. The existing watermain provides water service to 1568 residential and commercial parcels of which 1503 are connected to Shorewood and another 65 are connected to Tonka Bay, Excelsior, or Chanhassen. The existing system is available to another 531 homes that have not yet chosen to connect to the system. There are another 1224 buildable parcels within the city that do not currently have access to municipal water. This is determined by comparing the number of sanitary sewer users to watermain users and accounting for those parcels that are not connected. It is anticipated that the city will have adequate wells and storage to meet daily demands of the population to be served in the next 20 years. However, it is anticipated that either additional storage or higher capacity wells will be needed to serve the ultimate population and fire flow demand of approximately 8,000 residents, or approximately 3,348 services.

It is the city’s current practice to expand the distribution system on an opportunity basis. Typically, the addition of watermain is considered with other major infrastructure projects such as new development or street reconstruction projects. Typically, if the street is planned for full-deep reconstruction it is

most cost effective and efficient to install municipal water at that time. Watermain can also be considered when a street is slated for reclamation, like what was completed on Woodside Lane several years ago. Also, if there are petitions signed by supportive neighborhoods the city could further pursue adding watermain in other locations, but a larger burden of the overall project cost is placed on those petitioning.

Water Quality

The city's water supply is quality, consistent and in many cases better than private wells. As discussed previously, the city's main issues with the water supply are higher levels of iron and the lack of treatment. Iron is a secondary contaminant that's main downside is a visual issue. Most residents with private wells have similar issues with iron. The Minnesota Department of Health requires testing and reporting on arsenic, nitrates, and coliform for all new wells as of 2008. The city receives results of these tests, but they are often after in-house treatment and are not representative of the ground water source. Therefore, it is challenging to directly compare municipal water with private well water without more strategic testing of private wells.

Staff have gathered hydrogeological information from the DNR website and have focused images on Shorewood (memo reference 15). This information provides some basic visualization of private and municipal well depths relative to the source aquifers. Private wells typically source water from within 150'-300' of the surface and within geological glacial outwash that can be susceptible to surface water infiltration over time. Shorewood's municipal wells source water from 280 ft to 640 ft and are typically pulled from a confined aquifer below a layer of bedrock that is not susceptible to surface water infiltration. The figures also provide some information related to water chemistry and identify areas that have higher than the MDH standard for arsenic and manganese levels present in the shallower aquifer. This has been confirmed by some of the required reports from the MDH.

Below is a summary of results of the most common contaminants in drinking water. Lead and copper results are from a sample from resident taps. The remainder of the results are from the source water, or wells.

- Lead (2023): 0-5.9 parts per billion (ppb) (Environmental Protection Agency's action level: 15 ppb).
- Copper (2023): 0-0.75 parts per million (ppm) (EPA's action level: 1.3 ppm)
- Arsenic (2024): 4.13-4.9 ppb (EPA's limit: 10 ppb)
- Manganese (2025): 30-60 ppb (Minnesota Department of Health guidance values: 100 ppb for infants who drink tap water and 300 ppb for older than one year) –Note: Data is from field tests by city staff and not laboratory testing.
- Iron (2025): See results to the right (MDH guidance: 0.3 ppm (mg/l) is usually objectionable).

WELL	IRON Effluent (mg/l)
Amesbury - 1	0.46
Amesbury - 2	0.43
Boulder Bridge - 1	0.39
Boulder Bridge - 2	0.31
Badger	1.57
Southeast	2.22

Analysis of Private Wells

The Minnesota Department of Health (MDH) emphasizes that private well owners are solely responsible for ensuring their water is safe to drink. Unlike public water systems, private wells are generally not monitored, making them susceptible to contamination from various sources or a lack of adequate maintenance. Common contaminants in private wells across Minnesota include arsenic, nitrates, coliform bacteria, and lead, which can all pose significant health risks. For example, arsenic exposure is associated with an increased risk of cancer or other serious health effects. MDH recommends that private well owners regularly test their water and take appropriate actions to protect their health. These actions typically involve installation of costly water treatment systems into residential homes that can range anywhere from a few thousand dollars to $25,000-$30,000 depending on the level of contaminants.

Contamination in private wells is common in Shorewood. The City of Shorewood requires rental property owners to provide laboratory testing results for common contaminants as part of the rental licensing process to protect the health of the occupants of the rental property. If a private well at a rental property has contamination more than MDH's guidelines for safe drinking water, the landlord is required to provide treatment and ensure the water is safe before a rental license is issued. Of the 79 rental properties with private wells, 98.7% had detectable contamination, and 11.4% had contamination that exceeded MDH safety limits. Arsenic is the most prevalent contaminant and was present in nearly every well that was tested. Other concerning contaminants known to be in the area's private wells include coliform bacteria, nitrates and lead. While the municipal water system is tested regularly and treated for these contaminants, private well owners are entirely responsible for their drinking water and the costs associated with ensuring its safety.

Comparison

The municipal water system is as good as, and often better than, private well water due to its consistent quality, professional monitoring, and protected sourcing. While both systems can experience elevated iron levels, municipal water is regularly tested, treated, and drawn from deeper, more confined aquifers less susceptible to contamination. In contrast, private wells are typically built much shallower and are more vulnerable to common contaminants including arsenic, nitrates, coliform bacteria, and lead. Private wells can also be susceptible to drying up during severe drought conditions. Unlike the municipal water system, private wells are not routinely tested and require homeowners to invest in costly treatment systems to ensure safe drinking water. Data from Shorewood's rental licensing program underscores the fact that nearly all private wells tested have detectable contamination which indicates that there is widespread private well contaminants in Shorewood. By comparison, the municipal water system is subject to rigorous testing and state oversight, which provides residents with a more reliable and safer source of drinking water.

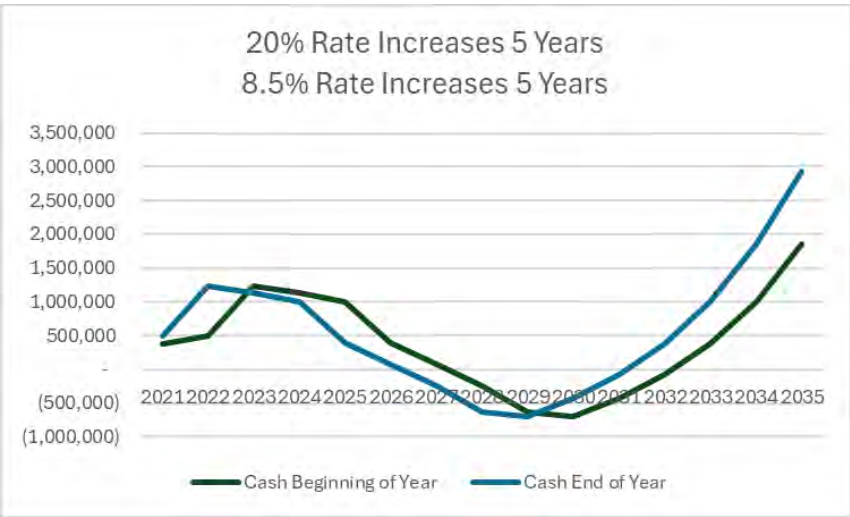
Financial

Due to the unique challenges that Shorewood faces, the water utility fund's reserves are depleting, and it is projected to go into a deficit over the next 10 years.

The present plan for financing the water fund since 2019 has been to implement 10% annual rate increases. With the City's current system, the Water fund is projected to have a negative cash position by 2026. With the trajectory of an ending negative cash balance of $4,496,756 by 2035.



Utilizing Shorewood's current practice of rate increases to offset the cash shortages, rates would need to increase 20% annually over the next 5 years and 8.5% for the remaining 5 to meet the City's Reserve Policy in 2034. The Water fund would also need to supplement the CIP projects with bonding.



Strategies

Stabilizing and improving the long-term viability of the water fund will require multiple strategies. Generally, it is not sustainable at this point to solely raise rates of existing water customers to cover the costs of all the water infrastructure. Alternative funding options are needed to cover, at a minimum, the negative cash balances and then to work towards achieving the goal of the newly adopted Reserve Policy to retain an adequate level of reserves and provide for cash flow requirements and contingency needs.

It is challenging to estimate the number of residents that would connect if the city implemented some or all of the options. In the past, connection assumptions tended to be overestimated and subsequently over inflated potential revenue. Currently, the water connection fee is $10,000 per unit. Additionally, an average residential consumer generates an additional $150-$500 per year in water usage fees.

The following connection and alternative funding strategies can be utilized individually or in combination. As the list of options progresses, they tend to become more complex, costly and/or controversial. Council will be asked to provide formal direction to determine which options should be pursued or not pursued. If there are specific details, information, or direction desired for the selected options, Council should include that in its motion so the information can be included in future consideration.

Option 1 - Improve Public Perception

The city has a general public relations issue in that many residents believe that the city's water is bad and poor quality. Many employees and city officials hear this sentiment from long-term residents and others, and it appears to have a negative impact in the community. The city's water supply is quality, consistent and in many cases better than private wells. As discussed previously, the city's main issues with the water supply are higher levels of iron.

The Council may wish to consider an informational campaign that begins to tell an accurate story of the city's water quality and system. The campaign could include general information about the water system and water quality results from the city and perhaps compare to available private well data. Additionally, the campaign could communicate additional options described in Options 2 and 3 if the council decides to move forward.

Staff estimate that the cost of a campaign would be around $5000 not including city staff time. It is anticipated that the campaign would continue for 3-5 years in some form utilizing the materials and methods created in year one. The ongoing campaign after year one is anticipated to cost $2000 per year.

Option 2 – Implement Organized Connection Program

The city could choose to lead a city or area wide project that helps facilitate installing a water service from the existing watermain or curb stop into their house. This provides economies of scale, helps manage costs and eliminates much of the challenging coordination between residents and contractors. Initial start-up work would include developing an application process that would include connection information, educational information, online forms, right-of-entry agreements, funding forms, budgeting estimates, etc. This effort could possibly commence in 2026 and could be paired with funding options detailed in Option 3.

The estimated start-up cost of the connection program is $5000. Following the initial start-up, the estimated ongoing city cost of the program is $1000-$3000 per resident. This cost would include all the design work, resident and contractor coordination, and construction inspection and would be included in installation costs.

Option 3 – Implement Water Availability Fee

The city could apply the base water fee (currently $32.51/quarter) as a water availability fee for all properties that have water available but have chosen not to connect. The base fee would help fund the water utility's fixed expenses, such as system operations and maintenance, which are about 70% of the total system costs. This fee could be included in the 2026 master fee schedule as a Water Availability Fee. The estimated revenue from 2026-2035 would be $254,391.

Option 4 – Implement Infrastructure Fee

The city could implement an infrastructure fee for all residents that do not have water directly available but benefit from the city's overall existing water infrastructure. Municipal water infrastructure helps support all Shorewood residents with public safety and fire protection, reduction in homeowner's insurance, and access to water at public facilities (See memo from Fire Chief). Additionally, the public water supply is more resilient during more severe droughts due to the depth of the city's wells.

The proposal is to put the infrastructure fee in place beginning in 2027 at an initial rate of $10 per quarter, with $1 increase annually. Shorewood could take the remainder of 2025 and all of 2026 to educate and promote the benefits of this added infrastructure fee. The estimated revenue from 2027-2035 would be $470,232.

Option 5 – Modify the Water Usage Rate Structure

The current rate structure was adjusted in 2008 to modify the first tier from 10,000 to 5,000 to reward water conservation. Revising the existing rate structure to introduce an additional tier at 25,000 gallons of consumption to continue promoting water conservation could look as follows:

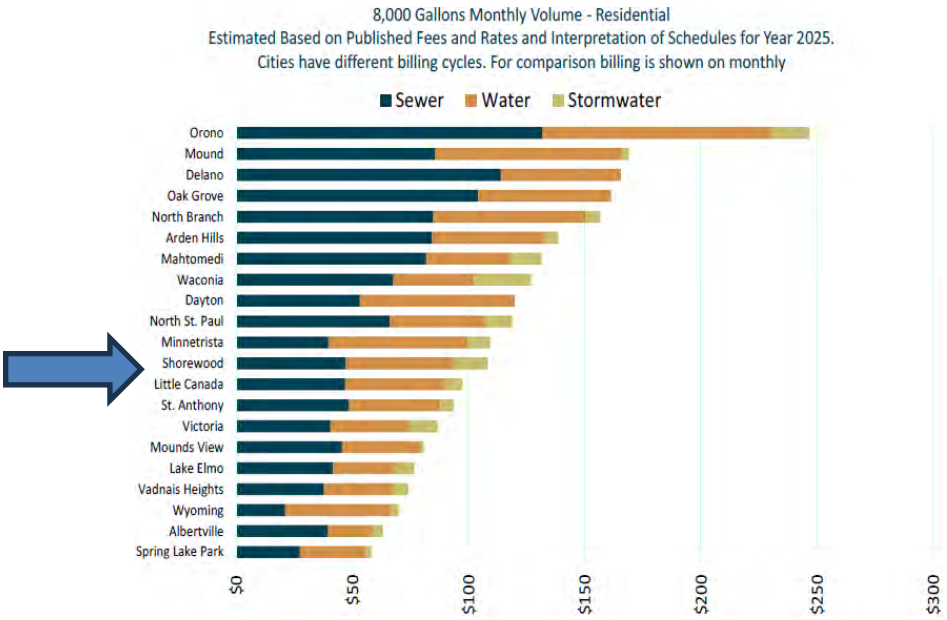
	Per 1,000 Gallons Per Quarter	
	Current Rates	Proposed Rates
Base Fee	$ 32.51	$ 32.51
0-5,000 Gallons	$ -	$ 1.75
5,001-25,000 Gallons	$ 5.49	$ 5.75
25,001-50,000 Gallons	$ 5.49	$ 8.65
Over 50,000 Gallons	$ 7.89	$ 10.35

The estimated revenue from 2026-2035 would be $2,102,903.

NOTE: If options 3, 4, & 5 are implemented as discussed, rates would still remain competitive and continue to promote conservation.



See below for water usage fee comparison based on 8,000 gallons of monthly water usage.



<u>Option 6 – Allow Assessment of Complete Water Connection Costs</u>

The City could revise or develop policies to more comprehensively mitigate the financial impact of connecting to municipal water. This concept allows residents to assess the complete water connection costs, not just the $10,000 connection charge, which would include the connection charge, the cost of the connection from the lateral to the house and any required plumbing modifications.

<u>Option 7 – Require New Subdivisions to Connect</u>

This option was previously presented to the City Council at the January 27, 2025, City Council Workshop and April 28, 2025, City Council meeting. Staff reports and minutes from these meetings are

attached for reference and provide detailed background on this option. This is not a complex option to implement and could be presented for adoption at an upcoming City Council meeting if the Council desired. The City Council previously provided direction to city staff to implement this option at the January 27, 2025, City Council Workshop. However, at the April 28, 2025, City Council meeting adoption of this policy as part of broader updates to the City's Subdivision Ordinance was tabled.

This option would essentially require that all new developments be connected to the municipal water system. A new development is defined as a lot split, where one property is divided into two properties, or a plat, where one property is divided into three or more properties. If infrastructure was not available, the developer would either need to pay the cost to extend the infrastructure to the site, work with the surrounding neighborhood to petition the city to install infrastructure or wait until infrastructure is extended. This type of regulation is very common in cities in the region and helps ensure orderly and efficient development without passing the costs of infrastructure expansion on to the residents of the community. New developments without municipal water connection also do not install fire hydrants which presents a challenge from a public safety perspective.

For every residential lot that is built without connecting to the municipal water system, it costs the city approximately $14,855 over 5 years in lost revenue, and $22,674 over 10 years, based on the City's current rate structure and fee schedule. This revenue would have gone to the Water Enterprise Fund if municipal water connection was required for every new subdivision, which would help address the fund's deficit.

Option 8 – Require Connection Upon Sale of Home

The city could revise the municipal code to require that all new residents purchasing a home that has water available would be required to connect to municipal water. In review of the past 7 years of home sales (including 2025) this would have generated 85 new connections. The option to consider would be to put the sale of home water connection requirement in place beginning in 2026. The policy could consider giving new homeowners a period of time to perform the connection work (i.e. 180 days). Following the 180 days, the property would be assessed the connection fee which would only be triggered if connection did not occur. The details of this option would need to be worked out as part of development of the program. It is estimated that the sale of home connection requirement would apply to 3-7 homes per year. The estimated revenue from 2026-2035 would be $204k-$476k in connection fees with consumption fees on top of those estimates.



Option 9 – Require Connection Upon New Home Build or Complete Reconstruct

The city could revise the municipal code to require all property owners building a new home or completely rebuilding a home that has water available would be required to connect to municipal water. The number of homes that fall under the above situation are:

- 2021 – 2 Homes
- 2022 – 4 Homes
- 2023 – 2 Homes
- 2024 – 5 Homes

Similar to option 8, this policy would put the new home or complete rebuild of home water connection requirement in place beginning in 2026.The number of connections would vary based on the number of new home builds or complete reconstructs. Currently, each new resident that connects to municipal water would generate $10,000 in connection fees and $150-$500 per year in water usage fees.

Option 10 – Require Connection Following a Watermain Project

The City could revise the municipal code to require connecting to municipal water as water infrastructure becomes available. Future new watermain projects would go through the typical public approval process and be approved by Council. Currently, there are a number of watermain infrastructure projects in the 10-year capital improvement plan (CIP). With this change, all property owners would be required to connect to municipal water as part of the project.

This option suggests putting the new-watermain connection requirement in place beginning in 2026. The timeline to connect could be within 6 months or 2 years of the project completion, or upon failure of existing well. The number of connections would vary per watermain project. Currently, each new resident that connects to municipal water would generate $10,000 in connection fees and $150-$500 per year in water usage fees.

Option 11 – Increase the Water Connection Fee

The $10,000 water connection fee was established following the Marsh Point development in 1996. Since that time the $10,000 water connection fee has not been changed; however, there have been significant increases in materials and labor costs that have added to the cost of installation and maintenance of municipal water infrastructure. Based on the Consumer Price Index, simply adjusting the water connection fee for inflation without factoring in actual infrastructure costs would increase the fee from $10,000 to $20,776.88. The exact fee amount would need to be evaluated further, however adjusting for inflation would likely be a starting point for that analysis.

Option 12 – Improve Water Treatment

A frequent comment or complaint regarding the city's water supply is quality, most notably the hardness and the higher amounts of iron. Over the past two years, staff have performed water testing and implemented short-term, lower-cost solutions to improve water quality. The short-term, lower-cost solutions are:

- Adjust well priority on the east and west systems to put the wells with the lowest amount of iron in the lead. This will result in the majority of water supplied to the system coming from wells with less iron.
- Perform additional watermain flushing to clear iron build-up from pipes. Citywide watermain flushing was completed routinely in the past. Staff noted areas that have more significant iron build-up and perform additional watermain flushing in those areas. The best example is longer dead-end cul-de-sacs where the watermain is not looped.
- Remove the iron build-up from the base of the water towers tanks. Each water tower outlet has a standpipe that discharges approximately 2-3' above the bottom of the tank. Over time, iron settles out in the tower and needs to be cleaned out periodically. The tanks will be cleaned out in the fall of 2025. Moving forward, staff plan to perform routine tower cleaning to remove iron build-up.

Additional improvements to water quality will require improved or new water treatment at each of the well locations. A current project is in progress to optimize the SE area well filter. The project is scheduled to be substantially completed in late 2025. Following completion, iron levels will be reduced to levels below 0.30 ppm. Staff have begun to investigate treatment options at each of the other well locations and associated budgetary costs. Treatment options are unique at each well location. Amesbury and Boulder Bridge locations may involve treatment equipment only as the existing building may have enough footprint to house treatment equipment. City staff have recently met in May 2025 with a metropolitan suburb regarding the potential purchase of existing water treatment equipment for the Boulder Bridge location. The treatment feasibility and project scoping would need to be completed to move forward. Badger location would involve a building and treatment equipment.

It is recommended that staff evaluate treatment options to enhance treatment discussed above and provide a more detailed cost analysis and feasibility.

Option 13 – Require Connection Upon Large Home Renovation

The city could revise the municipal code to require that all property owners performing a large home renovation that has water available would be required to connect to municipal water. This option could be put in place in 2026 but would require extensive education for residents, real estate agents, buyers and contractors. The challenge for this option is developing and maintaining appropriate criteria to trigger the connection requirement. Consideration may be given to the value of the building permit, if the work includes plumbing modifications, or the size of the modification, among other factors. The number of connections would vary based on the renovation criteria and the number of residents that would meet the criteria. This option would also need additional research and coordination with the City Attorney.

Option 14 – Require Connection to Existing Watermain

The city could revise the municipal code to require connecting to existing municipal water where it is available. Currently, 531 households have municipal water available and are not connected. A water connection requirement was implemented in Shorewood in 2003 for commercial properties and residential properties over 4 or more units if water is available. This option could be put in place in 2026. Consideration may be given to the timeline to connect, such as within 2 years, 5 years or upon failure of existing well or some other event. Currently, each new property that connects to municipal water would generate $10k in connection fees and $150-$500 per year in water usage fees.

Option 15 – Amend City Code for Service Ownership

Currently, the city's municipal code defines ownership of water utility services from the watermain to the property line/curb stop. Property owners are responsible for the service from the curb stop valve into their residence or building. Water services are more often maintained by the city from the watermain to the curb stop or valve. This arrangement increases risk and costs to the City and the water fund. Chanhassen and Excelsior own the water service to the curb box. Minnetonka owns the water main only, but they have historically made repairs to water services to the curb box.

Water service line municipal code language is as follows:

903.07 SERVICE PIPES (WATER)

Subd. 1. Maintenance and repair. It shall be the responsibility of the property owner to maintain the service pipe from the curb box into the structure. In the case of failure upon the part of the property owner to repair any leak occurring in his pipe within 24 hours after verbal or written notice thereof, the water will be shut off and will not be turned on until the service charge, as established by ordinance of the Council, has been paid and the leak repaired. When the waste of water is great, or when damage is likely to result from the leak, water may be turned off immediately pending repairs.

The concept is to revise the current municipal code to have the property owner, not the City, be responsible for the water service pipe from the watermain to their house. The estimated revenue saved would be $10k-$30k per year. The estimated revenue saved from 2026-2035 would be $100k to $300k.

<u>Option 16 – Utility Assessments</u>

Implementing project assessments (MN Statutes Chapter 429) has potential benefits and drawbacks. The benefits of assessments include:

- Increased project funding outside of the general tax levy and dedicated specifically for improvements that mostly benefit adjacent properties
- Increased community engagement
- Properties exempt from taxes can be assessed

Drawbacks include:

- Significant statutory and administrative process
- Added time and costs
- Requirements for meeting the “special benefit” threshold (i.e. the assessment cannot exceed the property value increase resulting from the improvement)
- Potential for opposition to the assessment

The statutory required minimum percentage of special assessments is 20% of the improvement cost, so other sources of funds would likely still be required. The decision to implement project assessments should be made considering the specific project, community context, and potential impacts. Careful planning, transparency, and a commitment to equity are essential for ensuring that project assessments are a fair and effective way to fund projects. Development of an assessment policy would be necessary to define the details and practices of assessing improvement projects.

Many metro cities utilize special assessments to partially fund infrastructure improvements including Chanhassen, Hopkins, St. Louis Park, and Eden Prairie. Conversely, some cities have opted not to assess for improvement and instead fund them using general fund dollars or other resources.

The current city code 903.18 Subd. 2.a.1 includes language on how residents can petition the city to extend water main.

Subd. 2. *Special assessment procedure.*

a. *Initiating the improvement.* Improvement proceedings may be initiated in any one of the following four ways:

(1) *One hundred percent petition.* By a petition signed by 100% of the owners of real property abutting any street named as the location of the improvement. Upon receipt of a petition of 100% of the abutting property owners, the City Council must determine that it has been signed by 100% of the owners of the affected property. After making this determination, a feasibility report shall be undertaken and the project may be ordered without a public hearing, pursuant to the procedures set forth in M.S. § 429; or

(2) *Thirty-five percent petition.* By a petition signed by the owners of not less than 35% of the frontage of the real property abutting on the streets named as the location of the improvement, when the property owners are willing to pay the entire cost of the improvement. Upon receipt of a petition of 35% of the owners of abutting frontage, the City Council must determine that it has been signed by 35% of the owners. After making this determination, a feasibility report shall be undertaken and a public hearing shall be scheduled to consider the project, pursuant to the procedures set forth in M.S. § 429; or

(3) *Sixty-seven percent petition.* By a petition signed by the owners of not less than 67% of the lots or parcels abutting on the streets named as the location of the improvement. Upon receipt of a petition of 67% of the owners, the City Council must determine that it has been signed by 67% of the owners. After making this determination, a feasibility report shall be undertaken and a public hearing shall be scheduled to consider the project. If an improvement is ordered, benefitting properties shall be assessed pursuant to the procedures set forth in M.S. § 429; or

(4) *By the initiative of the City Council.* If the City Council determines to order an improvement, a feasibility report, as set forth in c. below, shall be undertaken and a public hearing shall be scheduled to consider the project. A simple majority vote of the City Council is needed to start the proceedings. If an improvement is ordered, benefitting properties shall be assessed pursuant to the procedures set forth in M.S. § 429.

The city's practice over at least the last six years has been to incorporate water main improvements with a major street improvement project and not assess the abutting property owners. If the policy or practice of watermain improvements is adjusted, an update to this code section is recommended.

<u>Option 17 - Delay City Initiated Watermain Infrastructure Projects</u>

Edgewood Road, Grant Lorenz Road and Noble Road reclamations in the current CIP scheduled for 2028, 2029, & 2031 are City initiated watermain infrastructure projects. These could be pushed back, and the next improvements would only be mill & overlays. The water portion of these projects total $2,099,390. This will have a minimal impact on the overall shortfalls within the Water Fund however, as they were proposed to be funded with bond issuances to complete the projects.

<u>Option 18 – Reduce or Eliminate Water Utility Indirect Costs</u>

Indirect costs in the water utility includes paying for the time and resources spent on the fund by Finance, Administrative, and Communication staff.

The options to consider would include:

- Reduce indirect costs in the water utility fund by a prescribed amount. This option would save variable amounts of funds in the water utility fund.

- Eliminate all indirect costs in the water utility fund. This option would save the water utility fund $1,180,474 through 2035. This would equate to approximately 1.55% levy increase which is applied to each parcel within the City based on market value and classification rate.

Both options would include the need to cover the indirect costs through an increase in general fund spending. The general fund is supported by the overall tax levy and covered by all property tax payers throughout the City.

Option 19 – Annually Levy to Supplement the Water Fund Shortfall

The current trajectory shortfall of $4,496,756 by 2035 being supplemented by the property tax levy would be applied to each parcel within the City based market value and classification rate. This would equate to approximately 5.92% levy increase.

Action Requested

The following motions are suggested to guide discussion and provide direction regarding the options above. Based on the direction provided by Council, staff will then bring back to formal policies or program description for consideration at later dates, whether it be during the budget process or as council meeting agenda items.

1. Motion to pursue / not pursue Option 1 - Improve Public Perception
2. Motion to pursue / not pursue Option 2 – Implement Organized Connection Program
3. Motion to pursue / not pursue Option 3 – Implement Water Availability Fee
4. Motion to pursue / not pursue Option 4 – Implement Infrastructure Fee
5. Motion to pursue / not pursue Option 5 – Modify the Water Usage Rate Structure
6. Motion to pursue / not pursue Option 6 – Allow Assessment of Complete Water Connection Costs
7. Motion to pursue / not pursue Option 7 – Require New Subdivisions to Connect
8. Motion to pursue / not pursue Option 8 – Require Connection Upon Sale of Home
9. Motion to pursue / not pursue Option 9 – Require Connection Upon New Home Build or Complete Reconstruct
10. Motion to pursue / not pursue Option 10 – Require Connection Following a Watermain Project
11. Motion to pursue / not pursue Option 11 – Increase the Water Connection Fee
12. Motion to pursue / not pursue Option 12 – Improve Water Treatment
13. Motion to pursue / not pursue Option 13 – Require Connection Upon Large Home Renovation
14. Motion to pursue / not pursue Option 14 – Require Connection to Existing Watermain
15. Motion to pursue / not pursue Option 15 – Amend City Code for Service Ownership
16. Motion to pursue / not pursue Option 16 – Utility Assessments
17. Motion to pursue / not pursue Option 17 - Delay City Initiated Watermain Infrastructure Projects
18. Motion to pursue / not pursue Option 18 – Reduce or Eliminate Water Utility Indirect Costs
19. Motion to pursue / not pursue Option 19 – Annually Levy to Supplement the Water Fund Shortfall

A majority vote by the Council is required.

City of Shorewood

City Council Work Session Item

Item 7B

Title/Subject:	**Mill Street Trail Watermain, City Project 24-07**
Meeting Date:	June 9, 2025
Prepared by:	Andrew Budde, City Engineer
Reviewed by:	Matt Morreim, Public Works Director; Marc Nevinski, City Administrator
Attachments:	**Overview Map, Resident Survey Results, Resolution**

Background:

Hennepin County is the lead agency for the planning and construction of a pedestrian trail along Mill Street (CSAH 82) from the Carver County/Chanhassen boundary up to and into the City of Excelsior that is planned to be constructed in 2026. The county is currently between 60% and 95% design and plans to bid the project this late summer/fall. Shorewood has been considering the extension of watermain along Mill Street in coordination with the project. However, there are some challenges and opportunities to consider and are described in more detail below.

1. Resident Interest: Over the last five years there have been many inquiries for residents along or near this corridor to be able to connect to municipal water. The inquiries are mostly due to many of the existing wells in the area being constructed in the 1980's, are 40+ years old, and starting to become problematic for the property owners. Most private wells in this area range from 150 ft to 200 ft and terminate in an unconfined aquifer closest to the surface. This aquifer is replenished by surface waters, is most susceptible to potential surface contamination, and susceptible to drying up in severe droughts. Also, many residents' comments on the high levels of iron in the wells and install treatment systems beyond a water softener.

2. Resident Survey/Feedback: In attempts to seek feedback on this project staff distributed a survey to the 25 residents that could connect to watermain if it was extended. Staff also hosted office hours so residents could ask more detailed questions. Approximately 1/3 of the residents answered the survey, three residents stopped in with questions during office hours, and two other residents inquired via phone or email. The results of the survey are included as an attachment and produced results consistent with other surveys that the city has completed. Most residents are supportive of having water available, the desired timing of connection varies, and the cost to connect are significant concern.

3. Estimated Costs: The estimated total project cost is $730,000 for watermain work in the right of way and includes the main and service stubs. This equates to $29,000 per service. If the city were to require these residents to connect, and include the connection work as part of the project, there is an estimated additional cost of $390,000 +/- for all water

services to be directionally drilled into residents' homes. This averages about $15k per service and ranges from $6k to $50k depending on how far away the house is from the right of way. So, a resident's overall costs to connect could range from $16k to $60k. There is an estimated $200,000-$300,000 costs savings to the city by constructing the project in coordination with the Hennepin County trail project as it will minimize the amount of roadway pavement repairs, sediment & erosion control, turf establishment, temporary easements, and provides for utility coordination that would typically be 100% city costs.

The reason that the cost per stub is so large, at $29,000, is the average frontage along this project is 193 feet per parcel. This is double and triple the width of lots in Minnetonka Country Club. The current R-1A zoning in this area requires a minimum lot frontage of 120 feet & 40,000 SQ FT minimum, only one of the lots along the project could be subdivided, so watermain would not be propagated via development/lot splits unless there are zoning and/or policy changes.

4. Served by Chanhassen: This area of Shorewood is currently served water by the City of Chanhassen at an interconnection on Apple Road. Chanhassen has multiple treatment facilities and softens their water and water quality concerns with Shorewoods treatment is irrelevant. Shorewood purchases the water from Chanhassen and then bills the residents. Chanhassen has indicated that if Shorewood wanted to expand the distribution system to the residents along Mill Street that they would have adequate capacity.

5. Interconnect of East-West Systems: Shorewood currently has two interdependent watermain systems referred to as the East and West that are planned to be interconnected at some point in the future. The systems would be connected via a 12" watermain. The 12" watermain currently exists under Bracketts Road but would also need to be extended along Murray Street west of this area and Christmas Lake Road/Radisson Road to the east before the two systems could be interconnected. If Shorewood wanted to plan on eventually getting the residents currently served by Chanhassen's system onto Shorewood's production/distribution system, it would be most economical to connect to the West System as it is currently located in Chaska Road. This western connection would still be a multimillion-dollar watermain investment.

6. Fire Hydrant Benefit & Insurance Savings: Insurance companies consider an Insurance Services Office (ISO) rating, or "Fire Score" when determining homeowner's premiums. ISO ratings range from 1 to 10 (1 being the best) and consider a variety of factors about the fire department and surrounding communities. 50% of the score comes from the quality of the fire department, including staffing, training, and location of the firehouse. 40% is for the water supply, including the number of fire hydrants and how much water is available to put out fires. The remaining 10% is based on the quality of the 911 communication system. All insurance companies handle the ISO ratings differently, so it is challenging to determine an exact dollar amount. The addition of small segments of watermain and hydrants such as Mill Street likely has a minimal impact on the overall ISO rating, however it is leading

towards overall improvement of the ISO rating and significantly reduces the response time for structure fires.

7. Current State Legislation: As discussed at the March 24 council meeting were several bills in the legislature that could significantly increase land use density. Although this proposed legislation did not pass in 2025, if future attempts are successful, many of the lots in this area could develop into higher density units, and based on current city policy, would need to install wells if watermain is not available.

Financial or Budget Considerations:
Currently this project is budgeted for in the Capital Improvement Plan (CIP) for construction in 2026 with a budget amount of $2.4 million from the Water Fund. This budget amount was based on a much larger project scope that included water in Hillendale and Brand Circle, conservative assumptions, and running services inside residents' homes.

As discussed on several occasions over the last year and on the previous agenda item, the Water Fund balance is trending downward and strategies to remedy the fund balance need to be put in place. However, this project is led by Hennepin County and the city must decide if it would like to move forward with design and bidding of the watermain. The city could decide this fall, after bids are received, if it would like to proceed with construction. The staff submitted State Bonding Request but was unsuccessful due to no state budget currently being passed.

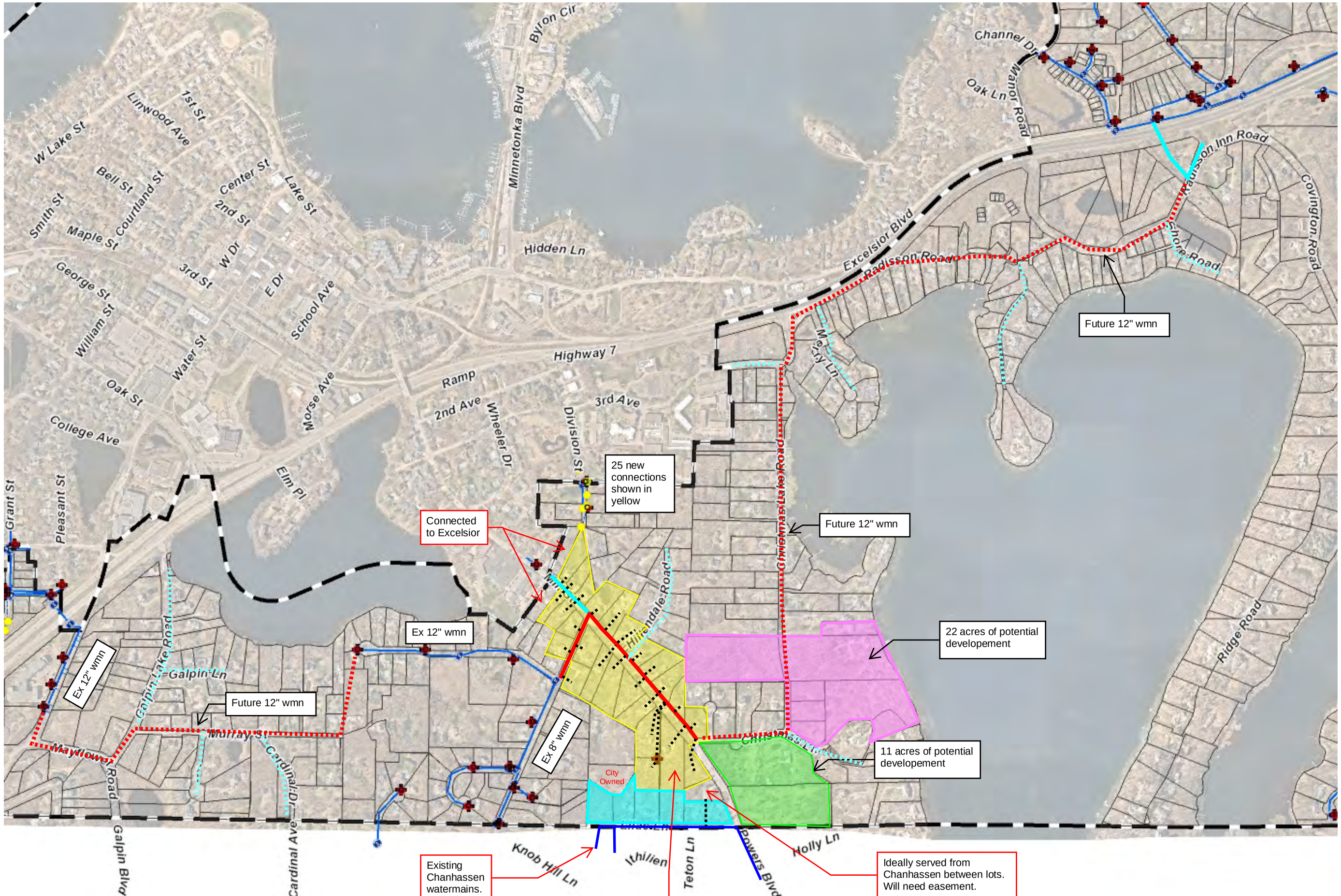
Watermain Project Costs =	$730,000
Water Service Connection Project Costs =	$390,000
Total Expenditure =	$1,120,000
Water Availability Charge (WAC) =	$250,000 (25 connections at $10k)
Water Service Connection Assessments =	$390,000 (5-10 years)
Total Revenue =	$640,000
Net Cost for city =	$639,000

The budgets contain estimated costs for construction and engineering. It is expected that the administrative and engineering costs will be lower than typical projects because the county will be completing most of the topographic survey and SWPPP/erosion control/turf establishment sheets along Mill Street. The city will need to acquire a survey and prepare all design information for the work on Apple Road that is outside of the county construction limits. The county will also be preparing the bidding documents and bidding the project. It is anticipated that engineering design and project administration for the watermain work within the right of way will be around $54,000, or approximately 8% of the construction costs. If city chooses to implement Option 2 – Implement Organized Connection Program from the prior agenda item, it would add approximately $1,000-$3,000 in administrative costs per connection. This effort goes towards developing an application process that would include connection information,

educational information, online forms, right-of-entry agreements, funding forms, budgeting estimates, ect. Construction inspections of the watermain will also need to be completed by the city, however it will need to be coordinated with the county and would be memorialized in a future Joint Powers Agreement that will be required for the project.

Action Requested:
Staff recommends the city council authorize the preparation of the Final Plans & Specifications for the Mill Street Trail Watermain Project, City Project 24-07. This will include implementing any strategies directed by the City Council during the previous agenda item related to overall Watermain Infrastructure Policy.

A majority vote of the Council is required.



Legend

- Water Meter
- Water Well
- Water Pump
- Water Curbstop
- Water Hydrant
- Water Valve
- Tonka Bay Tower
- Water Tower/Storage
- Water Pipe
- Water Service Pipes
- Parcels 01/16/2023
- City Limits
- HennepinCounty_MN_Nearma
  - Red: Band_1
  - Green: Band_2
  - Blue: Band_3

Mill Street Trail/Watermain

0 714 Feet

© Bolton & Menk, Inc - Web GIS 8/24/2023 9:40 AM

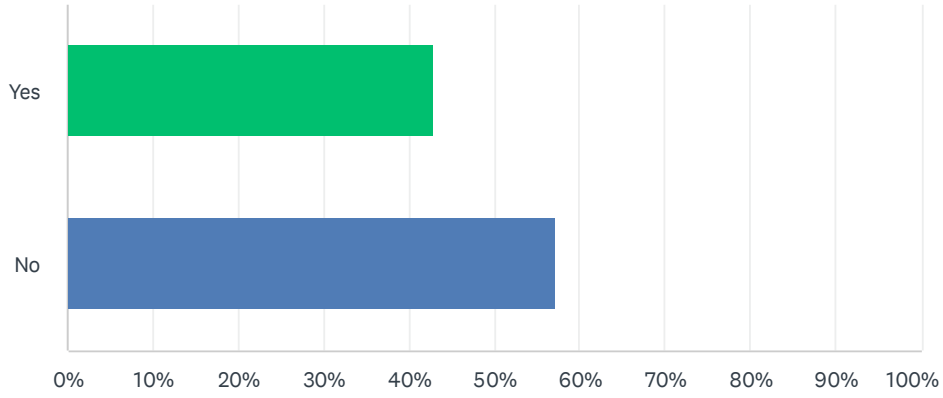
BOLTON & MENK
Real People. Real Solutions.

Disclaimer:

This drawing is neither a legally recorded map nor a survey and is not intended to be used as one. This drawing is a compilation of records, information, and data located in various city, county, and state offices, and other sources affecting the area shown, and is to be used for reference purposes only. The City of Shorewood is not responsible for any inaccuracies herein contained.

Q1 Have you completed any significant maintenance on your private well and/or treatment system in the last 5 years?

Answered: 7 Skipped: 1



ANSWER CHOICES	RESPONSES	
Yes	42.86%	3
No	57.14%	4
TOTAL		7

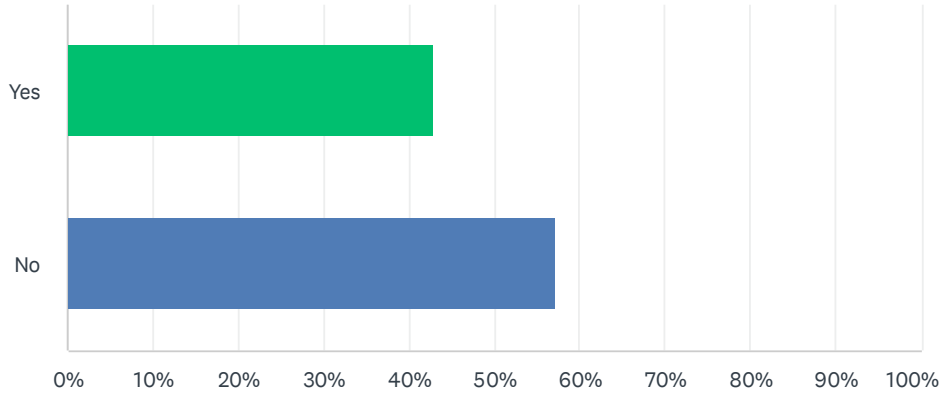
Q2 If yes, please provide details. (i.e. cost, items fixed, etc.)

Answered: 3 Skipped: 5

#	RESPONSES	DATE
1	New well pump, pressure tank, iron filter and softener	5/28/2025 7:17 PM
2	New softener, mixing tank, and iron filter with chlorination system	5/27/2025 9:29 PM
3	Fitting on connection from well to house cracked 2 years ago in winter had it fixed	5/25/2025 9:49 AM

Q3 Have you had your well water tested prior to treatment and after treatment and are you willing to provide the results? If yes, please email results to engineering@ci.shorewood.mn.us

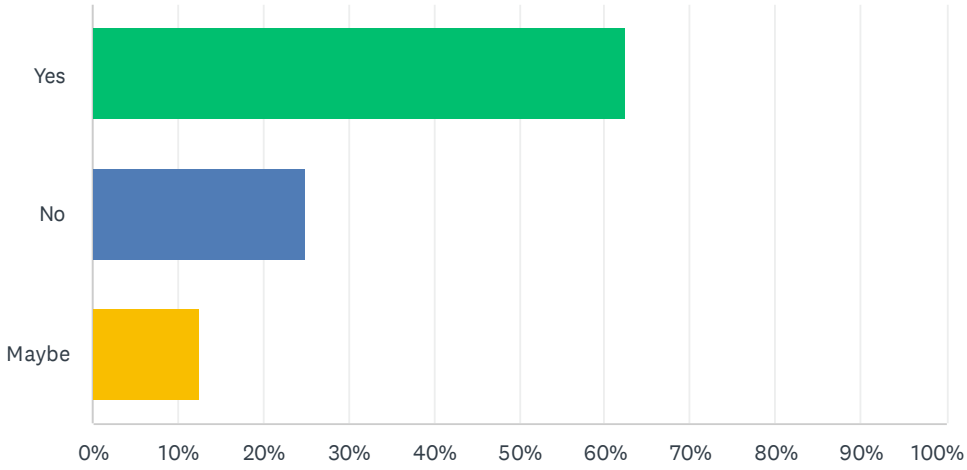
Answered: 7 Skipped: 1



ANSWER CHOICES	RESPONSES	
Yes	42.86%	3
No	57.14%	4
TOTAL		7

Q4 Are you interested in having the ability to connect to municipal water in the future when your private well fails?

Answered: 8 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	62.50%	5
No	25.00%	2
Maybe	12.50%	1
TOTAL		8

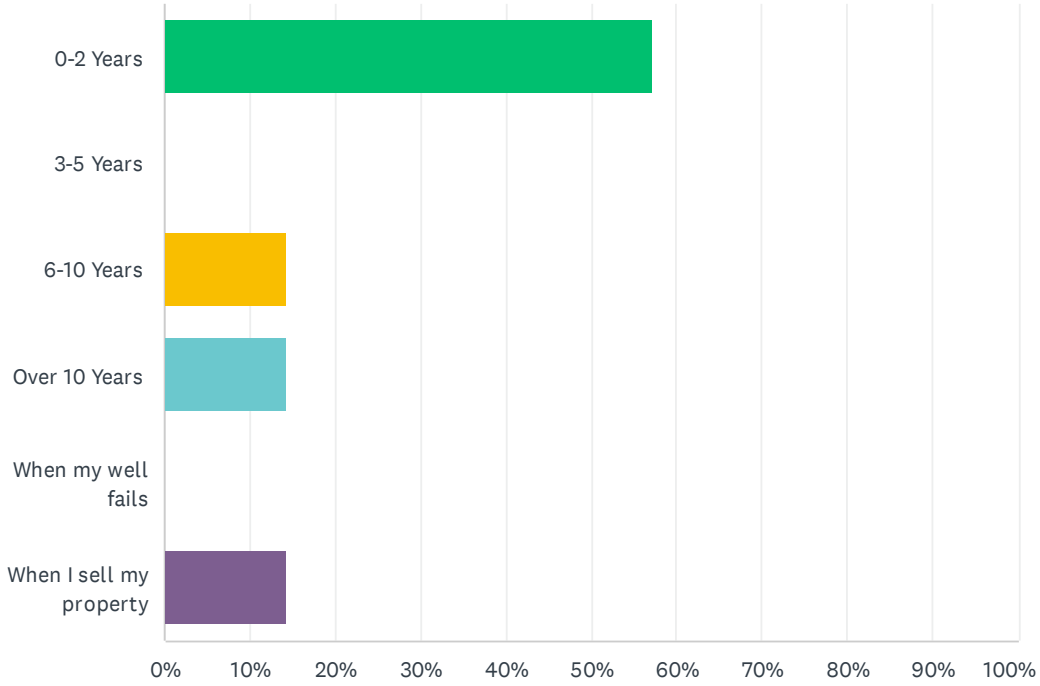
Q5 If no, why not?

Answered: 2 Skipped: 6

#	RESPONSES	DATE
1	Cost of install and cost of water bill going forward	6/3/2025 8:37 AM
2	Cost	6/2/2025 11:54 AM

Q6 How soon might you be interested in connecting to City Water?

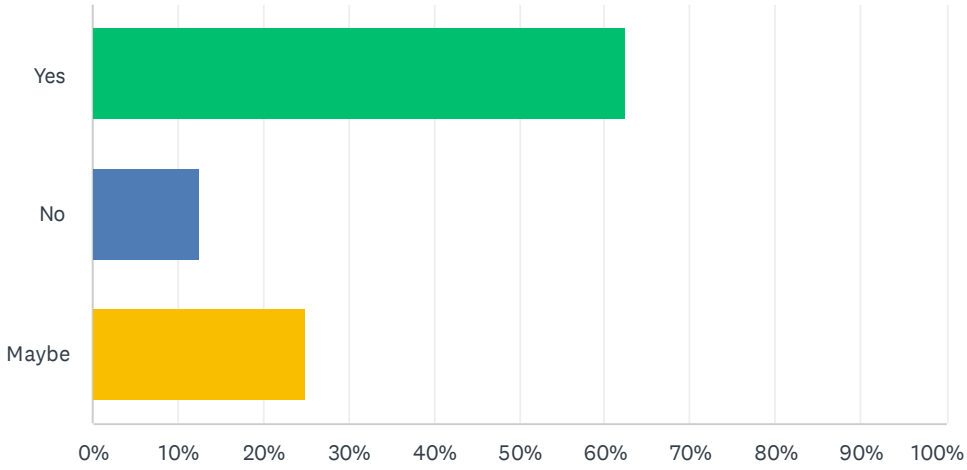
Answered: 7 Skipped: 1



ANSWER CHOICES	RESPONSES	
0-2 Years	57.14%	4
3-5 Years	0.00%	0
6-10 Years	14.29%	1
Over 10 Years	14.29%	1
When my well fails	0.00%	0
When I sell my property	14.29%	1
TOTAL		7

Q7 Would you like a future buyer of your property to have the ability to connect to city water?

Answered: 8 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	62.50%	5
No	12.50%	1
Maybe	25.00%	2
TOTAL		8

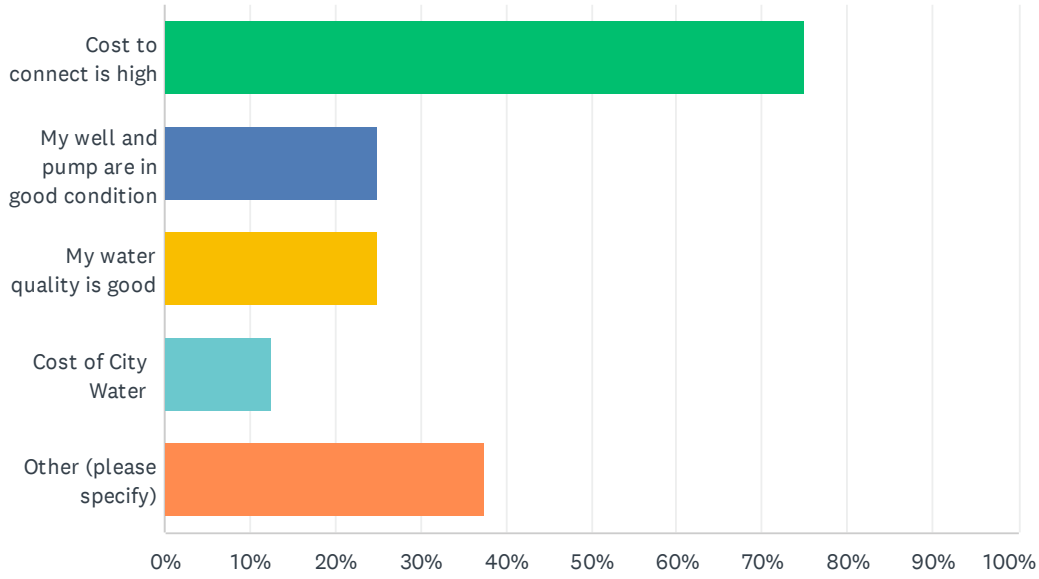
Q8 If no, why not?

Answered: 1 Skipped: 7

#	RESPONSES	DATE
1	Not planning to sell and I don't make decisions for other people	6/3/2025 8:37 AM

Q9 If water is made available, what reasons do you have for not connecting to City Water? (Check all that apply)

Answered: 8 Skipped: 0

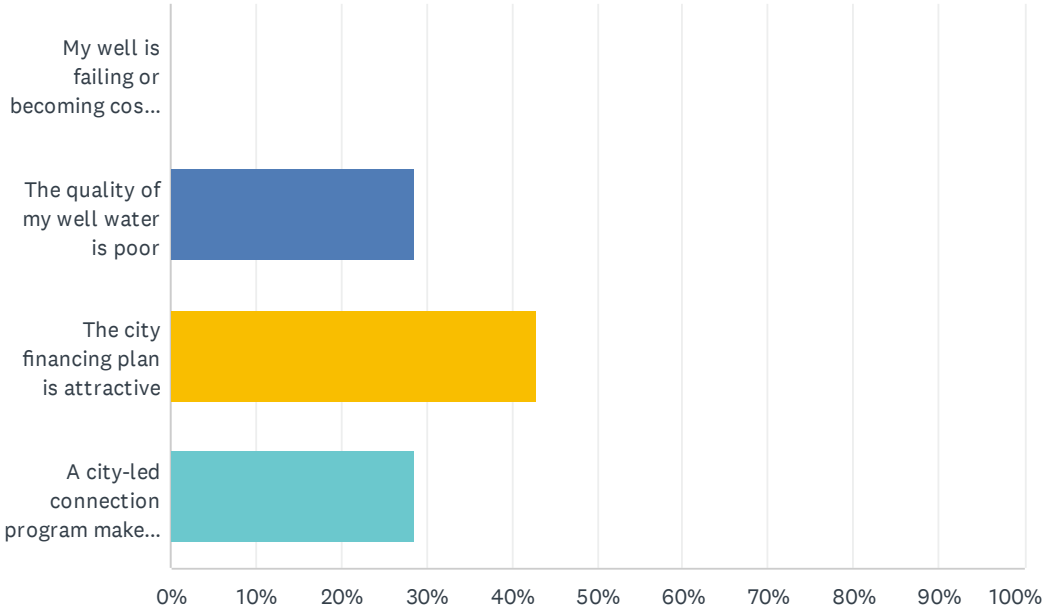


ANSWER CHOICES	RESPONSES	
Cost to connect is high	75.00%	6
My well and pump are in good condition	25.00%	2
My water quality is good	25.00%	2
Cost of City Water	12.50%	1
Other (please specify)	37.50%	3
Total Respondents: 8		

#	OTHER (PLEASE SPECIFY)	DATE
1	Quality of city water	5/28/2025 7:17 PM
2	The cost to connect seems like it will prevent me from being able to even make that change even though I would like to.	5/28/2025 10:24 AM
3	None	5/21/2025 9:29 AM

Q10 Why would you consider connecting to City water?

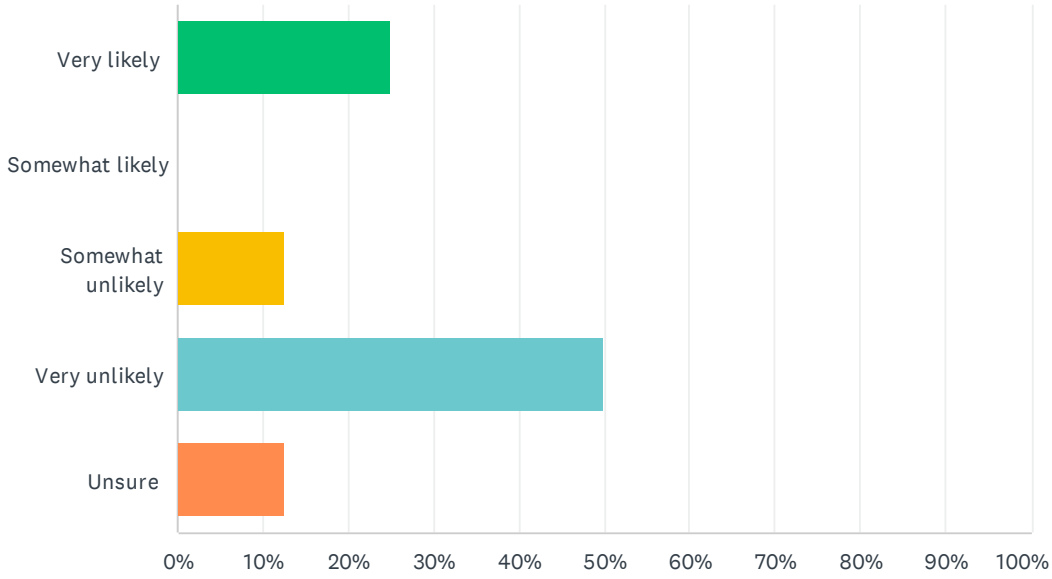
Answered: 7 Skipped: 1



ANSWER CHOICES	RESPONSES	
My well is failing or becoming costly to maintain	0.00%	0
The quality of my well water is poor	28.57%	2
The city financing plan is attractive	42.86%	3
A city-led connection program makes it easy to connect	28.57%	2
TOTAL		7

Q11 Based on the above estimates, how likely are you to connect to city water if it is available?

Answered: 8 Skipped: 0



ANSWER CHOICES	RESPONSES	
Very likely	25.00%	2
Somewhat likely	0.00%	0
Somewhat unlikely	12.50%	1
Very unlikely	50.00%	4
Unsure	12.50%	1
TOTAL		8

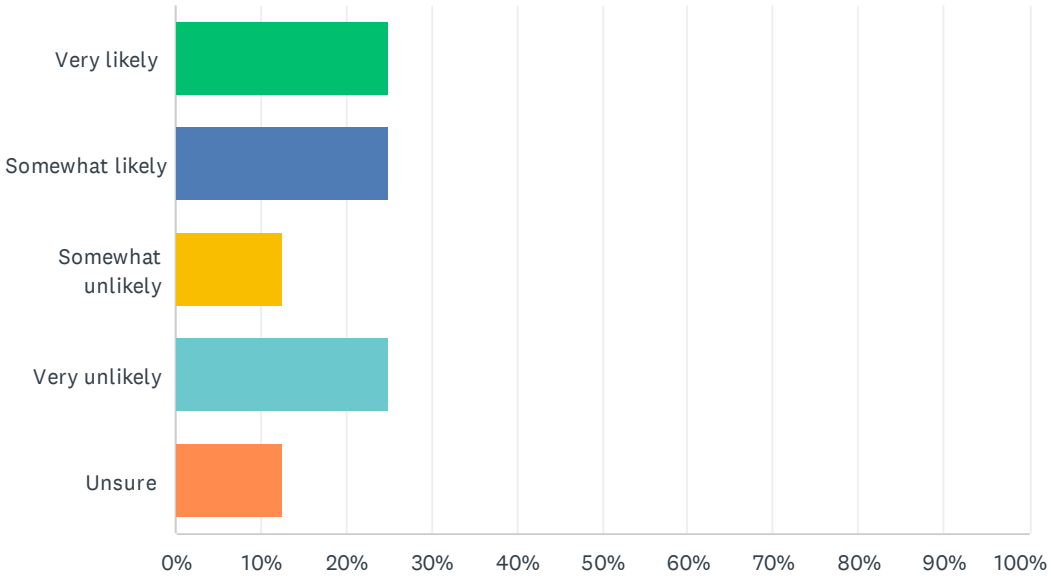
Q12 What are the reasons for your response?

Answered: 7 Skipped: 1

#	RESPONSES	DATE
1	Needless expense - I cant afford. Would force me out of my house. Would probably have to sell property.	6/3/2025 8:37 AM
2	Cost	6/2/2025 11:54 AM
3	Most likely the city water is better than my well water	5/28/2025 7:17 PM
4	The cost seems to be prohibitive	5/28/2025 10:24 AM
5	I would love to connect but am far from the road and the cost would be very high based on these materials.	5/27/2025 9:29 PM
6	Expense is beyond my need	5/25/2025 9:49 AM
7	Given the opportunity to connect is something I have been hoping for. Well is getting old and don’t want to have to deal with it.	5/21/2025 9:29 AM

Q13 If the city were to coordinate the installation and connection of the water service from the property line into your home and be able to assess all costs including the Connection Charge, Service Installation, and Internal Plumbing costs over a 5- or 10-year time frame, how likely are you to connect to city water?

Answered: 8 Skipped: 0



ANSWER CHOICES	RESPONSES	
Very likely	25.00%	2
Somewhat likely	25.00%	2
Somewhat unlikely	12.50%	1
Very unlikely	25.00%	2
Unsure	12.50%	1
TOTAL		8

Q14 What are the reasons for your response?

Answered: 7 Skipped: 1

#	RESPONSES	DATE
1	Cant afford any more expenses. I'm retired disabled veteran.	6/3/2025 8:37 AM
2	Cost	6/2/2025 11:54 AM
3	The financing makes it an easy choice	5/28/2025 7:17 PM
4	Again the cost is the biggest factor. If it could be done and paid for over 5 years it would be more realistic.	5/28/2025 10:24 AM
5	Would need more information on total cost and how it would be paid. Would also like to know if trenching is an option instead of expensive directional drilling.	5/27/2025 9:29 PM
6	Costs	5/25/2025 9:49 AM
7	I think this is good timing and a great idea. I’m all in!	5/21/2025 9:29 AM

CITY OF SHOREWOOD
COUNTY OF HENNEPIN
STATE OF MINNESOTA

RESOLUTION 25-055

A RESOLUTION TO PREPARE FINAL PLANS & SPECIFICATIONS FOR THE MILL STREET TRAIL WATERMAIN PROJECT CITY PROJECT 24-07

WHEREAS, Hennepin County is planning to construct a trail along Mill Street in 2026, plans to have construction documents completed in summer/fall of 2025, and bid & award the project in early winter; and

WHEREAS, Shorewood has budgeted in the Capital Improvement Plan (CIP) for the associated cost share of the project and included budget for adding watermain along Mill Street and Apple Road referred to as the Mill Street Trail Watermain, City Project 24-07; and

WHEREAS, the city has had recent policy discussion related to watermain and views this project as an opportunity to extend the watermain in an area that has shown recent interest in connecting to municipal water while also taking advantage of some of the cost savings of the project being led by Hennepin County; and

WHEREAS, preparing the final plans and specifications will allow for a more detailed coordination of the improvements with Hennepin County and allow for more detailed discussions with residents related to service connections; and

WHEREAS, the watermain improvements will be funded through a combination of bonding and the Water Fund. The shared trail costs with Hennepin County will be funded by Municipal State Aid Construction Fund.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHOREWOOD, MINNESOTA HEREBY authorizes the preparation of Final Plans & Specifications for the Mill Street Trail Watermain project, City Project 24-07.

Adopted by the City Council of Shorewood, Minnesota this 9th day of June 2025.

_____
Jennifer Labadie, Mayor

Attest:

_____
Sandie Thone, City Clerk

City of Shorewood

City Council Meeting Item

Item 8A

Title/Subject: **HVAC (Chiller) Replacement at Public Safety Building**
Meeting Date: June 9, 2025
Prepared by: Marc Nevinski, City Administrator
Attachments: **Bid Summary; EFD and SLMPD Cost Breakdowns; Oct 15, 2024 Memo**
Resolution Authorizing Expenditure and Budget Adjustment

Background

The Public Safety Building is now 20 years old and is beginning to experience significant maintenance issues. The building's HVAC system is served by a single chiller with two compressors that alternate use to extend the unit's lifespan. One of the compressors has failed, and the system as a whole has reached the end of its 20-25 year useful life.

To address this, the Excelsior Fire District (EFD) and the South Lake Minnetonka Police Department (SLMPD) engaged Bolton and Menk ($36,000) to develop a bid package for the replacement HVAC/mechanical equipment. Three bids were received, and the EFD and SLMPD recommend awarding the contract to Alliance Mechanical ($477,255) for a total cost of $512,255. The original estimate in October 2024 was $340,000. However, because of the project's estimated cost, State law required the EFD to obtain sealed bids, and pricing for material and labor increased significantly between the time of the estimate and bidding.

The cost of this project is shared equally between the EFD and SLMPD, and then allocated among the member cities based on their respective funding formulas, as detailed below:

	EFD	SLMPD	Total
Deephaven	$74,422.26 (29.00%)	n/a	$74,422.26
Excelsior	$32,488.85 (12.66%)	$71,748.62 (27.96%)	104,237.47
Greenwood	$21,187.78 (8.26%)	$21,956.46 (8.56%)	$43,144.24
Shorewood	**$93,930.77** (36.60%)	**$127,578.97** (49.71%)	**$221,509.74**
Tonka Bay	$34,597.84 (13.48%)	$35,343.45 (13.77%)	$69,941.29
Total	$256,627.50	$256,627.50	$513,255.00

The need to replace the chiller, an unbudgeted expense, highlights the importance of establishing a Capital Improvement Plan (CIP) for the building. Future capital needs, such as replacement of the roof, boiler, and elevator, will need to be anticipated and budgeted by both governing boards.

Financial Considerations
This issue arose after the annual budgets were completed in 2024 and the expenditure for the replacement chiller was not included in either the EFD or SLMPD 2025 budgets. Subsequently each member city is being asked to cover its share of this expense. Shorewood's share is $221,509.74 and fund balance is proposed to be used to cover this expense.

Action Requested
Motion to adopt the attached resolution authorizing the unbudgeted expenditure and a budget adjustment for the Public Safety Building chiller replacement.

A majority vote by the Council is required.

EFD - SLMPD

Mechanical Equipment Replacement

2025.03.28 | BID SUMMARY

BOLTON & MENK

Real People. Real Solutions.

	Alliance	Northland	Area Mech
Bid			
Primary	$ 592,285.00	$ 540,506.00	$ 784,481.50
Deduct 1	$ 78,185.00	$ 16,000.00	$ 58,796.00
Deduct 2	$ 36,845.00	$ 41,000.00	$ 46,769.00
Total With Deducts:	**$ 477,255.00**	**$ 483,506.00**	**$ 678,916.50**
Addendum Acknowledged	Yes	Yes	Yes
Other			
Bid Bond	5%	5%	5%
Schedule of Values	Included	Incomplete	Included
Responsible Cont	Included	Included	Included
Qualifications			
License	Included	Included	Included
Project 1	MSP 4th Precinct	MN State Capitol	Metro State
Project 2	MSP/Jerry Haaf Ramp	Wells Fargo	ISD #11
Project 3	Sheraton Hotel	East Metro Garage	Snyder Hall
PM	Anthony Tima	James Satriano	Mark Schaeter
Sup	Jim Casper	Ed Cmiel	Incomplete

Excelsior Fire District

Proudly serving the Communities of:

Deephaven-Excelsior-Greenwood-Shorewood-Tonka Bay

24100 Smithtown Road
Shorewood, MN. 55331

HVAC/Mechanical Equipment Replacement & Consultation

HVAC Equipment Replacement:	**$477,255.00**
Bid awarded to: Alliance Mechanical	
Consulting Fees:	**$36,000.00**
Bolton & Menk	
Total Contracted Amount:	**$513,255.00**
Amount after splitting with SLMPD	**$ 256,627.50**

Tax Capacity from 2025 Budget = $83,851,058

City	Dollars	Percent	Total
Deephaven	$ 256,627.50	29.00%	$ 74,421.98
Excelsior	$ 256,627.50	12.66%	$ 32,489.04
Greenwood	$ 256,627.50	8.26%	$ 21,197.43
Shorewood	$ 256,627.50	36.60%	$ 93,925.67
Tonka Bay	$ 256,627.50	13.48%	$ 34,593.39
Total Contributions		**100%**	**$ 256,627.50**

SOUTH LAKE MINNETONKA POLICE DEPARTMENT

Percent allocation: HVAC / Mechanical Equipment Replacement & consultation

HVAC Equipment Replacement: **$477,255.00**

Bid awarded to: Alliance Mechanical

Consulting fees: **$36,000.00**

Bolton & Menk, Inc.

Total Contracted Amount: **$513,255.00** (w/consulting fees)

Amount after splitting with EFD: **$256,627.50**

See below amounts using the SLMPD Reallocation Formula (2022-2026)

MEMBER CITY	TOTAL AMOUNT	% SHARE	$ SHARE	
Excelsior	$256,627.50	27.9582%	$71,748.62	
Greenwood	$256,627.50	8.5557%	$21,956.46	
Shorewood	$256,627.50	49.7136%	$127,578.97	
Tonka Bay	$256,627.50	13.7722%	$35,343.45	
Total Contributions from Member Cities			**$256,627.50**	

Item 2

City of Shorewood

City Council Work Session Item

Title/Subject: **Public Safety Building Improvements and Financing**
Meeting Date: October 15, 2024
Prepared by: Marc Nevinski, City Administrator
Reviewed by: Curt Mackey, EFD Fire Chief
Attachments: **None**

Background:
The Public Safety Building is now 20 years old and will require significant capital investments in the years ahead, particularly in mechanical systems and exterior components. This will require thoughtful planning and budgeting by the Police and Fire Departments and their governing boards. In the meantime, an immediate need has emerged that will require financing a capital improvement.

The Public Safety Building has one chiller serving the entire building with two compressors that support the chiller while alternating back and forth to extend the chiller unit to the 20-25 year useful life. One of the two compressors is constantly running. One compressor has failed and needs to be replaced. The functioning compressor is currently running well over its recommended capacity. This creates the urgency to address the failure before next spring. The chiller system is at the end-of-life, and several fans within the systems are in need of replacement.

Three options to address the failed compressor:

1. The most economical solution: Repair the current compressor for $23k-33k, including installing old R22 coolant (The current chiller cannot use the new R 34 coolant), which is very expensive. This raised concerns on a long-term solution for the new compressor repair.

2. Repair the entire chiller including both compressors and updated R 34 coolant: 150K-175K.

   A new chiller will not work efficiently with the current Johnson control switches. The switches are seven versions from the most current version. Additionally, these switches are a proprietary system with only one outside vendor to manage and maintain the controls. As a note of interest. SLMP and EXFD were going to replace the current control system in 2026 as a scheduled update to increase reliability and efficiency.

3. Replace the current chiller with updated equipment and coolant, updated control switches (not proprietary, so any vendor can work with the system) and update the variable air volume controls, which are the high-performance controls located in each room of the building. Currently many VAV's are not working, and the building is

operating extremely inefficiently, over or under heating or cooling areas. Each VAV has an estimated cost of $3,000 to remove, replace and calibrate. Because the building has many rooms and areas not easily accessible Fire staff have estimated the number of VAV at 30 ($90K worst case scenario). Option 3 estimated total project cost is $250,000 - $340,000.

The Fire and Police Chiefs have discussed the repairs with the EFD Operating Committee (the CAOs) and the EFD governing board. (The matter will be shared with the SLMPD governing board on Oct 10th, after this memo has been published.) The consensus is that, given the age of the unit, it is better to replace the chiller and make the associated system improvements (although it may be possible to replace VAVs as needed or over time). This will result in the most up to date and efficient system and include a five-year warranty. The costs are estimated as follows:

New Chiller Unit	$175,000 to $220,000
Controls	$ 25,000 to $ 30,000
VAVs	$ 50,000 to $ 90,000
	$250,000 to $340,000

There is a six-month lead time for delivery of the chiller unit, resulting in some urgency to place an order. Once the scope and cost are finalized, Council will be asked to approve a budget amendment. The project will need to be competitively bid due to the cost and scope.

Financial or Budget Considerations:
There are two financial considerations this matter raises. The immediate consideration is that neither department currently has enough fund in reserves or in a capital account to fund these replacements. The Operating Committee discussed three options. 1) Borrowing funds from a bank. (Alerus Bank proposed a 6.5% rate over six years). 2) A loan from a member city with better terms. 3) Direct payments by the member cities for the replacements. The recommendation from the Operating Committee and the EFD Board is option 3, direct payments. The costs are proposed to be split equally between the SLMPD and the EFD, and then would be allocated to the member cities according to the funding formula. Assuming a $300,000 project cost and using the allocation proportions from the department's 2025 budget, Shorewood would pay $74,565 (49.71% SLMPD) and $54,900 (36.6% EFD) = $ 129,465 and would be paid for from its fund balance. Unfortunately, these improvements are not an eligible use of the 2023 Public Safety Aid funds.

The second consideration is the need to develop and finance a capital improvement plan for the building. Additional repairs and replacements will be necessary in the years ahead to common or shared building components, such as the roof, boiler, elevator, entry doors, and EOC. A building CIP needs to be discussed by the governing boards as part of future budgets.

Discussion Requested:
Discussion and direction on this matter is requested.

CITY OF SHOREWOOD
COUNTY OF HENNEPIN
STATE OF MINNESOTA

RESOLUTION 25-056

A RESOLUTION AUTHORIZING EXPENDITURE OF FUNDS AND A BUDGET ADJUSTMENT FOR UNBUDGETED HVAC EQUIPMENT (CHILLER) REPLACEMENT AT THE PUBLIC SAFETY BUILDING

WHEREAS, the City of Shorewood is a member of the South Lake Minnetonka Police Department and the Excelsior Fire Department (the "Departments") joint powers agreements and are funded by annual allocations of the member cities; and

WHEREAS, the Departments occupy the Public Safety Building located at 24100 Smithtown Road in Shorewood, MN and are responsible for the operations and maintenance of the building; and

WHEREAS, the building's HVAC (Chiller) equipment is failing and requires urgent replacement, which is an unbudgeted expense; and

WHEREAS, the total project cost is $513,255 and Shorewood's share under the allocation formulas totals $221,509.74.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHOREWOOD, MINNESOTA authorizes the expenditure and budget adjustment accordingly for the City's share of the chiller replacement in the amount of $221,509.74.

Adopted by the City Council of Shorewood, Minnesota, this 9th day of June 2025.

_____
Jennifer Labadie, Mayor

Attest:

_____
Sandie Thone, City Clerk



researchQuik

Public Copy #1
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A STUDY OF THE SUPPORT OF SHOREWOOD PROPERTY OWNERS FOR A PROPOSED CITY-WIDE WATER SYSTEM

PREPARED FOR:

THE CITY OF SHOREWOOD

NOVEMBER 21, 1991

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The City of Shorewood
City Water System Interview Project
Summary Findings and Recommendations
November 21, 1991

I. Background

A city-wide water system was proposed as a part of a broader Shorewood Capital Improvement Program. As a part of a complex effort to obtain voter input to the Program, the city commissioned a research study to ascertain the responses of citizens to the water system. Other efforts were also sponsored, including an open meeting during which citizens could speak directly to members of the City Council and the Mayor.

II. Proposal for Research Project.

The proposal for the research project is contained in the Appendices as the first attachment and this proposal outlines the objectives for the research and the activities and work plan. (Please see the First Appendix.)

III. Development of the Interview Guide

The development of the interview guide occurred in three stages.

1. The researcher met with all of the members of the City Council, the Major, City staff and the City Administrator to determine the key issues which were essential to include in the interview. After these meetings, the first draft of the interview guide was prepared.

2. The draft interview guide was reviewed by all members of the City Council, the Mayor and the City Administrator. Revisions were suggested and incorporated into a second draft. This second draft was pilot tested on five persons, using the telephone interview process that would be used for the full sample.

3. Following the pilot test, revisions were suggested to the City Council and City Administrator, based on suggestions from the pilot test candidates and the interviewers using the instrument. The third draft of the interview guide was prepared, precoded and submitted to the City for final approval.

A copy of the finalized version of the interview guide is included in the Appendix of this report. (See Second Appendix.)

IV. Sampling for the Project

After a discussion of sampling options, it was agreed that the sampling frame for the survey would be all property owners paying property taxes within Shorewood. Although the unit of sample would be households, since the assessment would be levied against a household, the unit of response would be all taxpaying adults who contributed to property taxes for the household.

This was decided because in the opinion of the Council, there were too many households in which the adults were not of the same mind relative to this issue. After much deliberation, the Council agreed that it could not come up with any equitable decision rule by which to decided whose opinion in the household should represent the whole household. Thus, all adults who qualified and wanted to participate were asked to answer the survey questions.

The sample for the interview was selected using a PID Directory published by Hennepin County in January, 1991. It was determined that every sixth name should be drawn to create a random sample pool of approximately 500 households which could be contacted for the survey. A random start point for the sampling was selected, and after that point, every sixth name was drawn and written down on an index card. The name of the taxpayer was selected.

After these names had been selected, city staff looked up street address and phone numbers for the sample. Out of this pool of approximately 500 names, 325 names were actually screened and used for the survey process.

Number of names which were screened/used	325
Names disqualified for lack of phone number (not listed, not in voter's registration records)	-56
Names disqualified for wrong/disconnected number	-20
Names disqualified for other reasons Not a property owner, dead, live on island	-20
Names remaining	229
Numbers called repeatedly with no answer	47
Households which refused to answer the questions	44
Household included in the survey	138

Overall, the level of cooperation was excellent and the response per number of eligible names was outstanding (60.2%).

V. Level of Error in a Sample of 200

There are three factors which affect the error in the percent response to any given question. These are:

- The sample size: as the sample size goes up, the size of error goes down.

- The confidence interval: the interval is traditionally set at two different places in research. 95% (which means that the researcher is taking the risk that the sample that was selected would be likely to answer in the same way as any other random sample selected from the same population 19 out of 20 times) or 99% (which means that the researcher reduces the risk, stating that the sample that was selected would be likely to answer in the same way as any other randomly selected sample from the same population 99 out of 100 times.)

  The higher the confidence interval, the larger the error is calculated to be.

- The percent of favorable responses to any given question. For example, if the favorable responses are 50% and the unfavorable responses are 50%, the error is the greatest because opinions are evenly divided. If the favorable responses are 90% and the unfavorable responses are 10%, the trend is much stronger and the error is less.

These factors have been incorporated into a formula and when this formula was computed for this survey, using the 95% confidence interval, the following answers were obtained.:

- Percent favorable responses 50% error = +/- 6.9%

  Percent favorable responses 90% error = +/- 4.2%

It is important to recall that the error differs for every question depending on the percent of favorable responses and cannot be assigned to the survey as a whole. It is also important to recall that when looking at any subset of respondents in which the sample is smaller than 200, that the error will increase.

In looking at questions 14-17, the error could be assigned as follows:

Questions	Favorable%	Error	Response Range
Q. 14: capital investment	favorable=34.5%	+/-6.6%	27.9- 41.1%
Q.15: conversion time frame	favorable=63.0%	+/-6.6%	56.4-69.6%
Q.16: property owner assess	favorable=63.5%	+/-6.6%	56.9-70.1%
Q.17: overall reaction	favorable=43.5%	+/-6.9%	36.6-50.4%

VI. Representativeness of the Sample

There always is a problem in assuring that a smaller random sample really is representative of the universe from which the sample is drawn. This can never be known with certainty unless a 100% sample is drawn. However, there are some ways that the data can be analyzed to see whether it is reasonable to assume that this sample represents the property owners of Shorewood.

City Water Subscribers versus Well Water Users

The City staff had estimated that the proportion of households on city water as compared to household with private wells was approximately 30% of all households. The data on the sample showed that:

- City water users 70.5%
  Private wells 29.5%

This was very close to city staff estimates.

Gender

The responses were evenly split between men and women with the following response:

- Females 48.2%
  Males 51.8%

Age

The average age of respondents was 47 years old.

Households by Zone

City staff estimated the number of households in each of the ten zones which were used to locate the interview candidates for geographic location analysis purposes. The following results were obtained:

Zone	City Staff Estimates of Numbers of HH	Number of HH in the Sample	Percent of HH in Sample
Zone 1	336	17	5.1%
Zone 2	186	11	5.9%
Zone 3	198	6	3.0%
Zone 4	68	4	5.9%
Zone 5	201	17	8.5%
Zone 6	126	15	11.9%
Zone 7	305	15	4.9%
Zone 8	153	6	3.9%
Zone 9	199	15	7.5%
Zone 10	374	32	8.6%
Totals	2,146	138	6.4%

Although it is literally impossible to obtain perfect correlation between zones and the sample, unless a quota sampling system is used, the sample approximates the zone household count. The two zones which appear to be most undersampled are zones 3 and 8. One zone was oversampled, zone 6. (See the Map at the end of the Appendix for the placement of the zones within Shorewood city limits.)

VII. Major Questions and Findings

The City Council, Mayor and City Staff had several educated guesses (hypotheses) which they wanted to test in the interview process. These included:

- City water versus well water: do city water users support the change more than those households with private wells?
- Affluent versus less affluent households: do more affluent households support the change than less affluent households?
- Newer residents versus long time residents: do more newer residents of the City support the change than do long time residents?

- Zones: do the eastern zones of the city support the change more than do the western zones?

- Major investment in well recently as compared to no investment or long ago investment: do households which have made a recent major investment in their private wells oppose the change more than those households which haven't?

- Knowledge of and prior experience with city water: have Shorewood citizens had enough previous experience with a city sponsored water system to understand and know the benefits?

Each of these issues will be briefly addressed in the discussion below. For more detail on the interview responses to the questions, see the Detailed Interview Findings Report which immediately follows this section of the report.

City water versus well water

There were significant differences between these two groups of households. The respondents to the survey were divided as follows:

City water users	29.5%
Private well users	70.5%

When a cross-tabulation was run on these data, showing the support for each of the four issues detailed in Questions 14-17, a chi-square statistic showed significant differences for all four questions between the two groups. City water users are more likely to support the changes than are private well users.

		City Water	Well Water
Q. 14	Support	47.5%	29.1%
	Oppose	45.8%	66.0%

Significance: .028

		City Water	Well Water
Q. 15	Support	47.5%	29.1%
	Oppose	45.8%	66.0

Significance: .0062

		City Water	Well Water
Q. 16	Support	81.4%	56.0%
	Oppose	15.3%	41.8%

Significance: .0014

		City Water	Well Water
Q. 17	Support	61.0%	36.2%
	Oppose	37.3%	61.0%

Significance: .0054

Affluent versus less affluent households

Shorewood is a city which has a mix of affluence among its dwellers. The self-reported income for households in 1990 reflects this mix of affluence. The mean income for the 138 households was $62,730. The median (the point at which 50% of the respondents are below and 50% are above) was the response category $60-69,999. There were two modal responses (categories with the greatest number of respondents). These were:

- $50,-59,999 25.1% of all respondents

  $90,000 or over 26.7% of all respondents

When income was cross-tabulated with the four opinion questions, Question 14-17, there were no statistically significant differences among the income groups although there did appear to be a tendency for lower income groups to be less supportive of the changes. This was reflected in a chi-square of .08 for Question 17, which approaches the range considered by researchers for significant findings (.05 or less).

Newer residents versus long time residents

The length of time a resident had lived in Shorewood was predicted to be a strong indicator of their attitude toward these changes because long time residents were supportive of a more rural environment for Shorewood while newer residents appeared to be seeking more urban amenities. The interview respondents had lived in Shorewood an average of 13.4 years. However, there were vast differences in the respondents. A full 25% of the respondents had lived in Shorewood less than 3 years and the median length of time in Shorewood was 8 years. The average was so high because some of the respondents had lived in Shorewood a very long time, skewing the average upwards.

The beliefs about the differences in the two groups responses to the citywide water system changes were supported through the data when cross-tabulations were run on two groupings of residents, separated by the length of time they had lived in Shorewood. One group had lived in Shorewood ten years or less and the other group had lived in Shorewood longer than ten years.

The group which had lived in Shorewood for the shorter period of time was more supportive of the changes than the group which had lived in Shorewood for a longer period of time. These differences were statistically significant for all four questions as can be seen below:

		Ten Years or Less	More Than Ten Years
Q. 14	Support	45.7%	22.1%
	Oppose	50.5%	70.5%

Significance: .0019

		Ten Years or Less	More Than Ten Years
Q. 15	Support	70.5%	54.7%
	Oppose	26.7%	44.2%

Significance: .0079

		Ten Years or Less	More Than Ten Years
Q. 16	Support	75.2%	50.5%
	Oppose	21.9%	47.4%

Significance: .0007

		Ten Years or Less	More Than Ten Years
Q. 17	Support	56.2%	29.5%
	Oppose	41.9%	67.4%

Significance: .0007

Zones

In order to see if some parts of the city were more supportive of these changes than were other parts, interview candidates were asked a series of questions to help locate them within the city. The City was divided into ten zones. When the chi-square statistic was applied to these ten groups and their answers to the four opinion questions, there were no statistically significant findings. Very likely, the size of the sample and the number of groups increased the chance that there would not be significant differences. A larger sample would have permitted a more powerful analysis. (See the Cross-Tabulation Tables Ten through Fourteen, after the Detailed Interview Findings Report.)

Major Investment in Well Recently

Since the improvement or redrilling of a well can cost several thousands of dollars, it was reasonable to expect that those households with a well which had recently been improved at considerable cost might resist the cost of the assessment for installing city water. However, when the persons who had invested a significant amount of money in their wells (more than $200.) were divided into two groups, those who had done this within five years and those who had done this more than five years ago, the two groups did not differ significantly in their responses to the four opinion questions. Once again, the groups may have been too small for this difference to be picked up by the chi-square statistic.

- The total group size of those having made such an expenditure was 66.
- Those who made this investment within the past five years numbered 38.

Knowledge of and prior experience with city water

Although it is reasonable to anticipate that those citizens who had never experienced city water systems and their benefits would be more resistant to changing from private wells to city water, this hypotheses was not tested since so many of the respondents had indicated that they had been on city water at some previous residence, if not at their current residence. Only 17.5% of the respondents had never been on a city water system.

VIII. Issues and Recommendations

1. The changes in the city-wide water system are not broadly supported by the property owners of Shorewood. This appears to be due to resistance to the overall cost of the program. Other reasons for resistance and/or support are:

• Resistance:	Overall cost of the system Well owners do not need a replacement The water quality of wells is good The taxes are already high in Shorewood
• Support:	City water system should improve water quality City water system would support city growth The system would mean financial stability

2. Many citizens in Shorewood already treat their water. Water quality appears to be more of an issue than the city water system.

   - 92.5% of all respondents soften their water
   - 38.%% of all respondents treat their water for iron.

3. Many of the citizens appeared confused by the information they had received. The issues involving the development of a city water system were complex and the financial aspects were complicated. When confronted with the need to express an opinion, it may have been easier to say "no" than to say "yes" to something they didn't fully understand.

   In addition, the residents of the City of Shorewood have mobilized strong opposition to the city water system concept which has been proposed several times in the past ten years. This tendency for citizens to react rather than proact appears to be a pattern in Shorewood.

4. When considering city water in the future, the City should attend to the fact that property owners would be more likely to support the system if:

   - the overall capital costs of the system were less
   - some accommodation were made for lower income and fixed income households
   - a flexible conversion period were included in the plan
   - payment options existed, especially for low income households.

5. The differences between certain groups of property owners within the City of Shorewood are likely to increase rather than decrease. When some critical mass is reached of newer city dwellers (recently moved in) and city water users, the support for the city wide water system probably will be stronger than the resistance against it.

   The two groups, comprised of newer residents on city water and older residents on well water, have different ideas of how a city should serve its residents. The former expects modern and up to date services and the latter wants the city to protect its right to privacy and independence. These objectives may be at odds with each other.

1. Do you own and pay taxes on any residential or business or other property located within the City of Shorewood.

	Taxpayers	%
Residential	194	97.0
Undeveloped Property	2	1.0
Residential & Business	2	1.0
Residential & Undeveloped	2	1.0
TOTAL	200	100.0

2. Within the past two weeks, have you read anything about the water system changes which are being considered by the City Council of Shorewood? Information has been published both by the City and the local newspaper.

	Taxpayers	%
Read Packet from city	93	46.5
Read Newspaper	16	8.0
Read Packet & Newspaper	91	45.5
TOTAL	200	100.0

3. Are you currently hooked into the city water system or do you have your own well?

	Taxpayer	%
City Water	59	29.5
Well System	141	70.5
TOTAL	200	100.0

4. Have you ever lived in a house, either in another location within Shorewood or in another city, which was connected to the city water system?

	Taxpayer	%
Yes, within Shorewood	1	0.7
Yes, in another city	105	74.5
No	35	24.8
TOTAL	141	100.0

5. About how much did you spend during the last twelve months on your current water system including services such as water softening, well maintenance and repair, and electricity for the well pump? (WHOLE DOLLARS ONLY UP TO $9998.

Out of 141 possible responses, there were 117 with an average of $395.00 for the lasat 12 months. The other 24 either didn't know or refused to respond.

6. Do you think that last year's water costs were about average or were they lower or higher than other previous years?

	Taxpayers	%
About average	112	79.5
Higher than average	19	13.5
Lower than average	5	3.5
No Answer	5	3.5
TOTAL	141	100.0

7. During the time you have owned your well, have you ever made a major investment in your well, that is more than $200, doing such things as having the well redrilled or having the pump replaced? (INTERVIEWER: IF THEY HAVE INVESTED SEVERAL TIMES, GATHER INFORMATION ON THE MOST RECENT TIME.)

	Taxpayer	%
No, never	75	53.2
Yes	66	46.8
TOTAL	141	100.0
Year made the investment		
1991	8	12.1
1990	5	7.6
1989	9	13.6
1988	8	12.1
1987	8	12.1
1986	5	7.6
1985	4	6.1
1983	3	4.5
1982	3	4.5
Before 1982	13	19.7
TOTAL	66	100.0

(con't on next page)

Question 7 (con't) Average amount spent on well.

The average for the 66 taxpayers that did invest in their well was $1,662.

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8. Approximately how old is your well?

Out of 141 possible responses 127 did respond with an average age for the well of 16 years. The other 14 either didn't know or didn't respond.

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9. Have you ever had the water in your well tested for purity?

	Taxpayer	%
No	34	24.1
Don't Know	2	1.5
Yes	105	74.4
TOTAL	141	100.0
Year Tested		
1991	9	8.6
1990	8	7.6
1989	14	13.3
1988	7	6.7
1987	8	7.6
1986	8	7.6
1985	5	4.8
1983	2	1.9
1982	2	1.9
Before 1982	10	9.5
Don't know	32	30.5
TOTAL	105	100.0
Test Results		
Fine, O.K, etc.	71	67.6
Excellent, outstanding, etc.	11	10.5
High Iron content	11	10.5
Requires chlorine treatment	1	1.0
High Minerals	1	1.0
High Minerals but good	1	1.0
Don't know	9	8.4
TOTAL	105	100.0

10. Do you currently treat your water either to soften it or to remove iron or for any other reason?(MAY INDICATE MORE THAN ONE.)

	Taxpayer	%
Treat water to soften	185	92.5
Treat water to remove iron	77	38.5
Treat water for other purposes	11	5.5
Do not treat water	12	6.0

11. Overall, how would you rate your satisfaction with the **quality of your water**. Would you say you are very satisfied, somewhat satisfied, somewhat dissatisfied or very dissatisfied?

	Taxpayer	%
Very Satisfied	102	51.0
Somewhat satisfied	66	33.0
Somewhat dissatisfied	16	8.0
Very dissatisfied	16	8.0
TOTAL	200	100.0

12. Overall, how would you rate your satisfaction with your **current water system.** Would you say you are very satisfied, somewhat satisfied, somewhat dissatisfied or very dissatisfied?

	Taxpayer	%
Very satisfied	120	60.0
Somewhat satisfied	62	31.0
Somewhat dissatisfied	11	5.5
Very dissatisfied	7	3.5
TOTAL	200	100.0

Reason for dissatisfaction with current water system		
Somewhat dissatisfied		
- a lot of work and money	6	33.3
-system getting old/bad water pressure	3	16.7
Very Dissatisfied		
- poor water quality due to iron content	5	27.8
-problems with hook-ups to city water	3	16.7
-the whole setup is a joke in Shorewood	1	5.6
TOTAL	18	100.0

14. The City of Shorewood is considering converting the entire city to a central water system.

The city's water service is operating at a deficit. The balance of the deficit in the water fund is currently greater than $200,000. This deficit is financed by City tax income. The deficit is expected to increase over the next 20 years. The investment cost of a city-wide water system is projected to be $13 milllion dollars. This investment would be paid back by special assessments and water revenues over time. The water system would then be expected to operate on a break-even basis, reducing the need for tax support.

Do you support a capital investment in a new city water system or do you oppose this expenditure?

	Taxpayer	%
Support	69	34.5
Oppose	120	60.0
No Opinion/Neutral	11	5.5
TOTAL	200	100.0

15. If a central water system is adopted, property owners on wells would be asked to choose a hook-up time which is most convenient for them over a five year period of time. Would you support this five year conversion period from well water to city water or would you oppose it?

	Taxpayer	%
Support	126	63.0
Oppose	70	35.0
No opinion/neutral	4	2.0
TOTAL	200	100.0

22. Gender (DO NOT ASK)

	Taxpayer	%
Female	96	48.0
Male	103	51.5
No Answer	1	0.5
TOTAL	200	100.0

23. What year were you born?

Out of 197 responses the average age of the taxpayer was 47.0 years. Three chose not to respond.

24. Including yourself, how many adults live in your household?

	Taxpayer	%
One	20	10.0
Two	159	79.7
Three	19	9.3
Four	1	0.5
No Answer	1	0.5
TOTAL	200	100.0

25. For 1990, please tell me whether your **total household income** before taxes was more or less than $50,000.

	Taxpayer	%
Over $50,000	139	69.5
Less than $50,000	47	23.5
I don't know	1	0.5
Refused	13	6.5
TOTAL	200	100.0

26. Tell me which one of these income categories best describes your total household income before taxes for 1990.

	Taxpayer	%
Less than $20,000	6	3.0
$20,000 to $29,999	9	4.5
$30,000 to $39,999	16	8.0
$40,000 to $49,999	12	6.0
$50,000 to $59,999	47	23.5
$60,000 to $69,999	13	6.5
$70,000 to $79,999	17	8.5
$80,000 to $89,999	5	2.5
More than $90,000	50	25.0
I don't know	1	0.5
Refused	24	12.0
TOTAL	200	100.0

Questions 28 through 30 relate to geographic zones within Shorewood where the interview candidate lived. (See Map at end of Appendices.)

Geographic Zone	Taxpayer	%
Zone 1	24	12.0
Zone 2	16	8.0
Zone 3	10	5.0
Zone 4	4	2.0
Zone 5	27	13.5
Zone 6	22	11.0
Zone 7	24	12.0
Zone 8	9	4.5
Zone 9	18	9.0
Zone 10	46	23.0
TOTAL	200	100.0

31. There is one other issue on which City Council members would like you to express your opinion. Please tell me whether you currently support or oppose the use of the walking and biking trail in Shorewood by snowmobiles in the winter time?

	Taxpayer	%
Support	75	37.5
Oppose	108	54.0
No opinion/neutral	17	8.5
TOTAL	200	100.0

Thank you for your time. Before I hang up, could you tell me if there are any other adults living within your household who share responsibility with you for the payment of property taxes?

	Taxpayer	%
Yes	104	52.0
No	32	16.0
No Answer	64	32.0
TOTAL	200	100.0

INTERVIEWER: VERIFY THEIR NAME AND OBTAIN THEIR ADDRESS, IF POSSIBLE, IF IT IS NOT ON THE CARD.

STAPLE THE CARD TO THIS INTERVIEW AND KEEP ALL INTERVIEWS FROM THE SAME HOUSEHOLD PAPER CLIPPED TOGETHER.

The City of Shorewood
Water System Research--October, 1991

Data Table 10

Support/Oppose Questions	Total	Current water system		Have you made a major investment in your well?		Length of Shorewood residency	
		City water	Well system	Not recently	Within 5 years	10 years or less	Over 10 years
Total number of respondents	200	59	141	98	43	105	95
	100.0%	29.5%	70.5%	69.5%	30.5%	52.5%	47.5%
Capital investment in a new city water system							
Support	34.5%	47.5%	29.1%	26.5%	34.9%	45.7%	22.1%
Oppose	60.0%	45.8%	66.9%	67.4%	58.1%	50.5%	70.5%
No opinion/neutral	5.5%	6.8%	5.0%	4.1%	7.0%	3.8%	7.4%
Five year conversion period from wells to city water							
Support	63.0%	78.0%	56.7%	58.2%	53.5%	70.5%	54.7%
Oppose	35.0%	18.6%	41.8%	40.8%	44.2%	26.7%	44.2%
No opinion/neutral	2.0%	3.4%	1.4%	1.0%	2.3%	2.9%	1.1%
Assessing a portion of costs to all property owners							
Support	63.5%	81.4%	56.0%	57.1%	53.5%	75.2%	50.5%
Oppose	34.0%	15.3%	41.8%	41.8%	41.9%	21.9%	47.4%
No opinion/neutral	2.5%	3.4%	2.1%	1.0%	4.7%	2.9%	2.1%

The City of Shorewood
Water System Research--October, 1991

Data Table 11

Support/Oppose Questions	Total	Current water system		Have you made a major investment in your well?		Length of Shorewood residency	
		City water	Well system	Not recently	Within 5 years	10 years or less	Over 10 years
Total number of respondents	200	59	141	98	43	105	95
	100.0%	29.5%	70.5%	69.5%	30.5%	52.5%	47.5%
Overall support/oppose centralized water system							
Support	43.5%	61.0%	36.2%	32.7%	44.2%	56.2%	29.5%
Oppose	54.0%	37.3%	61.0%	65.3%	51.2%	41.9%	67.4%
No opinion/neutral	2.5%	1.7%	2.8%	2.0%	4.7%	1.9%	3.2%
Strength of overall support/opposition							
Strongly support	18.9%	27.6%	15.2%	11.5%	23.8%	24.3%	12.9%
Somewhat support	22.4%	25.9%	21.0%	20.8%	21.4%	29.1%	15.1%
Somewhat oppose	16.3%	17.2%	15.9%	17.7%	11.9%	14.6%	18.3%
Strongly oppose	42.3%	29.3%	47.8%	50.0%	42.9%	32.0%	53.8%
Use of walking/biking trails for snowmobiling in winter							
Support	37.5%	30.5%	40.4%	42.9%	34.9%	32.4%	43.2%
Oppose	54.0%	66.1%	48.9%	46.9%	53.5%	61.0%	46.3%
No opinion/neutral	8.5%	3.4%	10.6%	10.2%	11.6%	6.7%	10.5%

The City of Shorewood
Water System Research--October, 1991

Data Table 12

Support/Oppose Questions	Total	Geographic zone									
		Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9	Zone 10
Total number of respondents	200	24	16	10	4	27	22	24	9	18	46
	100.0%	12.0%	8.0%	5.0%	2.0%	13.5%	11.0%	12.0%	4.5%	9.0%	23.0%
Capital investment in a new city water system											
Support	34.5%	41.7%	31.3%	40.0%	50.0%	22.2%	36.4%	41.7%	33.3%	38.9%	30.4%
Oppose	60.0%	50.0%	62.5%	50.0%	50.0%	70.4%	59.1%	58.3%	66.7%	55.6%	63.0%
No opinion/neutral	5.5%	8.3%	6.3%	10.0%	.0%	7.4%	4.5%	.0%	.0%	5.6%	6.5%
Five year conversion period from wells to city water											
Support	63.0%	70.8%	75.0%	50.0%	75.0%	63.0%	54.5%	66.7%	44.4%	61.1%	63.0%
Oppose	35.0%	29.2%	18.8%	40.0%	25.0%	33.3%	45.5%	33.3%	55.6%	38.9%	34.8%
No opinion/neutral	2.0%	.0%	6.3%	10.0%	.0%	3.7%	.0%	.0%	.0%	.0%	2.2%
Assessing a portion of costs to all property owners											
Support	63.5%	75.0%	75.0%	90.0%	50.0%	40.7%	54.5%	62.5%	77.8%	66.7%	63.0%
Oppose	34.0%	25.0%	18.8%	.0%	50.0%	51.9%	45.5%	37.5%	22.2%	33.3%	34.8%
No opinion/neutral	2.5%	.0%	6.3%	10.0%	.0%	7.4%	.0%	.0%	.0%	.0%	2.2%

The City of Shorewo
Water System Researc . 1991

Support/Oppose Questions	Total	Geographic zone									
		Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9	Zone 10
Total number of respondents	200	24	16	10	4	27	22	24	9	18	46
	100.0%	12.0%	8.0%	5.0	2.0%	13.5%	11.0%	12.0%	4.5%	9.0%	23.0%
Overall support/oppose centralized water system											
Support	43.5%	50.0%	50.0%	70.0%	75.0%	29.6%	50.0%	45.8%	44.4%	55.6%	28.3%
Oppose	54.0%	50.0%	50.0%	30.0%	25.0%	59.3%	50.0%	54.2%	55.6%	38.8%	69.6%
No opinion/neutral	2.5%	.0%	.0%	.0%	.0%	11.1%	.0%	.0%	.0%	5.6%	2.2%
Strength of overall support/opposition											
Strongly support	18.9%	12.5%	12.5%	30.0%	25.0%	16.0%	22.7%	29.2%	11.1%	17.6%	17.8%
Somewhat support	22.4%	25.0%	37.5%	50.0%	25.0%	12.0%	27.3%	16.7%	22.2%	41.2%	8.9%
Somewhat oppose	16.3%	25.0%	6.3%	10.0%	25.0%	24.0%	18.2%	8.3%	.0%	5.9%	22.2%
Strongly oppose	42.3%	37.5%	43.8%	10.0%	25.0%	48.0%	31.8%	45.8%	66.7%	35.3%	51.1%
Use of walking/biking trails for snowmobiling in winter											
Support	37.5%	20.8%	18.8%	10.0%	75.0%	18.5%	36.4%	50.0%	44.4%	50.0%	54.3%
Oppose	54.0%	75.0%	81.3%	80.0%	25.0%	66.7%	59.1%	45.8%	55.6%	38.9%	30.4%
No opinion/neutral	8.5%	4.2%	.0%	10.0%	.0%	14.8%	4.5%	4.2%	.0%	11.1%	15.2%

The City of Shorewood
Water System Research--October,1991

Data Table 14

Support/Oppose Questions	Total	Total household income					
		Less than $50,000	$50,000 to $59,999	$60,000 to $89,999	Over $90,000	I don't know	Refused
Total number of respondents	200	43	47	35	50	1	24
	100.0%	21.5%	23.5%	17.5%	25.0%	.5%	12.0%
Capital investment in a new city water system							
Support	34.5%	27.9%	34.0%	51.4%	36.0%	.0%	20.8%
Oppose	60.0%	69.8%	63.8%	40.0%	58.0%	100.0%	66.7%
No opinion/neutral	5.5%	2.3%	2.1%	8.6%	6.0%	.0%	12.5%
Five year conversion period from wells to city water							
Support	63.0%	55.8%	76.6%	65.7%	68.0%	100.0%	33.3%
Oppose	35.0%	44.2%	23.4%	31.4%	32.0%	.0%	54.2%
No opinion/neutral	2.0%	.0%	.0%	2.9%	.0%	.0%	12.5%
Assessing a portion of costs to all property owners							
Support	63.5%	51.2%	70.2%	65.7%	72.0%	100.0%	50.0%
Oppose	34.0%	48.8%	29.8%	28.6%	28.0%	.0%	37.5%
No opinion/neutral	2.5%	.0%	.0%	5.7%	.0%	.0%	12.5%
Overall support/oppose centralized water system							
Support	43.5%	32.6%	46.8%	60.0%	50.0%	.0%	20.8%
Oppose	54.0%	65.1%	51.1%	37.1%	50.0%	100.0%	70.8%
No opinion/neutral	2.5%	2.3%	2.1%	2.9%	.0%	.0%	8.3%
Strength of overall support/opposition							
Strongly support	18.9%	9.5%	19.6%	29.4%	18.0%	.0%	21.7%
Somewhat support	22.4%	21.4%	21.7%	32.4%	26.0%	.0%	4.3%
Somewhat oppose	16.3%	14.3%	17.4%	23.5%	10.0%	.0%	21.7%
Strongly oppose	42.3%	54.8%	41.3%	14.7%	46.0%	100.0%	52.2%

(continued)

The City of Shorewood
Water System Research--October,1991

Data Table 14

upport/Oppose Questions	Total	Total household income					
		Less than $50,000	$50,000 to $59,999	$60,000 to $89,999	Over $90,000	I don't know	Refused
ave you made a major investment in your well?							
ot recently	69.5%	76.9%	68.8%	54.5%	65.5%	100.0%	77.8%
ithin last 5 years	30.5%	23.1%	31.3%	45.5%	34.5%	.0%	22.2%
verage amount of investment for those with a recent investment	$1,720	$1,611	$1,195	$1,658	$2,200	.	$2,400

APPENDICES

1. **Proposal**
2. **Interview Guide**
3. **Map of Interview Zones in Shorewood**

researchQuik

September 23, 1991

Jim Hurm, City Administrator
The City of Shorewood
5755 Country Club Road
Shorewood, MN 55331

Dear Jim:

This letter is to document our discussions about a possible research study of the citizens of Shorewood to ascertain their understanding of and support for a new water system for the City. In order to help the Council react to this research proposal, I have outlined some key elements to the proposal in this letter. If you would like a more detailed proposal, please let me know. I would also be happy to speak with the Council about the proposal to explain aspects of it.

The proposal has three parts:

- Goals for the study
- Activities to be included in the study
- Costs and Payment for the study.

In addition, I have designed this letter so that it could be used as a Memorandum Of Understanding. If the Council should find that this proposal, as outlined, would meet their needs, a representative of the City should sign the designated place and a copy should be returned to me.

Goals for the Study:

- Ascertain the reactions of random sample of property and home owners to the proposed water system changes as outlined in an educational packet and as discussed in the local media.

- Determine the major differences between those property and home owners who are most likely to support a new system and those who are most likely to support any other alternative. Possible differences to be explored include but are not limited to:

  - Current system user and current non-user
  - More affluent and less affluent property owners
  - Long time residents compared to newer residents

- Discover the major pros and cons of the new system, from the citizens' point of view.

- Provide timely feedback to the City following the distribution of educational materials about the new system by completing research before a public hearing which is scheduled 13 days later.

Activities Included in the Study:

- **Preparation:**
  - Meetings with Council and key City staff to determine issues of greatest interest for inclusion in the survey.
  - Discussion of sampling issues and screening issues i.e. is the research a random sample or are citizens screened for inclusion in the study

    (Recommendation: random sample of 200 citizens (not households) with each name contacted 5 times before replacement and every adult in the household interviewed. The sample of 200 permits some reliable analyses of smaller subsamples such as all the property owners who are currently hooked up to City water.)
  - A draft of the interview is composed for review by Council and key City staff. Interview pilot tested on sample of 10 property and home owners.
  - Final draft of interview revised and approved by Council and staff.
- **Interviewing:**
  - The City of Shorewood mails out a flyer or letter to all citizens explaining that our research firm may be contacting them, encouraging their participation.
  - The City of Shorewood furnishes Research Quik with a listing of all Shorewood citizens and their telephone numbers. If numbers are unlisted, Shorewood mails notices to all unlisted numbers drawn for the sample, asking them to return a postage paid response form with their telephone number on it so they can be included in the survey.
  - The sample is selected and a master list is made using a random starting point in the Shorewood list and an nth number system.

- The screening questions for the interview are agreed upon and will probably include but are not limited to:
  - Selecting only householders and businesses which own property in Shorewood, not renters.
  - Determining if the interviewee has reviewed any written material on this topic and remailing them new packets before interviewing them, if they have not.
- The telephone interviewers are trained based on pilot test results to deal with special issues related to this study. Any questions which interview candidates might ask interviewers, and which are specific to the issue, will have written answers developed. These answers are reviewed and approved by City staff prior to the study.
- Phone calling begins on October 24 and continues until completed but not sooner than November 2nd. Interviews are not longer than ten minutes each, on the average, and do not include more than 5 open-ended questions.

- **Analysis and Reporting:**
  - Interviews are pre-coded for data entry. Data entry is completed (verified entry - double entry). The first report of frequency distributions is ready by November 4 - this may be in draft form due to the short turn-around time.
  - Research Quik furnishes the City a record of the number of households contacted, the number of refusals, bad phone numbers, disconnected phones, no answers and so on.
  - The summary findings are reviewed in at least one but no more than two sessions with the City Council and selected staff. Other analyses are conducted as requested. Key points for inclusion in a summary report are discussed and the Council/staff suggest a report outline.
  - A report is drafted for review by Council and staff. Revisions are suggested and the draft is finalized.
  - A camera ready copy of the final report and a bound copy of the report is given to the City of Shorewood for storage and duplication.

Costs and Payment:

Research Quik, Inc. can complete this study as specified in this brief working paper for $3,300 plus local mileage expenses. The study charges may be paid over three months with $1100. due immediately upon acceptance of this proposal and the next two payments of $1100 due on November 1 and December 1. Any changes in this work plan will result in a change in costs.

Jim, we are delighted that you thought to call us for an estimate on this very interesting project and we thank you for the opportunity to be of service. Please feel free to suggest any revisions you would like to make to this project.

Sincerely,

Judith Marshik, President

JM/cs

The City of Shorewood accepts this project proposal and the project charge as outlined in this letter.

_____
SIGNATURE

Signed by: _____, A representative of the City
PLEASE TYPE OR PRINT

The City of Shorewood
Water System Research Project
Interview Guide - Final
October, 1991

Interview Number: ___ ___ ___
Household Number: ___ ___ ___
Interviewer Code: 1 2 3

Hello, my name is _____(first name) and I'm calling you from Research Quik, Inc. We are currently conducting an opinion poll on behalf of the City of Shorewood. Is this a convenient time for you to talk?

1.** Do you own and pay taxes on any residential or business or other property located within the City of Shorewood.

1)_____ Yes - Residential
2)_____ Yes - Business
3)_____ Yes - Other (Explain:_____)
4)_____ No (POLITELY TERMINATE THE INTERVIEW).

2. Within the past two weeks, have you read anything about the water system changes which are being considered by the City Council of Shorewood? Information has been published both by the City and the local newspaper.

1)_____ Yes - read packet from city. (PROCEED TO QUESTION 3)
2)_____ Yes - read newspaper
3)_____ Yes - read both

4)_____ No (STOP INTERVIEW. ASK THE FOLLOWING QUESTION.)
A. Have you received the packet mailed by the City this (last) week which discusses water system alternatives?

1)_____ **Yes** (RESCHEDULE APPT-READ BELOW)

I would like to interview you after you have had a chance to read the materials included in the packet. Could you tell me what day and time would be good for you?

Rescheduled for:_____

2)_____ **No**

I would like to interview you after you have had a chance to read the materials which have been prepared by the City. Please let me verify your address and we will mail you a packet tomorrow and then call you back after you have had time to review it. Could you tell me what day and time would be good for you?

Rescheduled for:_____

3.** Are you currently hooked into the city water system or do you have your own well?

1)_____ City water (SKIP TO QUESTION 10)
2)_____ Has own well
3)_____ Doesn't know

---

4. Have you ever lived in a house, either in another location within Shorewood or in another city, which was connected to the city water system?

1)_____ Yes - within Shorewood
2)_____ Yes - another city
3)_____ No
9)_____ SKIP

5. About how much did you spend during the last twelve months on your current water system including services such as water softening, well maintenance and repair, and electricity for the well pump? (WHOLE DOLLARS ONLY UP TO $9998.

$__ __ __ __ Approximate amount they spent last year for current well system.
9999)_____ SKIP

6. Do you think that last year's water costs were about average or were they lower or higher than other previous years?

1)_____ About average
2)_____ Higher than average
3)_____ Lower than average
9)_____ SKIP

7. During the time you have owned your well, have you ever made a major investment in your well, that is more than $200, doing such things as having the well redrilled or having the pump replaced? (INTERVIEWER: IF THEY HAVE INVESTED SEVERAL TIMES, GATHER INFORMATION ON THE MOST RECENT TIME.)

1)_____ No, never
2)_____ Yes
9)_____ SKIP

a. 19 __ __ Year they made this investment

b. $__ __ __ __ Approximate amount of investment

8.** Approximately how old is your well?

__ __ number of years old

98)_____ (Check here if has no idea)

9. Have you ever had the water in your well tested for purity?

1)_____ No
2)_____ Yes (If so, what year and with what results_____)

==========

10. Do you currently treat your water either to soften it or to remove iron or for any other reason?(CHECK ALL THAT APPLY)

a)_____ Yes - soften
b)_____ Yes - iron
c)_____ Yes - other (explain _____)
d)_____ No

11. Overall, how would you rate your satisfaction with the **quality of your water**. Would you say you are very satisfied, somewhat satisfied, somewhat dissatisfied or very dissatisfied?

1)_____ Very satisfied
2)_____ Somewhat satisfied
3)_____ Somewhat dissatisfied
4)_____ Very dissatisfied

12. Overall, how would you rate your satisfaction with your **current water system.** Would you say you are very satisfied, somewhat satisfied, somewhat dissatisfied or very dissatisfied?

1)_____ Very satisfied
2)_____ Somewhat satisfied
3)_____ Somewhat dissatisfied (Why_____)
4)_____ Very dissatisfied (Why_____)

13. From your reading of the materials distributed by the City, tell me briefly, in your own words, what action regarding the water system you think the City Council is considering?

(INTERVIEWER - WRITE DOWN VERBATIM WHAT THEY SAY)

_____
_____
_____
_____

INTERVIEWER READ:
These next three questions relate to different parts of the City's proposal.

14. The City of Shorewood is considering converting the entire city to a central water system.

The city's water service is operating at a deficit. The balance of the deficit in the water fund is currently greater than $200,000. This deficit is financed by City tax income. The deficit is expected to increase over the next 20 years. The investment cost of a city-wide water system is projected to be $13 milllion dollars. This investment would be paid back by special assessments and water revenues over time. The water system would then be expected to operate on a break-even basis, reducing the need for tax support.

Do you support a capital investment in a new city water system or do you oppose this expenditure?

1)_____ Support
2)_____ Oppose

15. If a central water system is adopted, property owners on wells would be asked to choose a hook-up time which is most convenient for them over a five year period of time. Would you support this five year conversion period from well water to city water or would you oppose it?

1)_____ Support
2)_____ Oppose

16. The cost of a central water system to the Shorewood property owner who is not currently hooked up to City water and not living on the islands would be about $4800. This cost would be assessed over 15 years.

Would you support assessing a portion of the costs of the new water system to all Shorewood property owners who are not connected to City water or would you oppose it?

1)_____ Support
2)_____ Oppose

17. In summary, considering all the aspects of the conversion to a centralized water system, tell me if you support or are you opposed to the conversion of the City to a central water system?

1)_____ Support
2)_____ Oppose

18. How strongly do you support (or oppose) the decision. Would you say you **strongly** or only **somewhat** support (oppose) the decision?

1)_____ Strongly support
2)_____ Somewhat support
3)_____ Somewhat oppose
4)_____ Strongly oppose

19. What is the main reason you support (oppose) the central water system. Please explain your answer to the last question so that I can clearly understand your reasons and relay them to the City. (INTERVIEWER: PROBE TO CLARIFY.)

_____
_____
_____
_____

20. What major changes, if any, would you like to see the City make in the proposed central water system plan ?

_____
_____
_____
_____

98)_____ Has no changes to suggest

21. How long have you lived within the City of Shorewood?

__ __ Number of years

22. Gender (DO NOT ASK)

1)_____ Female
2)_____ Male

23. What year were you born?

__ __ Year born

24.** Including yourself, how many adults live in your household?

1)_____ One
2)_____ Two
3)_____ Three

25.** For 1990, please tell me whether your **total household income** before taxes was more or less than $50,000.

1)_____ More than $50,000 (SKIP TO QUESTION 27)
2)_____ Less than $50,000
8)_____ Doesn't know
9)_____ Refused

26.** Tell me which one of these income categories best describes your total household income before taxes for 1990.

1)_____ Less than $20,000
2)_____ $20,000-29,999
3)_____ $30,000-39,999
4)_____ $40,000-49,999
8)_____ Doesn't know
9)_____ Refused

SKIP TO QUESTION 28

27.** Tell me which one of these income categories best describes your total household income before taxes for 1990.

1)_____ $50,000-59,999
2)_____ $60,000-69,999
3)_____ $70,000-79,999
4)_____ $80,000-89,999
5)_____ More than $90,000 a year
8)_____ Doesn't know
9)_____ Refused

28.** Please tell me whether you live north or south of Highway 7?

a._____ North (ZONES - 1,4,7,8,9,10
b._____ South (SKIP TO QUESTION 30) - (ZONES 2,3,5,6)

29.** Please tell me whether you live east or west of County Road 19?

a._____ East (then, do you live east or west of St. Albans Bay Road)
c._____ East - ZONE 1
d._____ West-ZONE 4

b._____West (then tell me whether you live north or south of Smithtown Road?)

c._____ North - ZONE 8 OR 10
d._____ South - ZONE 7 OR 9

(Then, do you live east or west of Eureka Road?)

e._____ East - ZONE 7 OR 8
f._____ West - ZONE 9 OR 10

___ FILL IN NUMBER OF ZONE WHERE THEY LIVE
(SKIP TO QUESTION 31)

30.** Please tell me whether you live east or west of Mill Street?

a._____ East (then, do you live east or west of Covington Road or Silver Lake?)
c._____ East - ZONE 2 OR 3
d._____ West - ZONE 5
b. _____West - ZONE 6

___ FILL IN NUMBER OF ZONE WHERE THEY LIVE

31. There is one other issue on which City Council members would like you to express your opinion. Please tell me whether you currently support or oppose the use of the walking and biking trail in Shorewood by snowmobiles in the winter time?

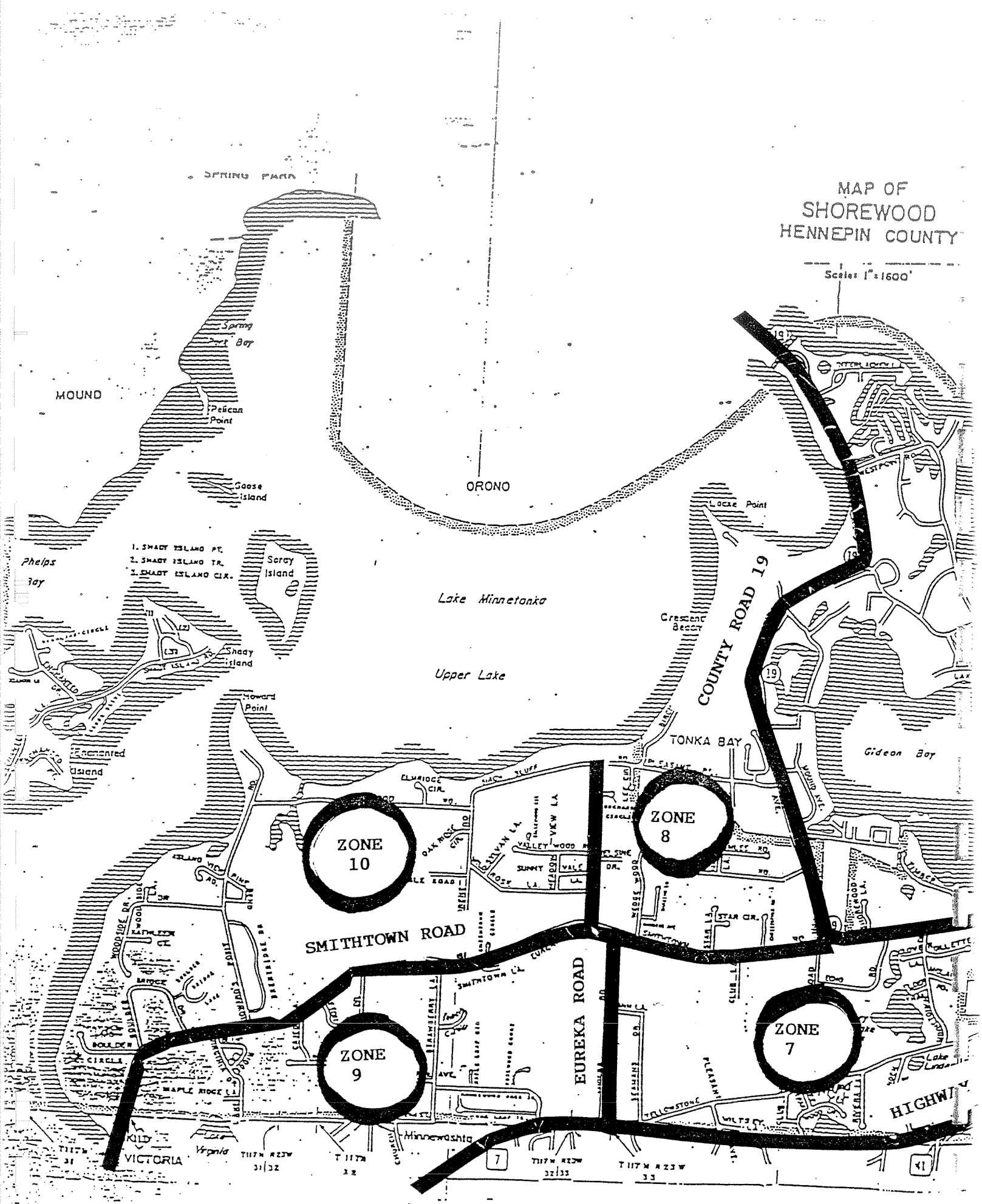
1)_____ Support
2)_____ Oppose

Thank you for your time. Before I hang up, could you tell me if there are any other adults living within your household who share responsibility with you for the payment of property taxes?

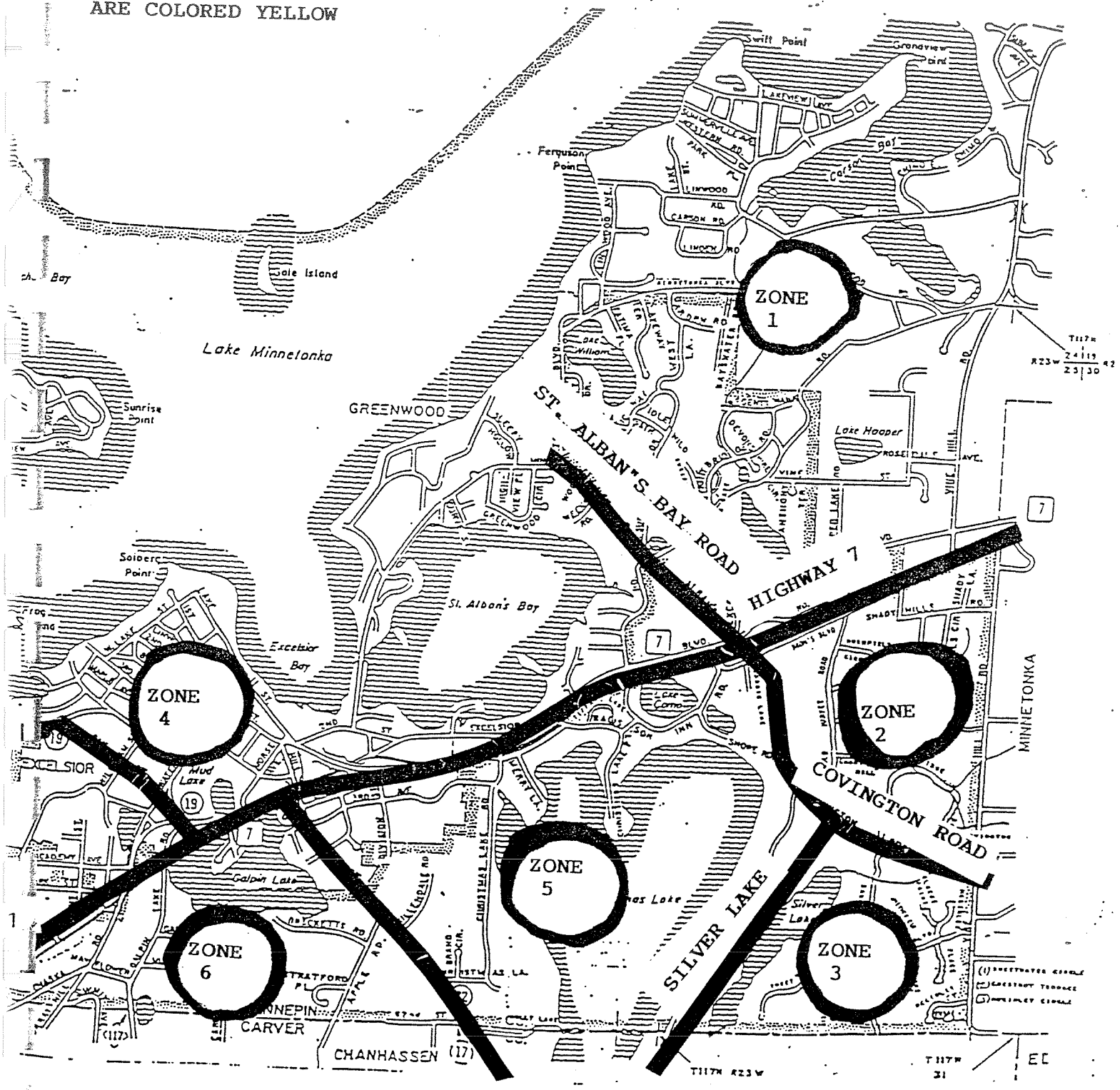
1)_____ Yes (ASK TO SPEAK WITH THAT PERSON)
2)_____ No (POLITELY TERMINATE THE INTERVIEW)

INTERVIEWER: VERIFY THEIR NAME AND OBTAIN THEIR ADDRESS, IF POSSIBLE, IF IT IS NOT ON THE CARD.

STAPLE THE CARD TO THIS INTERVIEW AND KEEP ALL INTERVIEWS FROM THE SAME HOUSEHOLD PAPER CLIPPED TOGETHER.


MAP OF
SHOREWOOD
HENNEPIN COUNTY
Scale: 1" = 1600'
SPRING PARK
MOUND
Spring Park Bay
Pelican Point
Goose Island
ORONO
Locke Point
Phelps Bay
Scrgy Island
Lake Minnetonka
Shady Island
Upper Lake
Crescent Beach
COUNTY ROAD 19
Howard Point
TONKA BAY
Gideon Bay
ZONE 10
ZONE 8
ZONE 9
ZONE 7
SMITHTOWN ROAD
EUREKA ROAD
VICTORIA
Minnewashta
HIGHWAY 7
T117N R23W 33

SHOREWOOD CITY LIMITS
ARE COLORED YELLOW



CITY OF SHOREWOOD
PLANNING COMMISSION MEETING
TUESDAY, JANUARY 16, 1996

COUNCIL CHAMBERS
5755 COUNTRY CLUB RD
7:00 P.M.

#2

MINUTES

CALL TO ORDER

Chair Borkon called the meeting to order at 7:03 p.m.

ROLL CALL

Present: Chair Borkon; Commissioners Foust, Kolstad, Lizee, Pisula, Rosenberger and Turgeon; Mayor Bean; Councilmembers Benson, Malam (arrived at 7:37 p.m.), McCarty (arrived at 7:12 p.m.), and Stover; City Engineer Brown, City Administrator Hurm, Planning Director Nielsen, and Finance Director Rolek.

Absent: None.

APPROVAL OF MINUTES

Turgeon moved, Pisula seconded to approve January 2, 1996 Commission meeting minutes as amended on page 3, Paragraph 5, Line 3 after "Glenwood" insert ", Colorado" and on Page 8, Paragraph 8, Line 1 replace "Debra" with "Deborah". Motion passed 6 ayes / 1 abstention (Commissioner Rosenberger abstained as he was not present at the January 2, 1996 meeting).

1. JOINT MEETING WITH THE CITY COUNCIL

A. 20 Year City Water Plan

City Engineer Brown outlined the three phases of the 10-year water plan of the Comprehensive Plan. He noted that although the Implementation Plan for Water Distribution System Improvements was a 20 year plan, it is consistent with the objectives and phases of the Comprehensive Plan. The intent of the water plan is to install the key areas in the first 10 years and incorporate the remainder in the next 10 years. The first phase of implementation begins in 1996. The primary goal of this phase is to provide interconnections between the Boulder Bridge and Badger Field systems.

Councilmember McCarty arrived at 7:12 p.m.

Chair Borkon asked the amount of the water assessment. Planning Director Nielsen stated a water assessment of $5,000.00 would be charged as water becomes available. City Administrator Hurm noted this amount may change due to an inflation adjustment as noted in the ordinance. He indicated the cost analysis provided does not account for inflation. Chair Borkon suggested that fact be noted with an asterisk at the bottom of the analysis.

Chair Borkon noted the Implementation Plan for Water Distribution System Improvements was very consistent with the Comprehensive Plan and thanked the City staff and City Council for all their efforts.

Commissioner Rosenberger expressed concerns that residents would have to pay for water assessments and street assessments. Hurm noted there are no special street assessments included in the Capital Improvement Plan.

Brown noted the Water Plan will be a fluid and dynamic document. It may be adjusted after evaluating street conditions, as a result of failing wells, or due to residents response.

Councilmember Malam arrived at 7:37 p.m.

Commissioner Rosenberger congratulated City Council and City staff for their efforts on the Water Plan.

B. Capital Improvements Plan

Hurm explained the Street section of the Capital Improvement Plan, noting there would be no special street assessments. He noted the tax revenues returned to the City upon the end of the Shorewood Tax Increment Finance District should be, at least partially, designated for the street reconstruction fund.

Brown explained the MSA street reconstruction needs of the next five years and how they would be funded. He explained the two local projects included in the Local Streets section that would be performed in 1996 were reconstruction of a portion of Strawberry Lane and replacement of the Shady Island Bridge.

Brown explained the two projects included in the Stormwater Management section included Glen Road and Grant-Lorenz. Brown noted that the City staff routinely receives complaints from areas which never seem to be resolved. The residents would like the City to have a pro-active plan. The City has developed a fund to resolve some of these high priority problems within the next few years as part of the Capital Improvement Plan.

Mayor Bean noted it would be helpful to include a list in this packet which qualifies the recurring problems and their priority.

Hurm stated he was on a Technical Advisory Committee which was established by a Task Force of the Metropolitan Council Environmental Services (MCES). The Committee recommended the MCES offer a grant/incentive program to help cities reduce the amount of inflow and infiltration (I&I) in the sanitary sewer system and also that the MCES work with cities to help them identify their problems, derive a plan and implement constructive ways to reduce the I&I. It appears the MCES looked favorably upon this.

Brown explained the Badger Well Building was included in the Public Facilities and Office Equipment section. With the implementation of the connection the Boulder Bridge and Badger Field systems, a smaller building can be utilized. Staff is looking to dispose of a good portion of the existing building.

Hurm noted the Southshore Senior/Community Center and the relocation of the hockey rink were also included in this section. A typographic error was noted in the chart on page 26. Amount in the Purchases/Expenditures and Interest Income lines need to be reversed.

It was noted a narrative should be included on page 25 addressing the efforts to improve the video and audio system in the Council Chambers.

Hurm explained the Park Project Schedule section, noting this was the recommendation of the Park Commission. He explained the code (L) designated a loan would be made by the City to sports organizations to make these improvements. This would be paid back over 5 to 7 years and the funds would be returned to the Park Fund. It was agreed the code (L) should be denoted below the chart.

Hurm reported his attendance at a meeting with the Youth Hockey Association. They are requesting to build a six month, covered, refrigerated ice sheet at Freeman Park.

Hurm noted that Shorewood has an active Park Foundation. He also noted the Trail section of the Capital Improvement Plan.

Hurm noted the Unscheduled, Potential Projects section. These projects have been discussed but are not funded and not included in the Capital Improvement Plan. There was consensus to move item #2, affordable senior housing to the Public Facilities section of the plan.

Rosenberger moved, Turgeon seconded to recommend City Council adoption of the Capital Improvement Program and Capital Improvement Budget for the year of 1996 with the previous discussed changes. Motion passed 7/0.

Hurm noted there was a conflict with the second City Council meeting in February. There is a possibility it may be moved to February 20, 1996. However, there is a public hearing scheduled for that meeting. City staff will notify all involved parties when this issue is resolved.

2. MATTERS FROM THE FLOOR

Commissioner Turgeon noted the State Legislature is talking of changing the laws protecting wetlands. Nielsen stated he did not feel this would affect the manner in which Shorewood is handling the wetland issue.

Commissioner Turgeon asked for clarification of the City Council's desire for the senior housing ordinance. Councilmember Stover explained the Council would like to see the ordinance more clearly defined to achieve the goals originally desired. There may even be a different set of guidelines for senior housing for persons age 62 years and older and senior housing for persons 55-62 years. This could also address the issue of how much the City is willing to contribute or subsidize to help the developers provide affordable senior housing.

3. REPORTS - None.

Chair Borkon acknowledged the persons present in the audience. She stated she hoped they had received answers to any questions they might have had. She urged them to contact the Councilmembers, Planning Commissioners or City staff if they had any further questions.

Chair Borkon thanked City staff and Councilmembers for attending the meeting and for their helpful input.

4. ADJOURNMENT

Pisula moved, Rosenberger seconded to adjourn the meeting at 9:14 p.m. Motion passed 7/0.

RESPECTFULLY SUBMITTED,

Lorri L. Kopischke
Recording Secretary
TimeSaver Off Site Secretarial

#3

IMPLEMENTATION PLAN REPORT



CITY OF
SHOREWOOD

5755 Country Club Road
Shorewood, MN 55331-8927

OSM
& Associates

for

Water Distribution System Improvements

January, 1996

Orr
Schelen
Mayeron &
Associates, Inc.

300 Park Place East
5775 Wayzata Boulevard
Minneapolis, MN 55416-1228

612-595-5775
1-800-753-5775
FAX 595-5774

Engineers
Architects
Planners
Surveyors

January 4, 1996

Honorable Mayor and City Council
City of Shorewood
5755 Country Club Road
Shorewood, MN 55331

Re: Implementation Plan
Water Distribution System
OSM Project No. 5572.08

Dear Mayor and Council Members:

We are pleased to present this Implementation Plan Report for your consideration. The purpose of the report is to provide the City with a plan for orderly expansion of the water distribution system. The plan was prepared with the assistance of Larry Brown, Jim Hurm, Brad Nielsen, Al Rolek, and Don Zdrazil. Their help is very much appreciated.

Please feel free to contact me (595-5665) or Paul Hornby (595-5696) with any questions or comments. If you would like to meet to discuss the report, Paul and I would be pleased to do so at your convenience.

Thank you.

Sincerely,

ORR-SCHELEN-MAYERON
& ASSOCIATES, INC.

Edward J. DeLaForest, P.E.
Project Manager

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Equal Opportunity Employer

IMPLEMENTATION PLAN
FOR
WATER DISTRIBUTION SYSTEM
SHOREWOOD, MINNESOTA

JANUARY, 1996

ORR-SCHELEN-MAYERON & ASSOCIATES, INC.
CONSULTING ENGINEERS, ARCHITECTS, PLANNERS, SURVEYORS
300 PARK PLACE EAST
5775 WAYZATA BOULEVARD
MINNEAPOLIS, MINNESOTA 55416-1228
(612) 595-5775

OSM Project No. 5572.08

CERTIFICATION SHEET

I hereby certify that this plan, specification or report was prepared by me or under my direct supervision, and that I am a duly Registered Professional Engineer under the laws of the State of Minnesota.



Paul T. Hornby, P.E.

Date: January 4, 1996 Reg No. 23359

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LETTER OF TRANSMITTAL

CERTIFICATION

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I. INTRODUCTION

In June 1995, a water distribution system model and evaluation report was prepared by OSM & Associates, Inc., to provide an update to the comprehensive water study reports developed in 1984 and 1990. These reports identified a comprehensive water distribution system to provide a safe, reliable source of water to all of Shorewood's residents. The purpose of this report is to identify how to best implement the various segments of the proposed water distribution system. Several criteria were identified to aid in prioritizing these segments. They are:

- Alleviates low pressure in an existing area.
- Increases fire flow capacity.
- Existing and future use demands are met.
- Cost-effective in consideration of potential assessment, trunk, and user revenues.
- Can be done concurrently with street reconstruction.
- Resident request for City water.

These prioritization criteria, along with the guidelines established in the comprehensive plan, are the basis for the twenty-year schedule for completing the citywide water distribution system proposed in this report.

II. WATER DISTRIBUTION SYSTEM PHASING

The plan is divided into three primary phases. The three primary phases consist of two five-year segments followed by one ten-year segment over the years 1996 through 2015. The phasing periods provide for expansion of the existing water distribution system by connecting the existing isolated systems, while connecting an optimal number of system users, coordinating projected street restoration and reconstruction schedules, satisfying prioritization criteria, and localizing construction areas to increase phase feasibility.

A phase summary in spreadsheet format illustrates a detailed schedule of water system expansion by year for each phase, and a color coded map is included showing the system expansion. The phase summary spreadsheet and map is located at the end of this system phasing section. The spreadsheet contains information including segment prioritization by year, the code identifying the driving force for segment implementation (first phase only), segment length,

projected assessment funds available, and cost estimates illustrating watermain costs, street restoration costs, and street reconstruction for local and MSA streets. Street restoration includes patching the existing street during watermain construction, and street reconstruction includes rebuilding the entire street from the subgrade to driving surface. The spreadsheet column titled "Total Amount" includes estimated costs for watermain construction and street restoration. Local street and MSA street reconstruction estimates are included in the spreadsheet as a comparative illustration. The column indicated for watermain costs can be added to the street restoration or local/MSA street reconstruction, as applicable, to provide the City options for construction financing.

The first phase of implementation begins in 1996 and extends through the year 2000. The primary goal of this phase is to provide interconnections between the Badger Field and Boulder Bridge systems in the western half of the City, and the Amesbury and Silverwood systems in the northeastern and southeastern areas of the City. Lateral expansion from the trunk extensions are incorporated to provide a looped system, with future lateral extensions added over the next two phases of the plan within each looped area.

The second phase covering the years 2001 through 2005, completes a looped distribution system in the western half of the City and provides for lateral extension within these looped areas. Work in the northeast area extends the Amesbury distribution system from the Amesbury development west to the City boundary with Greenwood and south to T.H. 7, leaving a few segment areas east of Amesbury for expansion in the next phase.

Extension of the distribution system between the western and eastern half of the City is scheduled to begin in the last two years of the second phase. This segment expansion includes areas south of Galpin Lake and west of Christmas Lake. System improvements to this area will give the City the ability to close the interconnection with the City of Excelsior at Grant Street.

Phase three is scheduled over a ten year period between 2006 and 2015 in order to assist financing and to provide options for future alterations of the schedule. The primary goal of the third phase is to complete connection of the eastern and western water distribution systems. This connection is scheduled to take place between the years 2008 and 2009, and will give the City an option to abandon the well north of Christmas Lake and west of Lake Como. The years between 2006 and 2008 are primarily intended to expand the lateral system to areas directly south and west of the Excelsior City limits. The last five years of this third phase are intended to complete lateral extensions to any remaining areas including areas with private roads.

The projected phasing schedule is designed to be somewhat flexible to allow for modifications that will complement financing, provide water service for residents requesting service, and to provide service to areas with deteriorating private wells.

GRAPHICAL ILLUSTRATIONS AND SPREADSHEETS (see following sheets)

SHOREWOOD WATER DISTRIBUTION SYSTEM IMPLEMENTATION PLAN, 1996-2000

YEAR
- EXISTING
- 1996
- 1997
- 1998
- 1999
- 2000



SHOREWOOD WATER DISTRIBUTION SYSTEM
IMPLEMENTATION PLAN

			Pipe Locations			Quantities			Assessments						Street Construction Method		
								Total	Units	Cost/Unit	Funds	Trunk	Water main costs	Street	Local Street	MSA Street
Priority	Code	Pipe No.	Street Name	From	To	Length (ft)	Size (in)	Amount						Restoration	Reconstruction	Reconstruction
														Cost breakdown for reference use only		
1996	D	281	Eureka Rd.	Smithtown Rd.	Birch Bluff Rd.	2750	8	$ 129,411.00	36	$ 5,000.00	$ 180,000.00	$ 90,000.00	$ 129,411.00			$ 482,000.00
1996	I	214	Smithtown Rd.	Country Club Rd.	Club La.	1400	16	$ 90,612.00	12	$ 5,000.00	$ 60,000.00		$ 90,612.00			$ 210,000.00
1996	I	215	Smithtown Rd.	Club La.	Wedgewood Dr.	1800	16	$ 118,030.50	18	$ 5,000.00	$ 90,000.00		$ 118,030.50			$ 380,500.00
1996	I	216	Smithtown Rd.	Wedgewood Dr.	Eureka Rd.	530	16	$ 40,257.00	12	$ 5,000.00	$ 60,000.00		$ 40,257.00			$ 79,500.00
1996	D		Manor Road	Vine St.	200' south	200	8	$ 18,940.50	3	$ 5,000.00	$ 15,000.00	$ 10,000.00	$ 10,503.00	$ 8,437.50		
1996	ST	302	Strawberry La.	Smithtown Rd.	Maple Ave.	1700	12	$ 165,375.00	17	$ 5,000.00	$ 85,000.00		$ 93,582.00	$ 71,793.00	$ 383,000.00	
1996	V	308	Smithtown Rd.	Boulder Bridge Cir.	South city limits	1200	12	$ 149,431.50	24	$ 5,000.00	$ 120,000.00	$ 70,000.00	$ 97,726.50	$ 51,705.00		
			Annual Totals					**$ 712,057.50**	**122**		**$ 610,000.00**	**$ 170,000.00**	**$ 580,122.00**	**$ 131,935.50**	**$ 383,000.00**	**$ 1,152,000.00**
1997	A	269	Wedgewood Dr.	Smithtown Rd.	Tonka Bay Limits	3050	8	$ 198,917.10	23	$ 5,000.00	$ 115,000.00		$ 198,917.00	$ 66,644.10	$ 306,644.00	
1997	A	270	Mallard La.	Wedgewood Dr.	Cul-de-sac	370	8	$ 34,290.00	6	$ 5,000.00	$ 30,000.00		$ 18,306.00	$ 15,984.00	$ 72,250.00	
1997	A	271	Teal La.	Wedgewood Dr.	Cul-de-sac	250	8	$ 24,381.00	5	$ 5,000.00	$ 25,000.00		$ 13,567.50	$ 10,813.50	$ 72,250.00	
1997	I	104	St Albans Bay Rd.	Excelsior Blvd.	Manor Rd.	1700	12	$ 167,575.50	18	$ 5,000.00	$ 90,000.00		$ 94,270.50	$ 73,305.00		
1997	I	111	St Albans Bay Rd.	Excelsior Blvd.	Easement	1400	8	$ 119,839.50	8	$ 5,000.00	$ 40,000.00		$ 59,508.00	$ 60,331.50		
1997	I	105	Manor Rd.	St Albans Bay Rd.	Knightsbridge Rd.	1500	12	$ 147,933.00	17	$ 5,000.00	$ 85,000.00		$ 83,254.50	$ 64,678.50		
1997	D	303	TH No.7	Shorewood Oaks Dr	Eureka Rd.	1650	12	$ 125,847.00	67	$ 5,000.00	$ 335,000.00	$ 160,000.00	$ 125,847.00			
			Annual Totals					**$ 818,783.10**	**144**		**$ 720,000.00**	**$ 160,000.00**	**$ 593,670.50**	**$ 291,756.60**	**$ 451,144.00**	
1998	ST	251	Timber La.	Smithtown Rd.	Cul-de-sac	1800	8	$ 159,826.50	19	$ 5,000.00	$ 95,000.00		$ 82,269.00	$ 77,557.50	$ 143,100.00	
1998	ST	254	Shorewood La.	Smithtown Rd.	Cul-de-sac	950	8	$ 84,334.50	9	$ 5,000.00	$ 45,000.00		$ 43,321.50	$ 41,013.00	$ 97,000.00	
1998	A	255	Echo Rd.	Country Club Rd.	Smithtown Rd.	2000	8	$ 182,088.00	29	$ 5,000.00	$ 145,000.00		$ 95,904.00	$ 86,184.00		
1998	A	291	Birch Bluff Rd.	Grant Lorenz Rd.	Eureka Rd.	2350	8	$ 217,633.50	39	$ 5,000.00	$ 195,000.00		$ 116,289.00	$ 101,344.50		
1998	L	306	Edgewood Rd.	Noble Road	Grant Lorenz Rd.	2480	8	$ 223,033.50	30	$ 5,000.00	$ 150,000.00		$ 116,167.50	$ 106,866.00		
1998	L-R	307	Woodside Dr.	Boulder Bridge Dr.	Howard's Point Rd.	2400	8	$ 217,255.50	33	$ 5,000.00	$ 165,000.00		$ 113,845.50	$ 103,410.00		
1998	R	317	Boulder Bridge Cir.	Boulder Bridge Cir.	Cul-de-sac	300	8	$ 30,982.50	9	$ 5,000.00	$ 45,000.00		$ 18,009.00	$ 12,973.50		
1998		319	Kathleen Ct.	Woodside Dr.	Cul-de-sac	300	8	$ 28,917.00	6	$ 5,000.00	$ 30,000.00		$ 15,943.50	$ 12,973.50		
1998		320	Woodside La.	Woodside Dr.	Cul-de-sac	300	8	$ 27,540.00	4	$ 5,000.00	$ 20,000.00		$ 14,566.50	$ 12,973.50		
			Annual Totals					**$ 1,171,611.00**	**178**		**$ 890,000.00**		**$ 616,315.50**	**$ 555,295.50**	**$ 240,100.00**	
	Code Key: R = Requests; L = Loop connection; ST = Street; A = Age of well/development; D = New development; I = Interconnection; V = Victoria															

NOTE: The estimated cost breakdown for street restoration and local street reconstruction are mutually exclusive.

SHOREWOOD WATER DISTRIBUTION SYSTEM
IMPLEMENTATION PLAN

			Pipe Locations			Quantities			Assessments					Street Construction Method		
Priority	Code	Pipe No.	Street Name	From	To	Length (ft)	Size (in)	Total Amount	Units	Cost/Unit	Funds	Trunk	Water main costs	Street Restoration	Local Street Reconstruction	MSA Street Reconstruction
														Cost breakdown for reference use only		
1999	ST	212	Yellowstone Tr.	Lake Linden Dr.	Country Club Rd.	1700	12	$ 91,516.50	14	$ 5,000.00	$ 70,000.00		$ 91,516.50			$ 302,000.00
1999	ST	211	Lake Linden Dr.	Service Rd. TH No.7	Yellowstone Tr.	1500	12	$ 81,189.00	14	$ 5,000.00	$ 70,000.00		$ 81,189.00			$ 247,000.00
1999	A	266	Club La.	Smithtown Rd.	Cul-de-sac	900	8	$ 79,083.00	7	$ 5,000.00	$ 35,000.00		$ 40,257.00	$ 38,826.00		
1999	A	267	Star La.	Smithtown Rd.	Cul-de-sac	750	8	$ 65,205.00	6	$ 5,000.00	$ 30,000.00		$ 32,818.50	$ 32,386.50		
1999	A	268	Star Cir.	Star La.	Cul-de-sac	150	8	$ 16,038.00	4	$ 5,000.00	$ 20,000.00		$ 9,504.00	$ 6,534.00		
1999	A	272	Manitou La.	Glen Rd.	Amlee Rd.	330	8	$ 29,133.00	3	$ 5,000.00	$ 15,000.00		$ 14,890.50	$ 14,242.50		
1999	A	273	Amlee Rd.	Manitou La.	Cul-de-sac	750	8	$ 71,401.50	15	$ 5,000.00	$ 75,000.00		$ 39,015.00	$ 32,386.50		
1999	A	274	Glen Rd.	Wedgewood Dr.	Manitou Rd.	2850	8	$ 260,050.50	40	$ 5,000.00	$ 200,000.00		$ 137,227.50	$ 122,823.00		
1999	ST	213	Country Club Rd.	Yellowstone Tr.	Smithtown Rd.	2400	12	$ 119,313.00	8	$ 5,000.00	$ 40,000.00		$ 119,313.00			$ 399,000.00
			Annual Totals					**$ 812,929.50**	**111**		**$ 555,000.00**		**$ 565,731.00**	**$ 247,198.50**		**$ 948,000.00**
2000	L	262	Yellowstone Tr.	Club Valley Rd.	Tee Tr.	230	8	$ 24,948.00	8	$ 5,000.00	$ 40,000.00		$ 14,958.00	$ 9,990.00		
2000	ST	263	Wiltsey /Pleasant	Yellowstone Tr.	Cul-de-sac	1100	8	$ 93,771.00	6	$ 5,000.00	$ 30,000.00		$ 46,318.50	$ 47,452.50	$ 268,000.00	
2000	L	264	Yellowstone Tr.	Country Club Rd.	Eureka Rd.(1st ave.)	3800	8	$ 315,751.50	10	$ 5,000.00	$ 50,000.00		$ 152,010.00	$ 163,741.50		
			Annual Totals					**$ 434,470.50**	**24**		**$ 120,000.00**		**$ 213,286.50**	**$ 221,184.00**	**$ 268,000.00**	
			Net 5 year Totals: 1996 - 2000					**$ 3,949,851.60**	**579**		**$ 2,895,000.00**	**$ 330,000.00**	**$ 2,569,125.50**	**$ 1,447,370.10**	**$ 1,342,244.00**	**$ 2,100,000.00**

Code Key: R = Requests; L = Loop connection; ST = Street; A = Age of well/development; D = New development; I = Interconnection; V = Victoria

NOTE: The estimated cost breakdown for street restoration and local street reconstruction are mutually exclusive.

SHOREWOOD WATER DISTRIBUTION SYSTEM IMPLEMENTATION PLAN, 2001 TO 2005



SHOREWOOD WATER DISTRIBUTION SYSTEM
IMPLEMENTATION PLAN

			Pipe Locations			Quantities			Assessments					Street Construction Method		
Priority	Code	Pipe No.	Street Name	From	To	Length (ft)	Size (in)	Total Amount	Units	Cost/Unit	Funds	Trunk	Water main costs	Street Restoration	Local Street Reconstruction	MSA Street Reconstruction
2001		112	Excelsior Blvd.	St Albans Bay Rd.	Easement	1400	8	$ 124,659.00	15	$ 5,000.00	$ 75,000.00		$ 64,327.50	$ 60,331.50		$ 371,300.00
2001		113	St Albans Bay Rd.	Suburban Dr.	Minnetonka Blvd	1900	8	$ 164,821.50	15	$ 5,000.00	$ 75,000.00		$ 82,890.00	$ 81,931.50		
2001		114	Minnetonka Blvd	St Albans Bay Rd.	Ferncroft Dr.	1300	8	$ 115,654.50	13	$ 5,000.00	$ 65,000.00		$ 59,575.50	$ 56,079.00		
2001		119	Garden Rd.	Bayswater Rd.	Minnetonka Blvd	1300	8	$ 116,343.00	14	$ 5,000.00	$ 70,000.00		$ 60,264.00	$ 56,079.00		
2001		120	Minnetonka Blvd	Garden Rd.	Fatima Pl.	800	8	$ 66,231.00	2	$ 5,000.00	$ 10,000.00		$ 31,752.00	$ 34,479.00		
2001		121	Fatima Pl.	Minnetonka Blvd	Cul-de-sac	500	8	$ 48,046.50	9	$ 5,000.00	$ 45,000.00		$ 26,446.50	$ 21,600.00		
2001		312	Cathcart Dr.	W. 62nd St.	Beverly Dr.	600	8	$ 54,297.00	7	$ 5,000.00	$ 35,000.00		$ 28,444.50	$ 25,852.50		$ 140,000.00
2001		313	Cathcart Dr.	Beverly Dr.	Smithtown Rd.	1700	8	$ 148,756.50	14	$ 5,000.00	$ 70,000.00		$ 75,451.50	$ 73,305.00		$ 378,800.00
2001		127	Lakeway Terr.	Minnetonka Blvd	Cul-de-sac	1100	8	$ 106,164.00	24	$ 5,000.00	$ 120,000.00		$ 58,711.50	$ 47,452.50		
			Annual Totals					**$ 944,973.00**	**113**		**$ 565,000.00**		**$ 487,863.00**	**$ 457,110.00**		**$ 890,100.00**
2002		115	Ferncroft Dr.	Minnetonka Blvd	Rustic Way	1650	8	$ 151,767.00	24	$ 5,000.00	$ 120,000.00		$ 80,649.00	$ 71,118.00		
2002		116	Rustic Way	Ferncroft Dr.	Idlewild Path	750	8	$ 69,336.00	12	$ 5,000.00	$ 60,000.00		$ 36,949.50	$ 32,386.50		
2002		117	Rustic Way	Idlewild Path	Easement	600	8	$ 53,608.50	6	$ 5,000.00	$ 30,000.00		$ 27,756.00	$ 25,852.50		
2002		118	West Lane	Suburban Drive	Garden Rd.	1200	8	$ 101,398.50	6	$ 5,000.00	$ 30,000.00		$ 49,693.50	$ 51,705.00		
2002		122	Suburban Dr.	Manor Rd.	Idlewild Path	1700	8	$ 152,887.50	20	$ 5,000.00	$ 100,000.00		$ 79,582.50	$ 73,305.00		
2002		123	Suburban Dr.	Idlewild Path	Easement	800	8	$ 68,985.00	6	$ 5,000.00	$ 30,000.00		$ 34,506.00	$ 34,479.00		
2002		124	Idlewild Path	Rustic Way	Suburban Dr.	600	8	$ 54,297.00	7	$ 5,000.00	$ 35,000.00		$ 28,444.50	$ 25,852.50		
2002		125	Woodend Pl.	St Albans Bay Rd.	Ferncroft Dr.	350	8	$ 31,414.50	4	$ 5,000.00	$ 20,000.00		$ 16,254.00	$ 15,160.50		
2002		126	Ivy La.	Ferncroft Dr.	Rustic Way	700	8	$ 64,111.50	10	$ 5,000.00	$ 50,000.00		$ 33,885.00	$ 30,226.50		
2002		314	Afton Rd.	Cathcart Dr.	Smithtown Rd.	850	8	$ 76,612.50	9	$ 5,000.00	$ 45,000.00		$ 39,946.50	$ 36,666.00		
2002		400	Suburban Dr. Esmt	Suburban Drive	To East	475	8	$ 43,368.75	5	$ 5,000.00	$ 25,000.00		$ 22,848.75	$ 20,520.00		
2002		284	Birch Bluff Rd.	Eureka Rd.	Tonka Bay Limits	650	8	$ 60,237.00	10	$ 5,000.00	$ 50,000.00		$ 32,197.50	$ 28,039.50		
2002		285	Lee Cir.	Birch Bluff Rd.	Cul-de-sac	200	8	$ 19,818.00	4	$ 5,000.00	$ 20,000.00		$ 11,191.50	$ 8,626.50		
2002		304	Howard's Point Rd.	Smithtown Rd.	Woodside Dr.	1800	12	$ 174,082.50	15	$ 5,000.00	$ 75,000.00		$ 96,525.00	$ 77,557.50		
			Annual Totals					**$ 1,121,924.25**	**138**		**$ 690,000.00**		**$ 590,429.25**	**$ 531,495.00**		
2003		286	Wild Rose La.	Eureka Rd.	Grant Lorenz Rd.	2350	8	$ 210,060.00	28	$ 5,000.00	$ 140,000.00		$ 108,715.50	$ 101,344.50		
2003		292	Sylvan La.	Wild Rose La.	Cul-de-sac	250	8	$ 23,692.50	4	$ 5,000.00	$ 20,000.00		$ 12,879.00	$ 10,813.50		
2003		293	Grant Lorenz Rd.	Smithtown Rd.	Birch Bluff Rd.	3035	8	$ 264,647.25	26	$ 5,000.00	$ 130,000.00		$ 133,832.25	$ 130,815.00		$ 677,200.00
2003		294	Oak Ridge Cir.	Grant Lorenz Rd.	Cul-de-sac	500	8	$ 46,669.50	7	$ 5,000.00	$ 35,000.00		$ 25,069.50	$ 21,600.00		
2003		410	Noble Rd.	Grant Lorenz Rd.	West to Heritage	1750	8	$ 151,942.50	13	$ 5,000.00	$ 65,000.00		$ 76,450.50	$ 75,492.00		
2003		282	Nelsine Dr.	Eureka Rd.	Wedgewood Dr.	450	8	$ 43,483.50	8	$ 5,000.00	$ 40,000.00		$ 24,070.50	$ 19,413.00		
2003		283	Orchard Cir.	Eureka Rd.	Cul-de-sac	250	8	$ 24,381.00	5	$ 5,000.00	$ 25,000.00		$ 13,567.50	$ 10,813.50		
2003		287	Meadow View La.	Wild Rose La.	Valley Wood Rd.	650	8	$ 54,729.00	2	$ 5,000.00	$ 10,000.00		$ 26,689.50	$ 28,039.50		
2003		288	Sunny Vale La.	Meadow View La.	Eureka Rd.	670	8	$ 60,453.00	8	$ 5,000.00	$ 40,000.00		$ 31,495.50	$ 28,957.50		
2003		289	Valley Wood Rd.	Eureka Rd.	Cul-de-sac	1350	8	$ 118,813.50	12	$ 5,000.00	$ 60,000.00		$ 60,574.50	$ 58,239.00		
2003		290	Valley Wood Cir.	Valley Wood Rd.	Cul-de-sac	200	8	$ 19,129.50	3	$ 5,000.00	$ 15,000.00		$ 10,503.00	$ 8,626.50		
2003		324	Elmridge Cir.	Edgewood Rd.	Cul-de-sac	300	8	$ 28,228.50	5	$ 5,000.00	$ 25,000.00		$ 15,255.00	$ 12,973.50		
			Annual Totals					**$ 1,046,229.75**	**121**		**$ 605,000.00**		**$ 539,102.25**	**$ 507,127.50**		**$ 677,200.00**

NOTE: The estimated cost breakdown for street restoration and local street reconstruction are mutually exclusive.

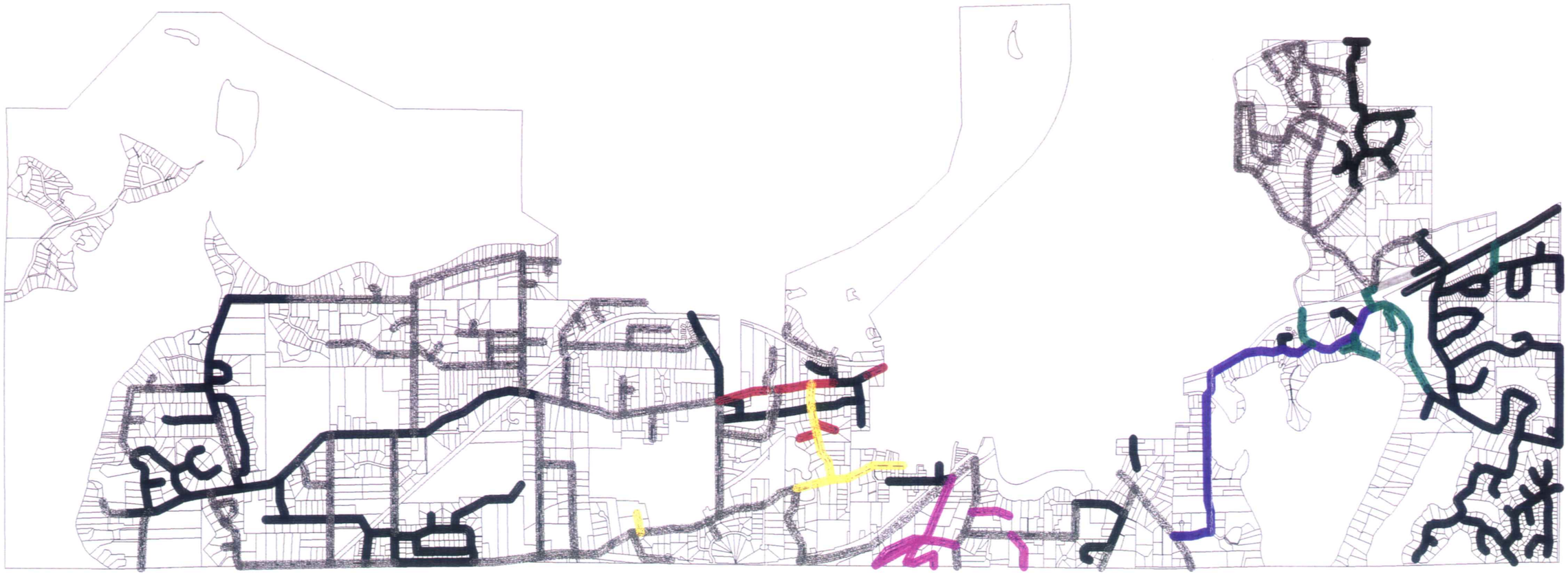
SHOREWOOD WATER DISTRIBUTION SYSTEM
IMPLEMENTATION PLAN

			Pipe Locations			Quantities			Assessments						Street Construction Method		
								Total	Units	Cost/Unit	Funds	Trunk	Water main costs	Street	Local Street	MSA Street
Priority	Code	Pipe No.	Street Name	From	To	Length (ft)	Size (in)	Amount						Restoration	Reconstruction	Reconstruction
2004		209	Galpin Lake Rd.	Murray St.	Service Rd. TH No.7	1500	12	$ 146,556.00	15	$ 5,000.00	$ 75,000.00		$ 81,877.50	$ 64,678.50		$ 314,000.00
2004		210	Service Rd. TH No.7	Galpin Lake Rd.	Lake Linden Dr.	4110	12	$ 374,652.00	2	$ 5,000.00	$ 10,000.00		$ 197,491.50	$ 177,160.50		
2004		231	Galpin Lake Rd.	Murray St.	Chanhassen Limits	700	8	$ 62,046.00	7	$ 5,000.00	$ 35,000.00		$ 31,819.50	$ 30,226.50		$ 146,000.00
2004		205	Mill St.	Christmas Lake La.	Apple Rd.	1275	12	$ 152,604.00	12	$ 5,000.00	$ 60,000.00		$ 70,092.00	$ 82,512.00		
2004		206	Apple Rd.	Mill St.	Bracketts Rd.	500	12	$ 58,279.50	17	$ 5,000.00	$ 85,000.00		$ 36,679.50	$ 21,600.00		
2004		207	Easement	Bracketts Rd.	Murray St.	1200	12	$ 111,361.50	4	$ 5,000.00	$ 20,000.00		$ 59,656.50	$ 51,705.00		
2004		208	Murray St.	Easement	Galpin Lake Rd.	2200	12	$ 205,483.50	8	$ 5,000.00	$ 40,000.00		$ 110,673.00	$ 94,810.50		
2004		224	Mill St.	Christmas Lake La.	Chanhassen Limits	750	8	$ 63,828.00	4	$ 5,000.00	$ 20,000.00		$ 31,441.50	$ 32,386.50		
2004		226	Apple Rd.	Stratford Pl.	Chanhassen Limits	300	8	$ 28,917.00	6	$ 5,000.00	$ 30,000.00		$ 15,943.50	$ 12,973.50		
2004		228	Mill St.	Apple Rd.	300' North	300	8	$ 29,605.50	7	$ 5,000.00	$ 35,000.00		$ 16,632.00	$ 12,973.50		
			Annual Totals					**$ 1,233,333.00**	**82**		**$ 410,000.00**		**$ 652,306.50**	**$ 581,026.50**		**$ 460,000.00**
2005		277	Mann La.	Eureka Rd.(1st ave.)	Seaman's Dr.	650	8	$ 57,483.00	6	$ 5,000.00	$ 30,000.00		$ 29,443.50	$ 28,039.50		
2005		278	Seaman's Dr.	Mann La.	Yellowstone Tr.	1850	8	$ 161,635.50	16	$ 5,000.00	$ 80,000.00		$ 81,891.00	$ 79,744.50		
2005		279	Eureka Rd.(1st ave.)	T.H. 7	Smithtown Rd.	3300	8	$ 286,699.50	26	$ 5,000.00	$ 130,000.00		$ 144,463.50	$ 142,236.00		$ 670,300.00
2005		309	Lake Virgina Dr.	Smithtown Rd.	Minnewashta Limits	1600	8	$ 138,658.50	13	$ 5,000.00	$ 65,000.00		$ 69,700.50	$ 68,958.00		
2005		310	W. 62nd St.	Lake Virgina Dr.	Strawberry La.	3200	8	$ 269,716.50	15	$ 5,000.00	$ 75,000.00		$ 131,827.50	$ 137,889.00		
2005		315	Blue Ridge La.	Lake Virgina Dr.	Lake Virgina Dr.	400	8	$ 36,571.50	6	$ 5,000.00	$ 30,000.00		$ 19,318.50	$ 17,253.00		
2005		316	Maple Ridge La.	Lake Virgina Dr.	Cul-de-sac	350	8	$ 30,726.00	3	$ 5,000.00	$ 15,000.00		$ 15,565.50	$ 15,160.50		
			Annual Totals					**$ 981,490.50**	**85**		**$ 425,000.00**		**$ 492,210.00**	**$ 489,280.50**		**$ 670,300.00**
			Net 5 year Totals: 2001 - 2005					**$ 5,327,950.50**	**539**		**$ 2,695,000.00**		**$ 2,761,911.00**	**$ 2,566,039.50**		**$ 2,697,600.00**

NOTE: The estimated cost breakdown for street restoration and local street reconstruction are mutually exclusive.

SHOREWOOD WATER DISTRIBUTION SYSTEM IMPLEMENTATION PLAN, 2006 TO 2010

YEAR
- EXISTING
- 1996-2005
- 2006
- 2007
- 2008
- 2009
- 2010



SHOREWOOD WATER DISTRIBUTION SYSTEM IMPLEMENTATION PLAN, 2011 TO 2015

YEAR
- EXISTING
- 1996-2010
- 2011
- 2012
- 2013
- 2014
- 2015



SHOREWOOD WATER DISTRIBUTION SYSTEM
IMPLEMENTATION PLAN

			Pipe Locations			Quantities			Assessments					Street Construction Method		
Priority	Code	Pipe No.	Street Name	From	To	Length (ft)	Size (in)	Total Amount	Units	Cost/Unit	Funds	Trunk	Water main costs	Street Restoration	Local Street Reconstruction	MSA Street Reconstruction
2006		248	McLain Rd.	Minnetonka Dr.	Cul-de-sac	450	8	$ 42,106.50	6	$ 5,000.00	$ 30,000.00		$ 22,693.50	$ 19,413.00		
2006		249	Elder Tr.	Minnetonka Dr.	Cul-de-sac	300	8	$ 28,917.00	6	$ 5,000.00	$ 30,000.00		$ 15,943.50	$ 12,973.50		
2006		250	Beehrlr Ave.	Wood Duck Cir.	Excelsior Limits	300	8	$ 42,687.00	26	$ 5,000.00	$ 130,000.00		$ 29,713.50	$ 12,973.50		
2006		253	Smithtown Rd.	Country Club Rd.	Timber La.	2500	12	$ 242,743.50	22	$ 5,000.00	$ 110,000.00		$ 134,959.50	$ 107,784.00		
			Annual Totals					**$ 356,454.00**	**60**		**$ 300,000.00**		**$ 203,310.00**	**$ 153,144.00**		
2007		229	Cardinal Dr.	Murray St.	Chanhassen Limits	700	8	$ 59,980.50	4	$ 5,000.00	$ 20,000.00		$ 29,754.00	$ 30,226.50		
2007		230	Galpin Lake La.	Galpin Lake Rd.	Cul-de-sac	550	8	$ 52,609.50	10	$ 5,000.00	$ 50,000.00		$ 28,822.50	$ 23,787.00		
2007		232	Murray Hill Rd.	Service Rd. TH No.7	Mayflower Rd.	1300	8	$ 112,900.50	9	$ 5,000.00	$ 45,000.00		$ 56,821.50	$ 56,079.00		
2007		233	Chaska Rd.	Mayflower Rd.	Chanhassen Limits	1050	8	$ 88,519.50	4	$ 5,000.00	$ 20,000.00		$ 43,254.00	$ 45,265.50		
2007		234	Easement (Loop)	Chaska Rd.	Mayflower Rd.	1150	8	$ 96,957.00	5	$ 5,000.00	$ 25,000.00		$ 47,317.50	$ 49,639.50		
2007		235	Mayflower Rd.	Murray Hill Rd.	Galpin Lake Rd.	700	8	$ 58,603.50	2	$ 5,000.00	$ 10,000.00		$ 28,377.00	$ 30,226.50		
2007		236	Murray Hill Rd.	Chaska Rd.	Chanhassen Limits	600	8	$ 49,477.50		$ 5,000.00	$ -		$ 23,625.00	$ 25,852.50		
2007		237	Summit Ave.	Murray Hill Rd.	Chanhassen Limits	750	8	$ 63,828.00	4	$ 5,000.00	$ 20,000.00		$ 31,441.50	$ 32,386.50		
			Annual Totals					**$ 582,876.00**	**38**		**$ 190,000.00**		**$ 289,413.00**	**$ 293,463.00**		
2008		200	Radisson Inn Rd.	Crossing	Easement	1700	12	$ 161,379.00	9	$ 5,000.00	$ 45,000.00		$ 88,074.00	$ 73,305.00		
2008		201	Easement	Radisson Inn Rd.	Service Rd. TH No.7	1300	12	$ 129,316.50	15	$ 5,000.00	$ 75,000.00		$ 73,237.50	$ 56,079.00		
2008		202	Service Rd. TH No.7	Easement	Christmas Lake Rd.	1000	12	$ 94,122.00	4	$ 5,000.00	$ 20,000.00		$ 51,016.50	$ 43,105.50		
2008		203	Christmas Lake Rd.	Service Rd. TH No.7	Christmas Lake La.	3400	12	$ 334,746.00	38	$ 5,000.00	$ 190,000.00		$ 188,230.50	$ 146,515.50		
2008		204	Christmas Lake La.	Christmas Lake Rd.	Mill St.	700	12	$ 65,218.50	2	$ 5,000.00	$ 10,000.00		$ 34,992.00	$ 30,226.50		
			Annual Totals					**$ 784,782.00**	**68**		**$ 340,000.00**		**$ 435,550.50**	**$ 349,231.50**		
2009		101	Service Rd. TH No.7	Old Maket Rd.	Covington Rd.	1000	12	$ 92,056.50	1	$ 5,000.00	$ 5,000.00		$ 48,951.00	$ 43,105.50		
2009		102	Covington Rd.	Service Rd. TH No.7	Crossing	500	12	$ 46,575.00		$ 5,000.00	$ -		$ 24,975.00	$ 21,600.00		
2009		103	Crossing	Covington Rd.	Excelsior Blvd.	700	12	$ 63,841.50		$ 5,000.00	$ -		$ 33,615.00	$ 30,226.50		
2009		129	Shady Hills Rd.	Service Rd. TH No.7	Easement	430	8	$ 37,881.00	2	$ 5,000.00	$ 10,000.00		$ 19,264.50	$ 18,616.50		
2009		131	Covington Rd.	Service Rd. TH No.7	Ridge Rd.	2100	12	$ 199,638.00	12	$ 5,000.00	$ 60,000.00		$ 109,107.00	$ 90,531.00		
2009		220	Shore Rd.	Radisson Inn Rd.	Cul-de-sac	600	8	$ 54,985.50	8	$ 5,000.00	$ 40,000.00		$ 29,133.00	$ 25,852.50		
2009		221	Easement	Shore Rd.	Cul-de-sac	250	8	$ 25,069.50	6	$ 5,000.00	$ 30,000.00		$ 14,256.00	$ 10,813.50		
2009		403	Carrie Lane	Covington Rd.	Cul-de-sac	450	8	$ 42,795.00	7	$ 5,000.00	$ 35,000.00		$ 23,382.00	$ 19,413.00		
2009		134	Radisson Inn Rd.	Excelsior Blvd.	Easement	850	8	$ 73,858.50	5	$ 5,000.00	$ 25,000.00		$ 37,192.50	$ 36,666.00		
			Annual Totals					**$ 636,700.50**	**41**		**$ 205,000.00**		**$ 339,876.00**	**$ 296,824.50**		

Phasing (3)

NOTE: The estimated cost breakdown for street restoration and local street reconstruction are mutually exclusive.

SHOREWOOD WATER DISTRIBUTION SYSTEM
IMPLEMENTATION PLAN

			Pipe Locations			Quantities			Assessments						Street Construction Method		
Priority	Code	Pipe No.	Street Name	From	To	Length (ft)	Size (in)	Total Amount	Units	Cost/Unit	Funds	Trunk	Water main costs		Street Restoration	Local Street Reconstruction	MSA Street Reconstruction
2010		241	Academy Ave.	Glencoe Rd.	500' East	500	8	$ 48,735.00	10	$ 5,000.00	$ 50,000.00		$ 27,135.00		$ 21,600.00		
2010		242	Yellowstone Tr.	Glencoe Rd.	Minnetonka Dr.	850	8	$ 74,547.00	6	$ 5,000.00	$ 30,000.00		$ 37,881.00		$ 36,666.00		
2010		243	Yellowstone Tr.	Minnetonka Dr.	Lake Linden Dr.	700	8	$ 60,669.00	5	$ 5,000.00	$ 25,000.00		$ 30,442.50		$ 30,226.50		
2010		246	Minnetonka Dr.	Yellowstone Tr.	Clover La.	1600	12	$ 153,778.50	13	$ 5,000.00	$ 65,000.00		$ 84,820.50		$ 68,958.00		
2010		247	Minnetonka Dr.	Clover La.	Smithtown Rd.	450	8	$ 40,041.00	3	$ 5,000.00	$ 15,000.00		$ 20,628.00		$ 19,413.00		
			Annual Totals					**$ 377,770.50**	**37**		**$ 185,000.00**		**$ 200,907.00**		**$ 176,863.50**		
2011		239	Glencoe Rd.	Cul-de-sac	Academy Ave.	750	8	$ 67,270.50	9	$ 5,000.00	$ 45,000.00		$ 34,884.00		$ 32,386.50		
2011		240	Glencoe Rd.	Academy Ave.	300' North	300	8	$ 27,540.00	4	$ 5,000.00	$ 20,000.00		$ 14,566.50		$ 12,973.50		
2011		238	Park St.	Exist. Pipe	Glencoe Rd.	470	8	$ 42,322.50	4	$ 5,000.00	$ 20,000.00		$ 21,991.50		$ 20,331.00		
2011		244	Charleston Cir.	Yellowstone Tr.	Cul-de-sac	670	8	$ 59,764.50	7	$ 5,000.00	$ 35,000.00		$ 30,807.00		$ 28,957.50		
2011		245	Riviera La.	Yellowstone Tr.	Cul-de-sac	900	8	$ 83,214.00	13	$ 5,000.00	$ 65,000.00		$ 44,388.00		$ 38,826.00		
2011		258	Wood Dr.	Tee Tr.	Cul-de-sac	600	8	$ 54,985.50	8	$ 5,000.00	$ 40,000.00		$ 29,133.00		$ 25,852.50		
2011		259	Wood Dr.	Tee Tr.	Chanhassen Limits	500	8	$ 45,981.00	6	$ 5,000.00	$ 30,000.00		$ 24,381.00		$ 21,600.00		
2011		260	Tee Tr.	Yellowstone Tr.	Wood Dr.	380	8	$ 32,319.00	2	$ 5,000.00	$ 10,000.00		$ 15,889.50		$ 16,429.50		
2011		261	Club Valley Rd.	Yellowstone Tr.	Wood Dr.	700	8	$ 62,046.00	7	$ 5,000.00	$ 35,000.00		$ 31,819.50		$ 30,226.50		
2011		405	Rampart Ct.	Wood Dr.	Cul-de-sac	140	8	$ 14,566.50	3	$ 5,000.00	$ 15,000.00		$ 8,478.00		$ 6,088.50		
			Annual Totals					**$ 490,009.50**	**63**		**$ 315,000.00**		**$ 256,338.00**		**$ 233,671.50**		
2012		133	Excelsior Blvd.	St. Albans Bay Rd.	Manor Rd.	1400	8	$ 117,774.00	5	$ 5,000.00	$ 25,000.00		$ 57,442.50		$ 60,331.50		$ 371,300.00
2012		222	Christmas Lake Pt.	Radisson Inn Rd.	Cul-de-sac	1300	8	$ 123,916.50	25	$ 5,000.00	$ 125,000.00		$ 67,837.50		$ 56,079.00		
2012		223	Merry La.	Service Rd. TH No.7	Cul-de-sac	900	8	$ 78,394.50	6	$ 5,000.00	$ 30,000.00		$ 39,568.50		$ 38,826.00		
2012		225	Brand Cir.	Christmas Lake La.	Cul-de-sac	300	8	$ 27,540.00	4	$ 5,000.00	$ 20,000.00		$ 14,566.50		$ 12,973.50		
2012		227	Hillendale Rd.	Mill St.	Cul-de-sac	1100	8	$ 98,590.50	13	$ 5,000.00	$ 65,000.00		$ 51,138.00		$ 47,452.50		
2012		402	Vine Hill Rd.	S.T.H. No. 7	Shady Hills Rd.	1085	8	$ 92,630.25	6	$ 5,000.00	$ 30,000.00		$ 45,812.25		$ 46,818.00		$ 252,000.00
			Annual Totals					**$ 538,845.75**	**59**		**$ 295,000.00**		**$ 276,365.25**		**$ 262,480.50**		**$ 623,300.00**
2013		323	Howard's Point Rd.	Edgewood Rd.	Cul-de-sac	1450	8	$ 128,533.50	15	$ 5,000.00	$ 75,000.00		$ 66,015.00		$ 62,518.50		
2013		265	Christopher Rd.	Smithtown Rd.	Cul-de-sac	600	8	$ 55,674.00	9	$ 5,000.00	$ 45,000.00		$ 29,821.50		$ 25,852.50		
2013		275	Harding Ave.	Wedgewood Dr.	Harding La.	300	8	$ 25,474.50	1	$ 5,000.00	$ 5,000.00		$ 12,501.00		$ 12,973.50		
2013		407	Spruce Hill Ct.	Yellowstone Tr.	Cul-de-sac	680	8	$ 59,764.50	6	$ 5,000.00	$ 30,000.00		$ 30,456.00		$ 29,308.50		
2013		276	Harding La.	Harding Ave.	Cul-de-sac	700	8	$ 65,488.50	12	$ 5,000.00	$ 60,000.00		$ 35,262.00		$ 30,226.50		
			Annual Totals					**$ 334,935.00**	**43**		**$ 215,000.00**		**$ 174,055.50**		**$ 160,879.50**		

NOTE: The estimated cost breakdown for street restoration and local street reconstruction are mutually exclusive.

SHOREWOOD WATER DISTRIBUTION SYSTEM
IMPLEMENTATION PLAN

			Pipe Locations			Quantities			Assessments					Street Construction Method		
Priority	Code	Pipe No.	Street Name	From	To	Length (ft)	Size (in)	Total Amount	Units	Cost/Unit	Funds	Trunk	Water main costs	Street Restoration	Local Street Reconstruction	MSA Street Reconstruction
2014		108	Vine St.	Anthony Ter.	Manor Rd.	800	8	$ 70,362.00	8	$ 5,000.00	$ 40,000.00		$ 35,883.00	$ 34,479.00		
2014		109	Manor Rd.	Knightsbridge Rd.	Vine St.	500	8	$ 48,735.00	10	$ 5,000.00	$ 50,000.00		$ 27,135.00	$ 21,600.00		
2014		110	Manor Rd.	Vine St.	Regents Walk	1400	8	$ 120,528.00	9	$ 5,000.00	$ 45,000.00		$ 60,196.50	$ 60,331.50		
2014		107	Easement	Excelsior Blvd.	Vine St.	1300	8	$ 112,900.50	9	$ 5,000.00	$ 45,000.00		$ 56,821.50	$ 56,079.00		
2014		401	Bauman Cir.	Manor Rd.	Cul-de-sac	400	8	$ 32,440.50		$ 5,000.00	$ -		$ 15,187.50	$ 17,253.00		
			Annual Totals					**$ 384,966.00**	**36**		**$ 180,000.00**		**$ 195,223.50**	**$ 189,742.50**		
2015		132	Ridge Rd.	Covington Rd.	Chanhassen Limits	4000	8	$ 346,963.50	33	$ 5,000.00	$ 165,000.00		$ 174,595.50	$ 172,368.00		
2015		318	Easement	Woodside Dr.	Cul-de-sac	500	8	$ 45,981.00	6	$ 5,000.00	$ 30,000.00		$ 24,381.00	$ 21,600.00		
2015		325	Bay Park Easement			2830	8	$ 234,009.00	8	$ 5,000.00	$ 40,000.00		$ 114,520.50	$ 119,488.50		
2015		408	Peach Cir.	Strawberry La.	Cul-de-sac	500	8	$ 45,981.00	6	$ 5,000.00	$ 30,000.00		$ 24,381.00	$ 21,600.00		
2015		409	Strawberry Ct.	Strawberry La.	Cul-de-sac	800	8	$ 72,427.50	11	$ 5,000.00	$ 55,000.00		$ 37,948.50	$ 34,479.00		
2015		322	Island View Rd.	Howard's Point Rd.	Cul-de-sac	900	8	$ 83,902.50	14	$ 5,000.00	$ 70,000.00		$ 45,076.50	$ 38,826.00		
			Annual Totals					**$ 829,264.50**	**78**		**$ 390,000.00**		**$ 420,903.00**	**$ 408,361.50**		
			Net 10 year Totals: 2006 - 2015					**$ 5,316,603.75**	**523**		**$ 2,615,000.00**		**$ 2,791,941.75**	**$ 2,524,662.00**		**$ 623,300.00**

NOTE: The estimated cost breakdown for street restoration and local street reconstruction are mutually exclusive.

III. FINANCING

Expansion of the water distribution system will be financed through assessments, trunk charges, and water user fees. Local street reconstruction funds and MSA street reconstruction funds will be used to reconstruct streets as conditions warrant in conjunction with the expansion of the water system. This will reduce the impact of restoring street with water fund resources.

The twenty year plan for implementation is estimated to cost between $14 million and $15 million, based on 1995 price levels with restoration of existing streets used for estimating purposes. Restoration of existing streets consists of patching the pavement areas disturbed by construction activities, along with the re-establishment of turf.

IV. SUMMARY

The Water Distribution System Implementation Plan provides for expansion of the water system over a twenty-year period in three phases. The plan is designed to satisfy local prioritization criteria, street reconstruction scheduling, and comprehensive plan requirements. The plan is flexible to account for available assessment funds, development, and City project funding needs. The plan phasing includes estimated costs for existing street restoration, local street reconstruction, and MSA street reconstruction in conjunction with watermain construction to provide the City with funding resource options.

#4

CITY OF SHOREWOOD
CITY COUNCIL WORK SESSION
MONDAY, MARCH 13, 2006

5755 COUNTRY CLUB ROAD
CONFERENCE ROOM
8:00 PM or immediately following
Regular Council meeting

AGENDA

1. **CONVENE SPECIAL CITY COUNCIL MEETING**

   A. Roll Call

   Mayor Love _____
   Lizée _____
   Turgeon _____
   Callies _____
   Wellens _____

   B. Review Agenda

2. **CAPITAL IMPROVEMENTS AND BONDING FOR THE WATER SYSTEM** (Att. – Director of Public Works' memorandum)

3. **WATER EXTENSION AND CONNECTION POLICY AND PRACTICE** (Att. – City Administrator and Director of Public Works' memorandum)

4. **POLICY ON PRIVATE PARTY PARTICIPATION IN CITY CONTRACTS** (Att. – City Administrator's memorandum)

5. **REPORT ON SURVEY RESULTS – WATERMAIN PROJECTS** (Att. – City Engineer's memorandum)

6. **OTHER**

7. **ADJOURN**

CITY OF
SHOREWOOD

5755 COUNTRY CLUB ROAD • SHOREWOOD, MINNESOTA 55331-8927 • (952) 474-3236
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Celebrating 50 Years • 1956 - 2006

MEMORANDUM

TO: Mayor and City Council
Craig Dawson, City Administrator

FROM: Larry Brown, Director of Public Works

DATE: March 9, 2006

RE: Capital Improvements and Bonding for the Water System

On August 8, 2005, Northland Securities performed the sale of $1,525,000 of bonds, on behalf of the City of Shorewood, for various water system improvements.

The improvements considered under that bond issue is as follows:

Project	**Estimated Costs**
Reconstruct Badger Field Well Facility	$ 625,000
Replacement of Well Controls Amesbury Well	$ 75,000
Woodhaven Well Interconnect	$ 174,500
Radio Read Meters	$ 210,000
Amesbury Polyphosphate System	$ 12,000
Amesbury Building Repair	$ 75,000
SE Area Water Rehab and Tower Painting	$ 300,000
Total Project Costs	**$ 1,471,500**

Table 1

#2

PRINTED ON RECYCLED PAPER

At the time staff made the presentation to the City Council for this bond sale, it was noted that these were the estimates that were available, and that cleanup financing may come into play as the designs are performed and projects are let. Unfortunately, we often play a "chicken-and-egg scenario" of leading a project design with the bond portfolio, to enable the financing to be in place for bidding and construction. Such is the case here.

A brief update as to the status of the projects listed in Table 1 is as follows:

- **Reconstruct Badger Field Well Facility:** Nearing the completion of construction. The well was placed in service March, 6, 2006. Final building, parking lot improvements, and landscaping will be completed this spring.
- **Replacement of Well Controls Amesbury Well:** Concepts are being discussed with the Controls Consultant.
- **Woodhaven Well Interconnect:** Staff is still negotiating with the City of Chanhassen, regarding connection charges.
- **Radio Read Meters:** Yet to commence
- **Amesbury Polyphosphate System:** Yet to commence
- **Amesbury Building Repair: Preliminary quotes reviewed.** Initial round of proposals received. Redesign is necessary, due to feedback from Homeowners Association, covenants and restrictions, and we will be pursuing a second request for proposals.
- **SE Area Water Rehab and Tower Painting:** Plans and Specifications have been drafted and are being reviewed.

As projects have entered the design and construction phase, overall costs become clear. Staff has been able to perform a final cost projection to complete the Badger Field project; re-estimate costs for the SE Area Water Tower Rehabilitation and Painting project, now that a design has been drafted; and calculate a revised cost for interconnection with the City of Chanhassen for the Woodhaven Well site, based on the most recent discussions. Table 2 on the following page is a representation of these findings.

Project	Original Estimate (Bond Basis)	Projected Costs
Reconstruct Badger Field Well Facility	$ 625,000	$691,035
Replacement of Well Controls Amesbury Well	$ 75,000	$ 75,000
Woodhaven Well Interconnect	$ 174,500	$260,000
Radio Read Meters	$ 210,000	$210,000
Amesbury Polyphosphate System	$ 12,000	$ 12,000
Amesbury Building Repair	$ 75,000	$ 75,000
SE Area Water Rehab and Tower Painting	$ 300,000	
Total Project Costs	**$ 1,471,500**	**$1,323,035**

Table 2

Currently, the Badger Well project has exceeded what the preliminary estimate at that time was. Note that the project is still on budget for what was proposed at the time the bid was awarded for the project.

In addition, the City of Chanhassen is requesting a significant increase from what was anticipated or known, for the connection charge to enable the abandonment of the Woodhaven Well Facility.

With these projected costs in excess of the original bond issue estimates, Staff has reviewed the projects to determine what it would require to remain within the bonding limits. In review of the projects it was determined that postponing the SE Area Water Tower Rehab project is possible for two years. This "frees up" that portion of the bond sale for the higher priority projects.

SE Area – Amesbury Interconnection

The "SE Area – Amesbury Water Interconnection" is under currently under design, and is scheduled for construction this spring. This project was proposed in the 2007 Capital Improvement Program, at the time of the bond sale. It was the precipitation of the Parkview Crossings subdivision that was the impetus for moving this interconnection to the 2006 season, such that the connections for this subdivision could also be captured.

During consideration of the original bond issue discussed above, application for the preliminary plat of Parkview Crossings project had not been completed. Thus, it was premature to discuss additional bonding for the SE Area – Amesbury (and Parkview Crossing Development), at that time the above referenced bond was being issued.

It is estimated that costs for the interconnection are roughly $880,000, including engineering costs. Thus, Staff will present materials at the work session to consider another bond issue for this project.

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SHOREWOOD

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MEMORANDUM

TO: City Council

FROM: Craig W. Dawson, City Administrator
Larry Brown, Director of Public Works

DATE: March 9, 2006

SUBJECT: Water Extension and Connection Policy and Practice

There has been some interest and confusion recently in the Wedgewood/Mallard/Teal neighborhood as the possibility of installing City water has been raised in conjunction with the street reconstruction project there. Staff believes it is worthwhile to review the major features of the current policy (in ordinance) and the practices in the extension of City water, and the property owners' costs for City water.

The City's water regulations are contained in Chapter 903 of the City Code. City water can be extended under the following scenarios:

1) **100 % petition of property owners**. The project may be ordered without a public hearing if all affected property owners want City water installed.

2) **35% petition of property owners**. The City Council may, upon receipt a petition signed by owners of property whose frontage totals at least 35 percent of the abutting street(s), and after holding a public hearing and determining feasibility, order the improvement with at least four-fifths of the Council voting to do so.

3) **67% petition of property owners**. If this percentage of affected property owners so petition the City Council, by simple majority vote may, after holding a public hearing and if the project is deemed feasible, order the improvement.

4) **City-initiated improvement**. A City-initiated project may or may not be assessed. If it is to be assessed, the City Council would need to hold a public hearing and have at least four-fifths of the Council to vote to order the improvement.

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Special Assessments: In Cases 1-3 above, and if decided by the Council in Case 4, all properties along the new watermain are assessed for the improvement. All applicable costs are apportioned among the properties. It should be noted that the assessments do not cover what are often referred to as "trunk charges" or "system charges" -- the associated cost of water treatment systems, wells and pumps, water towers, etc.

Connection Charge: When a property owner applies to receive City water, he/she pays a "connection charge". This is the charge designed to fund the parts of the water system other than the watermain under the street in front of the property. The property owner is still responsible for all of the costs of placing a water line from his/her house to the City's water valve in the right-of-way.

The City's current connection charge is $10,000. The Water Ordinance also gives property owners credit in the connection charge for any special assessments that have been paid.

> "Sec. 903.04, Subd. 3.b.: For properties previously assessed for municipal water service the connection charge shall be the amount specified in Chapter 1301 of this code, less the amount previously assessed."

For example,

- If a watermain is put in and there is a $7,500 special assessment levied when it is put in, the property owner will have that amount credited toward the connection charge. If the current $10,000 connection charge were in effect at the time the property owner decided to hook up to the City's system, $2,500 would be owed at that time.
- If a watermain is put in and there is a $12,000 special assessment levied, that is the amount to be credited. If the connection charge were $12,000 or less at the time the property owner decided to hook up to the City's system, there would be no further charge made.

New Developments: In the case where water service is extended to new developments, the developer pays for the greater of the cost to install the watermain improvement or the total of connection charges. (Sec. 903.04, Subd. 3.d.) No assessments are made against the properties.

Southeast System/Amesbury System Interconnection: The interconnection of the Southeast Area water system and the Amesbury system is scheduled for this year. This improvement is one which was initiated by the City and benefits the City's whole water system, and will be financed by all water customers. No special assessments are proposed to be made against property owners along the length of the new watermain. Property owners who choose to connect, however, would pay the full connection charge (now at $10,000) at the time they decided to apply for City water.

Staff Suggestions: Council may wish to consider a policy of assessing the full connection charge, if it is greater than the cost of the improvement, at the time of assessment for the watermain improvement. In the end, the property owner is responsible for the full connection charge. Making one assessment will provide greater clarity and administrative efficiency in financing the water extension policy.

Staff will also bring forward the Council-directed amendment to this Chapter whereby applications for assessments for connection charges can be made administratively, rather than on a case-by-case request to the City Council.

CHAPTER 903

WATER USE AND SERVICE

Section

903.01 Purpose and intent
903.02 Compliance with provisions
903.03 Private wells
903.04 Water service connections
903.05 Water turn-on and shut-off fees
903.06 Installation and construction requirements and specifications
903.07 Service pipes
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903.14 Discontinuance of service
903.15 Mandatory hook up, commercial and multiple-family residential users and certain residential developments
903.16 Right of entry powers
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903.01 PURPOSE AND INTENT.

The city municipal water system (hereinafter called the water system) shall be operated as a public utility and convenience from which revenue will be derived, subject to the provisions of this chapter.

(Ord. 395, passed 7-28-2003)

903.02 COMPLIANCE WITH PROVISIONS.

No person shall make, construct or install any water service installation, or make use of any water service connected to the water system except in the manner provided in this chapter, nor shall any person make, construct, install or make use of any installation connected to the water system contrary to the regulatory provisions of this chapter.

(Ord. 395, passed 7-28-2003)

903.03 PRIVATE WELLS.

Pursuant to the current State Well Code and the Minnesota Plumbing Code, private wells may be constructed or maintained and continued in use whether or not connection is made to the water system. In no event shall there be a means of cross-connection between the private well and the municipal water system at any time. Hose bibbs that will enable the cross-connection of the two systems are prohibited on internal piping of the well supply system. The threads of the boiler drain of the well volume tank shall be removed or the boiler drain hose bibb replaced with a sink faucet.

(Ord. 395, passed 7-28-2003)

903.04 WATER SERVICE CONNECTIONS.

Subd. 1. *Existing service stubs.* Service stubs have been installed to serve some homes and businesses presently located in the city. For those homes and businesses, the connections are ready for use by the existing structures in the city.

a. *Permit to connect, fee.* A permit must be obtained to connect to the water system. The fee for each permit shall be as set by Council ordinance. The fee shall include inspection and turn-on services performed by the city.

b. *Conditions of permit.* The permit fee shall be paid at the time of making application for water service. In addition thereto, before any permit shall be issued, the following conditions shall be complied with:

(1) No permit shall be issued to tap or connect with any water main or water system of the city either directly or indirectly from any lot or tract of land unless it shall be determined that:

(a) The lot or tract of land to be served by the connection or tap has been assessed for the cost of construction of the water main and water plan system with which the connection is made; or

(b) The proceedings for levying the assessments have been or will be commenced in due course; or

(c) A connection charge has been paid.

(2) A water meter, meter horn, and remote reader shall be purchased from the city at the time permit is applied for.

(3) If the lot is served by the Southeast Area or Boulder Bridge water systems and is below an elevation of 975 feet, a pressure reducing valve (PRV) shall be purchased from the city at the time the permit is applied for if a new connection or upon notice by the city if an existing connection.

(4) Inspections: All property service lines shall be inspected by the City Water Inspector before the lines are covered to insure proper construction of the line and connection to the service stub. The owner or contractor shall give at least 24 hours advance notice to the City Water Inspector when the service pipe is ready for inspection.

(5) Turn on and shut offs: Only an authorized city employee shall turn on or shut off any water supply at the curb stop.

Subd. 2. *New service stubs; application for water service connection.* In the event additional connections or stubs to existing water trunk or lateral facilities are required or desired, applications shall be made at the City Hall on forms furnished by the city.

a. *Applications.* All applications for service stubs shall be made by the owner of the property to be served, or his duly authorized agent, and shall state the size and location of the service connection required, and the applicant shall, at the time of making application, pay to the city the amount of fees required for the installation of the service connection as hereinafter provided. The application shall also contain the name of the owner, a description of the property, lot, block and addition, name of road upon which the property fronts and the signature of the applicant, or his agent, agreeing to conform to the rules and regulations that may be established by the city as conditions for the use of water.

b. *Performance bond.* For the purpose of assuring and guaranteeing to the city that the installation of the service connection shall fully comply with all of the other terms and provisions of this chapter, the applicant agrees to furnish to the city either a cash deposit or a corporate surety bond in the sum of $4,000 approved by the city and naming the city as obligee thereunder.

c. *Inspections.* All property service stubs shall be inspected by the City Water Inspector before the stubs are covered to insure proper construction of the stubs and connection to the water main.

d. *Additional requirements.* All requirements set forth in subdivision 1 of this section shall be applicable to this subdivision.

Subd. 3. *Connection charge.* A connection charge shall be paid by the owners of the lot or tract of land to be served by the municipal water system. The amount of the connection charge shall be as set forth in Chapter 1301 of this code and as follows:

a. Connection charges for various land uses shall be made in accordance with the following formula:

Land Use	*Formula*
Single-family residential	C
Multiple-family residential*	C x S + 0.25C x U
Commercial	C x REU
Schools, churches, government and other non-residential	1.5C

Where:
C = Connection charge as set forth in Chapter 1301 of this code
U = Number of dwelling units
S = Number of structures
REU = Number of residential equivalent units (there shall be one REU per 20,000 square feet of land area)

**Multiple-family structures include those buildings designed with two or more dwelling units. For the purposes of this chapter, the formula shall be based on no more than 12 dwelling units per structure.*

b. For properties previously assessed for municipal water service the connection charge shall be the amount specified in Chapter 1301 of this code, less the amount previously assessed.

c. In addition to the above, developers of new projects or subdivisions will be required to install trunk and lateral mains, services and appurtenant items at the time of development or platting. Pipe sizes shall be as set forth in the city's municipal water plan, as may be amended.

d. For properties not presently served by municipal water service, developers or property owners who wish to extend water service to their property line, shall pay for the cost of the improvement or the water connection charge, whichever is greater.

e. A property owner may petition and the Council, at its discretion, allow the connection charge to be assessed against the property, provided that the assessment will not adversely affect the City's Water Fund.

(Ord. 395, passed 7-28-2003)

903.05 WATER TURN-ON AND SHUT-OFF FEES.

A fee as established by ordinance of the City Council shall be charged for turning on or shutting off water except in instances where a connection permit has been obtained by the property owner.

(Ord. 395, passed 7-28-2003)

903.06 INSTALLATION AND CONSTRUCTION REQUIREMENTS AND SPECIFICATIONS.

Subd. 1. *Supervision.* All work performed within the limits of the city shall comply with all requirements of the Minnesota Plumbing Code as amended and the *Shorewood Standard Specifications and Details Manual* and shall be under the direct supervision of the City Water Inspector and Public Works Director.

Subd. 2. *Authority to do work.* Only persons authorized by this chapter shall tap any distributing main or pipe of the water system, or insert stopcocks or ferrule therein.

Subd. 3. *Excavations.* If the installation is to be in a surfaced street, the location of the water main shall be ascertained from the City Engineer and, upon completion, the installation shall be inspected by the Public Works Department. Prior to construction within the street, notice shall be given to the City Water Inspector, School District, United States Post Office, Police and Fire Departments, and City Public Works Director. The notice must be given at least three days prior to the excavation for laying of the service pipe, and the connection must be made before 3:00 p.m. After approval by the Public Works Department, the street shall be restored to its previously existing condition as directed and approved by the Public Works Department. The expense of the construction and restoration shall be borne by the applicant.

Subd. 4. *Separate connections and meters.* No more than one housing unit or building shall be supplied from one service connection except by special permission of the City Council. Whenever two or more parties are supplied from one pipe, connecting with the distribution main, each building or part of the building must have a separate stop box and a separate meter.

Subd. 5. *Property service lines.* All installations of property service lines shall comply with the following:

a. Property service pipe must be laid with sufficient waving to allow not less than one foot extra length and in the manner as to prevent rupture by settlement.

b. Property service lines must be placed not less than seven and one-half feet below surface or finished grade, whichever is lower, and arranged so as to prevent rupture by freezing.

c. A shut off or other curb stop shall be installed at the property line and placed so as to be protected from freezing.

d. All underground joints are to be mechanical (compression or flared, not sweated) unless otherwise approved by the City Inspector.

e. Joints shall be kept to a minimum with not more than one joint used for service up to 70 feet in length.

f. All piping joints and connections shall be left uncovered until inspected and tested at normal water line pressure.

g. Connections at mains for domestic supply shall be at least one inch.

h. No water pipe shall be connected with any pump, well, tank or piping that is connected with any other water supply other than the municipal water system.

i. Not more than one building shall be supplied from one service connection unless by special permission from the City Council.

j. When two or more buildings are supplied from one pipe, each building must have a separate stop box and separate meter.

k. Prior to connection with the municipal water system, all means of cross-connection to a retained private water supply shall be eliminated.

(Ord. 395, passed 7-28-2003)

903.07 SERVICE PIPES.

Subd. 1. *Maintenance and repair.* It shall be the responsibility of the property owner to maintain the service pipe from the curb box into the structure. In the case of failure upon the part of the property owner to repair any leak occurring in his pipe within 24 hours after verbal or written notice thereof, the water will be shut off and will not be turned on until the service charge, as established by ordinance of the Council, has been paid and the leak

repaired. When the waste of water is great, or when damage is likely to result from the leak, water may be turned off immediately pending repairs.

Subd. 2. *Abandoned service installations.* All service installations that have not been used for one year, or for any reason have become useless for further service, shall be shut off at the curb stop. Any expense of the city shall be charged to the property and, if not paid within 30 days, shall be treated as a delinquent account pursuant to this chapter.

(Ord. 395, passed 7-28-2003)

903.08 METERS.

Subd. 1. *Meter use required.* Except for extinguishing of fire, no person except authorized city employees shall use water from the water supply system or permit water to be drawn therefrom unless the same be metered by passing through a meter supplied by the city.

Subd. 2. *Installation of meters.* All water meters shall be installed by a licensed plumber in accordance with the following rules:

a. The service pipe from the water main to the meter shall be brought through the floor in a vertical position. The stop and waste valve shall be installed approximately 12 inches above the floor.

b. The meter shall be located so that the bottom is from twelve to 24 inches above the finished floor line. The meter shall be set not more than 12 inches, measured horizontally from the inside line of the basement wall, unless an alternate method is approved by the City Water Inspector.

c. All meter installations shall have a stop and waste valve on the street side of the meter. In no case shall there be more than 12 inches of pipe exposed between the point of entrance through the basement floor and the stop and waste valve. A stop and waste valve shall also be installed on the house side of the meter. Meter setting devices shall be of copper pipe or tubing from the terminus of the service pipe up to and including the house side stop and waste valve.

d. A remote reader shall be installed on the outside of the building in which the meter is contained at a height of three feet to five feet above grade.

Subd. 3. Maintenance, repair and replacement.

a. *Replacement of meter.* All water meters shall be and remain the property of the city and may be removed or replaced or changed as to size and type by the city whenever deemed necessary.

b. *Maintenance and repair.* The city shall maintain and repair all meters when rendered unserviceable through ordinary wear and tear and shall replace them if necessary. However, where any replacement or repair or adjustment of any meter is necessary because of damage from hot water backup, damage from freezing water, or damage from any act, carelessness or negligence of the owner or occupants of any premises, any expense incurred by the city to repair the damage shall be charged against and collected from the property owner, and water service may be discontinued until the cause is corrected and the amount charged collected.

Subd. 4. *Meter tests.* When a consumer makes a complaint that the bill for any past services has been excessive, the city shall, upon written request, have the meter re-read. If the user remains dissatisfied and desires that the meter be tested, the user shall then make a deposit in an amount established by ordinance of the City Council, and the city shall test the meter. The user shall, if he or she so desires, be present when the test is made. In case a test should show an error of over 5% of the water consumed in favor of the city, the deposit will be refunded to the user and a correctly registering meter will be installed and the date of written request and the minimum charge shall not be affected. In case the test shows an accurate measurement of water or an error in favor of the user, the amount deposited shall be retained by the city to cover the expenses of making the test.

Subd. 5. *Unauthorized tampering with meter.* All water meters shall be inspected and sealed by the City Water Inspector. No person not authorized by the city shall connect, disconnect, take apart, remove the seal, or in any manner change or cause to be changed or interfere with any meter or the action thereof.

Subd. 6. *Calibration of water meter and remote reader.* Each year, the city shall mail to each consumer a meter reading card. The consumer shall be responsible for recording the readings for the water meter and remote reader upon the card and shall return the card to the city by the date specified on the card. Failure of the consumer to return the card to the city by the date specified on the card will result in a late fee being assessed to the consumers account, the fee to be established by the City Council. The city shall analyze the cards and identify those which indicate a difference in excess of 10,000 gallons. The city shall calibrate water meters and remote readers which have a difference in excess of 10,000 gallons and shall inform the consumer of any difference in the readings and of the amount due thereon. The consumer shall be responsible to pay for any and all differences in readings between the water meter and remote reader which indicate amounts due for water consumption.

(Ord. 395, passed 7-28-2003)

903.09 WATER RATES AND CHARGES.

Subd. 1. *Rates and charges established.*

a. *Water service rates.*

(1) *Quarterly rates.* The water rate due and payable to the city by each water user for water taken from the municipal water system shall be at a quarterly rate established by a ordinance of the City Council. Where service is for less than a quarterly period, the quarterly charge will be prorated on a monthly basis.

(2) *Minimum rate for low income residents.* A minimum charge is established for residents having low incomes. The charge shall be at two-thirds of the regular minimum rate; provided, that consumption is under 10,000 gallons per quarter. Should the consumption exceed this minimum, the minimum rate reverts to the regular minimum rate. The criteria for determining low income is as set by the Hennepin County CDBG Program income limits for very low income and family size. Residents must submit the proper application and income disclosure initially, and at least annually, or upon reasonable request by the city, to be eligible for this rate.

b. *Meter charges.* A charge for a water meter shall be made by the city. Property owners or users shall pay in advance before delivery of the water meter for installation. The charge shall be as established by the City Council by ordinance.

c. *Water turn on.* The established turn-on fee will be charged for turning on water where service has been shut off for nonpayment of water billings, failure to repair a leak, discontinuance of service, or other reason specified in this chapter.

d. *Estimated and adjusted rates.*

(1) In the event the water meter servicing any property is found to be operating in a faulty manner or to have become inoperative, the amount of water will be estimated in accordance with the amount previously used in comparable periods of the year.

(2) The City Council shall be authorized to make adjustments in water charges when the amount billed is erroneous due to a meter deficiency or other mistake.

e. *Rates outside city limits.* Rates due and payable by each water user located beyond the territorial boundaries of the city shall be determined by special contract.

Subd. 2. *Listing of accounts.* All accounts shall be kept on the books of the city in the name of the owner of the property served. All bills and notices sent out by the city shall be sent to the address of the property served. If nonresident owners or agents desire personal notice sent to a different address, they shall file an application therefor with the city. Any error in address shall be promptly reported to the city.

Subd. 3. *Bills for services, delinquencies, discontinuance, tax assessments.*

a. *Billing.* Statements for charges for water service for a quarterly period shall be mailed to each property owner or user on or before the tenth day of the first month following the end of the quarter and shall be due and payable on or before the last day of the months of January, April, July and October following the quarterly period covered by the statement.

b. *Delinquencies.* After the last day of the month in which payment is due, a penalty of 10% of the unpaid account balance will be assessed and added to the amount due on the account. If the balance due on the account is not paid in full within 45 days of the day on which the account became due, a notice shall be sent to the property owner or user informing the property owner or user that the account is delinquent and that unless the account balance, is paid in full within 15 days, the water will be shut off and the prescribed shut-off fee will be assessed.

c. *Discontinuance of service.* If the property owner or user does not respond to the notice given above, prior to the date indicated in the notice, and the statement remains unpaid, the water shall be shut off at the curb stop. Prior to the water being turned back on again, the property owner or user shall be required to pay all delinquent charges, plus penalties and shut-off fees, and the prescribed turn-on fee.

d. *Appeals to discontinuance of service.* The property owner or user may appeal the notice to the City Council during the 15 day period set forth in Subd. 3(b). Water service shall continue to the appealing property owner or user pending the decision of the Council on the appeal. Upon the determination of the Council, the water may be shut off pursuant to Subd. 3(c) as set forth above.

e. *Tax assessments.* All delinquent accounts may be certified by the Clerk who shall prepare an assessment roll each year providing for assessment of the delinquent accounts against the respective property served. This assessment roll shall be delivered to the City Council for adoption prior to November 30 of each year and upon approval thereof, the Clerk shall certify to the County Auditor the amount due, plus a certification fee as established by ordinance of the City Council, and the County Auditor shall thereupon enter the amount as part of the tax levy on the premises to be collected during the ensuing year. The action may be optional or subsequent to taking legal action to collect delinquent accounts.

(Ord. 395, passed 7-28-2003)

903.10 WATER CONNECTIONS SERVED BY ADJACENT MUNICIPALITIES.

The City Council has heretofore and will in the future enter into contracts with adjacent municipalities to provide water service to properties located within the city. All permits to be issued under this chapter shall comply with the terms of the agreements. In instances where the cost of the water

hook-up from the supplying city is included in full or in part as a quarterly charge, then shall be added to the billing for the minimum quarterly water charge to be paid by the recipient.

(Ord. 395, passed 7-28-2003)

903.11 AUTHORIZED WATER SHUT OFFS.

In case of fire or alarm of fire, water may be shut off to insure a supply for the fire fighting; or in making repairs or construction of new works, water may be shut off at any time and kept shut off as long as necessary.

(Ord. 395, passed 7-28-2003)

903.12 CONSERVATION MEASURES.

Whenever the City Council shall determine that a shortage of water supply threatens the city, it may, by resolution, limit the time and hours during which water may be used from the water system for lawn and garden sprinkling, irrigation, car washing and other uses specified therein. Appropriate notice of the limitation shall be given prior to the enforcement thereof.

(Ord. 395, passed 7-28-2003)

903.13 RESTRICTED AND PROHIBITED ACTS.

Subd. 1. *Unauthorized turn on or shut off.* No person, except an authorized city employee or agent, shall turn on or off any water supply at the curb stop. A turn-on or shut-off fee in an amount equivalent to twice the prescribed fee shall be charged for the unauthorized turn on or shut off of any connection to the municipal water system.

Subd. 2. *Unauthorized use of hydrants, interference with system.* No person, other than employees or agents of the city, shall operate fire hydrants or interfere in any way with the water system.

Subd. 3. *Supplying water to others.* No person shall permit water from the water system to be used for any purpose except upon his own premises unless written consent is first obtained from the city.

(Ord. 395, passed 7-28-2003)

903.14 DISCONTINUANCE OF SERVICE.

Water service may be shut off at any curb stop connection whenever:

Subd. 1. The owner or occupant of the premises served, or any person working on any pipes or equipment thereon which are connected with the water system, has violated, threatens to violate or causes to be violated, any of the provisions of this chapter.

Subd. 2. Any charge for water, service, meter or other financial obligation imposed on the present or former owner or occupant of the premises served is unpaid.

Subd. 3. Fraud or misrepresentation by the owner or occupant of the premises served in connection with an application for service.

(Ord. 395, passed 7-28-2003)

903.15 MANDATORY HOOK UP, COMMERCIAL AND MULTIPLE-FAMILY RESIDENTIAL USERS AND CERTAIN RESIDENTIAL DEVELOPMENTS.

The owner of a property used for commercial purposes or for multiple-family residential purposes, involving four or more dwelling units, situated within the city and abutting on any street, alley or right-of-way in which there is located a municipal water trunk or lateral facility, is hereby required at its expense to connect to the facility in accordance with the provisions of this chapter within 90 days after the date of official written notice by the City Council to so connect. Single-family residential developments of more than three lots shall be required to connect to the municipal water system, at the developer's expense, based upon a determination by the City Engineer that the connection is feasible. The connection is considered feasible if the cost of providing water to the property line of the lots within the development does not exceed the connection charges, set forth in § 903.04, subd. 3. of this code, times the number of lots in the development.

(Ord. 395, passed 7-28-2003)

903.16 RIGHT OF ENTRY POWERS.

Authorized city employees shall have free access at reasonable hours of the day to all parts of every building and premises connected to the water system necessary for reading of meters and inspection. City employees shall be properly identified and shall display the identification upon seeking admittance to the building.

(Ord. 395, passed 7-28-2003)

903.17 DISCLAIMER OF LIABILITY.

The city shall not be liable for any deficiency or failure in the supply of water to property owners or users, whether occasioned by shutting the water off for the purpose of making repairs or connections, or from any other cause whatever.

(Ord. 395, passed 7-28-2003)

903.18 WATER IMPROVEMENT PROCESS.

Subd. 1. *Scope and purpose.* The purpose of this subsection is to supplement the requirements of State law, to provide for the methods to initiate a water improvement, and to authorize the formulation of policies relating to allocating the costs for the public improvements.

Subd. 2. *Special assessment procedure.*

a. *Initiating the improvement.* Improvement proceedings may be initiated in any one of the following four ways:

(1) *One hundred percent petition.* By a petition signed by 100% of the owners of real property abutting any street named as the location of the improvement. Upon receipt of a petition of 100% of the abutting property owners, the City Council must determine that it has been signed by 100% of the owners of the affected property. After making this determination, a feasibility report shall be undertaken and the project may be ordered without a public hearing, pursuant to the procedures set forth in M.S. § 429; or

(2) *Thirty-five percent petition.* By a petition signed by the owners of not less than 35% of the frontage of the real property abutting on the streets named as the location of the improvement, when the property owners are willing to pay the entire cost of the improvement. Upon receipt of a petition of 35% of the owners of abutting frontage, the City Council must determine that it has been signed by 35% of the owners. After making this determination, a feasibility report shall be undertaken and a public hearing shall be scheduled to consider the project, pursuant to the procedures set forth in M.S. § 429; or

(3) *Sixty-seven percent petition.* By a petition signed by the owners of not less than 67% of the lots or parcels abutting on the streets named as the location of the improvement. Upon receipt of a petition of 67% of the owners, the City Council must determine that it has been signed by 67% of the owners. After making this determination, a feasibility report shall be undertaken and a public hearing shall be scheduled to consider the project. If an improvement is ordered, benefitting properties shall be assessed pursuant to the procedures set forth in M.S. § 429; or

(4) *By the initiative of the City Council.* If the City Council determines to order an improvement, a feasibility report, as set forth in c. below, shall be undertaken and a public hearing shall be scheduled to consider the project. A simple majority vote of the City Council is needed to start the proceedings. If an improvement is ordered, benefitting properties shall be assessed pursuant to the procedures set forth in M.S. § 429.

b. *Petitions.* Not later than the time a petition is considered for acceptance by the City Council pursuant to a.(1) through a.(3) of this section, the petitioners shall have executed and delivered to the city an agreement whereby the petitioners agree to pay the cost of the improvement as defined in the agreement and agree not to contest or challenge either the assessment process or the amount to be assessed. The petition shall include an agreement that the cost of preparing the feasibility report shall be paid by the petitioners in the event the improvement is determined not to be feasible. Failure to pay for the feasibility report shall result in the costs being assessed against the properties of the petitioners.

c. *Preparing the feasibility study.* An improvement project which is initiated by action of the City Council or by a 35% or 67% petition, as set forth in a.(2) and a.(3) of this section, may be ordered only after a public hearing. Prior to adopting a resolution calling a public hearing on an improvement, the Council must secure from the City Engineer a report advising it in a preliminary way as to:

(1) Whether the proposed improvement is feasible;

(2) Whether the proposed improvement is consistent with Capital Improvement Planning;

(3) Whether the improvement should be made as proposed or in connection with some other improvement;

(4) The estimated cost of the improvement;

(5) A proposed project schedule; and

(6) Any other information thought pertinent and necessary for complete Council consideration.

d. *Holding a public hearing on the improvement.*

(1) Improvement projects which are initiated by a 100% petition may be ordered by the City Council without a public hearing if the City Council determines the project may be undertaken without unreasonable changes to the Capital Improvements Program or the petitioning property owners agree to pay 100% of the cost of the improvements. In the case of a Council-initiated project or petition of less than 100% of abutting property owners, the Council must adopt a resolution calling a public hearing on the

improvement project for which mailed and published notices of the hearing must be given. The notice of public hearing must include the following information:

(a) The time and place of hearing;

(b) The general nature of the improvements;

(c) The estimated cost; and

(d) The area proposed to be assessed.

(2) Not less than 10 days before the hearing the notice of hearing must be mailed to the owner of each parcel in the area proposed to be assessed. The notice of public hearing must be published in the city's legal newspaper at least twice, each publication being at least one week apart, with the last publication at least three days prior to the hearing.

(3) At the public hearing, the contents of the feasibility study will be presented and discussed with the intent of giving all interested parties an opportunity to be heard and their views expressed.

(4) Following a public hearing a resolution ordering the improvement may be adopted at any time within six months after the date of the hearing by a four-fifths vote of the City Council, unless the project was initiated by a 35% petition or a 67% petition in which event it may be adopted by a majority vote. At this time a special assessment is considered to be "pending" for all assessable properties in the improvement area.

Subd. 3. *Deferred assessments.*

a. *The City Council may defer special assessments.* On homestead property owned by a person who qualifies under the hardship criteria set forth below.

b. *Procedure.* The property owner shall make application for deferred payment of special assessments. The application shall be made within 30 days after the adoption of the assessment roll by the City Council and shall be renewed each year upon the filing of a similar application no later than September 30. The City Administrator/Clerk shall establish a case number for each application; review the application for complete information and details and make a recommendation to the City Council to either approve or disapprove the application for deferment. The City Council by majority vote, shall either grant or deny the deferment and if the deferment is granted, the City Council may require the payment of interest due each year. Renewal applications will be approved by the City Administrator/Clerk for those cases whereby the original conditions for qualifications remain substantially unchanged.

(1) If the City Council grants the deferment, the City Administrator/Clerk shall notify the County Auditor who shall in accordance with M.S. § 435.194, record a notice of the deferment with the County Recorder setting forth the amount of assessment.

(2) Interest shall be charged on any assessment deferred pursuant to this section at a rate equal to the rate charged on other assessments for the particular public improvement projects the assessment is financing. If the City Council grants an assessment deferral to an applicant, the interest may also be deferred, or the interest may be due and payable on a yearly basis up until the assessment period terminates and only the principal is deferred. The decision as to whether the principal and interest or just the principal is deferred is decided by the City Council when considering the application.

Subd. 4. *Conditions of hardship.*

a. Any applicant must be 65 years of age, or older, or retired by reason of permanent or total disability and must own a legal or equitable interest in the property applied for which must be the homestead of the applicant; or

b. The annual gross income of the applicant shall not be in excess of the criteria for determining low income as set by the Hennepin County CDBG Program income limits for very low income and family size. Income specified in the application should be the income of the year proceeding the year in which the application is made, or the average income of the three years prior to the year in which the application is made, whichever is less; and

c. Permanent and/or total disability shall be determined by using the criteria established for "permanent and total disability" for Workman's Compensation and the Social Security Administration.

Subd. 5. *Policies.* The City Council shall establish and may from time to time modify policies pertaining for the fair, equitable and consistent allocation of the cost of water improvements. The policies may relate to factors for determining economic feasibility, fees and charges for connecting to the system and the additional matters as the Council shall determine appropriate in its reasonable discretion.

(Ord. 395, passed 7-28-2003)

903.19 AMENDMENT - NOTICE.

This chapter may not be modified, amended, or repealed until a public hearing is held thereon by the City Council. A notice of the time, place and purpose of the hearing shall be published in the city's official newspaper and on its website at least 10 days prior to the day of the hearing. Failure of any

person to actually receive the notice shall not invalidate the proceedings provided a bona fide attempt to comply with these provisions has been made.

(Ord. 395, passed 7-28-2003)

903.20 VIOLATION.

Any person violating any provision of this chapter shall be guilty of a misdemeanor and punished according to § 104.01 of this code.

(Ord. 395, passed 7-28-2003)

CITY OF
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MEMORANDUM

TO: City Council
FROM: Craig W. Dawson, City Administrator
DATE: March 9, 2006
SUBJECT: Private Party Participation in City Contracts

A question has come up from Council about whether work on private parties may participate in public contracts. It was believed that private parties would benefit from economies of scale if they were included in a City contract. The specific matter that was raised was whether the private roadways in the Shorewood Ponds Association could be included with a City contract for a street overlay or sealcoating. Staff was asked to investigate the legality of such arrangements, and identify policy implications that might arise.

We have spoken with the City Attorney, and the short answer is that such arrangements are permitted. It is not uncommon in street reconstruction projects, for example, that a driveway restoration is necessary that extends onto private property. Property owners may want their entire driveway redone, and the additional work becomes a change order at the unit pricing in the city's contract.

The terms under which this type of work is done are critical, however. The City Attorney strongly advises that the City be involved in this arrangement only if the private parties agree that they will not take action against the City for the quality of work or defects that may occur on their property.

As a practical matter, under these terms, it would mean that their work is done with no guarantee. This would lessen the likelihood that private parties would want to participate in a City contract.

It would also be important to have a binding commitment from the private parties to proceed with their work. If they wanted to see pricing before committing to proceed, the City project would need to be bid with "deduct alternates". With this possibility, contractors may have higher unit pricing in the bids to cover this contingency.

While it is reasonable to assume that the best pricing for private parties would be in a City contract, it is also reasonable to assume that they would receive more favorable pricing by arranging for work with the contractor selected by the City. At a minimum, they should receive a break on prices for mobilization, as the contractor is already in the area. Staff would recommend that interested parties be encouraged to contact the City's contractor, rather than having them included in the City's contract.

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MEMORANDUM

TO: Mayor and City Council
Craig Dawson, City Administrator
Larry Brown, Director of Public Works

FROM: Steve Gurney, Acting City Engineer

DATE: March 9, 2006

RE: Summary of Water Connection Questionnaire
SE / Amesbury Interconnect

On September 12, 2005, Council authorized the preparation of plans and specifications for the interconnect between the Southeast and Amesbury water systems. The approved construction route utilized St. Albans Bay Road and Manor Road for installation of the new 12-inch watermain. At the October 6, 2006 meeting, Council approved an extension of the watermain along Suburban Drive to the new Parkview Crossings development.

At the suggestion of Council, a poll was taken of the residents along Suburban Drive to determine if there was enough interest in connecting to city water to make an extension from the new development to Orchard Lane feasible

In order to determine if there was sufficient interest among residents in connecting to the city water system, an informal poll was included as part of the mailing that announced the recent Public Information Meeting. The attached ***Project Location Map*** shows the two groups surveyed. The first group is the property owners along proposed expansion route (St. Albans Bay Road, Manor Road, and Suburban Drive to the Parkview Crossing development.) The second group consists of the property owners along potential additional watermain extension (Suburban Drive north of the new development.)

There was limited response to the question regarding water hookup, so a second mailing was sent to the 15 property owners comprising the second group of homeowners. This mailing included a self-addressed, stamped postcard that could be returned to City Hall indicating their preference. Even with this extra convenience, only 60% of the property owners replied. The response forms that were included in the mailing are attached.

The results of each poll are listed below. For the property owners along the proposed expansion route, only 27% were interested in connecting. In the area that is part of the potential additional watermain

expansion, only 13% indicated an interest in hooking up to city water. Property owners that did not respond are included as a "no" vote.

Comment	*Number of Reponses*	*Percentage*
Yes	15	27
No	9	16
Did not respond	31	57
Totals	55	100

Table 1.

Responses from Property Owners Along Proposed Expansion Route (St. Albans Bay Road, Manor Road, and Suburban Drive to the Parkview Crossing development, including nine within Parkview Crossing)

Comment	*Number of Reponses*	*Percentage*
Yes	2	13
No	7	47
Did not respond	6	40
Totals	15	100

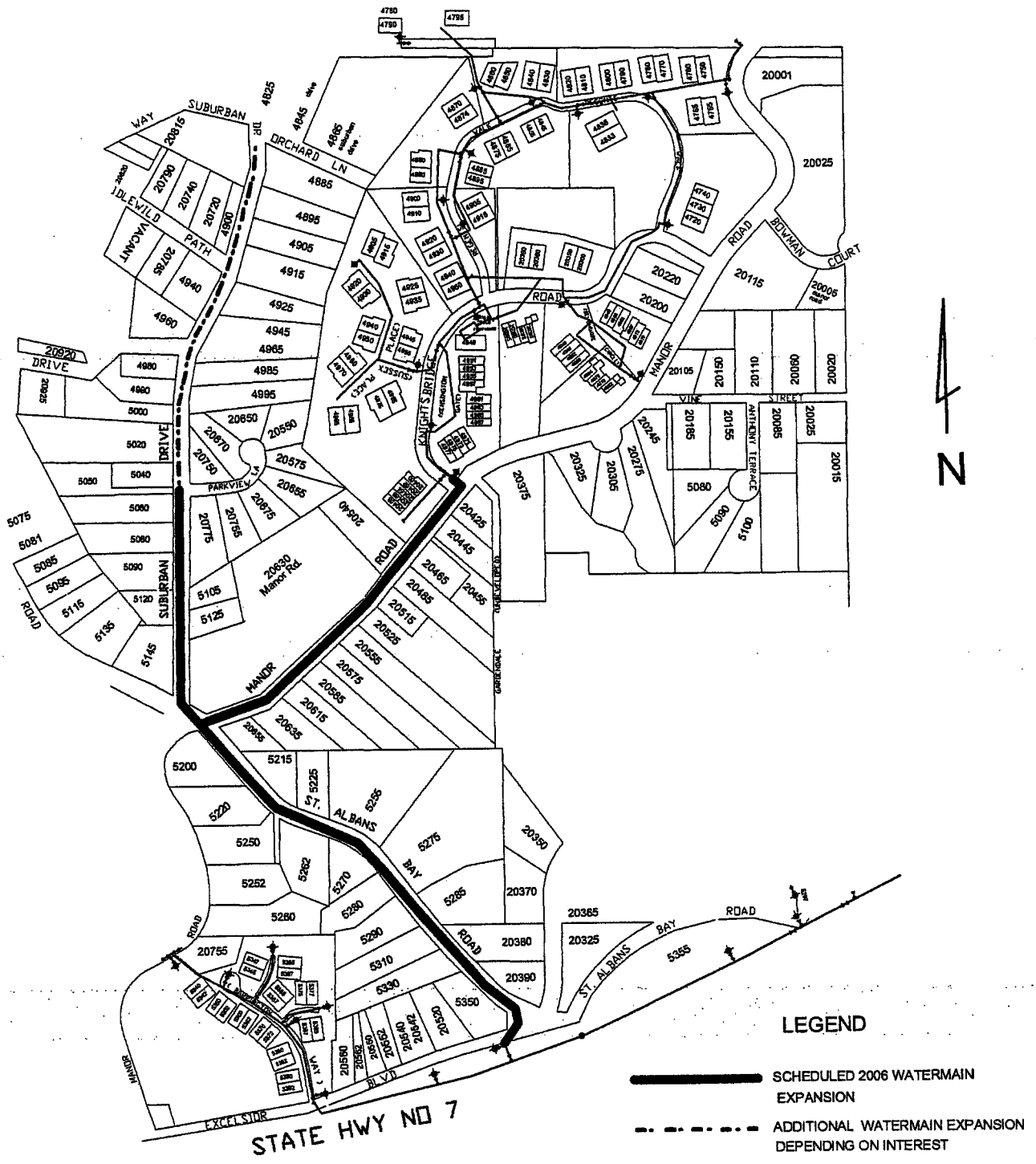
Table 2.

Responses from Property Owners Along Potential Additional Watermain Extension (Suburban Drive north of the new development.)

The two "yes" responses along the potential additional watermain extension are located relatively close to the proposed end of the watermain extension to the Parkview Crossing development. The two residences can be served by city water if the watermain is extended an additional 350 feet, which would also provide future opportunity for two other homes to connect. The extra cost of this additional watermain is estimated to be approximately $37,000, which is offset by $40,000 of potential revenue.

Recommendation

Staff is recommending that, in addition to the already approved project, the watermain in Suburban Drive be extended approximately 350 additional feet.


N
LEGEND
SCHEDULED 2006 WATERMAIN EXPANSION
ADDITIONAL WATERMAIN EXPANSION DEPENDING ON INTEREST
STATE HWY NO 7
SUBURBAN ROAD
MANOR ROAD
ORCHARD LN
IDLEWILD PATH
KNIGHTS BRIDGE
PARKVIEW LN
ST. ALBANS BAY ROAD
ST. ALBANS BAY BLVD
EXCELSIOR BLVD
VINE STREET
ANTHONY TERRACE
BOWMAN COURT
20815 SUBURBAN WAY
20915 SUBURBAN DR
20920 SUBURBAN DRIVE
20001
20025
20115
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20155
20185
20085
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20005
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RESPONSE FORM
RESIDENTIAL WATER SERVICE CONNECTION

Name: _____

Address: _____

Phone Number: _____

Please indicate your preference by checking the appropriate box below.

☐ I want city water to be extended to my property boundary. I understand that the connection fee is $10,000, which may be paid at the time of connection, or assessed against my property.

☐ No thanks; I do not want city water to be extended to my property boundary at this time.

Please return this form to:

Steve Gurney, Acting City Engineer
City of Shorewood
5755 Country Club Road
Shorewood MN 55331-8927

or respond by e-mail to sgurney@wsbeng.com. Please include your name address, and phone number along with your preference.

RESPONSE FORM
RESIDENTIAL WATER SERVICE CONNECTION

Name: _____

Address: _____

Phone Number: _____

Please indicate your preference by checking the appropriate box below.

☐ I want city water to be extended to my property boundary. I understand that the connection fee is $10,000, which may be paid at the time of connection, or assessed against my property.

☐ No thanks; I do not want city water to be extended to my property boundary at this time.

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MEMORANDUM

TO: Mayor and City Council
Craig Dawson, City Administrator
Larry Brown, Director of Public Works

FROM: Steve Gurney, Acting City Engineer

DATE: March 9, 2006

RE: Summary of Water Connection Questionnaire
Wedgewood Drive / Mallard Lane / Teal Circle

At the July 25, 2005 Council Meeting, the Council authorized the preparation of plans and specifications for the Road Reconstruction Project for Wedgewood Drive, Mallard Lane, and Teal Circle. There was further direction to undertake a feasibility study investigating the costs for city water service to be installed as part of this project.

The estimated cost for installing watermain at the same time as the road reconstruction project is $282,150. There are 37 properties in the area of the proposed construction. This is an average cost of $7,625.68 per property. An informal poll was taken of the residents to determine if there was enough interest in connecting to city water to make the watermain project feasible.

There was limited response to the question regarding water hookup. A copy of the response form, included in the mailing as a self-addressed, stamped postcard is attached for your information. The postcard was included so the resident could return it to City Hall indicating their preference. Even with this extra convenience, only 35% of the property owners replied.

The results of the poll are listed in ***Table 1***. Of the property owners along the road reconstruction project, only 19% were interested in connecting. Property owners that did not respond are included as a "no" vote.

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Comment	*Number of Reponses*	*Percentage*
Yes	7	19
No	6	16
Did not respond	24	65
Totals	37	100

Table 1.

Responses from Property Owners Along Proposed Watermain Route (Wedgewood Drive, Mallard Lane, and Teal Circle)

Recommendation

Staff is recommending that the Road Reconstruction Project for Wedgewood Drive, Mallard Lane, and Teal Circle proceed with the road widths previously determined at the July 25, 2005 Council meeting and that watermain installation not be included as part of this project.

RESPONSE FORM
RESIDENTIAL WATER SERVICE CONNECTION

Name: _____

Address: _____

Phone Number: _____

Property Address (if different than above): _____

Please indicate your preference by checking the appropriate box below.

☐ I want city water to be extended to my property boundary. I understand that the connection fee is $10,000 per single family home, which may be paid at the time of connection, or assessed against my property. ***Note that multi-family residential connection fees are greater.***

☐ No thanks; I do not want city water to be extended to my property boundary at this time.

CITY OF SHOREWOOD
CITY COUNCIL WORK SESSION
MONDAY, MARCH 13, 2006

5755 COUNTRY CLUB ROAD
CONFERENCE ROOM
8:00 PM or immediately following
Regular Council meeting

MINUTES

1. CONVENE WORK SESSION MEETING

Mayor Love called the meeting to order at 7:36 P.M.

A. Roll Call

Present: Mayor Love, Councilmembers Callies, Lizée, Turgeon, and Wellens; City Attorney Keane; Administrator Dawson; Finance Director Burton; and Director of Public Works Brown

Absent: None

B. Review Agenda

Without objection from Council, Mayor Love proceeded with the Agenda for the meeting.

2. CAPITAL IMPROVEMENTS AND BONDING FOR THE WATER SYSTEM

Administrator Dawson explained bonds were issued in 2005 based on estimated project costs. Once the design phase for some of the projects had been completed and project costs refined, it became apparent the bonds that had been issued to fund the projects would not be sufficient. Therefore, Council would need to determine which of the projects should be done based on the available bond funds. He also stated additional financing would need to occur for the interconnection of the Southeast and Amesbury systems.

Director Brown stated KLM Engineering, a consulting group that specialized in well rehabilitations, thought it was time to do the SE Area Water Tower Rehabilitation and Painting project, but they did not think it would be a serious problem to delay the project for two years.

Brown explained due to the increase in costs for some of the other projects, Staff recommended delaying the SE Area Water Tower project, thereby freeing up bond funds for higher priority projects.

Brown explained the "SE Area – Amesbury Water Interconnection" was currently under design, and was scheduled for construction this spring. The project had been proposed in the 2007 Capital Improvement Program at the time of the bond sale. The Parkview Crossings subdivision project was the impetus for moving this interconnection project to the 2006 season in order to capture the connections for this subdivision. He also explained it had been premature to discuss additional bonding for the SE/ Amesbury Water Interconnection and Parkview Crossing Development at the time the 2005 bonds had been issued.

Brown explained the preliminary estimated cost for the interconnection was approximately $888,000. He stated Staff would provide Council with the estimated cost breakdown at a future Council Meeting where it could consider another bond issue for that project.

Director Burton stated Staff and the City's bond consultant had a preliminary estimate of a $1 million dollar bond that would be issued. She explained with a 15-year pay-back schedule, the estimated yearly payment would be $90,000 – $100,000 a year. She then stated there were approximately 1,260 users and the bond would increase their rates by an estimated $80 per year. She also stated she was in discussions with the City's bond consultant with regard to refinancing the existing City water debt which would level out the debt service payments, rather than have larger payments in the earlier years. She noted there would be additional interest costs if the debt was refinanced.

In response to a question from Councilmember Wellens, Director Brown explained the costs for the Woodhaven Well Interconnect project for bonding were based on a budget figure from Excelsior; as that option failed and water from Chanhassen was being pursued, the figure shown was the connection fee stated in Chanhassen's ordinance. He stated the negotiations were still in progress and he thought it was still possible to reduce the connection fee.

3. WATER EXTENSION AND CONNECTION POLICY

Administrator Dawson stated there had been a fair amount of discussion and confusion with regard to the City's water policy and ordinance, what the City's practices were in the extension of City water, and the property owners' costs for City water. He then stated a document that had been distributed to the Wedgewood/Mallard/Teal neighborhood about the possibility of installing City water in conjunction with the street reconstruction project, contained some misstated information.

Administrator Dawson stated the March 9, 2006, Water Extension and Connection Policy and Practice memo from Staff to Council was intended to clarify the City's policy and practices (as explained in the details of the memo on file). He explained that for each of the four scenarios for extending City water, which are specified in the City's ordinance, there was a special assessment to cover the cost of the new watermain. He then explained there was also a connection charge to the property owner when the owner applied to receive City water (the current connection charge was $10,000), and the purpose of the connection charge was to fund the parts of the water system other than the watermain. Dawson explained the property owner received a credit on the connection charge for any assessments they had previously paid for the installation of a watermain. He noted the property owner was responsible for all of the costs of placing a water line from his/her house to the City's water valve in the right-of-way.

Dawson clarified the interconnection of the Southeast Area water system and Amesbury's was an improvement to the City's whole water system; therefore, no special assessments are proposed to be made against property owners along the length of the new watermain. He stated property owners who choose to connect, however, would pay the full connection charge at the time they decided to apply for City water.

Director Brown commented there had been a minimum of three versions of the water connection and extension ordinance during his almost 11-year tenure. He stated the volume of the ordinance was cumbersome and confusing. He explained Staff was preparing a "reader friendly" Municipal Water Brochure to help clarify the City's water ordinance and associated practices. He then explained there were three types of water projects: City-initiated projects; developer-initiated projects; and petition-projects.

Councilmember Turgeon explained she thought she understood the City's Water Extension and Connection Policy and Practices, but when she received the document that had been distributed to the Wedgewood Drive/Mallard Lane/Teal Circle neighborhood she questioned her understanding. Hence, she asked the topic be put on the Agenda. She suggested Council simplify the City's water policy, and clarify what constitutes a connection, and expressed her appreciation to Staff for the clarification memo.

Mayor Love stated the City's policy, which had been put in place ten years ago, essentially prevented the City from preparing any estimate for the cost of water. He went on to state councils had been extremely sensitive to the political differences that exist within Shorewood with regard to City water. He stated Council must determine a method for providing City water that is either guided by the City's ability to provide City water at times of opportunity, or by allowing property owners to obtain access to City water based on their desire for it.

He asked Council to move to Item 5 on the Agenda. Discussion continued.

Prior to moving to Item 5, Councilmember Callies asked Staff to clarify their suggestion stated in the memo. "*Council may wish to consider a policy of assessing the full connection charge, if it is greater than the cost of the improvement, at the time of assessment for the watermain improvement.*"

Administrator Dawson explained Staff would need to track the property owner's assessment for a watermain over time. He stated assessing the $10,000 for the watermain installation at the time of the project would be easier to administer, and when the property owner wanted to connect to City water there would not be an additional charge.

Councilmember Wellens stated he did not think that would be fair to the individuals that did not want City water.

Councilmember Callies then asked Staff if she understood the current policy correctly – if the watermain assessment was greater than the $10,000 connection charge the property owner would in effect pay no connection charge. Administrator Dawson stated that was the current policy. Callies stated she did not believe that was equitable.

Councilmember Turgeon stated she understood there would only be a connection charge if the watermain assessment was less than the amount of the connection charge. Administrator Dawson stated that was the current policy.

Discussion ensued with regard to assessments and connection charges, and how they were determined under the current policy.

Councilmember Callies stated the current policy increased the City's costs because fees for the full water system were not, in effect, charged if the watermain assessment was greater than $10,000.

Mayor Love stated because Shorewood was no longer a developing City with future projects extending water out to new developments, and those types of projects were very different from projects to retrofit water. He then stated as the City moved from a program where the minority could rule about water to a program where the majority ruled, the City had to be careful not to victimize the minority.

Mayor Love stated the $10,000 fee should be reviewed for appropriateness periodically.

Councilmember Turgeon stated when there was a watermain project scheduled Staff should provide the affected property owners with information about the assessment costs and connection costs in terms they could understand. She went on to state the assessment costs (which is for improvements to the property) and the connection fee (for access to the watermain) need to be clearly described. She commented the way the connection fee is calculated can be confusing. Turgeon stated a consistent message with consistent terminology would help in reducing the confusion.

Councilmember Wellens stated he supported the idea of a "reader friendly" Municipal Water Brochure. He stated he did not think property owners should be assessed for the connection charge if they did not want access to City water.

Mayor Love stated a benefit from paying the connection fee at the time of the assessment could serve as an incentive to apply for City water at the current connection rate knowing there was a chance the fee could be increased in the future.

Councilmember Turgeon stated property owners on Smithtown Road thought they had paid their connection fee when they were assessed $5,000; unfortunately they found out the fee would be another $5,000 because their assessment was $5,000 and the connection fee was now $10,000, noting the cost did not include work on their property.

Discussion again ensued over the timing of when the connection fee would be charged.

Mayor Love recapped what he thought he heard Council agree to – the connection fee would not be charged until the applicant applied for City water. A question that remained was the amount to charge for the benefit to the property.

Discussion ensued with regard to how the assessment and the connection fee were determined, and whether or not the property owner should pay the full connection fee at the time they applied for City water.

Councilmember Callies stated the connection fee can be determined in advance, but the assessment was based on the individual watermain project costs.

Councilmember Wellens questioned why a general assessment charge could not be determined. Councilmember Callies stated the assessment was based on the improvement to each particular property.

Attorney Keane explained the City consulted with evaluation experts to determine the value of City water for a single family residence (the difference between a residence with and a residence without City water); that was how the $10,000 number was arrived at. He noted the $10,000 value was determined ten or more years ago.

Director Burton suggested the connection fee be updated to reflect today's added benefit, and that property owners be notified months in advance of the proposed change.

With regard to Councilmember Callies's comment that the connection fee is sometimes charged in lieu of an assessment, Attorney Keane stated that was a separate policy.

Councilmember Turgeon stated the letter that was sent to the Wedgewood Drive/Mallard Lane/Teal Circle property owners in effect stated they would get the water "for free" and only 19% of them responded to a poll stating they would be interested in having City water. She stated she thought the reason more property owners did not respond positively was a result of the wording in the survey.

Director Brown stated the wording of the first poll was unfortunate, and noted a second mailing had been sent to property owners. He explained after the second mailing there still was not 67% support for the City water.

Discussion ensured with regard to how the benefits of City water should be marketed to the property owners.

Mayor Love stated at the time the $10,000 value for the benefit of City water was determined the average assessed value of a single family residence in Shorewood was $150,000, which made the benefit value approximately 7%. Today the average assessed value of a home was $300,000, which would make the $10,000 benefit value approximately 3%. He stated he thought the $10,000 benefit value should be re-analyzed.

Mayor Love stated it was important to ensure Council had a clear understanding of the City's water policy, and that understanding needed to be communicated to property owners. He then stated as Council tried to amend the policy over the last eight years it had become more complicated. He recommended the benefit value of City water to a single-family residence should be put on hold until there was Council consensus on what the water policy should be.

Mayor Love asked the two Wedgewood Drive property owners present at the meeting if they would like to address Council.

Dean Corder, 5685 Wedgewood Drive, stated the water policy was confusing to him. He stated he did respond to wanting City water. He went on to state that he had a number of questions after receiving the question and answer information document describing the Road Reconstruction Project. He then stated he had contacted Steve Gurney who had answered some of his questions and eliminated some of his confusion.

Mr. Corder stated he knew that City water would be inevitable, and some infrastructure had been put in place. He explained he had a well and was perfectly content with it. He then stated he supported installing the watermain, and he was not opposed to paying an assessment for his share of the cost. He was opposed to paying the connection fee at that time. Mayor Love clarified the current policy did not require him to pay the connection fee until he applied for City water. Mr. Corder went on to state after reading the letter, and after talking with Mr. Gurney, he understood the only thing he would have to pay would be the connection fee and that was due at the time he applied for City water. He commented on the importance on effectively communicating the City's water policy once Council had reached consensus on what the policy would be.

Mayor Love explained one of the problems was the City had different policies for different situations. When the watermain was installed along Minnetonka Drive between Cub and County Road 19, policy in place did not require property owners to hook-up to City water. There was no charge to the owners; there was no polling of the owners. He then explained with the Wedgewood Drive project the property owners were polled with regard to their desire for City water to meet the 67% favorable petition of property owners policy, and this would require an upfront assessment to cover the cost of the watermain installation.

Mr. Corder stated he understood the ability to pay the assessment over a number of years lessened the immediate financial impact. But, he added, when the costs for the $10,000 connection fee and the personal costs to bring City water from the watermain to his house were factored in, the financial burden was substantial. He questioned whether or not the total costs of having City water would increase his property value accordingly.

Mr. Corder stated he thought the reason for the poor response from the neighborhood property owners was a result of confusion and lack of clarity, and because of the short timeframe allowed to respond. He suggested Council not count a "no response" as a no vote until the City had again tried to educate the property owners on the policy. Mr. Corder stated that communication could be done through neighborhood meetings, or by inviting property owners to meet with the City Engineer.

Mr. Corder stated his lot was on the corner of Wedgewood Drive and Harding Lane and he wondered if he would be assessed when a watermain was installed on each road. Director Brown explained he would only be assessed for one watermain project.

Director Brown stated the letters had been sent to the property owners and the people renting the property. He clarified the $10,000 connection fee was for a single-family residence, and the duplex connection fee was $15,000. Mr. Gurney explained that for duplexes $7,500 was due upfront and the remaining $7,500 was due at the time of the connection. Brown also explained a fourplex had 90 days to hook-up to City water.

Michael Pressman, 5670 Wedgewood Drive, addressed Council next. He explained that Director Brown had spent time answering questions, and Administrator Dawson and Staff had compiled the information he had requested. He expressed his thanks, and stated he had been trying to educate himself on Agenda Items 3 and 5.

Mr. Pressman agreed with Mr. Corder that a "no response" should not be considered a no vote. He asked that Council not make any decision with regard to installing a watermain as part of the Road Improvement Project until it had approached the property owners one more time. He explained the statement "charges would only be incurred if you decide to connect to City water" in the question and answer document caused confusion. He stated the survey allowed for approximately one week to respond, and that turnaround time was insufficient considering the financial impact of the decision and the accuracy of the information that had been provided.

Mr. Pressman than stated he was confused about the petition of property owners scenarios.

Mr. Pressman stated he had not responded to the survey and he explained his reasons for indecision. His reasons were: there was no information about payment terms (e.g. the assessment amount, the payment terms, the interest rate); it was unclear if the stated assessment cost was fixed, or could that increase if the project costs increased and to what amount; the questionnaire had been distributed prior to Council agreement on the connection fee policy noting the property owners had conveyed their displeasure with the policy at a Council Meeting on July 25, 2005; the financial planning he needed to do with regard to the entire cost for City water took more than one week to complete; he had not had time to determine what his monthly water charge would be in that week; and he questioned why the City's water had not met lead quality standards for two of the last three years.

With regard to the connection fee, Mr. Pressman stated he understood there were "real costs that were not covered by the assessment" and he understood the intent of the policy was to try and have "equity". He then stated there were two ways to charge for the "real costs" and both ways would be equitable: 1) charge each property owner for the "real costs" not covered by the assessment; or, 2) charge the rate payer as part of the rate. He noted Councilmember Callies supported charging for "real costs". He suggested Council not proceed until the equity question had been resolved.

Mr. Pressman stated at the July 25, 2005, Council Meeting Councilmember Callies questioned the legality of charging a fixed amount, and Councilmember Turgeon stated there should be a City-wide policy, not a neighborhood by neighborhood policy. He then stated he did not believe Callies's question with regard to the legality had been addressed.

Mr. Pressman went on to state it appeared as if the City was using the Minnesota Supreme Court holding regarding the difference between special assessments and connection fees to make financial planning for a difficult process easier. He again stated the policy was not equitable.

Mr. Pressman stated once his questions had been answered, including the question on equity, and if he decided to vote in favor of water, he would approach the property owners that had not responded and attempt to convert them to a yes vote. He noted the complicated nature of the water policy, and did not fault anyone for the stated of confusion.

Mayor Love expressed his appreciation to the property owners for coming forth. He stated this was only the second time in eight years Council had attempted to put the water policy into practice, noting the first time was on Timber Lane. He then stated Timber Lane was different because it was done entirely from petition and this was the first time as part of road renovation.

Mr. Pressman stated he had had another engineer review WSB's cost estimates and they appeared to be reasonable. His engineer noted there could be cost savings on the 8-inch watermain because he had recently seen them be less expensive.

With regard to Mr. Pressman's comment that the equity question was critical and he wanted Council to address it, Councilmember Wellens stated previous Council-established the policy of a $10,000 connection fee and he asked Mr. Pressman if he was asking Council to change the policy. Mr. Pressman cited Minnesota Statute 429 with regard to assessments and connection charges. He stated the current water policy was not equitable, it was opportunistic.

Mayor Love stated Shorewood was a community of mixed density and lot sizes. He stated the costs in a low density area could be very high, and how could one achieve equity between low and high density areas.

Attorney Keane stated a couple of concepts were being commingled. He explained a special assessment under Chapter 429 was governed by two principles: 1) the special assessment amount should reflect the costs of the project based on a formula; and 2) the special assessment shall not exceed the special benefit test (i.e. increase in value to the property as a result of the improvement). He then explained the connection fee was under Chapter 444 and the test for those charges was if they were just and equitable. He went on to explain when the City determined the connection fee approximately 10 years ago, it needed to determine how to distribute the costs for the infrastructure investment (e.g. the wells, the treatment facilities, the storage facilities, etc.) over an entire system; the connection fee was the only way to reconcile the costs for that structure. He went on to state it was difficult to determine what portion of old infrastructure costs could be attributed to property owners that were now applying for City water. He then explained that was why Council sought the help of valuation consultants in establishing the amount for the connection fee, which was to reflect the increase in property value as a result of City water.

In response to a question from Councilmember Turgeon with regard to Councilmember Callies's July 25, 2005, stated concerns about the legality of the connection charge, Callies stated a flat fee of either the assessment amount or $10,000 (whichever was higher) does not take into account the benefit analysis required by Chapter 429. Callies went on to state she perceived the water policy to be a way of avoiding uncomfortable discussions with regard to water special assessments, although she could not confirm that.

Callies went on to state she was not opposed to special assessments for water provided they can be demonstrated to be of benefit to the property and reflect the cost of the project. She also stated there were circumstances when the property owner could not be assessed the entire cost of the project because the cost would exceed the benefit, and the City would need to incur the cost or a portion of the cost. In summary she stated the City should have a policy that would specially assess the property for water benefits, and have a reasonable separate connection fee that reflects some portion of the infrastructure costs.

Councilmember Turgeon stated the reason the policy was established as such was because it would be easier to administer. She then stated at that time the City had a plan to install watermains when streets were put it or renovated, the monies for the connections charges would realized over a 10-year, which turned to be 20-year; timeframe.

Attorney Keane stated uniformity and simplicity were part of the discussions with regard to the connection fee.

Director Brown stated the Wedgewood Drive project was somewhat unusual because the special assessments were lower than typical because of the density. He stated he understood Attorney Keane to say the $10,000 amount was defensible. Keane clarified he had stated the connection fee needed to be just and equitable.

Councilmember Turgeon questioned how the special assessment would be handled when watermain projects to similar density and lot size areas were significantly different in costs due to conditions like soil being bad, yet the benefit to the property was the same.

Mayor Love explained the stated the $10,000 connection fee for City water, which had been 7% of the median home value when established and was now 3% of the median home value, was a bargain and would still be a bargain if the figure rose to $15,000. He stated from his perspective the water system had the capacity to support additional subscribers, and he would like Council and Staff to determine how to communicate how good a value City water currently was and now was the time to apply. He then stated once the subscriber base had increased that would be the appropriate to reevaluate the connection fee.

Mayor Love suggested Council adjourn from the discussion regarding the water policy and return to it at a future Work Session.

Councilmember Turgeon stated she thought a work session on the topic of the water policy was in order.

Councilmember Wellens suggested Council direct Staff to complete the Municipal Water Brochure explaining the existing policy as soon as possible and get that distributed to the Wedgewood Drive/Mallard Lane/Teal Circle property owners. He suggested a future Work Session should have a structure approach for determining what a new policy should be.

Councilmember Turgeon suggested the Wedgewood Drive property owners be used to assess the effectiveness of the Brochure.

Mayor Love stated he would was not in favor on conducting another survey with the Wedgewood Drive area property owners. It was important property owners understood the initial cost for City water was comprised of three elements: 1) the cost to install the watermain; 2) the cost to connect to the watermain; and 3) the individual property costs to bring water from the watermain to the residence. He then stated the City needed a response to the question of water quality.

Director Burton explained the property owner would decide the method they would use to purchase the initial water improvement (would they finance the purchase, pay the cost up front, etc.). She then explained the City could say it had terms available but the City could not provide the specifics right then; determining City finance rates was more involved and varied by project.

Council asked Staff to report back on the questions raised (where possible) on the water policy at the April 10 Work Session.

Staff should also work with some of Wedgewood Drive/Mallard Lane/Teal Circle property owners on the water policy issue.

In response to a question from Councilmember Wellens, Administrator Dawson stated Shorewood's water policy was somewhat unique. Mayor Love stated he believed the system was complicated and convoluted.

Councilmember Wellens questioned if it was common for cities to have special water assessments and connection fees. Administrator Dawson and Attorney Keane both stated two charges were fairly common.

Councilmember Callies stated the charges are common; Shorewood's policy is not common.

4. POLICY ON PRIVATE PARTY PARTICIPATION IN CITY CONTRACTS

Administrator Dawson explained a question had come up from Council about whether work on private properties may participate in public contracts. The specific matter that was raised was whether the private roadways in the Shorewood Ponds Association could be included with a City contract for a street overlay or sealcoating. Staff was asked to investigate the legality of such arrangements, and identify policy implications that might arise.

Administrator Dawson then explained Staff had spoken with Attorney Keane, and the short answer is that such arrangements are permitted. The terms under which this type of work would be done were critical. Attorney Keane strongly advised that the City be involved in this arrangement only if the private parties agreed that they would not take action against the City for the quality of work or defects that may occur on their property.

Administrator Dawson stated Staff recommended that interested parties be encouraged to contact the City's contractor, rather than having them included in the City's contract.

Director Brown stated it was often difficult to please all property owners affected by a project. He stated he believed there could still be instances of property owners attempting to hold the City liable for the work even if the property owner had signed a waiver stating they would not take action.

Mayor Love stated there could also be an issue with how to distribute the cost savings between the City and the property owner. He then stated he would not want to have private property work completed as part of a City contract.

Councilmember Turgeon asked Staff to notify the property owners on Pond View Drive in the Shorewood Ponds Association of when the work was scheduled to be done and the name of the City contractor that would be doing the work.

Councilmember Turgeon requested all private roads be subject to the same policy. Director Brown stated that was the current policy.

5. REPORT ON SURVEY RESULTS – WATERMAIN PROJECTS

This was discussed as part of Item 3.

6. OTHER

There was no other business for discussion.

7. ADJOURN

Wellens moved, Turgeon seconded, Adjourning the City Council Work Session Meeting of March 13, 2006, 9:15 P.M. Motion passed 5/0.

RESPECTFULLY SUBMITTED,
Christine Freeman, Recorder

Woody Love, Mayor

ATTEST:

Craig W. Dawson, City Administrator/Clerk

CITY OF SHOREWOOD
CITY COUNCIL WORK SESSION
WEDNESDAY, JANUARY 20, 2010

5755 COUNTRY CLUB ROAD
CITY HALL
6:00 P.M.

AGENDA

		Attachments	Estimated Time in Minutes	Estimated Start Time (Clock Time)
1.	**CONVENE CITY COUNCIL WORK SESSION**			6:00 p.m.
	A. Roll Call Mayor Lizée ____ Bailey____ Turgeon ____ Woodruff____ Zerby ____			
	B. Review Agenda			
2.	**LAKE MINNETONKA COMMUNICATIONS COMMISSION BOARD REPRESENTATIVE INTERVIEWS**	Candidate Letters of Interest	45 minutes	
	A. DAVID CROSS, 5305 SHADY ISLAND RD			6:00 p.m.
	B. KEN HENDRICKSON, 21125 RADISSON RD			6:15 p.m.
	C. PATRICK HODAPP, 26195 SHOREWOOD OAKS DR			6:30 p.m.
3.	**WATER CONNECTION POLICY DISCUSSION**	Administrator's CAF	60 minutes	7:00 p.m.
4.	**ADJOURN**			8:00 p.m.

COUNCIL ACTION FORM

Department	Council Meeting	Item Number	#3
Administration	January ~~19~~ 20, 2010	Work Session	

From: Brian Heck, City Administrator

Item – Water Ordinance Amendments

Description/Background/Previous Action

The City Council has asked staff to review and suggest amendments to the current water ordinance so that the Council is able to order the extension of water service without having to assess benefiting property owners for the extension, but rather extend the service as part of a road improvement project.

Staff met a couple of times to discuss different methods of amending the ordinance. We have arrived at a couple of options. One is to create a new section in 903 – 903.181 and outline the procedure for council initiated projects and the other is to expand 903.18 by adding a new section for initiating a project without an assessment.

Staff has also made some additional recommended changes that include reducing the minimum charge from 10,000 to 5,000 in accordance with recent action on the water rate, recommend deleting the required public hearing to amend the ordinance, and possible changes to water meter calibration and deferred assessments.

Staff is recommending the following process for this discussion.

- Address the water ordinance language and amendments at the January ~~19~~ 20, 2010 meeting and at the January 25, 2010 work session.
- Complete the discussion on the amendments to the ordinance by the February 8, 2010 meeting and prepare for the hearing and adoption of amendments on February 22, 2010.
- Begin discussion on connection charges and rates beginning February 8 with completion of this by June 2010.

Following the discussion on January ~~19~~ 25, 2010, staff will revise the ordinance as necessary and have it ready for review and discussion at the work session before the Council meeting on January 25.

Attached are the two methods / options staff has discussed.

Council Action:

CHAPTER 903

WATER USE AND SERVICE

Section

903.01 Purpose and intent
903.02 Compliance with provisions
903.03 Private wells
903.04 Water service connections
903.05 Water turn-on and shut-off fees
903.06 Installation and construction requirements and specifications
903.07 Service pipes
903.08 Meters
903.09 Water rates and charges
903.10 Water connections served by adjacent municipalities
903.11 Authorized water shut offs
903.12 Conservation measures
903.13 Restricted and prohibited acts
903.14 Discontinuance of service
903.15 Mandatory hook up, commercial and multiple-family residential users and certain residential developments
903.16 Right of entry powers
903.17 Disclaimer of liability
903.18 Water improvement process
903.19 Amendment - notice
903.20 Violation

903.01 PURPOSE AND INTENT.

The city municipal water system (hereinafter called the water system) shall be operated as a public utility and convenience from which revenue will be derived, subject to the provisions of this chapter.

(Ord. 395, passed 7-28-2003)

903.02 COMPLIANCE WITH PROVISIONS.

No person shall make, construct or install any water service installation, or make use of any water service connected to the water system except in the manner provided in this chapter, nor shall any person make, construct, install or make use of any installation connected to the water system contrary to the regulatory provisions of this chapter.

(Ord. 395, passed 7-28-2003)

903.03 PRIVATE WELLS.

Pursuant to the current State Well Code and the Minnesota Plumbing Code, private wells may be constructed or maintained and continued in use whether or not connection is made to the water system. In no event shall there be a means of cross-connection between the private well and the municipal water system at any time. Hose bibbs that will enable the cross-connection of the two systems are prohibited on internal piping of the well supply system. The threads of the boiler drain of the well volume tank shall be removed or the boiler drain hose bibb replaced with a sink faucet.

(Ord. 395, passed 7-28-2003)

903.04 WATER SERVICE CONNECTIONS.

Subd. 1. *Existing service stubs.* Service stubs have been installed to serve some homes and businesses presently located in the city. For those homes and businesses, the connections are ready for use by the existing structures in the city.

a. *Permit to connect, fee.* A permit must be obtained to connect to the water system. The fee for each permit shall be as set by Council ordinance. The fee shall include inspection and turn-on services performed by the city.

b. *Conditions of permit.* The permit fee shall be paid at the time of making application for water service. In addition thereto, before any permit shall be issued, the following conditions shall be complied with:

(1) No permit shall be issued to tap or connect with any water main or water system of the city either directly or indirectly from any lot or tract of land unless it shall be determined that:

(a) The lot or tract of land to be served by the connection or tap has been assessed for the cost of construction of the water main and water plan system with which the connection is made; or

(b) The proceedings for levying the assessments have been or will be commenced in due course; or

(c) A connection charge has been paid.

(2) A water meter, meter horn, and remote reader shall be purchased from the city at the time permit is applied for.

(3) If the lot is served by the Southeast Area or Boulder Bridge water systems and is below an elevation of 975 feet, a pressure reducing valve (PRV) shall be purchased from the city at the time the permit is applied for if a new connection or upon notice by the city if an existing connection.

(4) Inspections: All property service lines shall be inspected by the City Water Inspector before the lines are covered to insure proper construction of the line and connection to the service stub. The owner or contractor shall give at least 24 hours advance notice to the City Water Inspector when the service pipe is ready for inspection.

(5) Turn on and shut offs: Only an authorized city employee shall turn on or shut off any water supply at the curb stop.

Subd. 2. *New service stubs; application for water service connection.* In the event additional connections or stubs to existing water trunk or lateral facilities are required or desired, applications shall be made at the City Hall on forms furnished by the city.

a. *Applications.* All applications for service stubs shall be made by the owner of the property to be served, or his duly authorized agent, and shall state the size and location of the service connection required, and the applicant shall, at the time of making application, pay to the city the amount of fees required for the installation of the service connection as hereinafter provided. The application shall also contain the name of the owner, a description of the property, lot, block and addition, name of road upon which the property fronts and the signature of the applicant, or his agent, agreeing to conform to the rules and regulations that may be established by the city as conditions for the use of water.

b. *Performance bond.* For the purpose of assuring and guaranteeing to the city that the installation of the service connection shall fully comply with all of the other terms and provisions of this chapter, the applicant agrees to furnish to the city either a cash deposit or a corporate surety bond in the sum of $4,000 approved by the city and naming the city as obligee thereunder.

c. *Inspections.* All property service stubs shall be inspected by the City Water Inspector before the stubs are covered to insure proper construction of the stubs and connection to the water main.

d. *Additional requirements.* All requirements set forth in subdivision 1 of this section shall be applicable to this subdivision.

Subd. 3. *Connection charge.* A connection charge shall be paid by the owners of the lot or tract of land to be served by the municipal water system. The amount of the connection charge shall be as set forth in Chapter 1301 of this code and as follows:

a. Connection charges for various land uses shall be made in accordance with the following formula:

Land Use	***Formula***
Single-family residential	C
Multiple-family residential*	C x S + 0.25C x U
Commercial	C x REU
Schools, churches, government and other non-residential	1.5C
Where: C = Connection charge as set forth in Chapter 1301 of this code U = Number of dwelling units S = Number of structures REU = Number of residential equivalent units (there shall be one REU per 20,000 square feet of land area)	

**Multiple-family structures include those buildings designed with two or more dwelling units. For the purposes of this chapter, the formula shall be based on no more than 12 dwelling units per structure.*

b. For properties previously assessed for municipal water service the connection charge shall be the amount specified in Chapter 1301 of this code, less the amount previously assessed.

c. In addition to the above, developers of new projects or subdivisions will be required to install trunk and lateral mains, services and appurtenant items at the time of development or platting. Pipe sizes shall be as set forth in the city=s municipal water plan, as may be amended.

d. For properties not presently served by municipal water service, developers or property owners who wish to extend water service to their property line, shall pay for the cost of the improvement or the water connection charge, whichever is greater.

e. A property owner may petition and the Council, at its discretion, allow the connection charge to be assessed against the property, provided that the assessment will not adversely affect the City=s Water Fund.

(Ord. 395, passed 7-28-2003)

903.05 WATER TURN-ON AND SHUT-OFF FEES.

A fee as established by ordinance of the City Council shall be charged for turning on or shutting off water except in instances where a connection permit has been obtained by the property owner.

(Ord. 395, passed 7-28-2003)

903.06 INSTALLATION AND CONSTRUCTION REQUIREMENTS AND SPECIFICATIONS.

Subd. 1. *Supervision.* All work performed within the limits of the city shall comply with all requirements of the Minnesota Plumbing Code as amended and the *Shorewood Standard Specifications and Details Manual* and shall be under the direct supervision of the City Water Inspector and Public Works Director.

Subd. 2. *Authority to do work.* Only persons authorized by this chapter shall tap any distributing main or pipe of the water system, or insert stopcocks or ferrule therein.

Subd. 3. *Excavations.* If the installation is to be in a surfaced street, the location of the water main shall be ascertained from the City Engineer and, upon completion, the installation shall be inspected by the Public Works Department. Prior to construction within the street, notice shall be given to the City Water Inspector, School District, United States Post Office, Police and Fire Departments, and City Public Works Director. The notice must be given at least three days prior to the excavation for laying of the service pipe, and the connection must be made before 3:00 p.m. After approval by the Public Works Department, the street shall be restored to its previously existing condition as directed and approved by the Public Works Department. The expense of the construction and restoration shall be borne by the applicant.

Subd. 4. *Separate connections and meters.* No more than one housing unit or building shall be supplied from one service connection except by special permission of the City Council. Whenever two or more parties are supplied from one pipe, connecting with the distribution main, each building or part of the building must have a separate stop box and a separate meter.

Subd. 5. *Property service lines.* All installations of property service lines shall comply with the following:

a. Property service pipe must be laid with sufficient waving to allow not less than one foot extra length and in the manner as to prevent rupture by settlement.

b. Property service lines must be placed not less than seven and one-half feet below surface or finished grade, whichever is lower, and arranged so as to prevent rupture by freezing.

c. A shut off or other curb stop shall be installed at the property line and placed so as to be protected from freezing.

d. All underground joints are to be mechanical (compression or flared, not sweated) unless otherwise approved by the City Inspector.

e. Joints shall be kept to a minimum with not more than one joint used for service up to 70 feet in length.

f. All piping joints and connections shall be left uncovered until inspected and tested at normal water line pressure.

g. Connections at mains for domestic supply shall be at least one inch.

h. No water pipe shall be connected with any pump, well, tank or piping that is connected with any other water supply other than the municipal water system.

i. Not more than one building shall be supplied from one service connection unless by special permission from the City Council.

j. When two or more buildings are supplied from one pipe, each building must have a separate stop box and separate meter.

k. Prior to connection with the municipal water system, all means of cross-connection to a retained private water supply shall be eliminated.

(Ord. 395, passed 7-28-2003)

903.07 SERVICE PIPES.

Subd. 1. *Maintenance and repair.* It shall be the responsibility of the property owner to maintain the service pipe from the curb box into the structure. In the case of failure upon the part of the property owner to repair any leak occurring in his pipe within 24 hours after verbal or written notice thereof, the water will be shut off and will not be turned on until the service charge, as established by ordinance of the Council, has been paid and the leak

repaired. When the waste of water is great, or when damage is likely to result from the leak, water may be turned off immediately pending repairs.

Subd. 2. *Abandoned service installations.* All service installations that have not been used for one year, or for any reason have become useless for further service, shall be shut off at the curb stop. Any expense of the city shall be charged to the property and, if not paid within 30 days, shall be treated as a delinquent account pursuant to this chapter.

(Ord. 395, passed 7-28-2003)

903.08 METERS.

Subd. 1. *Meter use required.* Except for extinguishing of fire, no person except authorized city employees shall use water from the water supply system or permit water to be drawn therefrom unless the same be metered by passing through a meter supplied by the city.

Subd. 2. *Installation of meters.* All water meters shall be installed by a licensed plumber in accordance with the following rules:

a. The service pipe from the water main to the meter shall be brought through the floor in a vertical position. The stop and waste valve shall be installed approximately 12 inches above the floor.

b. The meter shall be located so that the bottom is from twelve to 24 inches above the finished floor line. The meter shall be set not more than 12 inches, measured horizontally from the inside line of the basement wall, unless an alternate method is approved by the City Water Inspector.

c. All meter installations shall have a stop and waste valve on the street side of the meter. In no case shall there be more than 12 inches of pipe exposed between the point of entrance through the basement floor and the stop and waste valve. A stop and waste valve shall also be installed on the house side of the meter. Meter setting devices shall be of copper pipe or tubing from the terminus of the service pipe up to and including the house side stop and waste valve.

d. A remote reader shall be installed on the outside of the building in which the meter is contained at a height of three feet to five feet above grade.

Subd. 3. Maintenance, repair and replacement.

a. *Replacement of meter.* All water meters shall be and remain the property of the city and may be removed or replaced or changed as to size and type by the city whenever deemed necessary.

b. *Maintenance and repair.* The city shall maintain and repair all meters when rendered unserviceable through ordinary wear and tear and shall replace them if necessary. However, where any replacement or repair or adjustment of any meter is necessary because of damage from hot water backup, damage from freezing water, or damage from any act, carelessness or negligence of the owner or occupants of any premises, any expense incurred by the city to repair the damage shall be charged against and collected from the property owner, and water service may be discontinued until the cause is corrected and the amount charged collected.

Subd. 4. *Meter tests.* When a consumer makes a complaint that the bill for any past services has been excessive, the city shall, upon written request, have the meter re-read. If the user remains dissatisfied and desires that the meter be tested, the user shall then make a deposit in an amount established by ordinance of the City Council, and the city shall test the meter. The user shall, if he or she so desires, be present when the test is made. In case a test should show an error of over 5% of the water consumed in favor of the city, the deposit will be refunded to the user and a correctly registering meter will be installed and the date of written request and the minimum charge shall not be affected. In case the test shows an accurate measurement of water or an error in favor of the user, the amount deposited shall be retained by the city to cover the expenses of making the test.

Subd. 5. *Unauthorized tampering with meter.* All water meters shall be inspected and sealed by the City Water Inspector. No person not authorized by the city shall connect, disconnect, take apart, remove the seal, or in any manner change or cause to be changed or interfere with any meter or the action thereof.

Subd. 6. *Calibration of water meter and remote reader.* Each year, the city shall mail to each consumer a meter reading card. The consumer shall be responsible for recording the readings for the water meter and remote reader upon the card and shall return the card to the city by the date specified on the card. Failure of the consumer to return the card to the city by the date specified on the card will result in a late fee being assessed to the consumers account, the fee to be established by the City Council. The city shall analyze the cards and identify those which indicate a difference in excess of 10,000 gallons. The city shall calibrate water meters and remote readers which have a difference in excess of 10,000 gallons and shall inform the consumer of any difference in the readings and of the amount due thereon. The consumer shall be responsible to pay for any and all differences in readings between the water meter and remote reader which indicate amounts due for water consumption.

Comment [c1]: This section may be deleted due to the new meters.

(Ord. 395, passed 7-28-2003)

903.09 WATER RATES AND CHARGES.

Subd. 1. *Rates and charges established.*

a. *Water service rates.*

(1) *Quarterly rates.* The water rate due and payable to the city by each water user for water taken from the municipal water system shall be at a quarterly rate established by a ordinance of the City Council. Where service is for less than a quarterly period, the quarterly charge will be prorated on a monthly basis.

(2) *Minimum rate for low income residents.* A minimum charge is established for residents having low incomes. The charge shall be at two-thirds of the regular minimum rate; provided, that consumption is under ~~10,000~~5,000 gallons per quarter. Should the consumption exceed this minimum, the minimum rate reverts to the regular minimum rate. The criteria for determining low income is as set by the Hennepin County CDBG Program income limits for very low income and family size. Residents must submit the proper application and income disclosure initially, and at least annually, or upon reasonable request by the city, to be eligible for this rate.

b. *Meter charges.* A charge for a water meter shall be made by the city. Property owners or users shall pay in advance before delivery of the water meter for installation. The charge shall be as established by the City Council by ordinance.

c. *Water turn on.* The established turn-on fee will be charged for turning on water where service has been shut off for nonpayment of water billings, failure to repair a leak, discontinuance of service, or other reason specified in this chapter.

d. *Estimated and adjusted rates.*

(1) In the event the water meter servicing any property is found to be operating in a faulty manner or to have become inoperative, the amount of water will be estimated in accordance with the amount previously used in comparable periods of the year.

(2) The City Council shall be authorized to make adjustments in water charges when the amount billed is erroneous due to a meter deficiency or other mistake.

e. *Rates outside city limits.* Rates due and payable by each water user located beyond the territorial boundaries of the city shall be determined by special contract.

Subd. 2. *Listing of accounts.* All accounts shall be kept on the books of the city in the name of the owner of the property served. All bills and notices sent out by the city shall be sent to the address of the property served. If nonresident owners or agents desire personal notice sent to a different address, they shall file an application therefor with the city. Any error in address shall be promptly reported to the city.

Subd. 3. *Bills for services, delinquencies, discontinuance, tax assessments.*

a. *Billing.* Statements for charges for water service for a quarterly period shall be mailed to each property owner or user on or before the tenth day of the first month following the end of the quarter and shall be due and payable on or before the last day of the months of January, April, July and October following the quarterly period covered by the statement.

b. *Delinquencies.* After the last day of the month in which payment is due, a penalty of 10% of the unpaid account balance will be assessed and added to the amount due on the account. If the balance due on the account is not paid in full within 45 days of the day on which the account became due, a notice shall be sent to the property owner or user informing the property owner or user that the account is delinquent and that unless the account balance is paid in full within 15 days, the water may be shut off and the prescribed shut-off fee will be assessed.

c. *Discontinuance of service.* If the property owner or user does not respond to the notice given above, prior to the date indicated in the notice, and the statement remains unpaid, the water may be shut off at the curb stop. Prior to the water being turned back on again, the property owner or user shall be required to pay all delinquent charges, plus penalties and shut-off fees, and the prescribed turn-on fee.

d. *Appeals to discontinuance of service.* The property owner or user may appeal the notice to the City Council during the 15 day period set forth in Subd. 3(b). Water service shall continue to the appealing property owner or user pending the decision of the Council on the appeal. Upon the determination of the Council, the water may be shut off pursuant to Subd. 3(c) as set forth above.

e. *Tax assessments.* All delinquent accounts may be certified by the Clerk who shall prepare an assessment roll each year providing for assessment of the delinquent accounts against the respective property served. This assessment roll shall be delivered to the City Council for adoption prior to November 30 of each year and upon approval thereof, the Clerk shall certify to the County Auditor the amount due, plus a certification fee as established by ordinance of the City Council, and the County Auditor shall thereupon enter the amount as part of the tax levy on the premises to be collected during the ensuing year. The action may be optional or subsequent to taking legal action to collect delinquent accounts.

(Ord. 395, passed 7-28-2003; Am. Ord. 456, passed 2-9-2009)

903.10 WATER CONNECTIONS SERVED BY ADJACENT MUNICIPALITIES.

The City Council has heretofore and will in the future enter into contracts with adjacent municipalities to provide water service to properties located within the city. All permits to be issued under this chapter shall comply with the terms of the agreements. In instances where the cost of the water

hook-up from the supplying city is included in full or in part as a quarterly charge, then shall be added to the billing for the minimum quarterly water charge to be paid by the recipient.

(Ord. 395, passed 7-28-2003)

903.11 AUTHORIZED WATER SHUT OFFS.

In case of fire or alarm of fire, water may be shut off to insure a supply for the fire fighting; or in making repairs or construction of new works, water may be shut off at any time and kept shut off as long as necessary.

(Ord. 395, passed 7-28-2003)

903.12 CONSERVATION MEASURES.

Subd. 1. Whenever the City Council shall determine that a shortage of water supply threatens the city, it may, by resolution, limit the time and hours during which water may be used from the water system for lawn and garden sprinkling, irrigation, car washing and other uses specified therein. Appropriate notice of the limitation shall be given prior to the enforcement thereof.

Subd. 2. To conserve water resources, prevent the wasteful and harmful effects of sprinkling during mid-day hours, and allow the city's water system adequate opportunity to replenish the water supply in the city's water storage tanks, certain limitations must be placed on the use of the city's water supply. During the period of May 1 through September 30 of any year, a person may only sprinkle or irrigate lawns, sod, seeded areas, gardens, shrubs, or other vegetation with city water in the city before 11:00 a.m. and after 4:30 p.m. Watering activities such as play toys, car washing and hand watering of flower beds are exempt, as long as the activity is continuously human attended.

(Ord. 395, passed 7-28-2003; Am. Ord. 451, passed 7-14-2008)

903.13 RESTRICTED AND PROHIBITED ACTS.

Subd. 1. *Unauthorized turn on or shut off.* No person, except an authorized city employee or agent, shall turn on or off any water supply at the curb stop. A turn-on or shut-off fee in an amount equivalent to twice the prescribed fee shall be charged for the unauthorized turn on or shut off of any connection to the municipal water system.

Subd. 2. *Unauthorized use of hydrants, interference with system.* No person, other than employees or agents of the city, shall operate fire hydrants or interfere in any way with the water system.

Subd. 3. *Supplying water to others.* No person shall permit water from the water system to be used for any purpose except upon his own premises unless written consent is first obtained from the city.

(Ord. 395, passed 7-28-2003)

903.14 DISCONTINUANCE OF SERVICE.

Water service may be shut off at any curb stop connection whenever:

Subd. 1. The owner or occupant of the premises served, or any person working on any pipes or equipment thereon which are connected with the water system, has violated, threatens to violate or causes to be violated, any of the provisions of this chapter.

Subd. 2. Any charge for water, service, meter or other financial obligation imposed on the present or former owner or occupant of the premises served is unpaid.

Subd. 3. Fraud or misrepresentation by the owner or occupant of the premises served in connection with an application for service.

(Ord. 395, passed 7-28-2003)

903.15 MANDATORY HOOK UP, COMMERCIAL AND MULTIPLE-FAMILY RESIDENTIAL USERS AND CERTAIN RESIDENTIAL DEVELOPMENTS.

The owner of a property used for commercial purposes or for multiple-family residential purposes, involving four or more dwelling units, situated within the city and abutting on any street, alley or right-of-way in which there is located a municipal water trunk or lateral facility, is hereby required at its expense to connect to the facility in accordance with the provisions of this chapter within 90 days after the date of official written notice by the City Council to so connect. Single-family residential developments of more than three lots shall be required to connect to the municipal water system, at the developer=s expense, based upon a determination by the City Engineer that the connection is feasible. The connection is considered feasible if the cost of providing water to the property line of the lots within the development does not exceed the connection charges, set forth in ' 903.04, subd. 3. of this code, times the number of lots in the development.

(Ord. 395, passed 7-28-2003)

903.16 RIGHT OF ENTRY POWERS.

Authorized city employees shall have free access at reasonable hours of the day to all parts of every building and premises connected to the water system necessary for reading of meters and inspection. City employees shall be properly identified and shall display the identification upon seeking admittance to the building.

(Ord. 395, passed 7-28-2003)

Shorewood - Public Right-of-Way and Property

903.17 DISCLAIMER OF LIABILITY.

The city shall not be liable for any deficiency or failure in the supply of water to property owners or users, whether occasioned by shutting the water off for the purpose of making repairs or connections, or from any other cause whatever.

(Ord. 395, passed 7-28-2003)

903.18 WATER IMPROVEMENT PROCESS.

Subd. 1. *Scope and purpose.* The purpose of this subsection is to supplement the requirements of State law, to provide for the methods to initiate a water improvement, and to authorize the formulation of policies relating to allocating the costs for the public improvements.

Subd. 2. ~~*Special assessment procedure.*~~ *Initiating an improvement where residents will be assessed for the improvement.* Improvement proceedings may be initiated in any one of the following four ways:

a. ~~*Initiating the improvement.* Improvement proceedings may be initiated in any one of the following four ways:~~

a. ~~(1)~~ *One hundred percent petition.* By a petition signed by 100% of the owners of real property abutting any street named as the location of the improvement. Upon receipt of a petition of 100% of the abutting property owners, the City Council must determine that it has been signed by 100% of the owners of the affected property. After making this determination, a feasibility report shall be undertaken and the project may be ordered without a public hearing, pursuant to the procedures set forth in M.S. ' 429; or

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b. ~~(2)~~ *Thirty-five percent petition.* By a petition signed by the owners of not less than 35% of the frontage of the real property abutting on the streets named as the location of the improvement, when the property owners are willing to pay the entire cost of the improvement. Upon receipt of a petition of 35% of the owners of abutting frontage, the City Council must determine that it has been signed by 35% of the owners. After making this determination, a feasibility report shall be undertaken and a public hearing shall be scheduled to consider the project, pursuant to the procedures set forth in M.S. ' 429; or

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c. ~~(3)~~ *Sixty-seven percent petition.* By a petition signed by the owners of not less than 67% of the lots or parcels abutting on the streets named as the location of the improvement. Upon receipt of a petition of 67% of the owners, the City Council must determine that it has been signed by 67% of the owners. After making this determination, a feasibility report shall be undertaken and a public hearing shall be scheduled to consider the project. ~~If an improvement is ordered, benefitting properties shall be assessed~~ pursuant to the procedures set forth in M.S. ' 429; or

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(4) *By the initiative of the City Council.* If the City Council determines to order an improvement, a feasibility report, as set forth in c. below, shall be undertaken and a public hearing shall be scheduled to consider the project. A simple majority vote of the City Council is needed to start the proceedings. If an improvement is ordered, benefitting properties shall be assessed pursuant to the procedures set forth in M.S. ' 429.

b. *Petitions.* Not later than the time a petition is considered for acceptance by the City Council pursuant to a.(1) through a.(3) of this section, the petitioners shall have executed and delivered to the city an agreement whereby the petitioners agree to pay the cost of the improvement as defined in the agreement and agree not to contest or challenge either the assessment process or the amount to be assessed. The petition shall include an agreement that the cost of preparing the feasibility report shall be paid by the petitioners in the event the improvement is determined not to be feasible. Failure to pay for the feasibility report shall result in the costs being assessed against the properties of the petitioners.

c. *Preparing the feasibility study.* An improvement project which is initiated by action of the City Council or by a 35% or 67% petition, as set forth in a.(2) and a.(3) of this section, may be ordered only after a public hearing. Prior to adopting a resolution calling a public hearing on an improvement, the Council must secure from the City Engineer a report advising it in a preliminary way as to:

(1) Whether the proposed improvement is feasible;

(2) Whether the proposed improvement is consistent with Capital Improvement Planning;

(3) Whether the improvement should be made as proposed or in connection with some other improvement;

(4) The estimated cost of the improvement;

(5) A proposed project schedule; and

(6) Any other information thought pertinent and necessary for complete Council consideration.

d. *Holding a public hearing on the improvement.*

(1) Improvement projects which are initiated by a 100% petition may be ordered by the City Council without a public hearing if the City Council determines the project may be undertaken without unreasonable changes to the Capital Improvements Program or the petitioning property owners agree to pay 100% of the cost of the improvements. In the case of a Council-initiated project or petition of less than 100% of abutting property owners, the Council must adopt a resolution calling a public hearing on the

improvement project for which mailed and published notices of the hearing must be given. The notice of public hearing must include the following information:

(a) The time and place of hearing;

(b) The general nature of the improvements;

(c) The estimated cost; and

(d) The area proposed to be assessed.

(2) Not less than 10 days before the hearing the notice of hearing must be mailed to the owner of each parcel in the area proposed to be assessed. The notice of public hearing must be published in the city=s legal newspaper at least twice, each publication being at least one week apart, with the last publication at least three days prior to the hearing.

(3) At the public hearing, the contents of the feasibility study will be presented and discussed with the intent of giving all interested parties an opportunity to be heard and their views expressed.

(4) Following a public hearing a resolution ordering the improvement may be adopted at any time within six months after the date of the hearing by a four-fifths vote of the City Council, unless the project was initiated by a 35% petition or a 67% petition in which event it may be adopted by a majority vote. At this time a special assessment is considered to be Apending@ for all assessable properties in the improvement area.

Subd. 3 *Initiating an Improvement without a Special Assessment.* Improvement proceedings may be initiated by the City Council as part of a planned road improvement process.

a. The City Council may order the extension of municipal water as part of a planned road improvement project. If the Council makes such a determination, the feasibility report for the road improvement project shall include the feasibility of extending municipal water.
b. Residents abutting the roadway where the planned improvement will be made, shall be sent notification of the planned improvement along with information on the municipal water system.
c. The City Council may hold a public hearing on the project, but is not required to do so. Should the City Council decide to hold a public hearing on the planned project, such hearing will cover at least the following items:
    i. The estimated cost to complete the improvement;
    ii. The estimated timeline for the project;
    iii. The estimated cost for residents to connect to municipal water;
    iv. Any other information the City Engineer or City Council deems pertinent.

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Subd. ~~3~~4. *Deferred assessments.*

Comment [c2]: We are researching whether or not this section is still necessary or required.

a. *The City Council may defer special assessments.* On homestead property owned by a person who qualifies under the hardship criteria set forth below.

b. *Procedure.* The property owner shall make application for deferred payment of special assessments. The application shall be made within 30 days after the adoption of the assessment roll by the City Council and shall be renewed each year upon the filing of a similar application no later than September 30. The City Administrator/Clerk shall establish a case number for each application; review the application for complete information and details and make a recommendation to the City Council to either approve or disapprove the application for deferment. The City Council by majority vote, shall either grant or deny the deferment and if the deferment is granted, the City Council may require the payment of interest due each year. Renewal applications will be approved by the City Administrator/Clerk for those cases whereby the original conditions for qualifications remain substantially unchanged.

(1) If the City Council grants the deferment, the City Administrator/Clerk shall notify the County Auditor who shall in accordance with M.S. ' 435.194, record a notice of the deferment with the County Recorder setting forth the amount of assessment.

(2) Interest shall be charged on any assessment deferred pursuant to this section at a rate equal to the rate charged on other assessments for the particular public improvement projects the assessment is financing. If the City Council grants an assessment deferral to an applicant, the interest may also be deferred, or the interest may be due and payable on a yearly basis up until the assessment period terminates and only the principal is deferred. The decision as to whether the principal and interest or just the principal is deferred is decided by the City Council when considering the application.

~~Subd. 4.~~ C. *Conditions of hardship.*

(1) ~~a.~~ Any applicant must be 65 years of age, or older, or retired by reason of permanent or total disability and must own a legal or equitable interest in the property applied for which must be the homestead of the applicant; or

(2) ~~b.~~ The annual gross income of the applicant shall not be in excess of the criteria for determining low income as set by the Hennepin County CDBG Program income limits for very low income and family size. Income specified in the application should be the income of the year proceeding the year in which the application is made, or the average income of the three years prior to the year in which the application is made, whichever is less; and

(3) ~~c.~~ Permanent and/or total disability shall be determined by using the criteria established for Apermanent and total disability@ for Workman=s Compensation and the Social Security Administration.

Subd. 5. *Policies.* The City Council shall establish and may from time to time modify policies pertaining for the fair, equitable and consistent allocation of the cost of water improvements. The policies may relate to factors for determining economic feasibility, fees and charges for connecting to the system and the additional matters as the Council shall determine appropriate in its reasonable discretion.

(Ord. 395, passed 7-28-2003)

903.19 AMENDMENT ~~- NOTICE~~.

~~This chapter may not be modified, amended, or repealed until a public hearing is held thereon by the City Council. A notice of the time, place and purpose of the hearing shall be published in the city=s official newspaper and on its website at least 10 days prior to the day of the hearing. Failure of any~~

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~~person to actually receive the notice shall not invalidate the proceedings provided a bona fide attempt to comply with these provisions has been made.~~ This Chapter may be amended from time to time by simple majority vote of the City Council.

(Ord. 395, passed 7-28-2003)

903.20 VIOLATION.

Any person violating any provision of this chapter shall be guilty of a misdemeanor and punished according to ' 104.01 of this code.

(Ord. 395, passed 7-28-2003)

903.181 CITY INITIATED WATER IMPROVEMENT

Subdivision 1. *Initiating an Improvement*

a. The City Council may order the extension of municipal water as part of a planned road improvement project. If the Council makes such a determination, the feasibility report for the road improvement project shall include the feasibility of extending municipal water.

b. Upon determination and election to extend municipal water service as part of a planned road improvement project, the Council shall determine if the water improvement will be funded through a Special Assessment against benefiting property or if the improvement will be installed without a Special Assessment.

Subd. 2. *Improvement without Special Assessment.* If the City Council elects to proceed with the project without the imposition of a Special Assessment, the Council shall proceed as follows:

a. Residents abutting the road way where the improvement will be made will be sent notification of the improvement along with information on the municipal water system and costs to connect during the improvement project.
b. The City Council may hold a public hearing on the project. If the Council chooses to hold a public hearing on the project, such hearing will cover at least the following items:
    i. The estimated cost to complete the improvement;
    ii. The estimated cost for residents to connect to the System at time of construction;
    iii. The process to connect following completion of construction;
    iv. The estimated cost to connect following completion of construction;
    v. Any other information the City Engineer or City Council deems pertinent.

Subd. 3. *Improvement with Special Assessment.* If the City Council elects to proceed with the project and to assess the costs of the improvement to the benefiting homeowners, the City shall follow all the requirements of Minnesota Statute 429 as may be amended.

CITY OF SHOREWOOD
CITY COUNCIL WORK SESSION
MONDAY, JANUARY 20, 2010

5755 COUNTRY CLUB ROAD
COUNCIL CHAMBERS
6:00 P.M.

MINUTES

1. CONVENE CITY COUNCIL WORK SESSION

Mayor Lizée called the meeting to order at 6:00 P.M.

A. Roll Call

Present. Mayor Lizée; Councilmembers Bailey (arrived at 6:04 P.M.), Turgeon, Woodruff and Zerby; Administrator Heck; Finance Director Burton; Planning Director Nielsen; Director of Public Works Brown; and Engineer Landini

Absent: None

B. Review Agenda

Lizée moved, Zerby seconded, approving the agenda as presented. Motion passed 4/0.

2. LAKE MINNETONKA COMMUNICATIONS COMMISSION BOARD REPRESENTATIVE INTERVIEWS

The following candidates were interviewed for the consideration of appointment to the Lake Minnetonka Communications Commission Board.

A. David Cross, 5305 Shady Island Road **6:00 p.m.**

B. Ken Hendrickson, 21125 Radisson Road **6:15 p.m.**

Patrick Hodapp withdrew his letter of interest earlier in the day.

3. WATER CONNECTION POLICY DISCUSSION

Administrator Heck explained the current ordinance stipulates that for City initiated water service extension projects a special assessment public hearing must be held and benefiting properties will be assessed for the improvements. Council had previously asked Staff to review the City's current water ordinance and suggest amendments to the ordinance that would allow the City to extend water service without having to assess the benefiting properties. The impetus for this is to allow Council to extend water service as part of roadway improvement projects without a special assessment.

Heck then explained that Staff identified two options for amending the ordinance to accomplish this. The first is to expand Section 903.18 by adding a new Subdivision 3 for City initiated water service extension which is done as part of a roadway improvement project without a special assessment. The second is to add a new Section 903.181 which would outline the process for such City initiated projects. After speaking with the City Attorney about the pros and cons of the two options Staff concluded the first option would be the preferred option.

Heck stated a copy of the ordinance that includes the proposed amendment for the new Section 903.18 Subd. 3. and some other minor changes has been provided. One of them is the change to the new minimum water usage amount of 5,000 gallons; it had been 10,000 gallons. Staff proposes changing the ordinance amendment process Section 903.19 to allow the ordinance to be amended by a simple majority vote of the City Council; currently a public hearing must be held to amend. Other than the Zoning Ordinance this is the only other regulatory ordinance that requires a public hearing be held to amend it. Staff also proposes deleting Section 903.08 Subd. 6 relating to calibration of water meters.

Heck recommended Council focus discussion on Section 903.18 this evening. Staff would like feedback from Council as to whether or not it agrees with the proposed amendments to the ordinance. The discussion about the connection charge and fees will occur at a future meeting, noting the fees are addressed in a different ordinance.

Councilmember Turgeon stated she wanted to discuss the number of owners in the improvement area that are required to favorably petition for extending water service. The requirement in Section 903.18 Subd. 2.a (3) is at least 67 percent (or a super majority) of the property owners must favorably petition for the improvement. She questioned if it may be more appropriate to consider changing that to a simple majority as the 67 percent is an arbitrary number the City identified. She noted the City Council can override the 67 percent requirement if it wants to. She commented the requirement in Section 903.18 Subd. 2.a (1) is 100 percent of the property owners must favorably petition. In Section 903.18 Subd. 2.a (2) owners of at least 35 percent of frontage property abutting the improvement area must favorably petition; the property owners must be willing to pay for the entire cost of the improvement.

Director Brown stated one of the challenges when doing improvement projects be it roadway or water service extension, is to have a predictable and consistent process to use. He thought that there are likely many differing opinions on what the majority petition requirement should be. He assumed it would be frustrating for residents to watch council members and staff members discuss varying perspectives about the City's policy during an improvement project public hearing. Staff hopes consensus can be reached on a predictable process and petition majority requirements.

Councilmember Turgeon questioned why a super majority of property owners is required to petition for the improvement when the ordinance requires only a simple majority of Council to initiate a project. She thought the majority requirement should be consistent.

Administrator Heck explained Staff did not discuss petition language in the ordinance. Staff focused on how to draft an option whereby the City Council could initiate an improvement project without an assessment.

Director Brown stated State Statute stipulates certain petition process percentages, noting the requirement of at least 35 percent frontage requirement is one.

Director Nielsen noted the 67 percent requirement is identified in the Comprehensive Plan (Comp Plan) and it is a City initiated requirement. He stated Staff needs to research what the rationale was for the 67 percent. He thought it was to ensure that a good majority of the abutting property owners that would be assessed for the improvement wanted the improvement. The 67 percent requirement is based on the premise that water will be provided on a demand basis.

Councilmember Turgeon requested Staff research how the 67 percent was arrived at.

Administrator Heck stated Staff will research what requirements must be included based on State Statute. He recommended any amendments to the water ordinance be something that hopefully future City Councils could support.

Councilmember Zerby stated that the Section 903.18 Subd. 2.a (2) with a 35 percent frontage requirement and Section 903.18 Subd. 2.a (3) with a 65 percent property owners requirement both require preparing a feasibility report and holding a public hearing. He questioned if there is a need for both, and if the 67 percent requirement could be eliminated.

Councilmember Turgeon asked the Councilmembers what they thought about the 67 percent.

Mayor Lizée stated the 67 percent requirement has worked in the past and she did not see any immediate need to change it.

Councilmember Zerby stated he thought the 67 percent requirement could help with keeping neighborhoods a little more harmonious when petitioning for the improvement provided that is the goal.

Councilmember Bailey asked what the objective is for the evening. He stated the proposed new Section 903.18 Subd. 3 appears to allow the City Council to initiate a water service extension project without assessment.

Mayor Lizée stated the purpose of the discussion this evening is to discuss amending the water ordinance such that the City Council could initiate a project to extend of water service without a special assessment as part of a roadway improvement project.

Councilmember Woodruff stated he did not come to discuss the percentage requirements for petitioned projects. The water ordinance already addresses the policy for handling improvement projects which are assessed. The issue which is trying to be resolved is people don't want to pay for something they don't want; they don't want to be assessed for water service extension when they did not request it. He thought the discussion tonight was how to amend the water ordinance such that City Council could initiate the extension of water service and the property owners would not pay anything until they decided to hook up to the service. He stated he would be astounded if property owners would object to the extension if they did not have to pay for it until they hooked up to the service.

Councilmember Woodruff stated there is a roadway improvement project in the design phase that includes the installation of watermain. Council had decided to have a discussion about the current water ordinance and decide if the ordinance should be amended to allow the installation of the water main without assessing the property owners at the time of installation. The proposed new Subdivision 3 in Section 903.18 would allow Council to have that option. The decision to assess or not assess may influence including the installation of water main in the bid that is let out for that project.

Administrator Heck stated under the current water ordinance if water main were to be installed the City would have to follow the Minnesota Statute Chapter 429 assessment process. He asked if Council thought the proposed new section allowing the extension of water main without assessing for it was okay.

Councilmember Woodruff stated he was fine with the new Subdivision 3 in Section 903.18.

Councilmember Woodruff stated he expected that very quickly there will be a Council meeting when Council will consider the policy that gives the City the latitude to initiate a water service extension project without assessment. The project would be paid for out of the Water Fund. He noted the proposed amendment to the water ordinance allowing this does not specify such projects would be paid for out of

the Water Fund and he thought that should be added. He stated he thought other then the added Subdivision 3 he thought the rest of the ordinance should be left as is. He expressed he did not want to change the $10,000 connection charge. He stated he did want to discuss how to deal with property owners who already have water main past their property. He wanted to know how they should be "grandfathered" in.

Councilmember Bailey asked if it is advisable not to charge property owners at the time water service is extended. They would be charged when they decide to connect to the service. If the decision is made to allow for that option then he thought the proposed language for Section 903.18 Subd. 3 is fine.

Mayor Lizée stated the Water Fund has the capacity to fund such projects for a limited number of years, noting she thought it is three years. She questioned how to fund the projects after that.

Councilmember Woodruff stated he thought the Water Fund could fund projects for more than five years and maybe up to ten years, noting that is what the findings in the utility rate study reflected. He expressed there are long-term risks with the City's ability to sustain this approach. He has convinced himself that to overcome the objections property owners have with having to pay for something they won't immediately use and to deal with the "public good" of having water service available, the City should have the option to initiate a project to extend water service and not immediately charge property owners for it. He stated the current language is intended for use as part of roadway improvement projects. The City should have the option to immediately assess for the extension or defer the cost to property owners. He indicated he would like the option to be able to go back and extend water service along Harding Lane and not assess for it, noting the road was just improved. The proposed amendment does not allow for that.

Councilmember Zerby asked if Council is prepared to in effect give property owners interest free loans. He stated for the purposes of this discussion, the connection charge would remain as is. He stated funds would be deferred from other projects by doing this. Council has to decide if that is how the taxpayers' dollars should be used. Councilmember Woodruff stated he did not foresee that funds would be deferred from other projects, noting he thought there was a lot of money in the Water Fund. Woodruff then stated there will be water projects that are not currently included in the capital improvement program, such as water treatment systems. Zerby commented that if there is a lot of money in the Water Fund such that it could in the interim pay for the extension of water service, then maybe the City charged too much for the water service.

Councilmember Bailey stated if the current users of the water system were considered a club" he asked what the reason would be to expand. One reason could be to average the fixed costs for the water system over more members. He asked what the cost to join the club should be. He stated another reason to want to increase the number of users is if the system is not sustainable with the current number of users. He asked if the water system is sustainable given the current number of subscribers

Director Brown stated there was a time when the Water Fund was in trouble. It's now sustainable and making a reasonable profit. During his 15-year tenure with the City, the City has made an average amount of improvements to the system.

Councilmember Bailey stated there is no financial need to increase the number of users. As part of roadway improvement projects, the only reason to want to increase users is if are willing to pay. As a current water customer, he doesn't want to subsidize the expansion of the system. He explained one of the risks with extending water service without an immediate assessment/charge to property owners is they may never connect to the water service and the current municipal water users would have funded the cost for the extension without any return. He stated there appears to be an assumption that there is a huge public good in having more water customers.

Mayor Lizée stated extending water service is about health and public safety. Surrounding communities have municipal water and she anticipates future water mandates being imposed by the county, state and federal government. There may be a time when the City will be forced to provide all properties with the ability to access municipal water services. She thought property owners expected to have municipal water and sewer available to them when they purchase property in the metropolitan area. She also thought it prudent for the City to ensure that its water service is reliable, and that there is sufficient money in the Water Fund to implement future water related mandates and to make needed improvements to the system. She stated ground water issues are on the rise.

Councilmember Bailey stated Mayor Lizée had presented a fair argument and if it's true then Council ought to have the backbone to tell property owners they are getting water and charge them upfront.

Mayor Lizée stated because of the age of various parts of the City's some of the infrastructure will need to be replaced or improved. She stated she cannot support the reconstruction of a roadway without the extension of water service where it does not currently exist. It's not fiscally responsible to do that.

Councilmember Turgeon stated from her vantage point Council appears to be going in a circle when it comes to roadway improvement projects (should the roadway be reclaimed or reconstructed) and the extension of water service as part of reconstruction projects.

Councilmember Woodruff asked Councilmember Turgeon what she suggested.

Mayor Lizée asked Councilmember Turgeon what she supports.

Councilmember Turgeon stated she was okay with extending water service as part of a roadway project. She thought the number of potential users should factor into such a decision. She expressed she is not supportive of the $10,000 connection charge or the 67 percent petition number. Water service extension has been an issue for many City Councils. From her vantage point, logic goes by the wayside when water service extension is discussed because emotions take over.

Mayor Lizée recommended that in the near future Council needs to discuss the $10,000 connection charge. She stated the topic at hand is should the City have the option of extending water service as part of a roadway reconstruction project and not immediately assess/charge property owners for it.

In response to a comment by Councilmember Woodruff, Administrator Heck stated the water ordinance must be amended if Council wants the City to have the option of extending water service as part of a roadway reconstruction project and not immediately assess/charge property owners for it. The current ordinance requires a special assessment for City initiated projects. Woodruff stated he supports adding the new Section 903.18 Subd. 3 to the water ordinance.

Councilmember Zerby stated maybe there is an alternative in between the assessment and delay of charge approach. For example, in the City of Waconia (where he owns some land) property owners paid for one-half of the cost of a roadway improvement project and the other one-half was paid for out of Waconia's general fund. He thought the $10,000 charge results in sticker shock for property owners. They may be more receptive if the City shares in the cost.

Councilmember Woodruff stated he thought if property owners were told it would cost them $1,375 there would be serious pushback. He also thought if there was no immediate charge to the property owners for the project to be done, objections from property owners would be eliminated or at least minimal.

Administrator Heck stated Council can decide what portion of a project cost it wants to assess to the property owners. That is a policy decision. Director Nielsen stated at one time the cost was shared on a 50-50 basis with the assessment being $5,000, noting there are still a number of property owners who are paying that $5,000 assessment.

Councilmember Woodruff stated there are property owners who have already been assessed and paid the connection fee and he questioned if their neighbors who have not yet connected will be treated differently. He expressed he can't support treating property owners differently.

Administrator Heck stated that is an issue that has to be discussed as part of the connection charge discussion. He asked if Council has any changes to the proposed Section 903.18 Subd. 3 language.

Councilmember Bailey stated Staff has done exactly what Council asked for. He expressed concern about spending monies in the Water Fund to help people who had not put monies into the Fund. If something like that were being done City-wide with a general bond he maybe could view it differently.

Director Nielsen stated the Comp Plan contains a set of guiding principals about the City's water policy. One of them is residents without municipal water service will not have to pay for the service. He explained there is a rationale for the $10,000 connection charge. The cost to extend the service in front of each property abutting Nelsine Drive was $8,500 per property and that would have been the most efficient roadway to extend it down as part of a reconstruction effort. The $8,500 does not include paying anything towards the water system. The difference between the $10,000 connection charge and the $8,500 assessment is for that purpose. The $10,000 is referenced in the Comp Plan and is intended to be a uniform charge throughout the City. He thought the $10,000 may be low, but it is higher than the cost to install a well. Councilmember Turgeon suggested the charge be reduced. Nielsen stated that would be unfair to those property owners who have already helped fund the installation of some of the water system infrastructure.

Mayor Lizée stated she would like Staff to present to Council at a future meeting how the $10,000 charge was arrived at. She asked Staff to research what the connection charges are in neighboring communities. She stated the price residents pay for living in a civil community is having a well maintained infrastructure in place. She commented when she moved to the City twenty years ago there was a paved road which other property owners had paid for. Someone else had paid for the school. It's not appropriate to say property owners should pay only for those things that directly benefit them. The $10,000 charge needs to be justified, and maybe it needs to be adjusted up or down.

Councilmember Turgeon asked the Councilmembers if they are in support of having a deferred assessment/charge option available for use.

Councilmember Bailey stated he is not in favor of Council having the option.

Mayor Lizée stated Councilmember Bailey's is saying something different then he said a month ago. Councilmember Bailey stated that is true but he has rethought it. Bailey commented that Rusty Fifield's comments were very seductive at the time the rate study was discussed it seemed the like the easy way out for dealing with the issue of water service extension.

Councilmember Woodruff stated he could argue on both side of this issue. He then stated he did not think it would be a good idea to add the option to the ordinance without dealing with the issue of equity for those that have already paid to have the water service extended. That would just cause discontent in the community with most of that being directed at the Councilmembers. He recommended the idea be dropped. Woodruff stated he disagreed with Mayor Lizée's comment that paying for infrastructure is a

price residents pay for living in a civilized society. He explained he could not count the number of residents, who have told him that they knew they were going to have well water when they moved into the City, and they don't and never will want access to municipal water

Councilmember Woodruff stated he had some other changes to recommend for the water ordinance.

Administrator Heck stated Council needs to finalize the decision about the issue of not immediately assessing for the extension of water service. If that option is not going to be added to the water ordinance then the only necessary change to the ordinance is the change in the minimum water usage charge to a 5,000 gallon usage rate.

Councilmember Zerby stated he was conflicted. He has frequently heard residents ask why the City did not install water service throughout the City when it installed the sewer system. A roadway is reconstructed once every thirty years or more so that is the opportunity to extend water service. He thought the way of the future is to have a City-wide municipal water system. He preferred to have more properties connected to the water system, but he appreciates there is sticker shock associated with a $10,000 cost. He would like the City to find a more palatable way to get that service to the property owners, but he doesn't know what the answer is. He would like City Councils to have more flexibility. But, at this time he is not in favor of this option because he wants consistency across the board.

Councilmember Turgeon stated she agrees with Councilmember Bailey's position.

Mayor Lizée stated she thought adding Section 903.18 Subd. 3 to the water ordinance may cause trouble down the road.

Councilmember Bailey thanked Staff for doing what Council asked Staff to do.

Mayor Lizée recapped there was Council consensus to not include the proposed subdivision in the ordinance.

Councilmember Woodruff stated Council will have to decide if it wants to extend water service as part of the Meadowview Road improvement project by mid March. He then stated he would email his comments about other changes to the water ordinance to Administrator Heck.

Administrator Heck stated Staff will make the technical changes to the water ordinance based on the water rates established by Council in November 2009.

Councilmember Woodruff suggested Section 903.09 Subd. 1(a)(2) be deleted. He did not think it served any purpose.

In response to a question from Councilmember Turgeon, Administrator Heck stated because the water ordinance will not be amended to allow the City to extend water service without a special assessment he questioned if Council still wants to discuss the $10,000 connection charge / special assessment policy. Heck explained the $10,000 connection fee is reduced by any special assessment paid up to $10,000.

There was Council consensus to have Staff prepare for discussion about how the $10,000 connection charge was arrived at and if it is still an appropriate amount at a future meeting.

Administrator Heck asked if Council can interview applicants for the Park and Planning Commissions during a special meeting on February 1, 2009. In total there would be nine applicants to interview.

Councilmember Bailey expressed concern about having to interview that many candidates during one meeting.

Mayor Lizée stated she would like to conduct all the interviews on February 1st.

Councilmember Turgeon stated she wanted to interview the Planning Commission and Park Commission applicants during separate meetings.

Councilmember Woodruff stated Council could choose to not interview existing commissioners.

Bailey stated if all applicants are to be interviewed during the same evening he recommended the Planning Commission applicants be interviewed first because a current Park Commissioner is interested in both the Park Commission and Planning Commission.

Mayor Lizée again stated all the interviews could be conducted during the same meeting, and she suggested the special meeting be conducted on an evening when there is not a regular meeting.

A special meeting will be scheduled for 6:00 P.M. on February 1, 2010.

4. ADJOURN

Councilmember Woodruff moved, Councilmember Zerby seconded, Adjourning the City Council Work Session of January 20, 2010, at 8:10 P.M. Motion passed 5/0.

RESPECTFULLY SUBMITTED,
Christine Freeman, Recorder

ATTEST:

Christine Lizée, Mayor

Brian Heck, City Administrator/Clerk

#6

CITY OF
SHOREWOOD

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MEMORANDUM

TO: Mayor and City Council

FROM: Brad Nielsen

DATE: 4 February 2010

RE: Water Connection Fees - History

FILE NO. 405(Comm Fac)

A frequent topic of discussion is the $10,000 connection fee that is currently being charged for connection to the Shorewood Municipal Water System. Many feel that the charge is too high and discourages additional connections to the system. The charge itself is quite simple – anyone who wishes to connect to the system must pay $10,000, minus any previous assessment that has been paid and minus any cost incurred by the property owner in getting water service to the property line.

Examples:

Property owner A (PO A) has property abutting a previously installed water line. When the line went in, PO A was assessed $5000. The property has a service stub but PO A chose not to connect to water when it became available. In order to connect at this time, PO A must pay the connection charge, minus the $5000 previously assessed, or $5000. Total cost of city water - $10,000.

Property owner B PO B) is on the same water line and was assessed $5000, but no service was extended to the property. PO B now wishes to connect, but it will cost $1800 to install a service stub to the property line. In order to connect at this time, PO B must pay the connections charge, minus the $5000 previously assessed, minus the cost of the service stub ($1800) or $3200. Total cost of city water - $10,000.

Property owner C (PO C) has property abutting a water main that was installed and paid for by a past developer or neighborhood and was never assessed for the improvement. It will cost $1800 to install a service stub to the property line. In order to connect to the system at this time, PO C must pay the connection charge, minus the cost of the service stub ($1800) or $8200. Total cost of city water - $10,000.

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So the next question is: **what was the basis for the $10,000 fee in the first place?** For this we look back to the various "eras of Shorewood City Water". The attached map (Exhibit A) traces back the history of water charges for various projects. Please note - this map is not exhaustive. For example, we do not have cost figures for the Southeast Area system (Waterford and Near Mountain).

In the beginning (1973), there was Amesbury - a residential planned unit development (the first P.U.D. in Shorewood) in the northeast corner of the city. The project was to be served by a common deep well and water distribution system that was to be turned over to the City as a municipal system. The developer (ultimately the residents of Amesbury) paid for the entire system, turning it over to the City upon completion. At that time, the City was struggling with whether or not to have city water, and what policy should be for new development. One of the early policies was that any new development capable under the zoning of ten or more units was required to construct a community or city well and distribution system for the project.

In the late 70's and 1980, along came Boulder Bridge Farm (P.U.D.) in the west end of Shorewood, and Woodhaven (Halley's Folly – his name, not ours), a small residential project south of Galpin Lake. Both projects were subject to the 10-lot water policy. We do not have cost figures for Woodhaven, but the developer (ultimately the Woodhaven residents) paid for a deep well, pump house and internal water lines. Similarly, Boulder Bridge put in two deep wells, pump house facilities and internal water lines at a cost of $6500 per lot, according to the developer. In both of these cases the City negotiated deals to reimburse the developer for a portion of the system costs. The duration of these agreements was seven years and they were to receive $2000 plus interest for hook-ups outside of their projects. We do not know if Halley ever received any reimbursement, since no hook-ups appear to have occurred within the seven years. In the case of Boulder Bridge, the developer claims to have been reimbursed approximately $30-$35,000 over time.

In 1981, the Badger system was put in, in conjunction with Wild Duck Third Addition (aka Dutcher's Doubles). We do not have information as of this writing as to how that system was paid for.

1987 was the start of a flurry of developments for which municipal water was an issue. The Shorewood Oaks developer (ultimately the residents of Shorewood Oaks) constructed approximately one mile of water main in order to get water from the Boulder Bridge system, at a cost of nearly $6000 per lot. As part of that project, the City renegotiated the reimbursement agreement with Boulder Bridge (extending it) and waived the $2000 per lot reimbursement charge for Shorewood Oaks. Since a few residents along that mile of water main desired to hook-up, the City decided it should have a hook-up charge. In order to be somewhat competitive with private well prices, $4000 was set as the hook-up charge. In addition, a $2000 credit for extending water to the property line was allowed. Most of the Boulder Bridge reimbursement came from these hook-ups. The Brynmawr development north of Boulder Bridge was the last to get in on the $4000 fee.

In 1995, the City Council got serious about a city-wide water system and ordered an update of a water distribution plan for the city. At that time it was decided that new development should pay a $5000 assessment and a $5000 "trunk charge" per lot for city water. The $10,000 total came out of a plan to serve the majority of the city with city water in three phases over a 20 year time span. At the same time, the $4000 hook-up fee was raised to $5000. The Heritage development, south of Edgewood Road, was put in under that policy.

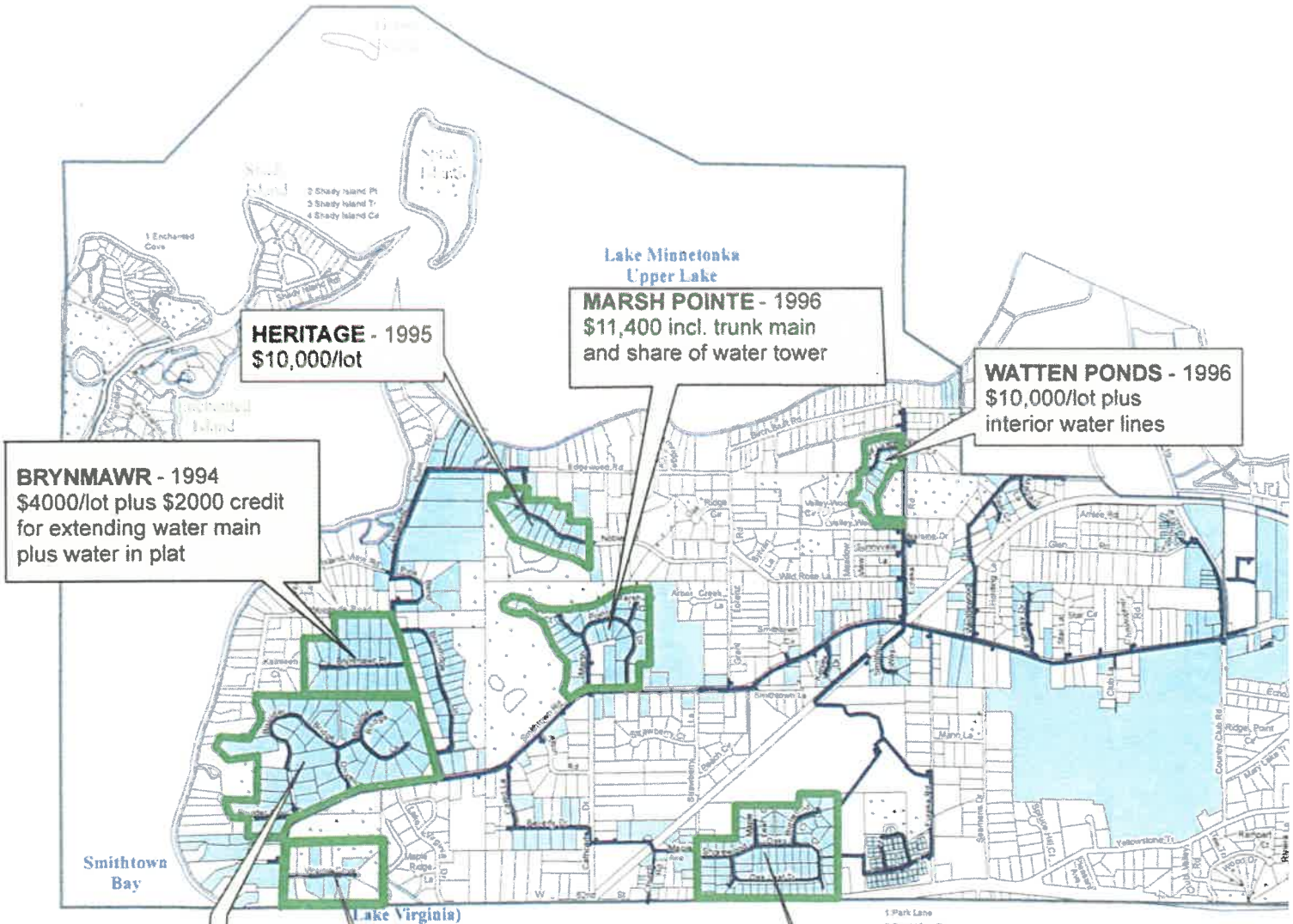
In 1996, Lundgren Brothers developed 33 lots on the north side of Smithtown Road (Marsh Pointe). They threatened a law suit objecting to the $10,000 in charges on top of their cost of installing internal water lines, and alleging that it was unfair that existing residents only had to pay $5000 while new residents had to pay $10,000 and more. The City settled with the developer, reducing the charges to $8000 per lot. Marsh Pointe residents still ended up paying $11,400 per lot for city water. The City subsequently amended its water policy to make the $10,000 ($5000 assessment and $5000 "trunk charge") for all properties, new or existing. Later on the City Attorney's office advised us that there was no statutory authority for a "trunk charge". The City amended its code to include the term "connection charge", the definition of which varies from city to city.

In 1999, as part of the review of the Comprehensive Plan (see staff report, dated 16 July 1999 – Exhibit B, attached), the City reaffirmed the current policy and incorporated several guiding principles into the Comprehensive Plan (see Exhibit C).

It is worth noting that an early premise in all of the various water policies the City has tried over the years is that all properties should pay approximately the same amount for city water. There was considerable discussion about the idea that water would encourage smaller lots (higher density) or punish those with larger lots if, for example, a front foot or acreage basis was used to determine charges. In this sense, the $10,000 connection fee, minus previous assessment, minus cost to get service to property line, works. This water policy, the most stable one in Shorewood's history, has now been in effect for over 11 years. The map on Exhibit A illustrates many of the projects that have occurred over that time.

Cc: Brian Heck
Bonnie Burton
Larry Brown
James Landini
Jean Panchyshyn

CITY OF SH



HERITAGE - 1995
$10,000/lot

MARSH POINTE - 1996
$11,400 incl. trunk main and share of water tower

WATTEN PONDS - 1996
$10,000/lot plus interior water lines

BRYNMAWR - 1994
$4000/lot plus $2000 credit for extending water main plus water in plat

LAKE VIRGINIA WOODS - 2005
$10,000/lot

LINDEN HILLS - 2004
$10,000/lot

BOULDER BRIDGE - 1980
$6500/lot - incl. 2 deep wells, pump house, hydro tank plus cost of laterals in plat

SHOREWOOD OAKS - 1987
$6000/lot - included extension of approx. 1 mi. of trunk water main from Boulder Bridge

N

0 1,000 2,000 4,000
Feet

Shorewood Planning Department
02/10

CITY OF
SHOREWOOD

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MEMORANDUM

TO: Mayor and City Council

FROM: Brad Nielsen, Al Rolek, Larry Brown and Jim Hurm

DATE: 16 July 1999

RE: City Water Discussion – Study Session

FILE NO. Comp Plan – Comm. Facilities Chapter

Having discussed city water at several meetings, staff has prepared an outline for the section of the Community Facilities Chapter of the Comp Plan that addresses City Water. The first two pages contain a very brief background on the current system and identify issues that have been raised to date. It is hoped that the last two pages can be formulated into a broad-based policy to be incorporated into the Plan.

This outline attempts to establish a general direction, from which more substantive plans can evolve. With little exception, we have attempted to avoid getting bogged down in detail. Hopefully the Council can come to some agreement on Monday night so that we can wrap up this section of the Comprehensive Plan.

Exhibit B

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Background

- Approximately 40% of the city is connected to the system (1075 out of 2667 households)
- Study conducted in 1991 revealed that the majority of residents did not favor a city-wide system – despite this, the City still receives requests for City water
- Improvements have been made to the system since 1991 to resolve health and capacity issues
  - interconnection of Boulder and Badger systems
  - construction of west end water tower
  - extension of water to senior housing project (Seasons)
- Overall water system is presently self-supporting financially
- Of five water system deficiencies identified in the 1995 Comp Plan, three have been resolved – remaining are:
  - connection between Amesbury and Southeast systems has not been made
  - Woodhaven system stands alone – no interconnection to Excelsior or Chanhassen

Issues

- Reasonable expansion of the system to those who want it – current policies discourage (e.g. all residents have to consent to the extension even if they are not paying for it)
- Extension of City water is expensive, due mostly to low density, geographic conditions and retrofit
- Correction of existing system deficiencies (i.e. interconnections for the Woodhaven and Amesbury systems)
- Installation of water when streets are reconstructed
- Flat unit charges – can everyone be charged the same if the City does not plan to extend water city-wide?
- Cost uncertainty – without a flat unit charge residents do not know how much water will cost, without doing a feasibility study
- Do lending institutions require connection to City water – no evidence to support this
- Metropolitan Council requirements

Current Council Consensus

- No intention to extend water city-wide
- System is to remain financially self-supporting (if there isn't consensus on this one, there should be!)
- Allow water main extensions to provide water where residents want it and where technically and financially feasible
- Any future extensions must be consistent with overall plan for City water (i.e. pipe sizes)
- With the exception of commercial and multiple-family residential no one is required to physically connect to the system
    - existing wells can be maintained
    - new wells can be drilled

Policy Alternatives

- Provide City water as economically as possible - explore ways to reduce costs of water main extension
- New development (more than three lots) should provide City water where it is available and financially feasible (e.g. $10,000 per unit or less)
- Consider super-majority rule of the residents (e.g. 67%) as being demand for City water
- Explore demand for water with all street reconstruction projects
  - consider super-majority rule of residents as demand
  - City Council can initiate projects on 4/5ths vote
- Prepare engineering cost estimates for various logical extensions of water main – to be used to advise residents of approximate cost only; feasibility studies will still be prepared based upon interest; estimates to be updated annually
- Plan ahead for water – leave right-of-way if nothing else

#7

COUNCIL ACTION FORM

Department	Council Meeting	Item Number
Administration	February 22	5 – A Public Hearing

From: Brian Heck, City Administrator

Item – Water Ordinance

Description/Background/Previous Action

Council met on January 19 to discuss the possibility of amending the water ordinance such that it would allow the City Council to extend water main and service to residents without using a special assessment to fund the project.

The consensus of the Council was not to alter the ordinance substantially, but rather to make a few technical changes to keep the ordinance consistent with the new water rate structure and installation of new radio read water meters. I summarized the changes below.

Section 903.08 – staff recommends deleting subdivision 6 related to calibrating water meters. This subdivision is obsolete as a result of installing radio read water meters.

Section 903.09 – staff recommends deleting subdivision 1, paragraph a(2) relating to minimum rate for low income residents. The council changed the rate structure lowering the minimum usage from 10,000 to 5,000 gallons and decreased the fee from $35.00 per quarter to $17.50 per quarter.

OPTIONS: following the public hearing, options open to the council include:

1. Adopting the ordinance as recommended.
2. Suggest additional amendments to the ordinance.
3. Direct staff to revise according to comments and bring back at a later date for consideration.
4. Do nothing.

Recommendation:

Staff recommends the Council adopt the ordinance as presented.

Council Action:

b. *Maintenance and repair.* The city shall maintain and repair all meters when rendered unserviceable through ordinary wear and tear and shall replace them if necessary. However, where any replacement or repair or adjustment of any meter is necessary because of damage from hot water backup, damage from freezing water, or damage from any act, carelessness or negligence of the owner or occupants of any premises, any expense incurred by the city to repair the damage shall be charged against and collected from the property owner, and water service may be discontinued until the cause is corrected and the amount charged collected.

Subd. 4. *Meter tests.* When a consumer makes a complaint that the bill for any past services has been excessive, the city shall, upon written request, have the meter re-read. If the user remains dissatisfied and desires that the meter be tested, the user shall then make a deposit in an amount established by ordinance of the City Council, and the city shall test the meter. The user shall, if he or she so desires, be present when the test is made. In case a test should show an error of over 5% of the water consumed in favor of the city, the deposit will be refunded to the user and a correctly registering meter will be installed and the date of written request and the minimum charge shall not be affected. In case the test shows an accurate measurement of water or an error in favor of the user, the amount deposited shall be retained by the city to cover the expenses of making the test.

Subd. 5. *Unauthorized tampering with meter.* All water meters shall be inspected and sealed by the City Water Inspector. No person not authorized by the city shall connect, disconnect, take apart, remove the seal, or in any manner change or cause to be changed or interfere with any meter or the action thereof.

Subd. ~~6. *Calibration of water meter and remote reader.* Each year, the city shall mail to each consumer a meter reading card. The consumer shall be responsible for recording the readings for the water meter and remote reader upon the card and shall return the card to the city by the date specified on the card. Failure of the consumer to return the card to the city by the date specified on the card will result in a late fee being assessed to the consumers account, the fee to be established by the City Council. The city shall analyze the cards and identify those which indicate a difference in excess of 10,000 gallons. The city shall calibrate water meters and remote readers which have a difference in excess of 10,000 gallons and shall inform the consumer of any difference in the readings and of the amount due thereon. The consumer shall be responsible to pay for any and all differences in readings between the water meter and remote reader which indicate amounts due for water consumption.~~

(Ord. 395, passed 7-28-2003)

903.09 WATER RATES AND CHARGES.

Subd. 1. *Rates and charges established.*

a. *Water service rates.*

(1) *Quarterly rates.* The water rate due and payable to the city by each water user for water taken from the municipal water system shall be at a quarterly rate established by a ordinance of the City Council. Where service is for less than a quarterly period, the quarterly charge will be prorated on a monthly basis.

~~(2) *Minimum rate for low income residents.* A minimum charge is established for residents having low incomes. The charge shall be at two-thirds of the regular minimum rate; provided, that consumption is under 5,000 gallons per quarter. Should the consumption exceed this minimum, the minimum rate reverts to the regular minimum rate. The criteria for determining low income is as set by the Hennepin County CDBG Program income limits for very low income and family size. Residents must submit the proper application and income disclosure initially, and at least annually, or upon reasonable request by the city, to be eligible for this rate.~~

b. *Meter charges.* A charge for a water meter shall be made by the city. Property owners or users shall pay in advance before delivery of the water meter for installation. The charge shall be as established by the City Council by ordinance.

c. *Water turn on.* The established turn-on fee will be charged for turning on water where service has been shut off for nonpayment of water billings, failure to repair a leak, discontinuance of service, or other reason specified in this chapter.

d. *Estimated and adjusted rates.*

(1) In the event the water meter servicing any property is found to be operating in a faulty manner or to have become inoperative, the amount of water will be estimated in accordance with the amount previously used in comparable periods of the year.

(2) The City Council shall be authorized to make adjustments in water charges when the amount billed is erroneous due to a meter deficiency or other mistake.

e. *Rates outside city limits.* Rates due and payable by each water user located beyond the territorial boundaries of the city shall be determined by special contract.

Subd. 2. *Listing of accounts.* All accounts shall be kept on the books of the city in the name of the owner of the property served. All bills and notices sent out by the city shall be sent to the address of the property served. If nonresident owners or agents desire personal notice sent to a different address, they shall file an application ~~therefor~~therefore with the city. Any error in address shall be promptly reported to the city.

CITY OF SHOREWOOD

ORDINANCE NO. _____

AN ORDINANCE AMENDING CHAPTER 903
OF THE SHOREWOOD CITY CODE

Section 1: Section 903.08, Subd. 6, the entire paragraph starting with "*Calibration of water and remote reader*," is hereby deleted.

Section 2: Section 903.09, Subd. 1.a.(2), the entire paragraph starting with "*Minimum rate for low income residents,*" is hereby deleted.

Section 3: Section 903.09, subd. 2, in the paragraph starting with *Listing of accounts*, the third sentence is amended to read:

"If nonresident owners or agents desire personal notice sent to a different address, they shall file an application therefore with the city."

Section 4: This Ordinance shall be in full force and effect upon its publication in the Official Newspaper of the City of Shorewood.

ADOPTED BY THE CITY COUNCIL OF THE CITY OF SHOREWOOD this 22nd day of February, 2010.

_____
Christine Lizée, Mayor

ATTEST:

_____
Brian Heck, City Administrator/Clerk

Start enjoying city water. (It's easier than you think!)

Find out if water is available at your home. Call the city engineer at 952-960-7900

What if water isn't available yet?

The city will work with interested neighborhoods to help make water available.

FACT: Road construction is the cheapest and best chance for your neighborhood to get water.

WITHOUT A ROAD PROJECT	WITH A ROAD PROJECT
$7,000 to $10,000* per home + $1,000,000 per mile	$7,000 to $10,000* per home + $ 0 per mile

Is there road construction in your neighborhood's future?

Learn about the costs and timelines for getting city water for your neighborhood by starting or signing a petition. A petition can be circulated to neighbors, or kept at City Hall for people to sign.

The process is easy!

1. One neighbor must decide to start a petition. Call the city engineer at 952-960-7900.
2. If 67% of your neighbors sign the petition, the city will conduct a feasibility study to learn how much it will cost each home to have city water.
3. Two public hearings will be scheduled, so that neighbors can look at the numbers and make an informed decision.
4. Following the public hearings, city council members will consider residents' opinions on the project, along with other relevant factors, and make a final decision on whether or not to proceed with the project.

A petition with 67% of neighbor signatures:

- Is a signal that your neighborhood is interested in learning about the costs of getting city water.
- Is the go-ahead for the city to start a feasibility study to get the numbers.
- Is only the first step. The city will schedule two public hearings where you and your neighbors can evaluate the numbers.

A petition:

- **Is NOT a final decision for or against the project** - City council members will take into account the opinions of residents regarding whether or not to start a water main installation project, but the final decision is up to the council.
- **Is NOT a blank check** - The target assessment for a water main project is $10,000 or less per home. If the assessment is more than that, past experience suggests that the council may cancel the project.
- **Is NOT a commitment to connect to city water** - Even if you sign the petition and water goes in with your road, you will not be forced to connect to it or abandon your well.

3 easy ways to pay your assessment

1. Pay all at once.
2. Use city financing and roll it into your taxes. Example: $10,000 spread over 15 years at 6.5% = $1,100 a year (or about $90 per month).
3. Take a loan out with a private lender.



What happens if my neighborhood approves city water?

- The city will install a water main during road construction.
- You and your neighbors will be assessed the cost of the water main (approx: $7,000 to $10,000 each) whether or not you signed the petition and whether or not you choose to hook up to the city water main.
- Congratulations! Water is available! Best of all, the $7,000 to $10,000 you were assessed is a credit toward your connection fee if you choose to connect. Ready? Follow the "If water is available at your home" steps below.
- It is **always your choice** whether to connect to city water. You are free to keep your private well - or to use both.
- Even if you choose not to connect to city water, the option will always be open to you - and to future buyers of your property.

If water is available at your home…

1. If you choose to connect to city water, the connection fee is $10,000, minus the amount of the assessment.
2. If the water main assessment for your residence was paid in the past – by you or by a previous owner – you can still deduct it from the connection fee.
3. Hire a contractor to do the job (the 'mechanical contractors' section of the Yellow Pages or another business directory is a good place to start).
4. Pay the hook-up fees before the work begins. (About $415 total* for connections, meter, inspections, and more.)
5. Call the city to arrange for inspections.

* Based on 2010 statistics

Have questions? Ready to start?
Call the city engineer at:
952-960-7900.

City of SHOREWOOD
www.ci.shorewood.mn.us

#8

CITY WATER: ARE YOU CLEAR ON THE FACTS?

City of SHOREWOOD



INVEST IN TOMORROW

City water may add resale value.

A growing number of people prefer the security, reliability, and convenience of city water. This can be especially important for home buyers. Though there are still people who prize private wells, homes that are connected to city water (or have that option available) are typically easier to sell.

"I know how important city water is to potential home buyers, because I'm the one who fields the calls about it. I can't even count how many potential sales have come to a halt because buyers learn there is a private well instead of city water."

–James Landini, P.E., City of Shorewood

The short-term view: private wells are cheaper… as long as nothing goes wrong.

Residents with working private wells do not have to pay fees to the city (minimum of $17.50 a month), though they do have to foot the bill for filtration systems, well cleaning, water softening, pumps, backup generators, testing, higher insurance rates, and more.

When private wells go wrong…

Private wells are vulnerable to flooding, collapse, equipment failure, power loss, contamination, and failure due to age. Repair can be expensive, and today's figures show new wells can cost around $7,000 to $9,000, while adding virtually nothing to the resale value of your home.

The long-term view: city water is an investment in the future.

City water is more than an investment in the value of your property; it's an investment in the health of your community. Property values rise, hydrants go in, insurance rates go down, and the people who want to keep their wells can keep their wells.



ENJOY THE QUALITY TODAY

City wells access a deep aquifer.

City wells are drilled deep, accessing an aquifer far beneath the earth's surface, where the water purity is considered excellent. Private wells are typically not dug as deep because of the high costs associated with such deep drilling.

City water is softer than private well water.

City water hardness has been measured at about 19 grains per gallon. So, while some iron and minerals are present, tests have shown that Shorewood city water is softer than private well water. Most residents who switch report saving money on treatment, using half the salt they used with private well water.

REST ASSURED

City water is tested monthly to ensure safety.

Following guidelines from the Minnesota Department of Health under the Safe Water Drinking Act, the city tests its water every month for coliform bacteria, and annually for nitrates, arsenic, VOCs, lead, and more.

Homeowners are responsible for testing their own private wells.

If you have a private well, testing is up to you. Groundwater can contain man-made and naturally occurring toxins that can get into private well water. The State of Minnesota recommends testing private wells once a year. As private wells age, more and more contaminants can seep in.

"I think there is true value in the safety and reliability of city water. This is a big-picture issue – it's about making the right investment."

– Mayor Chris Lizée

City water works – even when the power goes out!

Residents who are connected to city water can still run their taps, take showers, and flush their toilets when the power goes out. That's a major advantage in this area, where much of the electrical grid is above ground, which means the power goes out frequently.

CITY WATER FACTS:

- You cannot be forced to connect to city water, even if a water main runs along your street. (Unless you are a business or multi-family housing of 4+ units.)
- When you sign a petition for city water, it is a way to get more information about costs, not a final commitment.
- Even if you choose to connect to city water, you don't have to abandon your private well – you can keep it for watering your lawn.
- Unused wells must be sealed. The city has programs to help with the costs.
- City water availability may increase property values and decrease insurance rates. (Check with your local real estate agent or insurance broker.)

DOES YOUR PRIVATE WELL WATER CONTAIN DANGEROUS CHEMICALS?

Find out!

Even water that looks and tastes good can contain dangerous contaminants. The state of Minnesota recommends you have your private well water tested in a laboratory at least once a year. This is the only way to know for certain that your water is safe for you and your family to drink and bathe in.

Water testing kits available for Shorewood residents!

Visit City Hall and pick up a kit. Tests cost around $35 to run. Standard tests typically look for:

- **Coliform bacteria** - indicates human and animal waste contamination, and diseases such as salmonellosis, dysentery, and hepatitis.
- **Nitrates** - a common contaminant of Minnesota groundwater, linked to serious health issues.

We strongly recommend you request a test for:

- **Arsenic** - about 100 known cases of private wells with excessive arsenic are in the Shorewood area and that number is growing! Excess exposure to arsenic has been shown to increase the risk of skin problems, circulatory and nervous system diseases, and cancer.

Many homeowners also request tests for:

- **Volatile organic compounds (VOCs)** - studies suggest that 2% to 5% of Minnesota's private wells contain VOCs, which have been linked to problems with the central nervous system, liver, or kidneys; some VOCs are known to cause cancer.
- **Lead (from well pipes and fittings)** - exposure to lead can damage the brain, nervous system, and kidneys; infants and small children are particularly at risk.

Shorewood, MN Citizen Survey
Report of Results

December 2011

NATIONAL RESEARCH CENTER INC.
3005 30th St • Boulder, CO 80301 • 303-444-7863 • www.n-r-c.com

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Executive Summary

Survey Background

The 2011 Shorewood, Minnesota Resident Survey provided residents the opportunity to rate the quality of life in the city, as well as the service delivery and overall workings of local government. The survey also gave residents a chance to provide feedback to government on what is working well and what is not and share their priorities for community planning and resource allocation. This is the first general survey of Shorewood residents that the City has conducted.

A randomly selected sample of 1,330 households were mailed the 2011 Shorewood Resident Survey. Of these, 1,307 were delivered to occupied households. A total of 613 completed surveys were received, for a response rate of 47%, which is an excellent response rate. It is customary to describe the precision of estimates made from surveys by a "level of confidence" (or margin of error). The 95% confidence level is typically no greater than plus or minus four percentage points around any given percent based on community-wide estimates.

Survey results were weighted so that respondent age, gender, tenure (rent versus own) and housing type (single versus multi-family) were represented in the proportions reflective of the entire city.

The City of Shorewood's results were compared to results of surveys conducted by other jurisdictions around the nation as well as to a subset of these jurisdictions that had a population size of less than 10,000. These comparisons are made possible through National Research Center's (NRC's) national benchmark database, which contains resident perspectives gathered in citizen surveys from approximately 500 jurisdictions, including cities and counties. Survey results also were compared by demographic characteristics of respondents.

Survey Results

Shorewood residents reported a high quality of life and were generally satisfied with various aspects of their community. Nearly all believed that the City was an "excellent" or "good" place to live and raise children, and that the overall quality of life in Shorewood was "excellent" or "good." When Shorewood ratings were compared to ratings given by residents across the country (national benchmarks) and to residents in jurisdictions of a similar population size (small city benchmarks), Shorewood's ratings were generally much higher than both these benchmarks.

Nine out of 10 respondents agreed that the air quality, the quality of the overall natural environment, the overall image of Shorewood and educational opportunities in Shorewood were "excellent" or "good." Fewer, but still at least half, felt positive about Shorewood's sense of community, the ease of walking in the city, and the availability of affordable quality child care and housing. Fifteen of the 18 community characteristics that could be compared to the benchmarks had ratings that were much above or above the benchmarks. Sense of community and ease of walking in Shorewood were similar to the national benchmark and below or much below the small city benchmark.

A majority of respondents reported talking or visiting with their immediate neighbors at least several times a month. However, when asked the extent to which they agreed or disagreed that "Shorewood had tight-knit neighborhoods," only 57% of respondents agreed. More residents agreed that Shorewood was a safe community with a low crime rate, the City offered the best schools and that the City provided and protected open space.

Given that the highest proportion of respondents agreed that Shorewood is a safe community with a low crime rate, it is understandable that they would report a high sense of safety in their neighborhoods and

from various types of crime. When compared to the national and small city benchmarks, Shorewood's safety ratings were much higher than those in these other jurisdictions.

Shorewood residents reported relatively low rates of participation in 12 specific community activities, programs or events. Two-thirds or more reported never having participated in seven of the 12 activities. Generally, this participation level was lower or much lower than the national and small city benchmarks. Sixty percent of residents said they had not participated in any of the 12 Shorewood programs and events in the year prior to the survey. Respondents were most likely to have used the various recreation facilities in Shorewood.

Overall, residents gave high marks to the quality of City services, with 7 in 10 rating them as "excellent" or "good" (above both benchmarks). Ratings for individual services also were scored highly. Twenty-six of the 36 services received "excellent" or "good" ratings from at least two-thirds of respondents. Of the 31 services that could be compared to the nation, 25 received ratings above or much above the benchmark, four were similar and two were below or much below the benchmark. Of the 29 Shorewood services that could be compared to the small city benchmark, 23 were rated above or much above, two received similar ratings and four were lower or much lower than the benchmark.

A special analysis, called a key driver analysis, was conducted for the City of Shorewood to help focus service improvement efforts on those services that most influence residents' perceptions (key drivers) about overall City service quality. Three services were identified as key drivers of overall City service ratings, meaning that if these services are rated highly, overall City service quality is more likely to be rated positively as well. Shorewood's key drivers were: snowplowing on city streets, storm drainage and land use, planning and zoning. The City may want to keep a watchful eye on these services to maintain their favorable ratings and the correlated high rating for the overall quality of City services.

City employees received encouraging evaluations from residents with whom they had contact. Ratings for interactions with City employees were much higher than the national and small city benchmarks. Most aspects of the City government's performance also received positive marks from residents, with a majority of ratings being above or much above the benchmarks. However, respondents believed that the City government could do a better job at taking into consideration what people like them think.

When asked about the importance of potential improvements in Shorewood, respondents were more likely to think that improving roads and the environment, expanding trails and walkways and improving the municipal drinking water system should be the highest priorities. Other potential park and recreation projects in Shorewood were viewed as less important.

Four out of the five potential initiatives in Shorewood were supported by three-quarters or more of respondents. Increasing recycling options for residents received the most support, while having a single trash hauler contracted by the City (instead of multiple haulers) received the least support.

In Summary

Overall, a majority of residents reported that they were happy with the quality of life and community in Shorewood and the services provided in the City. Two-thirds of the ratings that could be compared to the national benchmarks were much above or above ratings given by residents in other jurisdictions across the country. While strong ratings were seen in most areas covered by the 2011 Shorewood survey, opportunities to strengthen resident appreciation of local services, the City government and community quality may be found in bolstering residents' sense of community, improving communication and showing residents that elected officials care what they think. Additionally, focusing on ways to make Shorewood a desirable place to retire, by increasing the availability of affordable quality housing and the "walkability" of the City, for example, could impact resident's longevity in the City.

Survey Background

Survey Purpose

The City of Shorewood contracted with National Research Center, Inc. (NRC) to conduct its first community-wide resident survey. The Shorewood Resident Survey serves as a consumer report card for Shorewood by providing residents the opportunity to rate the quality of life in the city, as well as the community's amenities, service delivery and their satisfaction with local government. The survey also gives residents a chance to provide feedback to government on what is working well and what is not, and to communicate their priorities for community planning and resource allocation.

The focus on the quality of service delivery and the importance of services helps council, staff and the public to set priorities for budget decisions and lays the groundwork for tracking community opinions about the core responsibilities of Shorewood city government, helping to assure maximum service quality over time.

This type of survey addresses the key services that local governments provide to create a quality community. It is akin to private sector customer surveys that are used regularly by many corporations to monitor where there are weaknesses in product or service delivery before customers defect to competition or before other problems from dissatisfied customers arise.

Survey Methods

A randomly selected sample of 1,330 residential addresses within or near the city boundaries was mailed the 2011 Shorewood Resident Survey. Of these, 1,307 were delivered to occupied households. A total of 613 completed surveys were returned, for a response rate of 47%.

Survey results were weighted so that respondent age, gender, tenure (rent versus own) and housing type (single versus multi-family) were represented in the proportions reflective of the entire city. More information about the survey methodology can be found in *Appendix E: Survey Methodology*.

How the Results Are Reported

Either the full frequency distribution (the percent of respondents giving each possible response to a particular question) or the "percent positive" is presented in the body of the report. The percent positive is the combination of the top two most positive response options (i.e., "excellent" and "good," "strongly agree" and "somewhat agree," "essential" and "very important").

On many of the questions in the survey, respondents gave an answer of "don't know." The proportion of respondents giving this reply is shown in the full set of responses included in *Appendix B: Responses to Survey Questions* and is discussed in the body of this report if it is 20% or greater. However, these responses have been removed from the analyses presented in the body of the report, unless otherwise indicated. In other words, the majority of the tables and graphs in the body of the report display the responses from respondents who had an opinion about a specific item.

When a table for a question that only permitted a single response does not total to exactly 100%, it is due to the common practice of percentages being rounded to the nearest whole number.

Precision of Estimates

It is customary to describe the precision of estimates made from surveys by a "level of confidence" (or margin of error). The 95 percent confidence level for this survey is generally no greater than plus or minus four percentage points around any given percent reported for the entire sample (613). For comparisons among subgroups, the margin of error rises to approximately plus or minus 5% for sample sizes of 400 to

plus or minus 10% for sample sizes of 100, and for smaller sample sizes (i.e., 50), the margin of error rises to 14%.

Comparing Survey Results by Demographic Subgroups

Select survey results were compared by demographic characteristics of survey respondents and are discussed throughout the body of the report (a full set of these results can be found in *Appendix C: Responses to Select Survey Questions Compared by Respondent Characteristics*).

Comparing Survey Results to Other Jurisdictions

Jurisdictions use the comparative information provided by benchmarks to help interpret their own citizen survey results, to create or revise community plans, to evaluate the success of policy or budget decisions, and to measure local government performance. We do not know what is small or large without comparing. Taking the pulse of the community has little meaning without knowing what pulse rate is too high and what is too low. When surveys of service satisfaction turn up "good" citizen evaluations, we need to know how others rate their services to understand if "good" is good enough. Furthermore, in the absence of national or peer community comparisons, a jurisdiction is left comparing its fire protection rating to its street maintenance rating. That comparison is unfair. Streets always lose to fire. How residents' ratings of fire service compare to opinions about fire service in other communities is the real question.

A police department that provides the fastest and most efficient service – one that closes most of its cases, solves most of its crimes, and keeps the crime rate low – still has a problem to fix if the residents in the city it intends to protect believe services are not very good compared to ratings given by residents in other cities to their own objectively "worse" departments. Benchmark data can help that police department – or any city department – to understand how well citizens think it is doing. Results may lead to a new understanding of where services need improvement or where communications about services are lacking. Citizen opinion should be used in conjunction with other sources of data about budget, personnel, and politics to help managers know how to respond to comparative results.

NRC's database of comparative resident opinion is comprised of resident perspectives gathered in citizen surveys from approximately 500 jurisdictions whose residents evaluated local government services. Conducted with typically no fewer than 400 residents in each jurisdiction, opinions are intended to represent over 30 million Americans. NRC innovated a method for quantitatively integrating the results of surveys that we have conducted with those that others have conducted. These integration methods have been described thoroughly in *Public Administration Review*, *Journal of Policy Analysis and Management*, and in NRC's first book on conducting and using citizen surveys, *Citizen Surveys: how to do them, how to use them, what they mean*, published by the International City/County Management Association (ICMA). Scholars who specialize in the analysis of citizen surveys regularly have relied on our work [e.g., Kelly, J. & Swindell, D. (2002). Service quality variation across urban space: First steps towards a model of citizen satisfaction, *Journal of Urban Affairs*, 24, 271-288.; Van Ryzin, G., Muzzio, D., Immerwahr, S., Gulick, L. & Martinez, E. (2004). Drivers and consequences of citizen satisfaction: An application of the American Customer Satisfaction Index Model to New York City, *Public Administration Review*, 64, 331-341]. The method described in those publications is refined regularly and statistically tested on a growing number of citizen surveys in our proprietary databases.

Jurisdictions in NRC's benchmark database are distributed geographically across the country and range from small to large in population size. Comparisons may be made to subsets of jurisdictions (in this report, jurisdictions with 10,000 residents or fewer). Most commonly (also in this report), comparisons are made to all jurisdictions. Despite the differences in jurisdiction characteristics, all are in the business of providing local government services to residents. Though individual jurisdiction circumstances, resources, and practices vary, the objective in every community is to provide services that are so timely, tailored, and

effective that residents conclude the services are of the highest quality. High ratings in any jurisdiction, like SAT scores in any teen household, bring pride, and a sense of accomplishment.

Comparison of Shorewood to the Benchmarking Database

National benchmark comparisons and small city (jurisdictions with a population size of less than 10,000) benchmark comparisons have been included in the report when available. Jurisdictions to which Shorewood was compared can be found in *Appendix D: Jurisdictions Included in Benchmark Comparisons*. Benchmark comparisons have been provided when similar questions on the Shorewood survey are included in NRC's database and there are at least five jurisdictions in which the question was asked, though most questions are compared to more than five other jurisdictions across the country.

Where comparisons for quality ratings were available, the City of Shorewood's results were generally noted as being "above" the benchmark, "below" the benchmark or "similar" to the benchmark. For some questions – those related to resident behavior, circumstance or to a local problem – the comparison to the benchmark is designated as "more," "similar" or "less" (for example, residents contacting the City in the last 12 months). In instances where ratings are considerably higher or lower than the benchmark, these ratings have been further demarcated by the attribute of "much," (for example, "much less" or "much above"). These labels come from a statistical comparison of Shorewood's rating to the benchmark where a rating is considered "similar" if it is within the margin of error; "above," "below," "more," or "less" if the difference between Shorewood's rating and the benchmark is greater the margin of error; and "much above," "much below," "much more" or "much less" if the difference between your Shorewood's rating and the benchmark is more than twice the margin of error.

Survey Results

Quality of Life and Community

The 2011 Shorewood Resident Survey gauged residents' perspectives about different aspects of quality of life in Shorewood. Respondents also were asked to evaluate a number of characteristics of the community, identify statements that best describe Shorewood and rate how safe they felt in and around the City.

Aspects of Quality of Life

Shorewood as place to live, raise children and the overall quality of life in the City was believed to be "excellent" or "good" by nearly all respondents. Nine in 10 felt that their neighborhood was an "excellent" or "good" place to live (92%). Fewer, but still a majority, said that Shorewood was an "excellent" or "good" place to retire (69%); only 1 in 10 felt it was "poor."

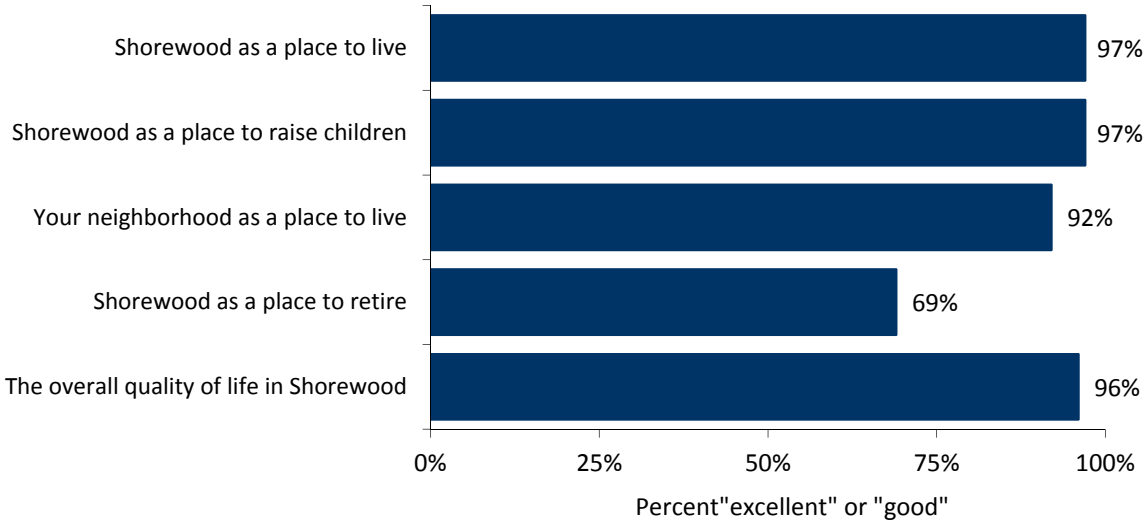
It should be noted that about 20% of respondents selected "don't know" when rating Shorewood as a place to retire. Percentages shown here and throughout the report body are for those who had an opinion. A full set of responses to each survey question, including "don't know," can be found in *Appendix B: Responses to Survey Questions*.

Shorewood's ratings for the different aspects of quality of life were compared to ratings given by residents in other jurisdictions. Two comparison groups were used: all jurisdictions from across the nation that were in the NRC database (the national benchmark) and those jurisdictions with a population size that was similar (less than 10,000) to Shorewood (the small city benchmark). When compared to the nation and to municipalities with populations fewer than 10,000, Shorewood residents gave much higher evaluations than those living in other places.

Table 1: Aspects of Quality of Life

Please rate each of the following aspects of quality of life in Shorewood.	Excellent	Good	Fair	Poor	Total	National comparison	Populations under 10,000 comparison
Shorewood as a place to live	53%	44%	3%	0%	100%	Much above	Much above
Shorewood as a place to raise children	58%	39%	3%	0%	100%	Much above	Much above
Your neighborhood as a place to live	58%	34%	7%	1%	100%	Much above	Much above
Shorewood as a place to retire	29%	40%	22%	9%	100%	Much above	Much above
The overall quality of life in Shorewood	45%	51%	3%	1%	100%	Much above	Much above

Figure 1: Ratings of Aspects of Quality of Life



Comparisons by Demographic Subgroups

Responses to select survey questions were compared by respondent demographic characteristics. Residents living in the city for 10 years or less, those who rent their homes and younger respondents (age 18-34) were more likely to give favorable ratings to the city as a place to retire than were other residents. A complete set of responses by respondent demographic can be found in *Appendix C: Responses to Select Survey Questions Compared by Respondent Characteristics*.

Community Characteristics

Survey respondents were provided a list of 23 different characteristics of the community and asked to evaluate the quality of each as they related to Shorewood as a whole. Half or more rated each community characteristic as "excellent" or "good" (see Table 2 on the following page). The characteristics receiving the most positive ratings included air quality (93% "excellent" or "good"), the quality of the overall natural environment (91%), the overall image or reputation of Shorewood (90%) and educational opportunities (86%). Sense of community (60% "excellent" or "good"), ease of walking in the City (57%), availability of affordable quality child care (57%) and the availability of affordable quality housing (54%) received the lowest ratings.

Between 25% and 64% of respondent said "don't know" when rating each of the following characteristics of Shorewood: opportunities for senior/older adult activities, opportunities to attend Southshore Community Center activities, opportunities to volunteer, availability of affordable quality housing and availability of affordable quality child care (see *Appendix B: Responses to Survey Questions* for a full set of responses to each question, including "don't know").

Eighteen of the 23 community characteristics were available for comparison to the national and small city benchmarks. Fifteen were much above or above the national or small city benchmark:

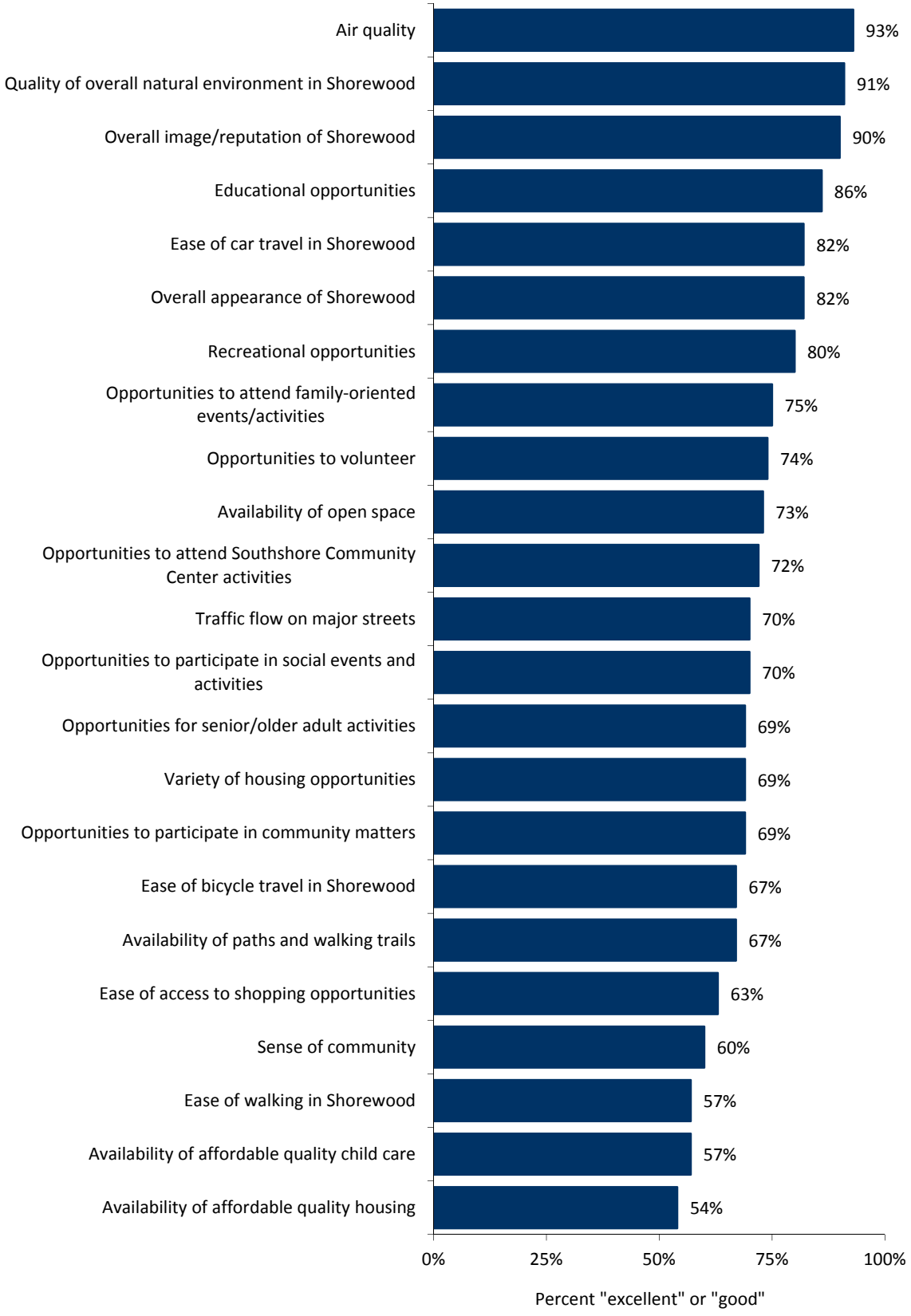
- opportunities to participate in community matters,
- air quality,
- quality of overall natural environment in Shorewood,
- overall image/reputation of Shorewood,
- educational opportunities,
- ease of car travel in Shorewood,
- overall appearance of Shorewood,
- recreational opportunities,
- traffic flow on major streets,
- opportunities to participate in social events and activities,
- variety of housing opportunities,
- ease of bicycle travel in Shorewood,
- availability of paths and walking trails,
- availability of affordable quality child care
- and availability of affordable quality housing.

Opportunities to volunteer were rated similar to both benchmarks. Sense of community and ease of walking in Shorewood were similar to the national benchmark and below or much below the small city benchmark.

Table 2: Community Characteristics

Please rate each of the following characteristics as they relate to Shorewood as a whole.	Excellent	Good	Fair	Poor	Total	National comparison	Populations under 10,000 comparison
Air quality	42%	51%	6%	1%	100%	Much above	Much above
Quality of overall natural environment in Shorewood	41%	50%	8%	1%	100%	Much above	Much above
Overall image/reputation of Shorewood	35%	55%	10%	0%	100%	Much above	Much above
Educational opportunities	40%	46%	12%	2%	100%	Much above	Much above
Ease of car travel in Shorewood	25%	57%	16%	2%	100%	Much above	Much above
Overall appearance of Shorewood	21%	61%	17%	1%	100%	Much above	Much above
Recreational opportunities	28%	52%	17%	2%	100%	Much above	Much above
Opportunities to attend family-oriented events/activities	21%	55%	22%	3%	100%	NA	NA
Opportunities to volunteer	18%	56%	24%	3%	100%	Similar	Similar
Availability of open space	24%	49%	23%	4%	100%	NA	NA
Opportunities to attend Southshore Community Center activities	25%	47%	22%	6%	100%	NA	NA
Traffic flow on major streets	12%	57%	26%	4%	100%	Much above	Much above
Opportunities to participate in social events and activities	17%	53%	27%	3%	100%	Much above	Much above
Opportunities for senior/older adult activities	20%	49%	28%	4%	100%	NA	NA
Variety of housing opportunities	14%	54%	26%	6%	100%	Much above	Much above
Opportunities to participate in community matters	16%	53%	27%	4%	100%	Above	Above
Ease of bicycle travel in Shorewood	23%	44%	21%	12%	100%	Much above	Much above
Availability of paths and walking trails	29%	38%	23%	10%	100%	Much above	Much above
Ease of access to shopping opportunities	19%	44%	30%	7%	100%	NA	NA
Sense of community	15%	46%	33%	6%	100%	Similar	Below
Ease of walking in Shorewood	24%	33%	27%	16%	100%	Similar	Much below
Availability of affordable quality child care	17%	40%	30%	13%	100%	Much above	Much above
Availability of affordable quality housing	9%	44%	35%	12%	100%	Much above	Much above

Figure 2: Ratings of Community Characteristics



Comparisons by Demographic Subgroups

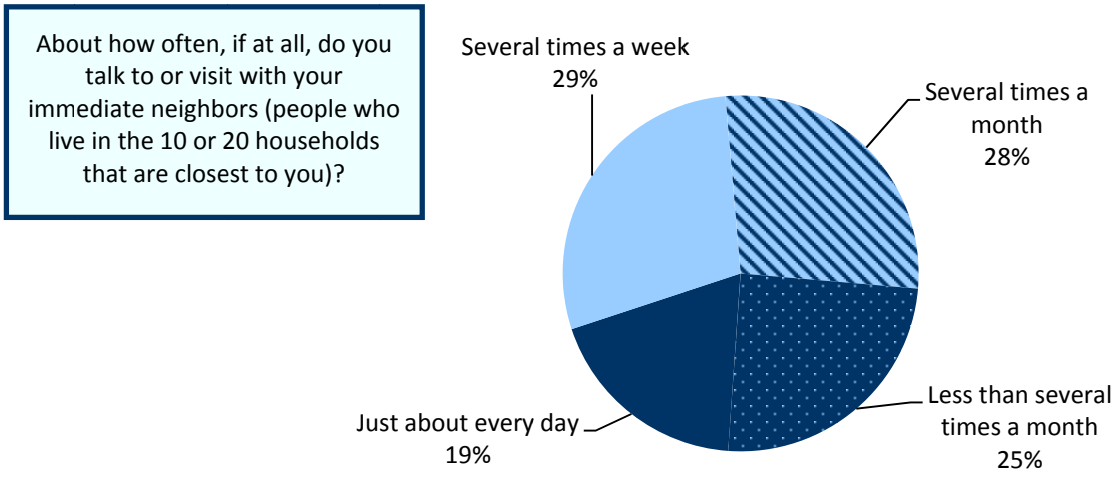
Generally, those who had lived in Shorewood for more than 20 years, men, those with children under 18 years of age and households with an income of less than $50,000 gave lower ratings to the different characteristics of the community than did their counterparts (see *Appendix C: Responses to Select Survey Questions Compared by Respondent Characteristics*).

Neighborliness in Shorewood

When asked how frequently they talked or visited with their immediate neighbors, about one-fifth of Shorewood residents said they had contact with their neighbors just about every day. Three in 10 said that they talk to or visit with their immediate neighbors several times a week (29%) or several times a month (28%). One-quarter said they have contact less than several times a month.

When compared to residents in other jurisdictions across the nation, Shorewood residents reported a similar amount of contact with their neighbors. However, when compared to other small communities, respondents reported much less contact with their immediate neighbors.

Figure 3: Contact with Neighbors



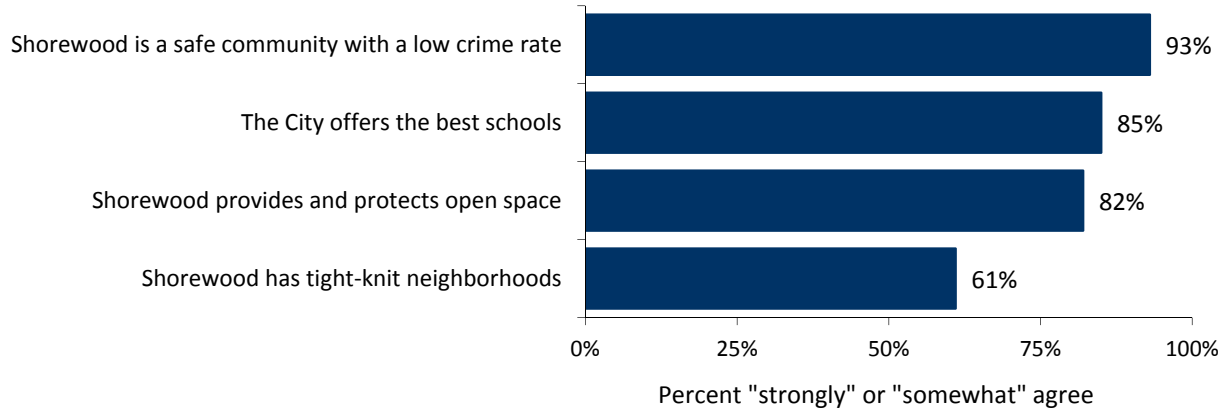
Shorewood's Character

Four statements about the character of Shorewood were provided to respondents who were asked to indicate the extent to which they agreed or disagreed with each. Ninety-three percent of respondents "strongly" or "somewhat" agreed that Shorewood was a safe community with a low crime rate. Eight in 10 agreed that the City offered the best schools (85% agreement) and that Shorewood provided and protected open space (82%). A smaller proportion of residents agreed that Shorewood had tight-knit neighborhoods (61% "strongly" or "somewhat" agree). Ten percent, or fewer, of respondents disagreed with these statements about Shorewood's character.

Table 3: Aspects of Community Character

To what extent do you agree or disagree, if at all, that each statement below describes the City of Shorewood?	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree	Don't know	Total
Shorewood is a safe community with a low crime rate	65%	28%	6%	1%	0%	0%	100%
The City offers the best schools	46%	27%	10%	2%	1%	13%	100%
Shorewood provides and protects open space	29%	45%	13%	2%	1%	10%	100%
Shorewood has tight-knit neighborhoods	20%	37%	27%	7%	3%	6%	100%

Figure 4: Ratings of Aspects of Community Character



Comparisons by Demographic Subgroups

Residents living in the city for 10 years or less, females and those with children under 18 were more likely to agree that Shorewood had tight-knit neighborhoods than were other residents (see *Appendix C: Responses to Select Survey Questions Compared by Respondent Characteristics* for a full set of breakdowns).

Safety in Shorewood

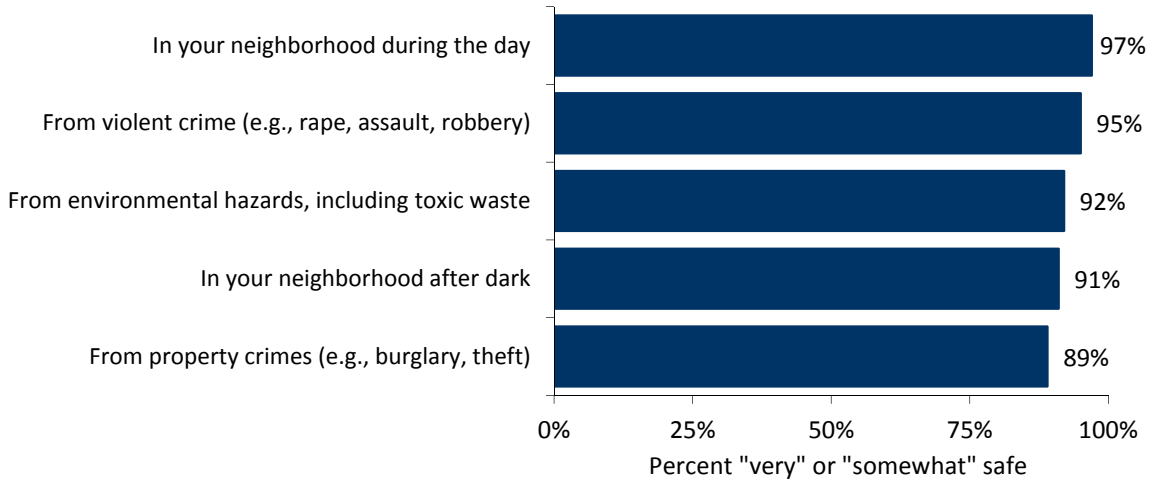
Shorewood resident assessed how safe they felt in their neighborhoods and from different types of crime and hazards. They also were asked if they or any other household member had been a victim of a crime in the last 12 months.

Overall, respondents reported a strong sense of personal safety in Shorewood, with 9 in 10 saying they felt "very" or "somewhat" safe in their neighborhoods, during the day and at night, and from various types of crime and environmental hazards. These ratings were higher or much higher than ratings given by residents in other jurisdictions across the US and in those with population sizes of less than 10,000.

Table 4: Community Safety

Please rate how safe or unsafe you feel...	Very safe	Somewhat safe	Neither safe nor unsafe	Somewhat unsafe	Very unsafe	Total	National comparison	Populations under 10,000 comparison
In your neighborhood during the day	84%	14%	2%	0%	0%	100%	Much above	Above
From violent crime (e.g., rape, assault, robbery)	74%	21%	4%	1%	0%	100%	Much above	Much above
From environmental hazards, including toxic waste	63%	30%	6%	2%	0%	100%	Much above	Much above
In your neighborhood after dark	58%	34%	6%	2%	0%	100%	Much above	Much above
From property crimes (e.g., burglary, theft)	41%	47%	8%	2%	1%	100%	Much above	Much above

Figure 5: Ratings of Community Safety



Only 8% of respondents reported having been a victim of a crime in the 12 months prior to the survey. Of those who were a crime victim, three-quarters said they had reported the crime or crimes to the police.

The rate of crime victimization in Shorewood, as reported by respondents, was much lower or lower than that reported by residents in other jurisdictions across the nation and in those with populations of less than 10,000. Reporting crimes was similar when compared to both benchmarks.

Figure 6: Crime Victimization

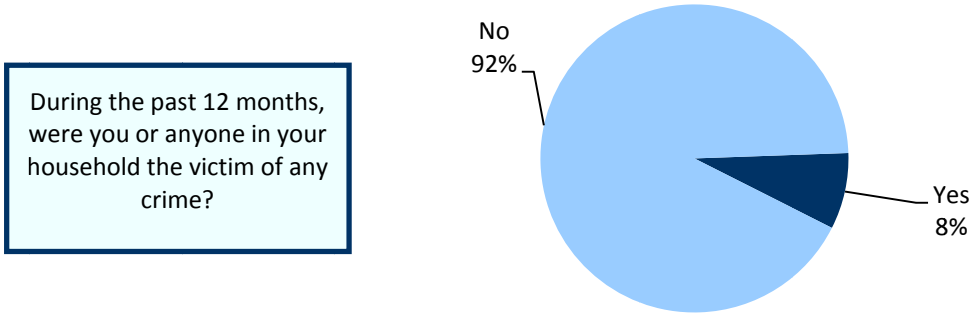
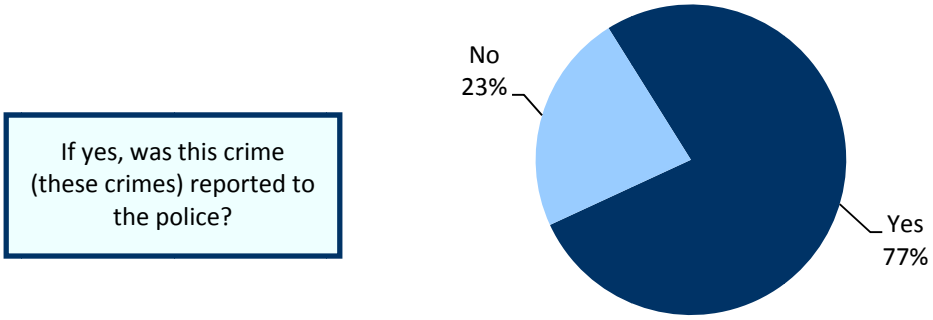


Figure 7: Crime(s) Reported



Asked only of those who reported being a victim of a crime in the last 12 months.

Comparisons by Demographic Subgroups

Renters, women and those with a household income of less than $50,00 were less likely to feel safe in their neighborhoods and from crime than were homeowners, men and those with higher household incomes. (A full set of responses by demographic subgroups can be found in *Appendix C: Responses to Select Survey Questions Compared by Respondent Characteristics*.)

Participation in the Community

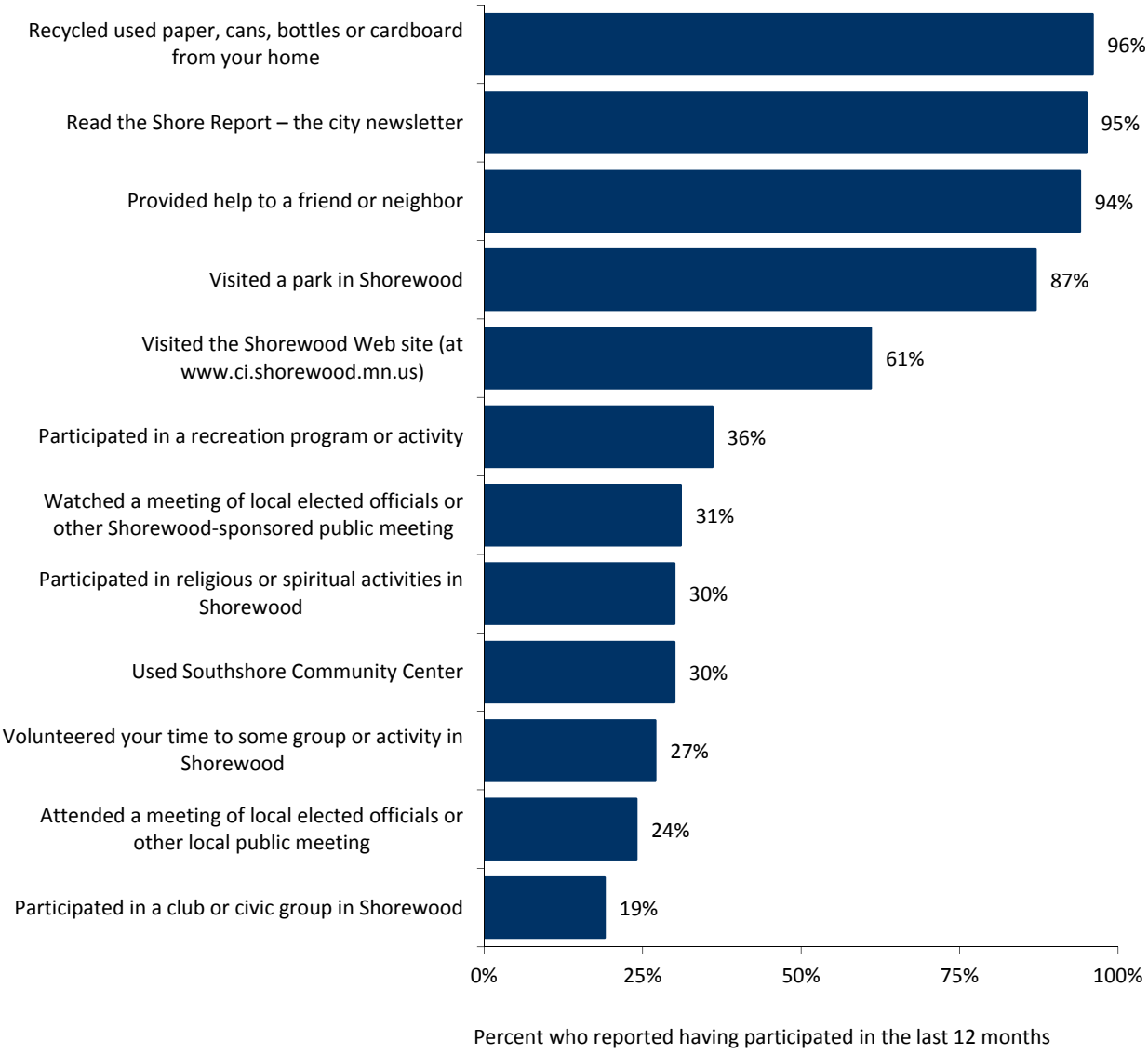
Several questions on the survey measured respondents' level of participation in a number of events and activities in Shorewood. The community activities respondents most frequently participated in were recycling used paper, cans, bottles or cardboard from their home (96% reported having done this at least once in the last 12 month period), reading the Shore Report (95%), providing help to a friend or neighbor (94%) and visiting a Shorewood park (87%). Sixty-five percent of residents said they had recycled used paper, cans, bottles or cardboard more than 26 times in the last 12 months. Volunteering their time to some group or activity in Shorewood (27% had done this at least once in the last 12 months), attending a meeting of a local elected official or other local public meeting (24%) and participating in a club or civic group in Shorewood (19%) were the activities with the lowest rates of participation. For seven of the 12 activities listed, two-thirds or more of respondents said that they had never participated.

All of the activities were available for comparison to the benchmarks. Shorewood residents reported much higher rates of participation in recycling used paper, cans, bottles or cardboard and reading the City newsletter when compared to both benchmarks. Residents visited the City's website with similar frequency when compared to jurisdictions across the US and visited more compared to jurisdictions with a population size of less than 10,000. The frequency with which Shorewood respondents provided help to a friend or neighbor and visited a park in Shorewood was similar to the national and small city benchmarks. Residents reported lower or much lower rates of participation in all other activities when compared to the benchmarks.

Table 5: Community Participation

In the last 12 months, about how many times, if ever, have you or other household members participated in the following activities in Shorewood?	Never	Once or twice	3 to 12 times	13 to 26 times	More than 26 times	Total	National comparison	Populations under 10,000 comparison
Recycled used paper, cans, bottles or cardboard from your home	4%	2%	8%	21%	65%	100%	Much more	Much more
Read the Shore Report – the city newsletter	5%	10%	64%	13%	7%	100%	Much more	Much more
Provided help to a friend or neighbor	6%	25%	45%	14%	9%	100%	Similar	Similar
Visited a park in Shorewood	13%	28%	32%	13%	13%	100%	Similar	Similar
Visited the Shorewood Web site (at www.ci.shorewood.mn.us)	39%	33%	23%	3%	2%	100%	Similar	More
Participated in a recreation program or activity	64%	22%	11%	2%	2%	100%	Much less	Much less
Watched a meeting of local elected officials or other Shorewood-sponsored public meeting on cable television, the Internet or other media	69%	21%	8%	2%	1%	100%	Much less	Much less
Participated in religious or spiritual activities in Shorewood	70%	7%	6%	6%	11%	100%	Much less	Much less
Used Southshore Community Center	70%	24%	4%	1%	1%	100%	Much less	Much less
Volunteered your time to some group or activity in Shorewood	73%	14%	7%	3%	3%	100%	Much less	Much less
Attended a meeting of local elected officials or other local public meeting	76%	18%	4%	1%	0%	100%	Less	Much less
Participated in a club or civic group in Shorewood	81%	8%	6%	3%	2%	100%	Much less	Much less

Figure 8: Frequency of Participation in Community Activities

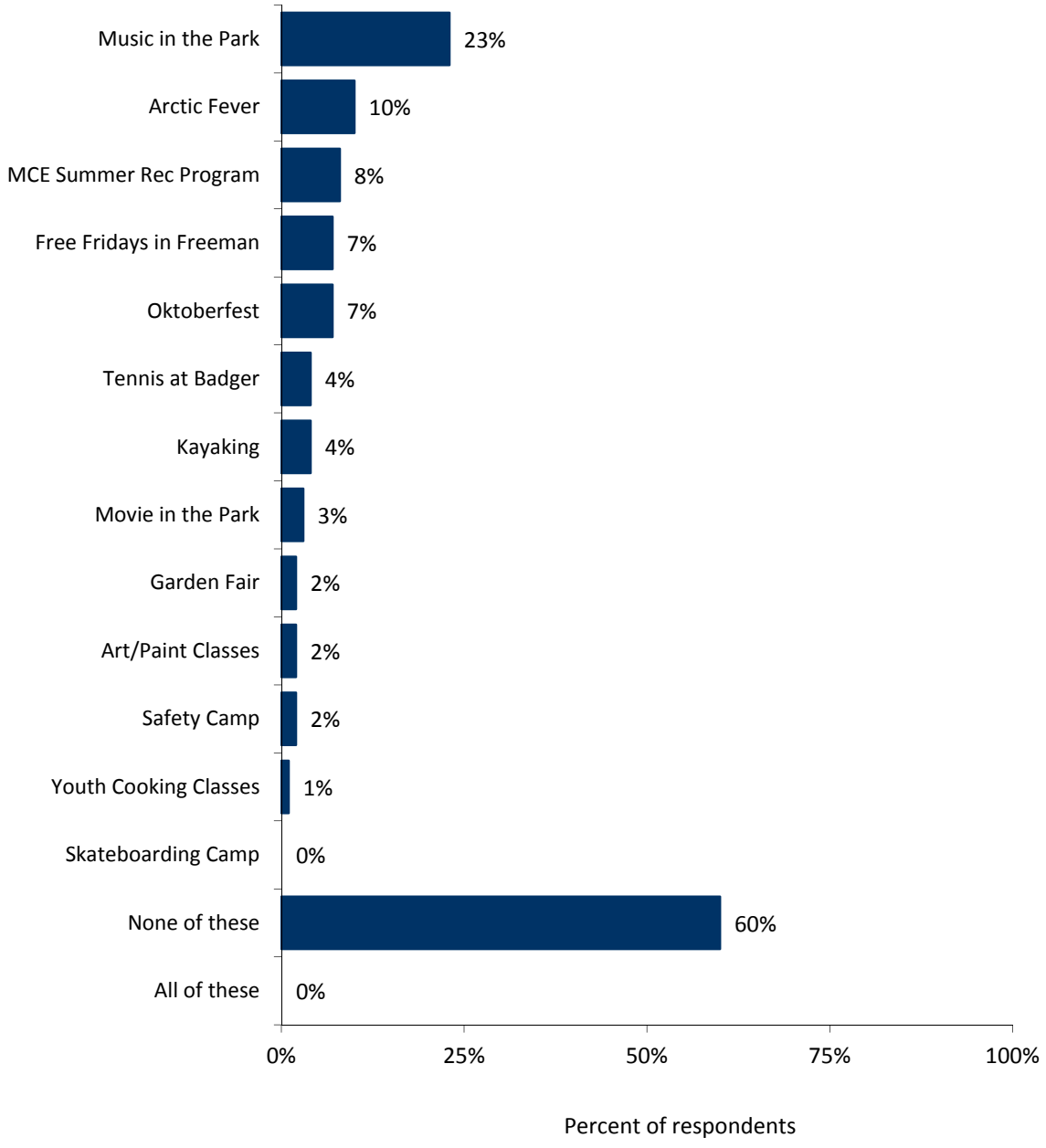


Comparisons by Demographic Subgroups

Respondents who had a longer tenure in Shorewood and older residents (age 55+) tended to more frequently use the Southshore Community Center and attend or watch public meetings of local elected officials than did those who had lived in the city for a shorter period of time and those who were younger (see *Appendix C: Responses to Select Survey Questions Compared by Respondent Characteristics*).

Residents were asked to select all the specific Shorewood programs and events in which they had participated over the last 12 months. Sixty percent of residents said they had not participated in any of the programs or events listed on the survey. Music in the Park had the highest rates of participation, with 23% saying they had attended in the last 12 months. Ten percent or fewer mentioned having participated in any of the other programs or events.

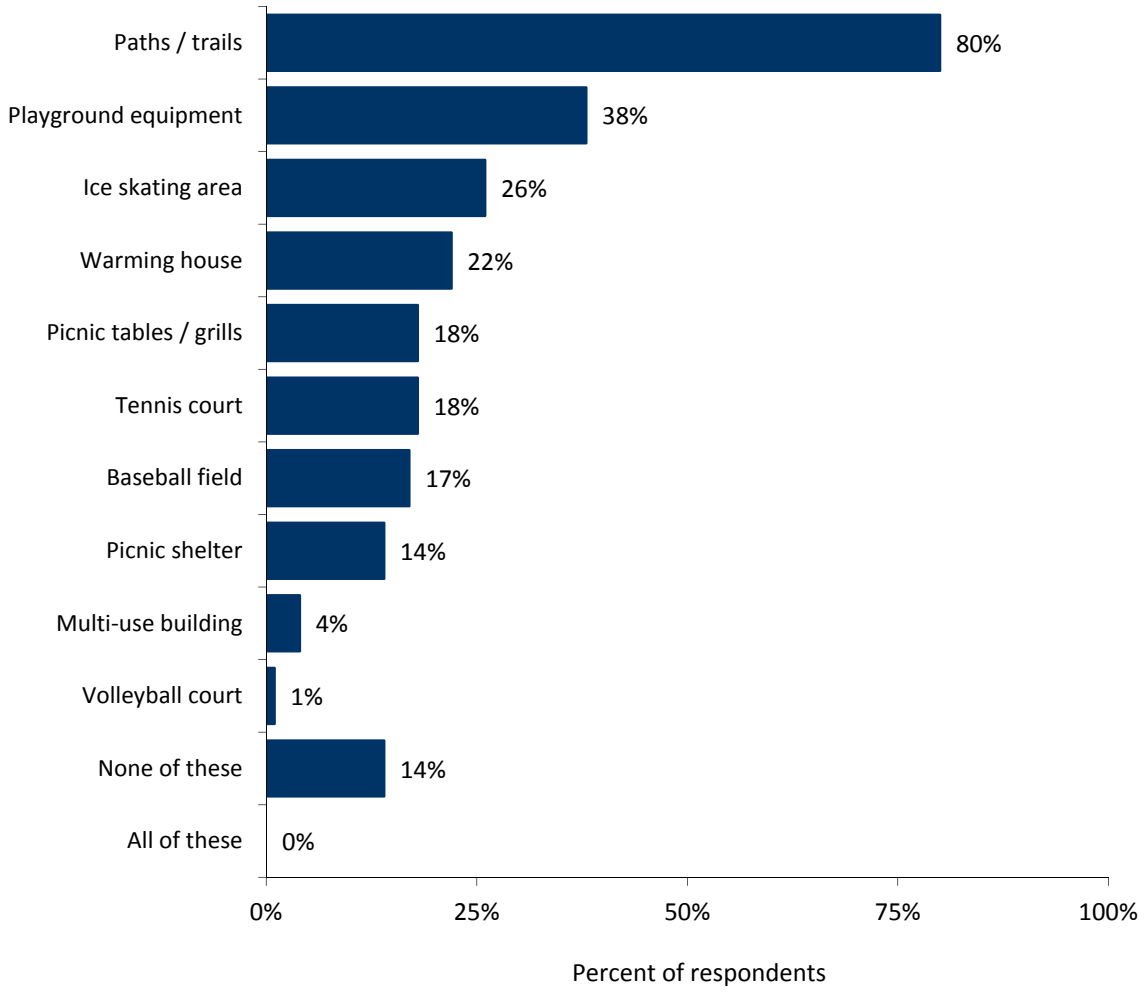
Figure 9: Participation in Community Programs and Events



Totals may exceed 100% as respondents could select more than one response.

When asked to select each City recreation facility they had used in the 12 months prior to the survey, 80% of respondents said they had used the paths and trails in Shorewood. One-third reported using playground equipment (38%) and about one-quarter said they had used the ice skating area (26%) or the warming house (22%). Less than 20% of respondents said they had used the other recreation facilities. Fourteen percent mentioned that they had not used any of the City recreation facilities in the 12 months prior to the survey.

Figure 10: Use of City Recreation Facilities



Totals may exceed 100% as respondents could select more than one response.

Forty-three percent of respondents said they had participated in the City's Spring Clean-up Drop Off program in the last 12 months. Those who had participated were asked to evaluate various aspects of the program. At least half gave "excellent" ratings to the ease of use of the program and the convenience of the drop-off site location and 37% said that each of these aspects were "good." Three-quarters of residents felt that the cost of disposing of items was "excellent" or "good," 19% thought the cost for disposal was "fair" and 7% said it was "poor."

Figure 11: Participation in City's Spring Clean-up Drop Off Program

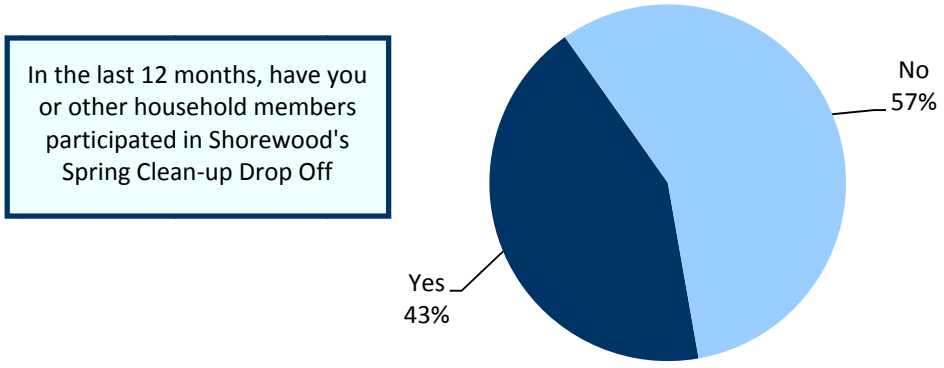


Table 6: Aspects of Spring Clean-up Drop Off Program

If you HAVE used the Spring Clean-up Drop Off program, please rate each of the following aspects.	Excellent	Good	Fair	Poor	Total
Ease of use	57%	37%	5%	1%	100%
Convenience of drop-off site location	52%	37%	9%	1%	100%
Cost of disposing of items	31%	43%	19%	7%	100%

Asked only of those who reported having participated in the City's Spring Clean-up Drop Off program in the last 12 months.

Comparisons by Demographic Subgroups

Younger residents (18-34), renters and those living in the city for 10 years or less were less likely to have participated in Shorewood's Spring Clean-up Drop Off program than were older residents, homeowners and those with a longer tenure in the city (see *Appendix C: Responses to Select Survey Questions Compared by Respondent Characteristics*).

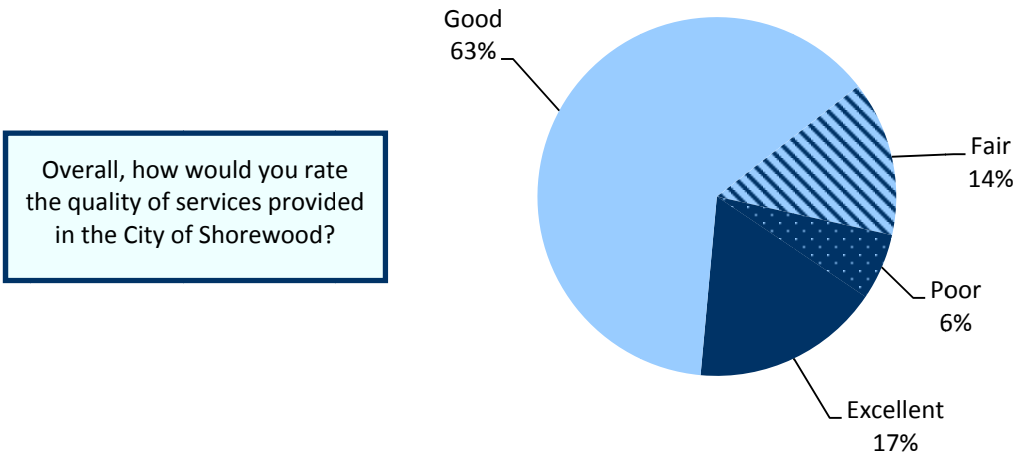
Services Provided in Shorewood

Respondents were asked to rate the overall quality of services provided in Shorewood, the quality of 36 individual services provide by the City and special districts and the quality of their most recent contact with City employees.

Overall Quality of Services

Residents gave high marks to the overall quality of services provided in the City of Shorewood. Seven in 10 rated the overall quality of services as "excellent" or "good," 14% felt it was "fair" and 6% said "poor." These ratings were above both the national benchmark and the small city benchmark.

Figure 12: Overall Quality of City Services



City and Special District Services

The survey included a list of 36 services provided by the City or by special districts and residents were asked to assess the quality of each. Twenty-six of the 36 services received "excellent" or "good" ratings from two-thirds or more of respondents (see Table 7 on page 22). At least 90% of residents gave "excellent" or "good" ratings to each of the following services, with one-third or more rating each as "excellent":

- fire district's response to calls,
- public schools,
- Shorewood parks,
- fire district services overall,
- fire district's education and prevention,
- ambulance or emergency medical services
- and police response to calls.

Street lighting (48% "excellent" or "good), street resurfacing (45%), street maintenance/repair (i.e., filling potholes, 44%) and cable television (39%) received the lowest ratings. About one in five residents said that street lighting, resurfacing and maintenance/repair were "poor" and one-third felt that cable television services was "poor."

It should be noted that for 23 of the 36 services, between 21% and 84% of respondents selected "don't know" when rating the quality. These included fire district's response to calls, fire district's education and prevention, fire district's visibility in the community, fire district services overall, police response to calls, police education and crime prevention, police services overall, ambulance or emergency medical services, animal control services, traffic enforcement, sanitary sewer services, park and recreation programs or classes, Southshore Community Center program or classes, Southshore Community Center overall, building inspections, land use, planning and zoning, code enforcement (weeds, abandoned buildings, etc.), services to seniors, services to youth, services to low-income people, cable television, emergency preparedness (services that prepare the community for natural disasters or other emergency situations), preservation of natural areas such as open space and greenbelts. A full set of responses to each question, including "don't know," can be found in *Appendix B: Responses to Survey Questions*.

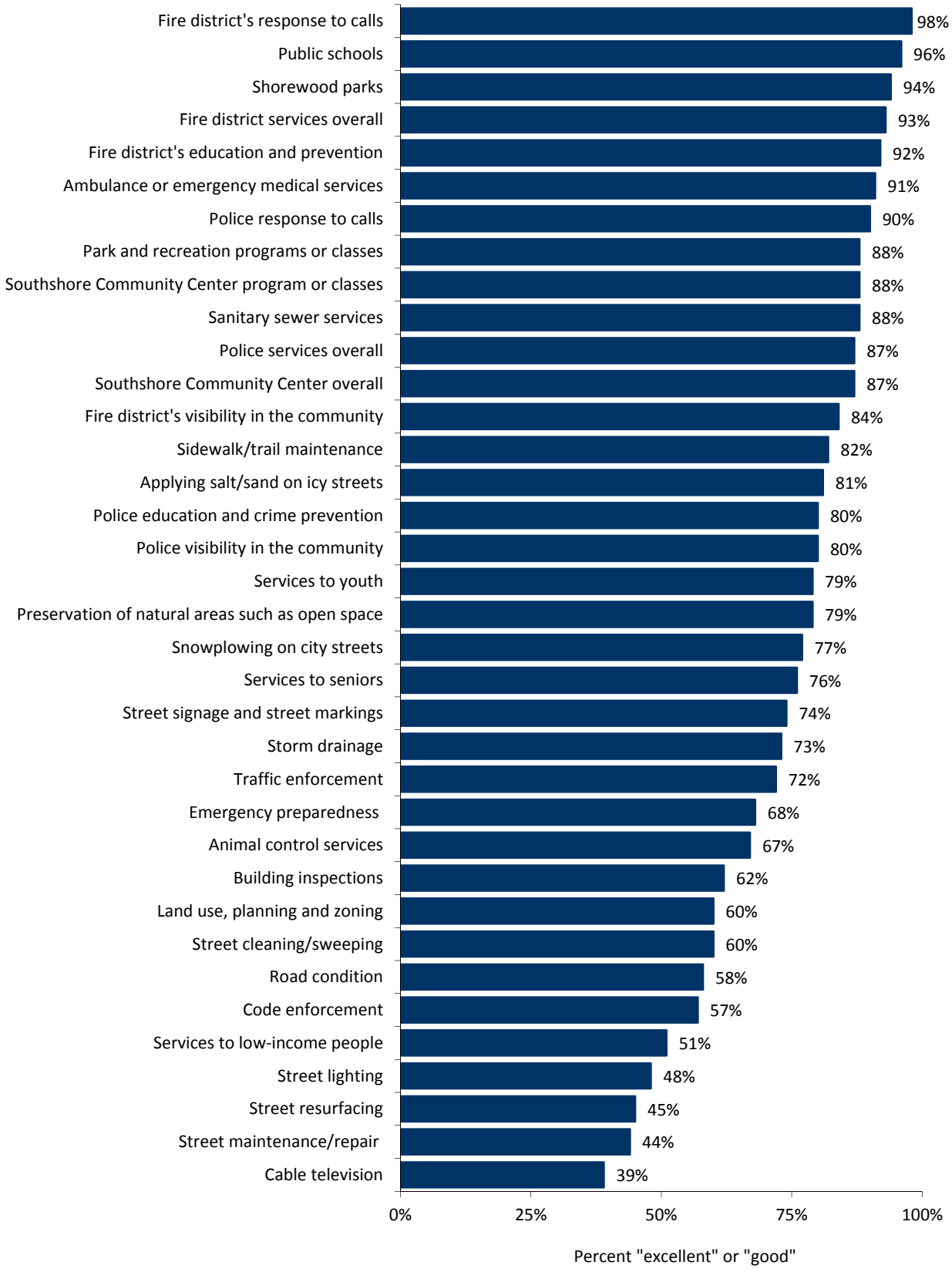
Thirty-one of the 36 services could be compared to the national benchmark and 25 were given ratings above or much above this benchmark. Fire district services overall, street signage and street markings, street cleaning/sweeping and street maintenance/repair (i.e., filling potholes) received ratings similar to the national benchmark. Two were rated much lower when compared to the nation: street lighting and cable television.

Of the 29 services that could be compared to the small city benchmark, 23 were rated above or much above the benchmark. Traffic enforcement and fire district services overall received similar ratings to the benchmark. Four were given ratings lower or much lower than the small city benchmark: street lighting, cable television, street cleaning/sweeping and street maintenance/repair (i.e., filling potholes).

Table 7: City Services

Please rate the quality of each of the following services in Shorewood.	Excellent	Good	Fair	Poor	Total	National comparison	Populations under 10,000 comparison
Fire district's response to calls	59%	39%	2%	1%	100%	Much above	NA
Public schools	56%	40%	3%	1%	100%	Much above	Much above
Shorewood parks	34%	60%	6%	0%	100%	Much above	Much above
Fire district services overall	43%	51%	6%	1%	100%	Similar	Similar
Fire district's education and prevention	39%	52%	8%	1%	100%	Much above	Much above
Ambulance or emergency medical services	48%	43%	5%	3%	100%	Above	Above
Police response to calls	47%	43%	8%	2%	100%	Much above	Much above
Park and recreation programs or classes	27%	60%	11%	1%	100%	Much above	Much above
Southshore Community Center program or classes	26%	61%	11%	1%	100%	NA	NA
Sanitary sewer services	21%	66%	11%	2%	100%	Much above	Much above
Police services overall	32%	55%	11%	1%	100%	Much above	Much above
Southshore Community Center overall	26%	62%	11%	1%	100%	Much above	Much above
Fire district's visibility in the community	39%	45%	13%	2%	100%	NA	NA
Sidewalk/trail maintenance	20%	61%	16%	2%	100%	Much above	Much above
Applying salt/sand on icy streets	23%	58%	16%	3%	100%	NA	NA
Police education and crime prevention	26%	53%	16%	4%	100%	Much above	Much above
Police visibility in the community	28%	52%	17%	3%	100%	Much above	Much above
Services to youth	19%	61%	18%	3%	100%	Much above	Much above
Preservation of natural areas such as open space and greenbelts	18%	61%	17%	4%	100%	Much above	Much above
Snowplowing on city streets	26%	51%	19%	4%	100%	Much above	Much above
Services to seniors	15%	60%	20%	4%	100%	Above	Much above
Street signage and street markings	14%	60%	22%	4%	100%	Similar	NA
Storm drainage	12%	62%	20%	7%	100%	Much above	Much above
Traffic enforcement	15%	57%	20%	8%	100%	Above	Similar
Emergency preparedness (services that prepare the community for natural disasters or other emergency situations)	16%	52%	26%	6%	100%	Above	Much above
Animal control services	20%	47%	23%	9%	100%	Much above	Much above
Building inspections	12%	50%	27%	11%	100%	Above	Much above
Land use, planning and zoning	8%	52%	29%	11%	100%	Much above	Much above
Street cleaning/sweeping	9%	51%	32%	9%	100%	Similar	Below
Road condition	8%	50%	32%	10%	100%	NA	NA
Code enforcement (weeds, abandoned buildings, etc.)	7%	51%	30%	12%	100%	Much above	Much above
Services to low-income people	18%	33%	30%	19%	100%	Above	Much above
Street lighting	8%	39%	36%	16%	100%	Much below	Much below
Street resurfacing	6%	39%	35%	20%	100%	NA	NA
Street maintenance/repair (i.e., filling potholes)	6%	38%	37%	19%	100%	Similar	Below
Cable television	7%	32%	28%	33%	100%	Much below	Much below

Figure 13: Ratings of City Services



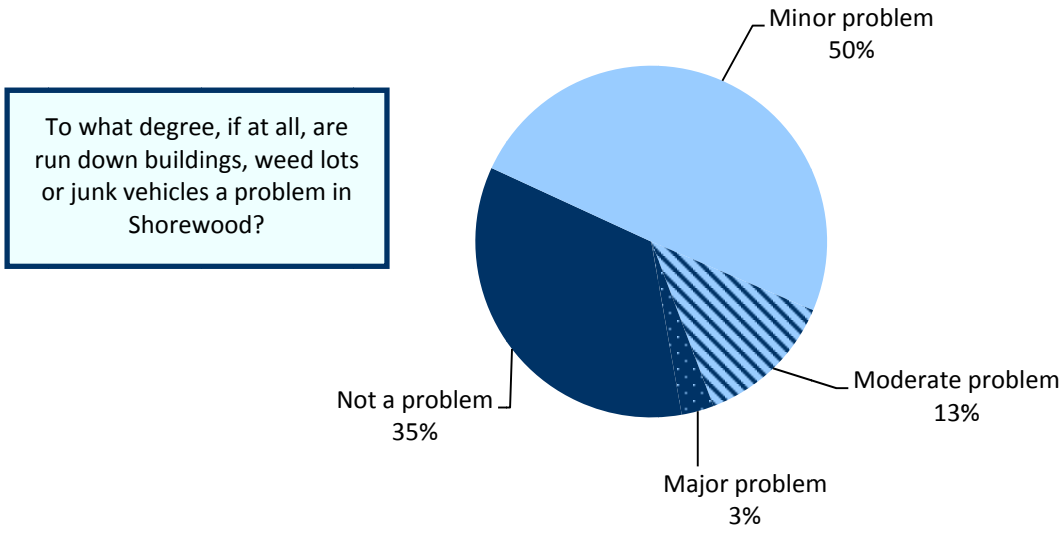
Comparisons by Demographic Subgroups

Overall, residents having lived in Shorewood for more than 10 years and those over 34 years old were less likely to give positive ratings to most City services than were those who had lived in Shorewood for a shorter period of time and younger residents (see *Appendix C: Responses to Select Survey Questions Compared by Respondent Characteristics*).

Code Enforcement

In addition to rating the quality of code enforcement, respondents were given the opportunity to rate how much of a problem, if at all, run down buildings, weed lots or junk vehicles were in Shorewood. Only 16% of respondents viewed these as a "major" or "moderate" problem, half thought these were a "minor" problem and one-third said these code enforcement issues were "not a problem."

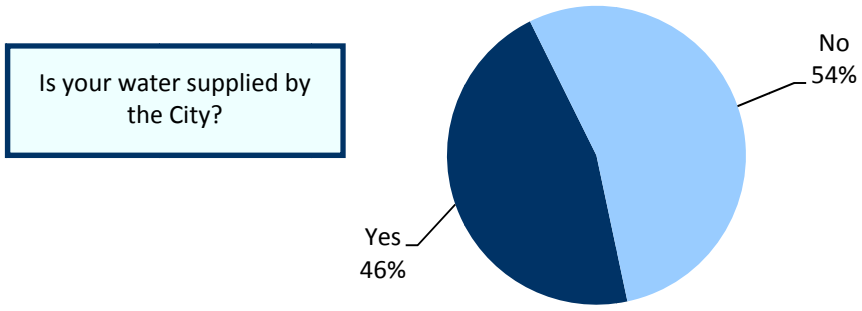
Figure 14: Code Enforcement Issues



City Water

Forty-six percent of respondents reported that their water was supplied by the City.

Figure 15: Water is Supplied by City



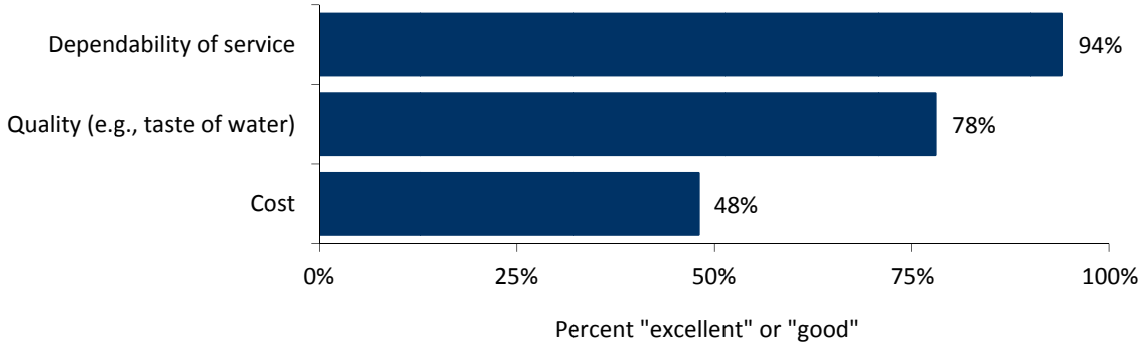
Those who reported having municipal water service were asked to rate several aspects of the service. Nearly all (94%) felt the dependability of the service was "excellent" or "good," with half reporting it was "excellent." Three-quarters believed that the quality or taste of the water was "good" or better and about half (48%) said that the cost of City water was "excellent" or "good."

Table 8: Aspects of City Water

If you HAVE municipal water, please rate each of the following aspects.	Excellent	Good	Fair	Poor	Total
Dependability of service	49%	46%	6%	0%	100%
Quality (e.g., taste of water)	31%	47%	15%	7%	100%
Cost	9%	39%	40%	12%	100%

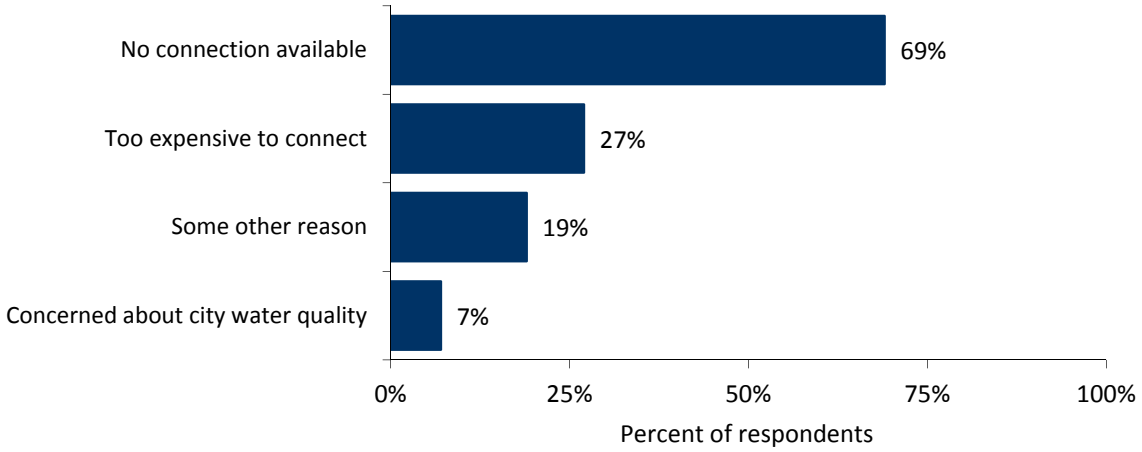
Asked only of those who reported that their water is supplied by the City

Figure 16: User Ratings of Aspects of City Water



Those who reported not having City water service were asked to indicate the reasons they did not subscribe to the service. Most (69%) said that there was no connection to municipal water available, one-quarter said that it was too expensive to connect and one-fifth reported "some other reason." Seven percent of respondents said that the reason they did not have City water was because they were concerned about the water quality.

Figure 17: Reasons for Not Having City Water



Asked only of those who reported that their water is not supplied by the City. Totals may exceed 100% as respondents could select more than one response.

Key Driver Analysis

Knowing where to focus limited resources to improve residents' opinions of local government requires information that targets the services that are most important to residents. However, when residents are asked what services are most important, they rarely stray beyond core services – those directed to save lives and improve safety.

In market research, identifying the most important characteristics of a transaction or product is called Key Driver Analysis. The key drivers that are identified from this analysis do not come from asking customers to self-report which service or product characteristic most influenced their decision to buy or return, but rather from statistical analyses of the predictors of their behavior. When customers are asked to name the most important characteristics of a good or service, responses often are expected or misleading – just as they can be in the context of a citizen survey. For example, air travelers often claim that safety is the primary consideration in their choice of an airline, yet key driver analysis reveals that frequent flier perks or in-flight entertainment predicts their buying decisions.

In local government, core services – like fire protection – invariably land at the top of the list created when residents are asked about the most important City services. And core services are important. But by using Key Driver Analysis, our approach digs deeper to identify the less obvious, but more influential services that are most related to residents' ratings of overall quality of local government services. Because services focused directly on life and safety remain essential to quality government, core services should remain the focus of continuous monitoring and improvement where necessary – but monitoring core services or asking residents to identify important services is not enough to understand what drives residents' opinions about local government.

A Key Driver Analysis (KDA) was conducted for the City of Shorewood by examining the relationships between ratings of each service and ratings of the City of Shorewood's overall services. The key services that correlated most highly with residents' perceptions about overall City service quality were identified; these are the key drivers of resident opinion about the City. By targeting improvements in these key services, the City of Shorewood can focus on the services that have the greatest likelihood of influencing residents' opinions about overall service quality.

The City of Shorewood 2011 Action Chart™ on the following page combines two dimensions of performance:

- Comparison to the national benchmark. When a comparison is available, the background color of each service box indicates whether the service is above the norm (green), similar to the norm (yellow) or below the norm (red).
- Identification of key drivers. A black key icon next to a service box notes a key driver.

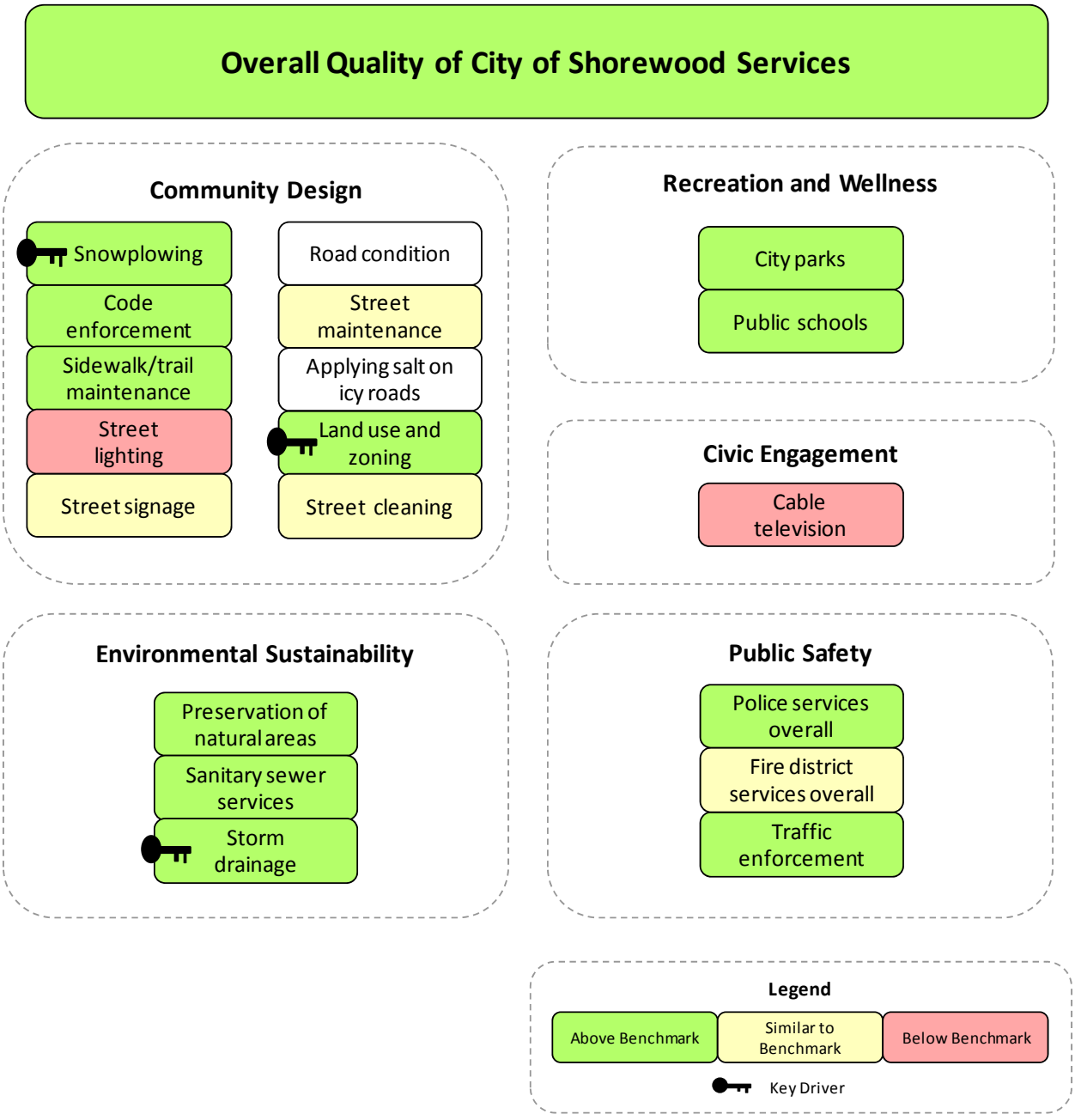
Since this is the first general resident survey for Shorewood, comparisons to previous survey results were not available. Results from future Shorewood survey administrations will permit the addition of a third dimension of performance to be included in the Action Chart -- arrows indicating whether results are trending up or down.

Nineteen services were included in the KDA for the City of Shorewood. Three of these services were identified as key drivers for the City: "snowplowing on City streets," "storm drainage" and "land use, planning and zoning". Each of the key drivers was rated much above the national benchmark.

Considering all performance data included in the Action Chart, a jurisdiction typically will want to consider improvements to any key driver services that are trending down or that are not at least similar to the benchmark. In Shorewood, since all key drivers were much higher than the benchmarks, these are services on which the City may want to keep a watchful eye to maintain favorable ratings of the overall quality of City services. Measuring resident opinions in future years and comparing ratings to the baseline established in this 2011 survey can help in this quality assurance process.

Services with a high percent of respondents answering "don't know" (i.e., more than 50%) were excluded from the analysis because they are expected to be less influential. See *Appendix B: Responses to Survey Questions* for the percent "don't know" for each service.

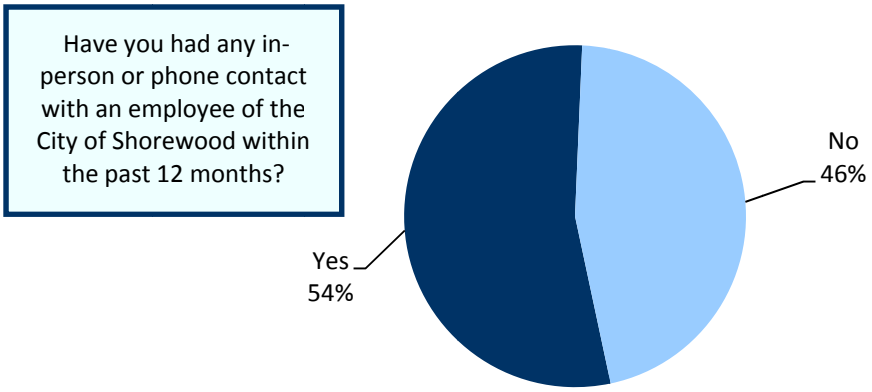
Figure 18: City of Shorewood 2011 Action Chart™



City Employees

Half of survey respondents said they had in-person or phone contact with a City employee in the 12 months prior to the survey. This is similar to the amount of contact reported by residents in other jurisdictions across the country and much less than that reported in jurisdictions with populations of less than 10,000.

Figure 19: Contact with City Employees



Those who reported having had contact with an employee were asked to rate their interactions. Eight in 10 or more of those who had contact gave "excellent" or "good" evaluations to the employee's courteousness, knowledge, responsiveness, timeliness, follow-up and their overall impression of the interaction.

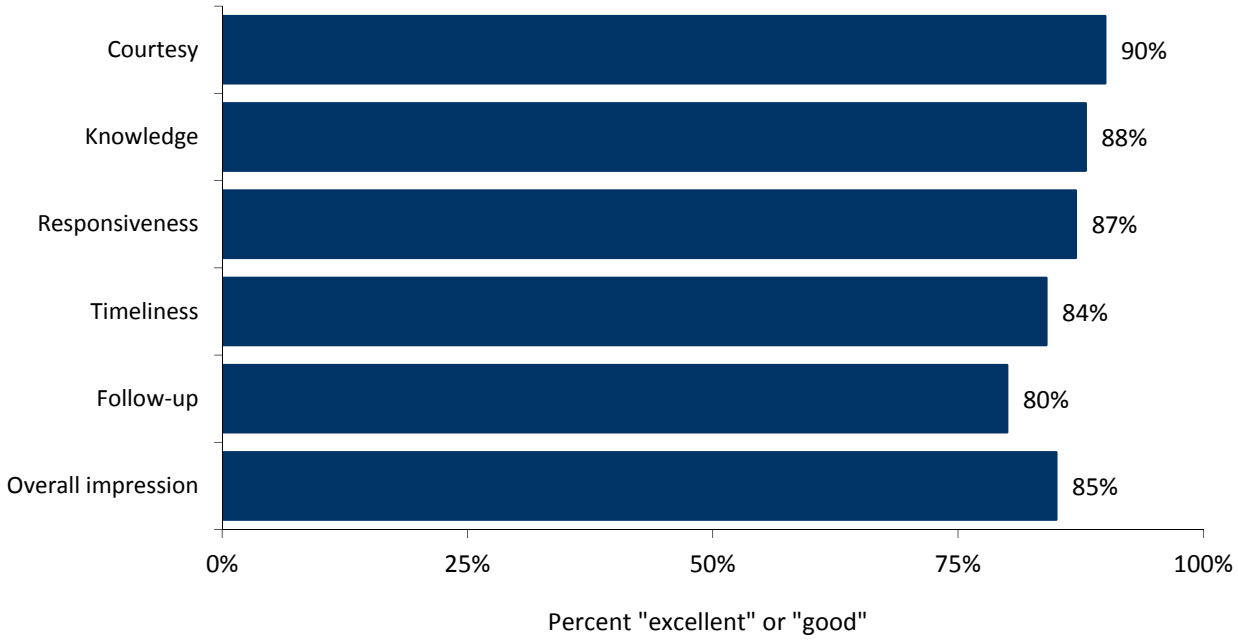
Where comparisons were available to the benchmarks, Shorewood residents rated their employee interactions much higher than the national and small city benchmarks.

Table 9: Employee Interactions

What was your impression of the employee(s) of the City of Shorewood in your most recent contact? (Rate each characteristic below.)	Excellent	Good	Fair	Poor	Total	National comparison	Populations under 10,000 comparison
Courtesy	51%	39%	7%	4%	100%	Much above	Much above
knowledge	42%	46%	9%	3%	100%	Much above	Much above
Responsiveness	42%	45%	7%	6%	100%	Much above	Much above
Timeliness	42%	42%	10%	6%	100%	Much above	NA
Follow-up	36%	44%	13%	7%	100%	NA	NA
Overall impression	43%	41%	9%	6%	100%	Much above	Much above

Asked only of those who reported having had contact with a City employee in the last 12 months.

Figure 20: Ratings of Employee Interactions



City Government and Administration Performance

The 2011 survey asked respondents to rate different aspects of City government and City Administration performance. It should be noted that for nearly all of these questions, between one-fifth and one-half of respondents selected "don't know" when rating the performance of the City government and administration.

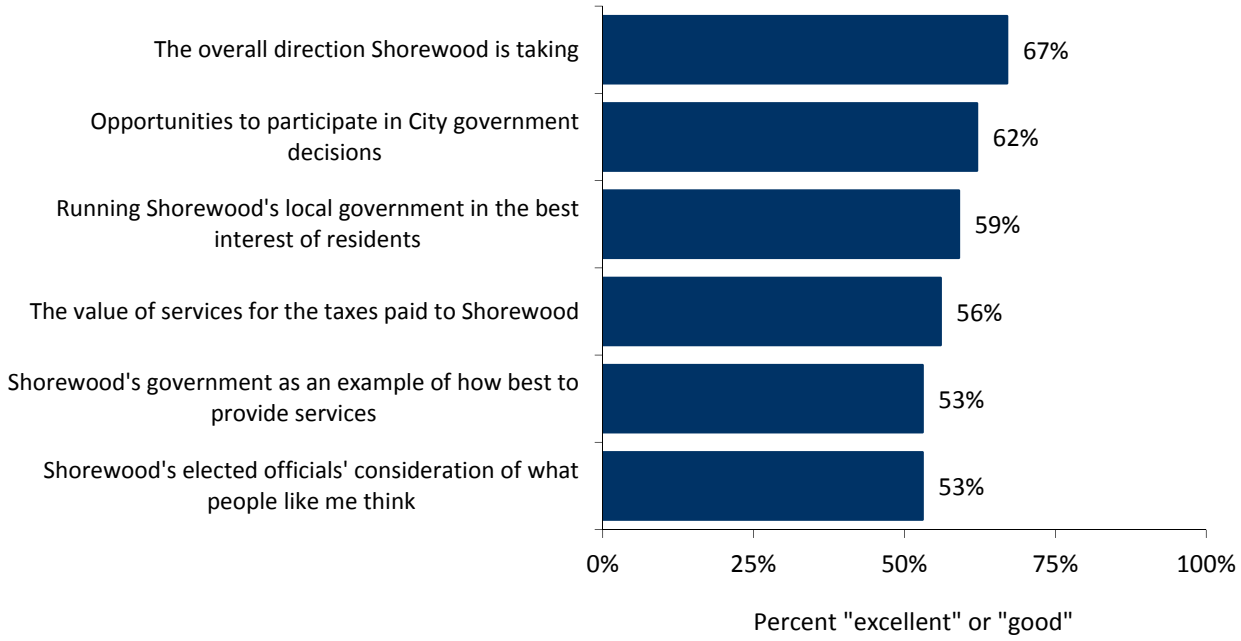
Of those who had an opinion about the Shorewood government performance, two-thirds believed the overall direction the City is taking was "excellent" or "good." Six in 10 felt that opportunities to participate in government decisions (62%) and running the City government in the best interest of residents was "good" or better. Fewer, but still at least half, said that the other aspects of the government performance were "excellent" or "good."

Ratings for the overall direction the City is taking and the value of services for the taxes paid were higher or much higher than the national and small city benchmarks. Opportunities to participate in City government decisions had higher ratings than the national benchmark, running the government in the best interest of residents received similar ratings to the nation and elected officials caring what people think was rated lower than the national benchmark. Comparisons to jurisdictions with a population size of less than 10,000 were not available for the three previously mentioned areas of performance. No comparisons were available for ratings of "Shorewood's government as an example of how best to provide services."

Table 10: Government Performance

Please rate the following categories of Shorewood government performance.	Excellent	Good	Fair	Poor	Total	National comparison	Populations under 10,000 comparison
The overall direction Shorewood is taking	8%	59%	28%	5%	100%	Much above	Much above
Opportunities to participate in City government decisions	9%	53%	27%	11%	100%	Above	NA
Running Shorewood's local government in the best interest of residents	9%	50%	33%	8%	100%	Similar	NA
The value of services for the taxes paid to Shorewood	8%	49%	37%	7%	100%	Above	Above
Shorewood's government as an example of how best to provide services	8%	45%	40%	7%	100%	NA	NA
Shorewood's elected officials' consideration of what people like me think	10%	43%	31%	16%	100%	Below	NA

Figure 21: Ratings of Government Performance

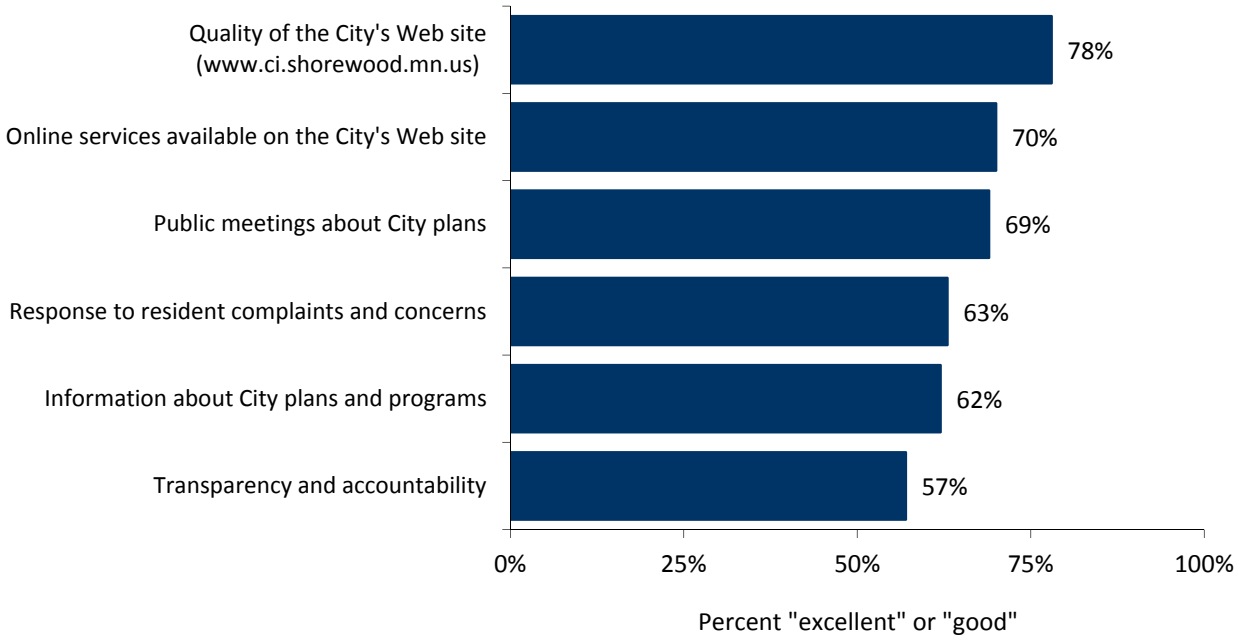


When looking at the performance of the City Administration, ratings were slightly more favorable than those given to the City government. Of those with an opinion, three-quarters said that the quality of the City's Web site was "excellent" or "good" and 70% felt the online services available through the City Web site were "good" or better. About two-thirds said that public meetings about City plans were "excellent" or "good." Six in 10 rated the administration's response to resident complaints and concerns (63%), information about City plans and programs (62%) and transparency and accountability (57%) as at least "good."

Table 11: City Administration Performance

Please rate the following categories of performance of the City of Shorewood Administration.	Excellent	Good	Fair	Poor	Total
Quality of the City's Web site (www.ci.shorewood.mn.us)	13%	65%	21%	1%	100%
Online services available on the City's Web site	10%	60%	27%	3%	100%
Public meetings about City plans	12%	57%	25%	6%	100%
Response to resident complaints and concerns	14%	49%	27%	11%	100%
Information about City plans and programs	10%	52%	27%	10%	100%
Transparency and accountability	10%	47%	31%	12%	100%

Figure 22: Ratings of City Administration Performance



Comparisons by Demographic Subgroups

Newer residents, women, those 35 years and older and those with higher household incomes typically gave more positive ratings to the City government performance than did their counterparts (see *Appendix C: Responses to Select Survey Questions Compared by Respondent Characteristics*).

Potential Improvements and Initiatives

A number of survey questions were devoted to assessing resident perspectives about the importance of potential projects and improvements in Shorewood, as well as their level of support for a variety of initiatives.

Respondents were asked to think about the next five years and to rate the importance of potential improvements for Shorewood, knowing that the City has $1.8 million in available funds. Road and environmental improvements topped the list of the most important potential projects (76% and 67% "essential" or "very important," respectively). About half felt that expanding trails and walkways and making improvements to the City drinking water system were "essential" or "very important." Less than 30% of respondents believed that park improvements (28%) and expanding recreational land and social programs for all ages (21%) was important. Between one-fifth and one-quarter of residents said that improvements to the municipal drinking water, parks improvements and expanding recreational land and social programs were "not at all important."

Table 12: Importance of Potential Improvements

Thinking about the next 5 years, please indicate how important, if at all, each of the following potential improvements is for Shorewood, knowing that the City has $1.8 million in available funds (about half of which came from the sale of the liquor stores).	Essential	Very important	Somewhat important	Not at all important	Total
Road improvements (i.e., reconstruction, resurfacing)	27%	49%	22%	2%	100%
Environmental improvements (i.e., diseased trees, lake water quality)	21%	47%	26%	6%	100%
Expand trails and walkways	19%	33%	35%	13%	100%
Municipal drinking water system improvements (i.e., expansion, additional treatment)	18%	29%	33%	20%	100%
Park improvements (i.e., updated play structures, additional shelters, lighting for tennis courts)	5%	23%	52%	21%	100%
Expand recreational and social programs for all ages	3%	18%	54%	25%	100%

Question 16

Is your water supplied by the City?	Percent	N
Yes	45%	272
No	54%	324
Don't know	1%	7
Total	100%	603

Question 17

If you HAVE municipal water, please rate each of the following aspects.	Excellent		Good		Fair		Poor		Don't know		Total	
	Percent	N	Percent	N	Percent	N	Percent	N	Percent	N	Percent	N
Quality (e.g., taste of water)	31%	83	46%	124	15%	39	7%	19	1%	2	100%	267
Dependability of service	47%	125	44%	117	6%	15	0%	0	3%	9	100%	266
Cost	9%	23	37%	97	37%	98	11%	30	6%	17	100%	265

Asked only of those who reported that their water is supplied by the City

Question 18

If you DO NOT have municipal water, please indicate why not. (Please select all that apply.)	Percent	N
No connection available	66%	210
Too expensive to connect	26%	82
Concerned about city water quality	7%	22
Some other reason	18%	58
Don't know	5%	16

Asked only of those who reported that their water is not supplied by the City. Totals may exceed 100% as respondents could select more than one response.

Question 19

Thinking about the next 5 years, please indicate how important, if at all, each of the following potential improvements is for Shorewood, knowing that the City has $1.8 million in available funds (about half of which came from the sale of the liquor stores).	Essential		Very important		Somewhat important		Not at all important		Don't know		Total	
	Percent	N	Percent	N	Percent	N	Percent	N	Percent	N	Percent	N
Park improvements (i.e., updated play structures, additional shelters, lighting for tennis courts)	4%	26	21%	126	48%	285	19%	115	7%	43	100%	595
Expand trails and walkways	18%	108	31%	188	33%	200	13%	77	4%	25	100%	599
Expand recreational and social programs for all ages	3%	18	16%	94	49%	288	23%	137	9%	52	100%	590
Environmental improvements (i.e., diseased trees, lake water quality)	20%	119	45%	267	25%	151	6%	35	3%	20	100%	593
Road improvements (i.e., reconstruction, resurfacing)	26%	157	48%	284	22%	129	2%	13	2%	13	100%	595
Municipal drinking water system improvements (i.e., expansion, additional treatment)	15%	91	25%	149	28%	167	17%	103	14%	82	100%	593

Question 20

Thinking about the next 5 years, please indicate how important, if at all, each of the following potential Shorewood park and recreation projects is to you or other household members.	Essential		Very important		Somewhat important		Not at all important		Don't know		Total	
	Percent	N	Percent	N	Percent	N	Percent	N	Percent	N	Percent	N
New recreational/Community Center programs	2%	13	14%	83	36%	218	36%	218	11%	66	100%	598
Additional basketball courts	2%	10	6%	33	22%	130	57%	339	14%	87	100%	600
Programs for seniors and older adults	4%	26	17%	103	35%	210	29%	176	15%	88	100%	604
New tennis courts at Badger Park	1%	5	5%	29	26%	158	51%	309	17%	102	100%	603
Lights on tennis courts	3%	17	8%	46	28%	172	47%	286	14%	84	100%	605
Lights on ball fields at Freeman Park	4%	21	13%	81	34%	206	37%	220	12%	74	100%	604
Updated skate park facilities	2%	13	10%	59	33%	200	42%	251	14%	82	100%	604

Overall Quality of City Services by Respondent Demographics

Overall, how would you rate the quality of services provided in the City of Shorewood?	Length of residency				Housing unit type			Rent/own			Respondent gender		
	10 years or less	11-20 years	More than 20 years	Overall	Detached	Attached	Overall	Rent	Own	Overall	Female	Male	Overall
Overall, how would you rate the quality of services provided in the City of Shorewood?	87%	77%	75%	80%	79%	83%	80%	86%	79%	80%	83%	77%	80%

Percent "excellent" or "good"

Overall Quality of City Services by Respondent Demographics

Overall, how would you rate the quality of services provided in the City of Shorewood?	Respondent age				Children 18 or under			Adults 65 or older			Household income				
	18 to 34 years	35 to 54 years	55 years or older	Overall	Yes	No	Overall	Yes	No	Overall	Less than $50K	$50K to less than $100K	$100k to less than $200K	More than $200K	Overall
Overall, how would you rate the quality of services provided in the City of Shorewood?	84%	80%	80%	80%	82%	78%	80%	83%	79%	80%	75%	86%	79%	80%	80%

Percent "excellent" or "good"

Importance of Potential Improvements by Respondent Demographics

Thinking about the next 5 years, please indicate how important, if at all, each of the following potential improvements is for Shorewood, knowing that the City has $1.8 million in available funds (about half of which came from the sale of the liquor stores).	Length of residency				Housing unit type			Rent/own			Respondent gender		
	10 years or less	11-20 years	More than 20 years	Overall	Detached	Attached	Overall	Rent	Own	Overall	Female	Male	Overall
Park improvements (i.e., updated play structures, additional shelters, lighting for tennis courts)	37%	25%	18%	27%	25%	49%	27%	46%	26%	27%	33%	22%	27%
Expand trails and walkways	60%	52%	42%	52%	52%	51%	52%	52%	51%	52%	58%	44%	52%
Expand recreational and social programs for all ages	24%	17%	21%	21%	18%	40%	21%	38%	19%	21%	27%	15%	21%
Environmental improvements (i.e., diseased trees, lake water quality)	68%	69%	65%	67%	65%	83%	67%	74%	67%	67%	73%	62%	68%
Road improvements (i.e., reconstruction, resurfacing)	76%	77%	74%	76%	74%	86%	76%	85%	75%	76%	78%	72%	75%
Municipal drinking water system improvements (i.e., expansion, additional treatment)	52%	50%	38%	47%	42%	80%	47%	72%	45%	47%	58%	35%	47%

Percent "essential" or "very important"

Importance of Potential Improvements by Respondent Demographics

Thinking about the next 5 years, please indicate how important, if at all, each of the following potential improvements is for Shorewood, knowing that the City has $1.8 million in available funds (about half of which came from the sale of the liquor stores).	Respondent age				Children 18 or under			Adults 65 or older			Household income				
	18 to 34 years	35 to 54 years	55 years or older	Overall	Yes	No	Overall	Yes	No	Overall	Less than $50K	$50K to less than $100K	$100k to less than $200K	More than $200K	Overall
Park improvements (i.e., updated play structures, additional shelters, lighting for tennis courts)	40%	25%	26%	27%	36%	21%	27%	22%	29%	27%	27%	27%	31%	26%	28%
Expand trails and walkways	56%	59%	41%	52%	61%	45%	52%	38%	56%	52%	40%	54%	56%	56%	53%
Expand recreational and social programs for all ages	16%	18%	27%	21%	21%	20%	21%	27%	19%	21%	28%	26%	15%	20%	21%
Environmental improvements (i.e., diseased trees, lake water quality)	56%	68%	71%	68%	64%	70%	67%	69%	67%	67%	73%	64%	70%	67%	68%
Road improvements (i.e., reconstruction, resurfacing)	70%	76%	78%	76%	79%	73%	76%	80%	74%	76%	77%	78%	74%	74%	76%
Municipal drinking water system improvements (i.e., expansion, additional treatment)	38%	46%	51%	47%	50%	45%	47%	51%	46%	47%	54%	48%	45%	44%	47%

Percent "essential" or "very important"

#10

CITY OF SHOREWOOD
CITY COUNCIL WORK SESSION
MONDAY, JUNE 25, 2012

5755 COUNTRY CLUB ROAD
COUNCIL CHAMBERS
6:00 P.M.

AGENDA

1. **CONVENE CITY COUNCIL WORK SESSION**

   A. **Roll Call**

   Mayor Lizee _____
   Hotvet _____
   Siakel _____
   Woodruff _____
   Zerby _____

   B. **Review Agenda**

ATTACHMENTS

2. **WATER PLAN UDPATE**

Engineer's memo,
WSB Report,
Feb. 27 WS Attachments

3. **ADJOURN**

City of Shorewood Council Meeting Item

#2

MEETING TYPE
Work Session

Title / Subject: 20 Year Municipal Water Plan
Meeting Date: June 25, 2012
Prepared by: James Landini
Reviewed by: Jean Panchyshyn
Attachments: Consultant review letter, 20 Year Water Plan
Map of Existing and Potential Water System

Policy Consideration: Should the City Council adopt Updates to the Comprehensive 20 Year Water Plan that expands the water system through the entire City and put in place a finance plan for such improvements?

Background: On November 14, 2011, the City Council directed staff to compile a comprehensive cost analysis for expansion of the municipal water system through the remaining portion of the City that does not currently have access to this service. The Council further directed that this plan was to be prepared to coincide with the Pavement Inventory and Management System (PIMS) that has been developed and adopted by the City Council for the City's roadway infrastructure.

Staff has completed this analysis for costs of installation of water main and prepared a map indicating the locations and sequencing.

On April 23, 2012, the City Council directed staff to have the Water Plan update reviewed and refined by a consultant. WSB has reviewed and suggested refinements in the attached letter.

Financial or Budget Considerations:
As can be seen, the cost for this program is rather steep over the 20 years. Under current policy, most projects fall outside of our feasible threshold of $10,000. Again, staff believes providing municipal water to as many residents as possible is a desire of the Council and therefore, a review of how to cover the costs needs to be explored.

Options:
1) Determine that expanding water city wide is not a feasible project and expand water only where residents achieve the necessary petition numbers;
2) Determine the expansion of water is needed and direct staff to prepare policy options for council to consider for paying for the plan;
3) Direct staff to gather additional information and bring back for further discussion;
4) Determine expansion is not possible and direct staff to develop a policy to address only those situations where a parcel has access to water – e.g. develop a connection fee policy not based on the current $10,000 threshold.
5) Do nothing.

Recommendation / Action Requested:
Accept the recommendations of WSB, provide staff with direction toward recommendations and direct staff to perform the financial analysis for a future work session.

Next Steps and Timelines:
If Council directs, Staff will perform a financial analysis with the updated information. Staff will develop policy options for council consideration.

Connection to Vision / Mission:
This presentation is tied to the missions of providing safe drinking water and cost effective services to city residents.

Attachment: WSB Report

WSB & Associates, Inc.

Engineering ▪ Planning ▪ Environmental ▪ Construction

701 Xenia Avenue South
Suite 300
Minneapolis, MN 55416
Tel: 763-541-4800
Fax: 763-541-1700

June 15, 2012

Mr. James Landini, P.E., City Engineer
City of Shorewood
5755 Country Club Road
Shorewood, MN 55331

Re: 2012 Water Plan Update
City of Shorewood
WSB Project No. 02100-000

Dear Mr. Landini:

The City authorized WSB & Associates, Inc. to update the City Water Plan/CIP, which projects anticipated construction and indirect cost for the expansion of the City water distribution system. The plan update concentrates project costs for capital improvement forecasting for the seven year period from 2013 through 2019. We have also provided costs through the 2032, aligning with the schedule of the Pavement Management Plan.

In preparation for the City Council Workshop on June 25, 2012, we are providing summary information for the 2012 Water Plan Update. The following items are proposed for discussion at the Council Workshop:

- Capital improvement project cost forecasts from 2013 – 2019, and projection to 2032.
- Discussion of alternative construction methods that may reduce overall improvement costs, reduce disturbance to existing streets, and reduce inconvenience to residents.
- Review the schedule of water system improvements; water system improvements compared to the pavement management planned improvements and provide recommendation for modification.
- Discuss policy alternatives to encourage/incent residents to the City water system.
- Discuss funding alternatives for the expansion of the water distribution system.

As part of the workshop we plan to discuss the watermain segment project costs which are higher than previous projections, discuss minor modification to the pavement schedule, as compared to the pavement management plan, we will provide information regarding trenchless technologies

as an alternative means of construction, as well as some alternatives for funding and approach to City policy for implementation of capital improvement planning.

Capital Improvement Project Cost Forecast – The format utilized for the preparation of the project cost projections are based on construction items typically included in watermain system expansion projects, but may not be specific in detail to each individual segment identified for the watermain improvement. The project cost forecasts are performed in this manner to provide slightly conservative Capital Improvement Plan (CIP) budgeting tool for preparation of annual finance planning, but does not provide the specific level of detail that would be provided at the feasibility study/preliminary design phase for a project.

The project cost projections are prepared in 2012 construction cost data and include a 10-percent contingency for miscellaneous construction items and 20-percent for indirect costs such as legal, administrative, fiscal and engineering design. The indirect costs do not include the application process and construction monitoring for specialized governmental loan programs due to the competitive nature of the programs. Program funding from the Public Facilities Authority, Clean Water Revolving Fund and other agency funding should be reviewed for individual projects.

Project costs forecasted for the 2012 water distribution system plan include watermain costs for lateral watermain (8-inch diameter and smaller) and trunk watermain (10-inch diameter and greater). Lateral watermain provides general distribution of water to properties while trunk watermain provides water distribution to the networks of lateral watermain. Larger diameter mains will also provide water service to commercial properties where higher demand for industrial or commercial use is required, and/or a higher fire flow demand is required.

The projected improvement costs for this plan update also considers the City pavement management plan schedule and includes costs for the excavation and restoration of one half of the roadway width for watermain segments where roadway reconstruction is not anticipated with the water system expansion, and excludes roadway restoration costs where the pavement management plan requires reconstruction. Roadway restoration anticipates the excavation and compaction of the roadway subgrade, placement of eight inches of aggregate base and four inches of bituminous pavement. Roadways that have curb and gutter and granular sub-base have construction cost projections adjusted to reflect this cost on a segment by segment basis.

Our projections of typical watermain costs in 2012 construction dollars for the purpose of this update are forecasted as follows:

Lateral Watermain Extension	$80 per linear foot
Trunk Watermain Extension	$101 per linear foot
Roadway restoration costs (one-half roadway width)	$95 to $160 per linear foot

The watermain specific extension segment along with the proposed construction year is included in Table "A" in the appendix. Miscellaneous cost such as driveway restoration and service construction from the watermain to the property line are also provided.

Alternative Construction Methods – The recent advancements in trenchless construction technologies does provide alternatives to conventional open trench construction while minimizing disturbance to an existing neighborhood and inconvenience to residents. The City of Shorewood does have some watermain segments that have been installed by directional drilling in the mid-1990's, utilizing high density polyethylene pipe (HDPE) pipe. New technologies in materials and methods have provided competition for the material suppliers, and there is more contractor competition to reduce construction cost as well. The City typically utilizes ductile iron pipe (DIP) for watermain constructed with conventional trench excavation and restoration, and the Public Works Department is familiar with this pipe product and methods of maintenance and repair. The HDPE requires a more specialized method for the connection of services and laterals to the pipe by means of thermal fusion connectors or specialty connectors along the pipe length. PVC manufactures have a new fusible C-900 watermain class pipe that can be installed by trenchless methods similar to HDPE pipe. Laterals and service connections to the PVC pipe can be made in a method similar to DIP, with DIP or PVC fittings, similar pipe restraints and gaskets. DIP can also be constructed by trenchless technologies with a restrained joint system.

Watermain constructed with trenchless methods would be performed with an alignment outside of the roadway pavement area to minimize pavement disturbance, but effectiveness can be limited by narrow rights of way. Extension of services from the watermain can be grouped at property lines to reduce the number of excavations for connection to the watermain, and services can be bored or drilled under the roadway to serve properties on the opposite side of the roadway from the watermain.

Watermain construction for the pipe portion of the project is expected to be approximately 50-percent higher in cost that construction by conventional open trench construction; however, the restoration costs can be reduced significantly. Costs for this technology can vary widely and should be considered on individual watermain segment basis taking into consideration the rights of way width, items of environmental significance, woodland areas and other obstacles for individual watermain segments.

For the purpose of CIP planning, conventional construction methods are projected.

Water System Improvement Schedule and Comparison to Scheduled Pavement Management Plan Improvements – The City previously prepared a schedule of construction for watermain improvements identified by the proposed year of construction. There are some general modifications that could be made to the schedule that can concentrate the improvements within sub-districts of the City to reduce mobilization or transit cost the construction. However, the City staff also may have prioritized water extension improvements in a manner where the improvement is needed for the overall functionality of the water system, is scheduled to reduce conflict with the pavement management plan, and scheduled where residents have expressed an interest in the improvement.

The preliminary schedule of improvements included in this memorandum provides only a few minor changes in the year of construction for a few segments for discussion purposes at the Council Workshop. Our goal is to provide a schedule that works well with the pavement plan and some minor scheduling changes can be made to street maintenance, construction or water system expansion. The pavement management plan indicates some roadway maintenance items

(seal coat and overlay) that occur just before or soon after the installation of watermain. We recommend the schedule for either the water system expansion or the pavement management items be adjusted so that the overlay occurs not less than two years after watermain construction to account for any differential settlement that may be experienced in pavement restoration areas. After the two year period the overlay can include a leveling course where needed and the overlay of new pavement can accomplish a consistent finished pavement surface. We recommend that the seal coat schedule be adjusted so that there is at least a two year period between a seal coat and watermain improvement on a roadway segment to provide a seal coat approximately two years after roadway restoration after watermain construction. This allows for leveling or patching with bituminous pavement of any differential settlements that may occur in the restoration area followed by a seal coat and uniform surfacing of the roadway. The watermain schedule can also be modified to match the pavement management plan if desired.

Policy Alternatives – Setting policy for the expansion of the water distribution system, connection to the system and collection of funds to reimburse the City for infrastructure costs is a critical step to planning system expansion. Items the City Council could consider in establishing policies for the expansion of the water system are indicated below.

- Connection Policy – The City should expect that property owners will connect to the water system as the system becomes available. The City could review the timeline when connection is required with the expected lifecycle of a residential well. The City policy could require connection to the public water supply upon failure of an individual well, or a set time line within five to ten years after the public water has become available. Policy written in this format provides some middle ground for a property owner to plan for the connection to the City system.
- Sanitary Sewer Fees – Unless the private well water supply to an individual home is metered by the City, determination of wastewater discharge to the sanitary sewer is estimated based on the expected daily use for an individual property, or divided annually among sewer connected properties from wastewater charges by the Metropolitan Council Environmental Services (MCES). Connection to the public water system when available provides a means for the City to more accurately distribute wastewater fees by actual water use.
- Irrigation Wells – The City could allow property owners to maintain their existing private well for irrigation purposes after connection to the public water supply for domestic use, provided the well is permanently disconnected from the water system. The City has to ensure that the public water supply is not contaminated from a private source such as a private well.
- Other -

Funding Alternatives for the Expansion of the Water Distribution System – The City does have the ability to utilize a variety of funding resources for the expansion of the water distribution system. Alternatives are identified below for discussion purposes at the Council Workshop. These alternatives can be considered individually or in combination in an effort to reduce upfront costs to connect to the water system, but spreads the costs over a selected period of time. In reviewing the potential funding mechanisms for the water system expansion, overall cost of the system expansion (in present value or 2012 dollars) is projected to be $26.5M, with an average per unit (parcel) cost of $17,230. The lowest average cost when comparing by year

of construction is $7,100 per parcel and the highest average cost is $33,200 per parcel. These costs are reviewed with existing parcels of record and do not reflect the future subdivision of these parcels.

- **Connection Charge -** The City of Shorewood currently uses a connection charge for funding water system expansion and availability of the public water supply. The City can utilize this up-front connection charge to fund a portion of the water system expansion while using other financial mechanisms that will spread costs over a longer period of time for property owners. If the City chooses a connection charge that funds a portion of the cost to expand the water system, another funding tool will be required for the City to finance the improvements such as the water funds, bonds, low interest loans or other such tool.

- **Assessments to benefitting properties** – Assessments for the expansion of the water system can be used as the sole mechanism to fund the improvements or can be used to partially fund the improvements. Special assessments reflect the influence of a specific local improvement on the value of selected property. No matter what method the city uses to establish the amount of the assessment, the real measure of benefit is the increase in the market value of the land because of the improvement.

    - City property owners can expect that the replacement of a well will range from about $6,000 for a drift well to about $10,000 for a bedrock-drilled well. Assessments should be limited to a reasonable value of the construction of a new well for this area. The City may also allow property owners to have the option to add the connection charge, if so levied, to their assessment to spread costs over a longer period of time. This option provides some incentive to a property owner to connect to the public water system, however, the City will need to use other financial means to fund the potion covered by the assessed connection charge.

- **Establishment of a Water System Utility District –** The City does have the authority to establish a district under Minnesota Statues Chapter 444 to collect revenue for the establishment and expansion of water supply, storage and distribution systems. The City of Shorewood could consider establishing a waterworks district to fund the expansion of the water system. The City already has an established water system where some properties have the public water system available to them but are not connected to the system. A district could be created over the entire City, with the exception of the island areas, and subdivisions constructed with public sewer and water (all properties are connected to both utilities). Improvement costs that are not included within connection charges and are not assessed, can be covered over a longer period of time through the establishment of a district, and can reduce upfront costs to property owners. The waterworks district could be established and utilized for a period up to 30 years, but should be utilized as a tool to reimburse the City for bonds and other associated costs for the desired time frame.
    - The City should identify a requirement for connection to the system in order to recoup the initial investment.
    - There is no requirement to show benefit to properties as required by Ch 429

- There is not a mechanism through title search for a new owner to know about the fees/charges established in this manner, as there is under an assessment

- **Establishment of Utility Franchise Fees** – Franchise fees are a tool available to cities for the collection of revenue for utility company use of public rights of way and easements. The City would need to negotiate with the private utility owner (gas and electric) for inclusion in the franchise agreement. The franchise fee is limited to 5-percent of the gross operating revenues or gross earnings from its operations in the municipality. Establishment of a franchise fee can provide long-term revenue stream that can assist the city with funding waterworks improvements.

- **Funding through Bonds/Loans -** In the preparation of a long-term infrastructure funding program, the City will likely need to borrow funds through the bonding process or through low interest loans through funding programs such as the Public Facilities Authority (PFA), Drinking Water Revolving Fund (DWRF), or other such agency program. The City may discover that the sale of bonds may provide a more favorable interest rate than low interest loans, depending on the City bond rating and the agency program/provider of the loan.

- **Sample Funding Scenario -** A sample funding scenario with several of the alternatives identified above follows (all costs represent present value/2012 dollars):

Water system expansion costs for CIP 2013 through 2032 = $26,541,000

Estimated number of residential sewer connections – 2829

Estimated number of residential water connections – 1538

Average Cost Scenario -
Average projected cost per lot for watermain expansion (construction and indirect costs) –

$26,541,000 / 1538 Lots =	$17,260 per Lot
Connection charge -	$ 6,500 per Lot
Assessment portion -	$ 8,500 per Lot
Utility District fees -	$ 2,260 per Lot (spread over 15 years = $12.60/mo)

High Cost Scenario -
Average projected cost per lot for watermain expansion (construction and indirect costs) –

CIP Year 2021 -	$33,230 per Lot	
Connection charge -	$ 6,500 per Lot	
Assessment portion -	$ 8,500 per Lot	
Utility District fees -	$ 18,230 per Lot	(spread over 15 years = $102/mo) (spread over 20 years = $76/mo) (spread over 25 years = $61/mo)

The scenarios above do not include interest for long term loans or bonds and this cost will need to be factored through financial analysis. We roughly estimate that the establishment of a utility franchise fee can reduce interest costs by 30% to 50%. Construction and indirect costs should be adjusted annually with the ENR Construction Cost Index, or other construction cost factor to maintain the CIP over time.

The projected costs spreadsheet with costs representing present value (2012 dollars) is enclosed for your information.

Please do not hesitate to contact me at 651-286-8453 or phornby@wsbeng.com with any questions you may have regarding this summary information.

Sincerely,

WSB & Associates, Inc.

Paul Hornby, P.E.
Senior Project Manager

Attachments: Shorewood Implementation Plan Spreadsheet (Draft)

SHOREWOOD WATER MAIN IMPLEMENTATION PLAN

Date: 6/2/2012
Revised: 6/13/2012
Printed: 6/4/2012

	Lateral	Trunk
Water Main per LIN FT	$ 79.59	$ 101.30
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Restoration (with curb) per LIN FT	$ 158.81	$ 158.81
Driveway Resotration per EACH	$ 381.14	$ 381.14

Priority	Street Name	From	To	Road Reconstruction	Existing Curb	Existing Water Main	Length	Size	Services	Total Water Main Improvements	Total Restoration	Total Amount
2013	Club Lane	Smithtown Road	Dead End	No			620	8	5	$ 52,479.61	$ 61,154.11	$ 113,633.72
2013	Country Club Road	Smithtown Road	Yellowstone Trail	No			2330	12	13	$ 252,078.45	$ 227,614.20	$ 479,692.64
2013	Glen Road E	County Road 19	Manitou Lane	No			850	8	18	$ 78,935.87	$ 88,088.13	$ 167,024.00
2013	Glen Road W	Manitou Lane	Dead End	No			1500	8	11	$ 126,279.12	$ 147,535.47	$ 273,814.59
2013	Lake Linden Drive	Yellowstone Trail	TH 7	No			1150	12	4	$ 121,434.19	$ 111,420.83	$ 232,855.02
2013	Ridge Point Circle	Country Club Road	cul-de-sac	No			400	8	3	$ 33,716.23	$ 39,368.20	$ 73,084.43
2013	Smithtown Circle	Smithtown Road	cul-de-sac	No			238	6	5	$ 22,076.96	$ 24,649.43	$ 46,726.39
2013	Valleywood Circle	Valleywood Lane	cul-de-sac	Yes			500	6	6	$ 43,556.04	$ -	$ 43,556.04
2013	Valleywood Lane	Eureka Road	Dead End	Yes			1310	8	10	$ 110,530.38	$ -	$ 110,530.38
2013	Yellowstone Trail	Seamans Drive	Academy Avenue	No			6360	12	44	$ 698,586.03	$ 624,544.21	$ 1,323,130.24
												$ 2,864,047.46
2014	Sunnyvale Lane	Meadowview Lane	Eureka Road	Yes			650	8	8	$ 56,748.25	$ -	$ 56,748.25
									TOTAL 2014			***$ 56,748.25***
2015	Cathcart Drive	Smithtown Road	LRT	No			2610	8	22	$ 221,518.89	$ 257,801.77	$ 479,320.66
2015	Excelsior Boulevard	St. Albans Bay Road	East City Limits (Deephaven)	No			2132	12	32	$ 255,470.43	$ 215,934.49	$ 471,404.93
2015	Fatima Place	Minnetonka Boulevard	Dead End	No			500	8	7	$ 44,183.04	$ 50,448.94	$ 94,631.98
2015	Garden Road	Minnetonka Boulevard	Dead End	No			1240	8	13	$ 106,840.22	$ 123,451.63	$ 230,291.85
2015	Lakeway Terrace	Minnetonka Boulevard	cul-de-sac	No			1200	8	23	$ 109,926.70	$ 123,440.50	$ 233,367.20
2015	Minnetonka Boulevard	St. Albans Bay Road	Deephaven City Limits	No			2990	12	16	$ 322,640.42	$ 291,828.51	$ 614,468.93
2015	St. Albans Bay Road N	Suburban Drive	Minnetonka Drive	No			1955	12	15	$ 216,558.57	$ 192,540.72	$ 409,099.29
2015	Star Circle	Star Lane	cul-de-sac	Yes			260	6	4	$ 23,200.90	$ -	$ 23,200.90
2015	Star Lane	Smithtown Road	cul-de-sac	Yes			810	8	11	$ 71,363.34	$ -	$ 71,363.34
									TOTAL 2015			***$ 2,627,149.08***
2016	Afton Road	Smithtown Road	Cathcart Drive	No			990	8	10	$ 85,062.20	$ 98,417.72	$ 183,479.92
2016	Amlee Road	Manitou Lane	cul-de-sac	Yes			800	8	16	$ 73,702.46	$ -	$ 73,702.46
2016	Birch Bluff Road E	Grant Lorenze Road	Tonka Bay City limits	No			730	12	56	$ 143,065.72	$ 91,103.83	$ 234,169.55
2016	Ferncroft Drive	Minnetonka Boulevard	Forest Drive	No			1230	8	16	$ 107,925.34	$ 123,639.41	$ 231,564.75
2016	Howard's Point Road	Smithtown Road	Dead End	No		Yes	1000	8	18	$ 90,874.08	$ 102,422.43	$ 193,296.51
2016	Idlewild Path	Rustic Way	Suburban Drive	No			660	8	7	$ 56,917.13	$ 65,738.86	$ 122,655.99
2016	Ivy Lane	Ferncroft Drive	Rustic Way	No			700	8	12	$ 63,235.66	$ 71,467.02	$ 134,702.67
2016	Lee Circle	Birch Bluff Road	cul-de-sac	No			260	8	4	$ 23,200.90	$ 26,370.66	$ 49,571.56
2016	Manitou Lane	Amlee Road	Glen Road	No			360	8	4	$ 31,159.71	$ 35,926.86	$ 67,086.57
2016	Rustic Way	Sunset Lane	Forest Drive	No			1190	8	13	$ 102,860.82	$ 118,673.53	$ 221,534.34
2016	Suburban Drive	Rustic Way	Park Street	No			1075	12	33	$ 149,628.34	$ 115,306.60	$ 264,934.94
2016	West Lane	Rustic Way	cul-de-sac	No			1050	8	11	$ 90,464.48	$ 104,532.58	$ 194,997.06
2016	Woodend Place	St. Albans Bay Road	Forest Drive	No			340	8	1	$ 27,686.95	$ 32,872.21	$ 60,559.16
									TOTAL 2016			***$ 2,032,255.49***
2017	Elm ridge Circle	Edgewood Road	cul-de-sac	No			330	8	6	$ 30,026.07	$ 33,822.27	$ 63,848.33

SHOREWOOD WATER MAIN IMPLEMENTATION PLAN

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Water Main per LIN FT	*$ 79.59*	*$ 101.30*
Water Service per EACH	*$ 627.00*	*$ 1,234.20*
Restoration (without curb)per LIN FT	*$ 95.56*	*$ 95.56*
Restoration (with curb) per LIN FT	*$ 158.81*	*$ 158.81*
Driveway Resotration per EACH	*$ 381.14*	*$ 381.14*

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Priority	Street Name	From	To	Road Reconstruction	Existing Curb	Existing Water Main	Length	Size	Services	Total Water Main Improvements	Total Restoration	Total Amount
2017	Grant Lorenz Road	Smithtown Road	Birch Bluff Road	No			2930	12	24	$ 326,435.89	$ 289,143.88	$ 615,579.77
2017	Noble Road E	Grant Lorenz Road	670' west	No	Yes		670	12	8	$ 77,745.99	$ 109,453.71	$ 187,199.70
2017	Noble Road W	670' West Grant Lorenz Road	2120' W Grant Lorenze Road	No	Yes		1450	12	35	$ 190,085.02	$ 243,618.40	$ 433,703.41
2017	Oak Ridge Circle	Grant Lorenz Road	cul-de-sac	No			540	8	8	$ 47,993.56	$ 54,652.56	$ 102,646.12
2017	Orchard Circle	Eureka Road	cul-de-sac	No			290	8	5	$ 26,215.54	$ 29,618.65	$ 55,834.20
2017	Riviera Lane	Yellowstone Trail	cul-de-sac	Yes			915	8	14	$ 81,601.09	$ -	$ 81,601.09
2017	Shorewood Lane	Smithtown Road	cul-de-sac	Yes			900	8	16	$ 81,661.27	$ -	$ 81,661.27
2017	Wild Rose Lane	Grant Lorenz Road	Sylvan Lane	Yes			400	8	34	$ 53,153.23	$ -	$ 53,153.23
2017	Sylvan Lane	Wild Rose Lane	cul-de-sac	No			315	8	4	$ 27,578.25	$ 31,626.57	$ 59,204.81
									TOTAL 2017			***$ 1,734,431.95***
2018	Mann Lane	Eureka Road	Seamans Drive	Yes			660	8	4	$ 55,036.13	$ -	$ 55,036.13
2018	Maple Street	Lake Linden Drive	End East	Yes			450	6	3	$ 37,695.64	$ -	$ 37,695.64
2018	Apple Road	Mill Street	south City limits	No			1750	12	16	$ 197,025.84	$ 173,331.65	$ 370,357.49
2018	Galpin Lake Road	State Highway #7	Mayflower So. City Limits	No			2230	12	18	$ 248,119.24	$ 219,963.67	$ 468,082.91
21018	Galpin Lane	Galpin Lake Road	Dead End	No			760	8	7	$ 64,875.94	$ 75,295.06	$ 140,171.00
2018	Murray Street	Galpin Lake Road	Dead End	No			1790	8	28	$ 160,018.66	$ 181,727.75	$ 341,746.41
									TOTAL 2018			***$ 1,413,089.58***
2019	62nd Street W	Catcart Drive	Strawberry Lane	No			1330	8	7	$ 110,241.15	$ 129,765.39	$ 240,006.54
2019	62nd Street W	Catcart Drive	Dead End	No			1320	8	8	$ 110,072.27	$ 129,190.91	$ 239,263.17
2019	Blue Ridge Lane	Lake Virgina Drive	Lake Virginia Drive	No			900	8	7	$ 76,018.27	$ 88,673.74	$ 164,692.01
2019	Boulder Circle	Boulder Bridge Drive	cul-de-sac	No			700	8	7	$ 60,100.66	$ 69,561.34	$ 129,662.00
2019	Eureka Road S	Smithtown Road	TH 7	No			3250	12	25	$ 360,086.76	$ 320,104.85	$ 680,191.61
2019	Lake Virgina Drive	Smithtown Road	Dead End	No			1570	8	11	$ 131,850.29	$ 154,224.81	$ 286,075.10
2019	Maple Ridge Lane	Lake Virgina Drive	cul-de-sac	No			280	6	5	$ 25,419.66	$ 28,663.03	$ 54,082.70
2019	Strawberry Lane	Smithtown Road	Maple Avenue	No			2010	12	24	$ 233,237.98	$ 201,226.85	$ 434,464.83
									TOTAL 2019			***$ 2,228,437.95***
2020	Elder Turn	Minnetonka Drive	cul-de-sac	No			370	8	6	$ 33,209.59	$ 37,644.75	$ 70,854.34
2020	McLain Road	Minnetonka Drive	cul-de-sac	No			460	8	5	$ 39,745.52	$ 45,864.19	$ 85,609.71
2020	Seamans Drive	Yellowstone Trail	Mann Lane	Yes			1800	8	19	$ 155,171.54	$ -	$ 155,171.54
									TOTAL 2020			***$ 311,635.59***
2021	Cardinal Drive	Murray Street	south City limits	No			770	8	5	$ 64,417.82	$ 75,488.41	$ 139,906.23
2021	Chaska Road E	Mayflower	TH 7	No			1150	8	10	$ 97,796.29	$ 113,707.64	$ 211,503.93
2021	Chaska Road W	TH 41	Mayflower	No			1275	8	6	$ 105,236.80	$ 124,128.35	$ 229,365.15
2021	Mayflower Road	Chaska Road	Galphin Lake Road	No			660	8	1	$ 53,155.13	$ 63,452.05	$ 116,607.18
2021	Murray Court	Murray Street	cul-de-sac	No			500	8	5	$ 42,929.04	$ 49,686.67	$ 92,615.71
2021	Murray Hill Road	Chanhassen City Limits	Chaska Road	No			520	12	2	$ 55,145.48	$ 50,454.51	$ 105,599.99
2021	Summit Avenue	Murray Hill Road	South City Limits	No			940	8	3	$ 76,693.80	$ 90,971.68	$ 167,665.47

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Driveway Resotration per EACH	$ 381.14	$ 381.14

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									TOTAL 2021			***$ 1,063,263.67***
2022	Christmas Lake Road	3rd Avenue	Christmas Lane	No			2790	12	29	$ 318,424.60	$ 277,670.88	$ 596,095.48
2022	Christmas Lane E	Christmas Road	Dead End	No			300	8	1	$ 24,503.42	$ 29,049.73	$ 53,553.16
2022	Christmas Lane W	Christmas Lake Road	Dead End	No			390	8	7	$ 35,428.35	$ 39,937.12	$ 75,365.47
2022	Radisson Entrance	Radisson Inn Road	cul-de-sac	No			616	12	2	$ 64,870.48	$ 59,628.46	$ 124,498.94
2022	Radisson Road	Old Market Road	Christmas Lake Road	No			5238	12	41	$ 581,222.50	$ 516,180.25	$ 1,097,402.75
2022	Tiffany Lane	Radisson Road	cul-de-sac	No			350	6	9	$ 33,498.83	$ 36,876.91	$ 70,375.74
									TOTAL 2022			***$ 2,017,291.53***
2023	Carrie Lane	Radisson Inn Road	cul-de-sac	No			500	8	7	$ 44,183.04	$ 50,448.94	$ 94,631.98
2023	Covington Road	Carrie Lane	Old Market Road							$ -	$ -	$ -
2023	Delton Avenue	Radisson Inn Road	Old Market Road							$ -	$ -	$ -
2023	Shore Road	Radisson Inn Road	Dead End	No			625	6	6	$ 53,504.55	$ 62,013.06	$ 115,517.61
									TOTAL 2023			***$ 210,149.59***
2024	Christmas Lake Point	Radisson Inn Road	cul-de-sac	No			1050	8	15	$ 92,972.48	$ 106,057.12	$ 199,029.60
2024	Ridge Road	Covington Road	Chanhassen City Limits	No			4150	12	39	$ 468,537.43	$ 411,446.53	$ 879,983.97
2024	Academy Avenue	Tellowstone Trail	Grant Street	No	Yes		650	8	10	$ 58,002.25	$ 107,039.72	$ 165,041.97
									TOTAL 2024			***$ 1,244,055.54***
2025	Charleston Circle	Yellowstone Trail	cul-de-sac	No			685	8	7	$ 58,906.83	$ 68,127.91	$ 127,034.75
2025	Club Valley Road	Yellowstone Trail	Wood Drive	No			650	8	7	$ 56,121.25	$ 64,783.24	$ 120,904.49
2025	Edgewood Road	Howards Point Road	Grant Lorenz Road	No			3800	8	43	$ 329,395.70	$ 379,524.38	$ 708,920.08
2025	Glencoe Road	North City Limits (Excelsior)	Dead End	No			1200	8	15	$ 104,910.70	$ 120,391.42	$ 225,302.11
2025	Rampart Court	Wood Drive	cul-de-sac	No			208	8	5	$ 19,689.32	$ 21,782.57	$ 41,471.89
2025	Tee Trail	Yellowstone Trail	Wood Drive	No			380	8	4	$ 32,751.47	$ 37,838.10	$ 70,589.57
2025	Wood Drive	State Highway #7	cul-de-sac	No			1290	8	12	$ 110,192.62	$ 127,848.59	$ 238,041.21
									TOTAL 2025			***$ 1,532,264.11***
2026	Hillendale Road	Mill Street	Dead End	No	Yes		930	8	12	$ 81,540.91	$ 152,269.59	$ 233,810.51
2019	Eureka Way	Smithtown Road	Dead End	No			405	6	2	$ 33,487.17	$ 39,464.88	$ 72,952.05
2026	Merry Lane	TH 7	cul-de-sac	No	Yes		870	8	10	$ 75,511.63	$ 141,978.55	$ 217,490.18
2026	Vine Hill Road	Broms Boulevard	Shady Hills	No			400	8	3	$ 33,716.23	$ 39,368.20	$ 73,084.43
									TOTAL 2026			***$ 597,337.17***
2027	Christopher Road	Smithtown Road	cul-de-sac	No			670	8	10	$ 59,594.01	$ 67,837.89	$ 127,431.90
2027	Peach Circle	Strawberry Lane	cul-de-sac	Yes	Yes		448	8	7	$ 40,044.46	$ -	$ 40,044.46
2027	Spruce Hill Court	Yellowstone Trail	cul-de-sac	No			750	8	7	$ 64,080.06	$ 74,339.44	$ 138,419.50
									TOTAL 2027			***$ 305,895.86***
2028	Beverly Drive	Cathcart Drive	cul-de-sac	No			1180	8	14	$ 102,691.93	$ 118,099.04	$ 220,790.98
2028	Cajed Lane	Smithtown Road	Beverly Drive	No			780	8	5	$ 65,213.70	$ 76,444.03	$ 141,657.73
2028	High Pointe Road	Our Saviour Church	cul-de-sac	No			800	6	3	$ 65,551.46	$ 77,593.00	$ 143,144.46

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2028	Manor Road	Knightbridge	Bowman Court	No			1630	12	10	$ 177,464.39	$ 159,577.40	$ 337,041.79
2028	Manor Road	Excelsior Boulevar	East City Limits	No			3650	12	39	$ 417,886.39	$ 363,665.54	$ 781,551.93
2028	Vine Street	Manor Road	East City Limits	No			800	8	10	$ 69,940.46	$ 80,260.95	$ 150,201.41
2028	Woodside Lane	Woodside Road	cul-de-sac	No			240	6	3	$ 20,982.14	$ 24,078.28	$ 45,060.42
2028	Woodside Road	Howards Point Road	cul-de-sac	No			2900	12	40	$ 343,144.03	$ 292,375.18	$ 635,519.22
									TOTAL 2028			***$ 2,454,967.94***
2029	Brand Circle	Christmas Lane	cul-de-sac	No			360	8	4	$ 31,159.71	$ 35,926.86	$ 67,086.57
2029	Islandview Road	Howards Point Road	Dead End	No			915	8	14	$ 81,601.09	$ 92,775.12	$ 174,376.21
2029	Strawberry Court	Strawberry Lane	cul-de-sac	No	Yes		850	8	11	$ 74,546.87	$ 139,183.43	$ 213,730.30
									TOTAL 2029			***$ 455,193.07***
2030	Anthony Terrace	Vine Street	cul-de-sac	Yes			360	8	4	$ 31,159.71	$ -	$ 31,159.71
2030	Church Road	West 62nd Street	cul-de-sac	No	Yes		750	8	12	$ 67,215.06	$ 123,683.28	$ 190,898.34
2030	Forest Drive	Minnetonka Boulevard	Suburban Drive	No			1000	12	14	$ 118,580.88	$ 100,897.88	$ 219,478.76
2030	Harding Avenue	Wedgewood Drive	Harding Lane	No	Yes		285	8	4	$ 25,190.60	$ 46,786.21	$ 71,976.81
2030	Harding Lane N	Harding Aveneu	cul-de-sac	No	Yes		620	8	10	$ 55,614.61	$ 102,275.33	$ 157,889.94
2030	Harding Lane S	Harding Avenue	cul-de-sac	No	Yes		170	6	4	$ 16,037.97	$ 28,522.73	$ 44,560.70
2030	Lilac Lane	Mill Street	Dead End	No			1070	8	5	$ 88,294.25	$ 104,157.01	$ 192,451.25
2030	Mary Lake Trail	Country Club Road	cul-de-sac	No	Yes		1040	8	7	$ 87,160.60	$ 167,833.33	$ 254,993.93
2030	Nelsine Drive	Eureka Road	cul-de-sac	No			460	8	8	$ 41,626.52	$ 47,007.60	$ 88,634.11
2030	Oakview Court	Chaska Road	cul-de-sac	No	Yes		450	8	6	$ 39,576.64	$ 73,752.60	$ 113,329.24
2030	Pleasant Avenue	Yellowstone Trail	TH 7	No			580	8	3	$ 48,042.09	$ 56,569.36	$ 104,611.45
2030	Smithtown Lane	Smithtown Road	cul-de-sac	No			605	8	8	$ 53,166.79	$ 60,864.09	$ 114,030.87
2030	Spencer Lane	Minnetonka Boulevard	Minnetonka Boulevard	No			380	6	4	$ 32,751.47	$ 37,838.10	$ 70,589.57
2030	Strawberry Circle	Catcart Drive	cul-de-sac	No			615	8	3	$ 50,827.67	$ 59,914.03	$ 110,741.70
2030	Wild Rose Lane	Eureka Road	Sylvan Lane	No	Yes		2025	8	11	$ 168,062.86	$ 325,788.55	$ 493,851.41
									TOTAL 2030			***$ 2,259,197.81***
2031	Arbor Creek Lane	Grant Lorenz Road	cul-de-sac	No	Yes		470	8	6	$ 41,168.40	$ 76,928.86	$ 118,097.26
2031	Meadowview Road	Valleywood Lane	Wild Rose Lane	No	Yes		660	8	1	$ 53,155.13	$ 105,197.63	$ 158,352.76
2031	Wiltsey Lane	Pleasant Avenue	cul-de-sac	No			560	8	5	$ 47,704.32	$ 55,420.39	$ 103,124.72
									TOTAL 2031			***$ 379,574.74***
2032	Echo Road	County Road 19	Country Club Road	No			1960	8	28	$ 173,548.64	$ 197,973.29	$ 371,521.93
2032	Kathleen Court	Woodside Road	cul-de-sac	No			325	6	4	$ 28,374.13	$ 32,582.19	$ 60,956.31
2032	Park Street	Glencoe Road	Pleasant Street							$ -	$ -	$ -
2032	Timber Lane	Smithtown Road	cul-de-sac	No			1730	8	18	$ 148,973.38	$ 172,182.68	$ 321,156.06
									TOTAL 2032			***$ 753,634.30***

Attachment: February 27, 2012 Work Session

City of Shorewood Council Meeting Item

MEETING TYPE
Work Session

Title / Subject: 20 Year Municipal Water Plan
Meeting Date: February 27, 2012
Prepared by: Brian Heck, City Administrator
Larry Brown, Director of Public Works
Bruce DeJong, Finance Director
James Landini, City Engineer
Brad Nielsen, City Planner

Attachments: 20 Year Water Plan
Map of Existing and Potential Water System

Policy Consideration: Should the City Council adopt a Comprehensive 20 Year Water Plan that expands the water system through the entire City and put in place a finance plan for such improvements?

Background: On November 14, 2011, the City Council directed staff to compile a comprehensive cost analysis for expansion of the municipal water system through the remaining portion of the City that does not currently have access to this service. The Council further directed that this plan was to be prepared to coincide with the Pavement Inventory and Management System (PIMS) that has been developed and adopted by the City Council for the City's roadway infrastructure.

Staff has completed this analysis for costs of installation of watermain and prepared a map indicating the locations and sequencing.

Staff cannot emphasize enough that for this to be a useful tool the underlying premises and assumptions on which the analysis was compiled must be understood. The following is a brief overview of the attached analysis, in addition to the assumptions and premises used for the analysis, followed by a detailed look at the numbers. Staff will then provide a possible roadmap for the "Next Step" in this process.

Brief Overview: As mentioned above, the attachments include a summary spreadsheet that mirrors the PIMS. While the focus remains on expansion of the municipal water system where it does not exist today, roadways that already have water are included within this document so it shows all scheduled activities in the adopted plan. Staff felt that this was important, as continuity between the documents will provide a consistent basis of discussion and smooth work flow for preparation of the Capital Improvement Program and annual budget documents.

For each roadway, a detailed cost estimate has been prepared. The spreadsheet and map identify this information numerically and graphically.

Details, Definitions, and Assumptions:

STREET NAME, FROM, TO: The first three columns of the document simply list the roadway segments. As mentioned earlier this mirrors the PIMS.

Length W.M.: This is the length of the watermain proposed. Note that this length will vary from roadway lengths listed in the PIMS.

Dia: This is the diameter of the watermain, in inches, proposed. It is noted that under the original Comprehensive 20 Year Water Plan performed in 1996, a demand and flow analysis model was completed for the entire City of Shorewood, based upon full expansion and ultimate development for the City. Diameters used in this analysis were obtained from the 1996 plan and used here. Staff believes this model to still reflect ultimate conditions.

Exist W.M.: This documents roadways that already have watermain installed. A "Yes" indicates that watermain is already present.

Amount Install w/Cut and Restore: This represents the cost of installing a watermain by cutting open an existing roadway that is not scheduled for reconstruction, placement of the watermain, hydrants, valves and services, and patching the roadway back to the existing condition. The cost shown includes the watermain costs and patching of the roadway since nothing has been previously programmed in the CIP.

*Of critical importance is to emphasize that costs shown in the tables (with exception of annual summaries at the very bottom) are calculated using current market conditions for the year 2012. For now, staff has chosen to not inflate the individual project costs for every year, but to inflate the annual total amounts shown at the bottom of the table.

Equally important is that while the costs shown include design, construction and base legal costs, the age old issue of right of way and easement acquisition is **not included. Staff is attempting to come to grips with a method of estimating these costs. However, due to the many variables involved, this is going to take a substantial amount of additional work with input from the City Attorney.

Install w/Full Road Reconstruct: Under the PIMS, the pavement structure of a roadway that is scheduled for a full roadway reconstruction will be funded from the Street Reconstruction Fund, the Municipal State Aid Program, or a combination thereof. Therefore, roadway costs are **not** included with this cost for the watermain installation.

Cost for Domestic Supply: Often times during funding discussions, the reference is made to "Trunk Watermain" or other infrastructure such as wells, water tower, or treatment plants. A Trunk Watermain is a pipe that is over sized to meet the system demands over and above meeting the "Domestic supply" or that which is used by the consumer. For the City of Shorewood's system, "Domestic Supply" is considered any watermain that is less than 12 inches in diameter. A 12 inch diameter watermain is considered a trunk watermain.

To explain this further, take for example Apple Road on page one; the cost to install the 12 inch Trunk Watermain equals $315,000. The cost to install an 8 inch main to meet domestic supply is $295,000. Therefore the "Trunk Cost" equals $315,000-295,000=$20,000. This will become more important as the

city council enters the funding discussion in future work sessions and determines how to cover the "oversizing" costs.

Cost for Oversizing Main: This trunk cost has to be borne somewhere other than in the individual assessment since there is no real "benefit" to the properties directly. The oversizing is done to provide adequate flow to properties further away from the water towers. These costs are generally recaptured as part of a connection fee. The connection fee could also include a portion of the cost of sizing the wells, water towers, and other system components larger than was needed to serve properties which are already connected. The estimated cost of oversizing is $567,000 for the new extensions.

No. of Lots: This column shows the potential number of lots that could be served if a new main is installed on each street. Staff has provided a subtotal of new lots served for both city streets – 1,361 – and private streets – 106 – if the entire city is served by city water.

Cost per Lot: This column divides the Cost for Domestic Supply column by the No. of Lots column to get a cost per parcel on each project. The costs range from a low of $6,103 on Manor Road to a high of $118,000 on Meadowview Road.

Year: This heading is at the top of the page and indicates the year that watermain has been proposed to be installed.

It is also very important to note that staff purposely did not revise what was previously adopted on the PIMS for sealcoating, overlay, or reconstruction for continuity. If the City Council decides to move forward, staff will propose adjustments to either the PIMS or the watermain plan to ensure that watermain construction is coordinated with pavement maintenance and reconstruction plans. Staff has explained to the City Council that we operate under the premise that sealcoats and overlays are considered maintenance items in accordance with MN-DOT state aid funding rules.

Annual Total Expenditures: There are multiple totals shown on the spreadsheet. The first subtotal line shows the cost for city streets. The total Water Fund cost for city streets is $21,997,000 with an average cost per lot served of $14,635. The total Water Fund cost for private streets is $2,309,000 with an average cost per lot served of $20,906. The higher cost for private streets in part is caused because each street includes full restoration costs for the pavement. Some of the city streets do not include restoration costs because they are already scheduled to be rebuilt from the Street Reconstruction Fund. There are no roadway costs included in the spreadsheet for those streets – only the cost of installing the watermain. The total cost for all streets in current 2012 dollars is $24,306,000 or $15,093 per lot served. As noted above, the grand total has been inflated by a 2% annual inflation factor leading to a 20 year cost of $29,385,092. The individual year totals are at the bottom of each yearly column. Staff has not calculated individualized parcel or project cost inflation figures at this time.

Minimum connection Fee: This cost shown at the bottom of the spreadsheet just above the notes is a calculation of a per parcel cost of oversizing. The total cost of oversizing ($567,000) is divided by the number of new parcels served (1,345 + 106 = 1451) to come to an average cost of $391 per parcel.

Staff Thoughts:

Based on past council conversations, staff believes there is strong interest in moving forward with some type of water expansion plan.

Staff needs to know if council is still interested in pursuing a water expansion plan, based on the cost implications laid out in the attached spreadsheet. If so, staff will move forward with preparing various options to pay for the installations.

The one area we have not addressed is how to deal with residents who have access to water, but are not connected, which is the question that began this whole discussion. Staff needs a bit more direction from Council on how you would like us to incorporate this into the mix.

Financial or Budget Considerations:
As can be seen, the cost for this program is rather steep over the 20 years. Under current policy, most projects fall outside of our feasible threshold of $10,000. Again, staff believes providing municipal water to as many residents as possible is a desire of the Council and therefore, a review of how to cover the costs needs to be explored.

Options:

1) Determine that expanding water city wide is not a feasible project and expand water only where residents achieve the necessary petition numbers;
2) Determine the expansion of water is needed and direct staff to prepare policy options for council to consider for paying for the plan;
3) Direct staff to gather additional information and bring back for further discussion;
4) Determine expansion is not possible and direct staff to develop a policy to address only those situations where a parcel has access to water – e.g. develop a connection fee policy not based on the current $10,000 threshold.
5) Do nothing.

Recommendation / Action Requested:
Staff believes that council needs to review possible alternatives to the existing policy before making a decision on the expansion of water or general connection charge. Staff recommends council authorize staff to use necessary resources, which might include consulting and/or legal services, to prepare policy options to cover the cost of implementing a water expansion plan and connection fee for those with existing access.

Next Steps and Timelines:
Staff will develop policy options for council consideration. Staff estimates it will take approximately 6-8 weeks to complete this project.

Connection to Vision / Mission:
This presentation is tied to the missions of providing safe drinking water and cost effective services to city residents.

City of Shorewood

Summary of Opinion of Costs for 20 Year Watermain Extension

See Notes and Key Below

Street Name	From	To	Length W.M. (Ft)	Dia (In)	Exist. W.M.	Amount Install w/ Cut and Restore	Install w/Full Rd Reconstruct	Cost for Domestic Supply	Cost for Oversizing Main	No. of Lots	Cost per Lot	YEAR 12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32
VALLEYWOOD CIR	Valleywood Lane	Cul-de-sac	500	6			$67,000	$67,000		6	$ 11,167		R/A					S					S				S					
VALLEYWOOD LA	Eureka Road	Dead End	1310	8			$146,000	$146,000		10	$ 14,600		R/A					S					S				S					
CLUB LA	Smithtown Road	Dead End	620	8		$112,000		$112,000		5	$ 22,400	O	S/W					S					S				S					
COUNTRY CLUB RD	Smithtown Road	Yellowstone Trail	2330	12		$339,000		$311,000	$28,000	13	$ 23,923	S	W				S			O	S					S					
GLEN RD E	County Road 19	Manitou Ln	850	8		$145,000		$145,000		18	$ 8,056		W	S					S				S					S				
GLEN RD W	Manitou Ln	Dead End	1500	8		$149,000		$149,000		11	$ 13,545		W	S					S				S					S				
LAKE LINDEN DR	Yellowstone Trail	State Highway #7	1550	12		$180,000		$167,000	$13,000	4	$ 41,750	S	W				S					S				S					
SMITHTOWN CIR	Smithtown Road	Cul-de-sac	238	6		$60,000		$60,000		5	$ 12,000		W	S					S			O		S				S			
YELLOWSTONE TR	Seamans Dr	Academy Avenue	6360	12		$929,000		$858,000	$71,000	44	$ 19,500	S	W					S			S					S					
SUNNYVALE LA	Meadowview Lane	Eureka Road	650	8			$94,000	$94,000		8	$ 11,750			R/W				S					S				S				
STAR CIR	Star Lane	Cul-de-sac	260	6			$48,000	$48,000		4	$ 12,000				R/W			S					S				S				
STAR LA	Smithtown Road	Cul-de-sac	810	8			$107,000	$107,000		11	$ 9,727				R/W			S					S				S				
CATHCART DR	Smithtown Road	LRT	2610	8		$395,000		$395,000		22	$ 17,955			S	W				S					S					S		
EXCELSIOR BLVD	St. Albans Bay Road	East city limits (Deephn)	2132	12		$248,000		$232,000	$16,000	32	$ 7,250				W	S				O	S					S					
FATIMA PL	Minnetonka Boulevard	Dead End	500	8		$89,000		$89,000		7	$ 12,714				W	S					S					S					
GARDEN RD	Minnetonka Boulevard	Dead End	1240	8		$201,000		$201,000		13	$ 15,462				W	O					S					S					
LAKEWAY TER	Minnetonka Boulevard	Cul-de-sac	1220	8		$207,000		$207,000		23	$ 9,000	O			W	S					S					S					
MINNETONKA BLVD	St. Alban's Bay Road	Dphn city limits	2990	12		$466,000		$432,000	$34,000	16	$ 27,000				W	S					S					S					
ST ALBANS BAY RD N	Suburban Drive	Minnetonka Dr	1955	12		$370,000		$348,000	$22,000	15	$ 23,200				W	S					S					S					
AMLEE RD	Manitou Lane	Cul-de-sac	800	8			$121,000	$121,000		16	$ 7,563					R/W			S					S				S			
MANITOU LA	Amlee Road	Glen Road	360	8			$76,000	$76,000		4	$ 19,000					R/W			S					S				S			
FERNCROFT DR	Minnetonka Boulevard	Forest Drive	1230	8		$211,000		$211,000		16	$ 13,188					S/W					S					S					
IDLEWILD PATH	Rustic Way	Suburban Drive	660	8		$120,000		$120,000		7	$ 17,143					S/W					S					S					
IVY LA	Ferncroft Drive	Rustic Way	700	8		$133,000		$133,000		12	$ 11,083					S/W					S					S					
RUSTIC WAY	Sunset La	Forest Drive	1190	8		$191,000		$191,000		13	$ 14,692					S/W					S					S					
SUBURBAN DR	Rustic Way	Park Street	1075	12		$357,000		$334,000	$23,000	33	$ 10,121					S/W					S					S					
WEST LA	Rustic Way	Garden Road		8		$178,000		$178,000		3	$ 59,333					S/W				O						S					
WOODEND PL	St Albans Bay Road	Forest Drive	340	8		$68,000		$68,000		1	$ 68,000					S/W					S					S					
AFTON RD	Smithtown Road	Cathcart Drive	990	8		$155,000		$155,000		10	$ 15,500			S		W			S					S					S		
HOWARDS POINT RD	Smithtown Road	Dead End	1000	8	Yes	$300,000		$300,000		18	$ 16,667			S		W	O		S					S					S		
BIRCH BLUFF RD E	Grant Lorenz Road	Tonka Bay city limits	730	12		$427,000		$395,000	$32,000	56	$ 7,054		S			W				O			S				S				
LEE CIR	Birch Bluff Road	Cul-de-sac	260	8		$59,000		$59,000		4	$ 14,750		S			W		S					S				S				
OAK RIDGE CIR	Grant Lorenz Road	Cul-de-sac	540	8		$96,000		$96,000		8	$ 12,000			S			O/W		S					S					S		
RIVIERA LA	Yellowstone Trail	Cul-de-sac	915	8			$126,000	$126,000		14	$ 9,000	S					R/W				S										
SHOREWOOD LA	Smithtown Road	Cul-de-sac	900	8			$123,000	$123,000		16	$ 7,688	S					R/W				S					S					
ELMRIDGE CIR	Edgewood Road	Cul-de-sac	330	8		$71,000		$71,000		6	$ 11,833			S			W		S					S					S		
GRANT LORENZ RD	Smithtown Road	Birch Bluff Road	2930	12		$427,000		$395,000	$32,000	24	$ 16,458			S			W		S					S					S		
NOBLE RD E	Grant Lorenz Road	670' West	670	12		$129,000		$114,000	$15,000	8	$ 14,250			S			W		S					S				O	S		
NOBLE RD W	670' West	Edgewood Road	2530	12		$252,000		$235,000	$17,000	35	$ 6,714			S			W		S					S				O	S		
ORCHARD CIR	Eureka Road	Cul-de-sac	290	8		$71,000		$71,000		5	$ 14,200		S				W	S					S					S		
SYLVAN LA	Wild Rose Lane	Cul-de-sac	315	8		$70,000		$70,000		4	$ 17,500		S				W	S					O					S		
MANN LA	Eureka Road	Seamans Drive	660	8			$114,000	$114,000		4	$ 28,500		S					R/W					S					S		
MAPLE ST	Lake Linden Dr	End East	450	6			$50,000	$50,000		3	$ 16,667	S						R/W				S					S				
APPLE RD	Mill Street	South city limits (Chan)	1750	12		$315,000		$295,000	$20,000	16	$ 18,438					S		W			S					S					
GALPIN LAKE RD	State Highway #7	Mayflower Rd/So city limits	2230	12		$403,000		$378,000	$25,000	18	$ 21,000					S		W			S					S		O			
MURRAY ST	Galpin Lake Road	Dead End	1790	8		$264,000		$264,000		28	$ 9,429					S		W			S					S					
STRAWBERRY LA	Smithtown Road	Maple Ave	2010	12		$317,000		$294,000	$23,000	24	$ 12,250			S					O/W					S					S		
BOULDER CIR	Boulder Bridge Drive	Cul-de-sac	700	8		$172,000		$172,000		7	$ 24,571		S						O/W				S					S		
LAKE VIRGINIA DR	Smithtown Road	Dead End	1570	8		$231,000		$231,000		11	$ 21,000			O					S/W					S					S		
62ND ST W E	Catcart Dr	Strawberry Lane	1330	8		$238,000		$238,000		7	$ 34,000			S					S/W					S					S		

Street Name	From	To	Length W.M. (Ft)	Dia (In)	Exist. W.M.	Amount Install w/ Cut and Restore	Install w/Full Rd Reconstruct	Cost for Domestic Supply	Cost for Oversizing Main	No. of Lots	Cost per Lot	YEAR 12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32
62ND ST W W	Catcart Dr	Dead End	1320	8		$234,000		$234,000		8	$ 29,250			S					S/W					S					S			
BLUE RIDGE LA	Lake Virginia Drive	Lake Virginia Drive	900	8		$142,000		$142,000		7	$ 20,286			S					S/W					S					S			
MAPLE RIDGE LA	Lake Virginia Drive	Cul-de-sac	780	6		$63,000		$63,000		5	$ 12,600			S					S/W					S					S			
EUREKA RD S	Smithtown Road	State Highway #7	3250	12		$502,000		$465,000	$37,000	25	$ 18,600		S					S	W			S						S				
SEAMANS DR	Yellowstone Trail	Mann Lane	1880	8			$280,000	$280,000		19	$ 14,737		S							R/W		S						S				
ELDER TURN	Minnetonka Drive	Cul-de-sac	370	8		$70,000		$70,000		6	$ 11,667	O					S			W		S					S					
MCLAIN RD	Minnetonka Drive	Cul-de-sac	460	8		$86,000		$86,000		5	$ 17,200		O				S			W		S					S					
CHASKA RD E	Mayflower	TH 7	1150	8		$172,000		$172,000		10	$ 17,200				O	S					S/W					S						
CHASKA RD W	TH 41	Mayflower	1275	8		$190,000		$190,000		6	$ 31,667				O	S					S/W					S						
MAYFLOWER RD	Chaska Road	Galpin Lake Road	660	8		$110,000		$110,000		1	$ 110,000				O	S					S/W					S						
MURRAY HILL RD	Chanhassen City Limits(s)	Chaska Road	520	12		$86,000		$75,000	$11,000	2	$ 37,500				O	S					S/W					S						
SUMMIT AVE	Murray Hill Road	South city limits (Chan)	940	8		$138,000		$138,000		3	$ 46,000				O	S					S/W					S						
MURRAY CT	Murray Street	Cul-de-sac	500	8		$89,000		$89,000		5	$ 17,800					S					S/W					S						
CARDINAL DR	Murray Street	South city limits (Chan)	770	8		$122,000		$122,000		5	$ 24,400					S					W					S						
CHRISTMAS LA E	Christmas Lake Road	Dead End E	300	8		$66,000		$66,000		1	$ 66,000					S					O	W				S						
CHRISTMAS LAKE RD	3rd Avenue	Christmas Lane	2790	12		$447,000		$415,000	$32,000	29	$ 14,310					S					O	W				S						
CHRISTMAS LA W	Christmas Lake Road	Dead End W	390	8		$76,000		$76,000		7	$ 10,857					S			O		S	W				S						
RADISSON ENTRANCE	Radisson Inn Road	Cul-de-sac	616	12		$89,000		$84,000	$5,000	2	$ 42,000			O	S					S		W			S				S			
RADISSON RD	Old Market Rd	Christmas Lake Road	5238	12		$931,000		$872,000	$59,000	41	$ 21,268				S					S		W			S				S			
WILD ROSE LA W	Meadowview Lane	Grant Lorenz Road	1675	8			$241,000	$241,000		20	$ 12,050		S					S				R/W						S				
SHORE RD	Radisson Inn Road	Dead End	625	6		$104,000		$104,000		6	$ 17,333		O		S					S			W		S					S			
ACADEMY AVE	Yellowstone Trail	Grant Street	650	8		$142,000		$142,000		10	$ 14,200	S					S					S		W	O		S					
EDGEWOOD RD	Howards Point Road	Grant Lorenz Road	3800	8		$398,000		$398,000		43	$ 9,256			S					S						O/W				S			
RAMPART CT	Wood Drive	Cul-de-sac	208	8		$60,000		$60,000		5	$ 12,000	S					S					O			W		S					
CHARLESTON CIR	Yellowstone Trail	Cul-de-sac	685	8		$129,000		$129,000		7	$ 18,429	S		O			S					S			W		S					
CLUB VALLEY RD	Yellowstone Trail	Wood Drive	650	8		$119,000		$119,000		7	$ 17,000	S		O			S					S			W		S					
GLENCOE RD	North city limits (Exc)	Dead End	1200	8		$186,000		$186,000		15	$ 12,400	S					S					S			W	O	S					
TEE TR	Yellowstone Trail	Wood Drive	380	8		$75,000		$75,000		4	$ 18,750	O					S					S			W		O					
WOOD DR	State Highway #7	Cul-de-sac	1290	8		$199,000		$199,000		12	$ 16,583	O					S					S			W		S					
HILLENDALE RD	Mill Street	Dead End	930	8		$146,000		$146,000		12	$ 12,167					S					S					S/W						
MERRY LA	TH 7 Service Road	Cul-De-Sac	870	8		$142,000		$142,000		10	$ 14,200					S					S					S/W						
VINE HILL RD	Broms Blvd	Shady Hills	400	8		$80,000		$80,000		3	$ 26,667				S					S					S	W				S		
PEACH CIR	Strawberry Lane	Cul-de-sac	440	8			$75,000	$75,000		7	$ 10,714			S					S					S			R/W		S			
SPRUCE HILL CT	Yellowstone Trail	Cul-de-sac	750	8		$107,000		$107,000		7	$ 15,286	S					S					S					S/W					
CHRISTOPHER RD	Smithtown Road	Cul-de-sac	670	8		$120,000		$120,000		10	$ 12,000		S					S					S				W	S				
WOODSIDE LA	Woodside Road	Cul-de-sac	240	6		$60,000		$60,000		3	$ 20,000			S					S					S				O/W	S			
WOODSIDE RD	Howards Point Road	Cul-de-sac	2900	12		$462,000		$429,000	$33,000	40	$ 10,725			S					S					S				O/W	S			
VINE ST	Manor Road	East city limits (Dphn)	800	8		$125,000		$125,000		10	$ 12,500					S			O		S					S		W				
MANOR RD	Excelsior Boulevard	East city limits (Dphn)	3650	12		$257,000		$238,000	$19,000	39	$ 6,103					S					S					S		W				
BEVERLY DR	Cathcart Drive	Cul-de-sac	1180	8		$187,000		$187,000		14	$ 13,357			S					S					S				W	S			
CAJED LA	Smithtown Road	Beverly Drive	780	8		$124,000		$124,000		5	$ 24,800			S					S					S				W	S			
BRAND CIR	Christmas Lane	Cul-de-sac	360	8		$74,000		$74,000		4	$ 18,500					S					S					S			R/W			
STRAWBERRY CT	Strawberry Lane	Cul-de-sac	850	8		$143,000		$143,000		11	$ 13,000			S					S					S					S/W			
ANTHONY TER	Vine Street	Cul-de-sac	360	8			$60,000	$60,000		4	$ 15,000					S					S					S				R/W		
CHURCH RD	West 62nd Street	Cul-de-sac	750	8		$121,000		$121,000		12	$ 10,083			S					S					S					S	W		
HARDING AVE	Wedgewood Drive	Harding Lane	285	8		$65,000		$65,000		2	$ 32,500			S					S					S					S	W		
HARDING LA S	Harding Avenue	Cul-de-sac (North)	170	6		$39,000		$39,000		4	$ 9,750			S					S					S					S	W		
HARDING LA N	Harding Avenue	Cul-de-sac (South)	620	8		$107,000		$107,000		10	$ 10,700			S					S					S					S	W		
SMITHTOWN LA	Smithtown Road	Cul-de-sac	605	8		$109,000		$109,000		8	$ 13,625			S					S					S					S	W		
NELSINE DR	Eureka Road	Cul-de-sac	460	8		$90,000		$90,000		8	$ 11,250		S					S				S						S		W		
WILD ROSE LA E	Eureka Road	Meadowview Lane	750	8		$149,000		$149,000		11	$ 13,545		S					S										S		W		
MARY LAKE TR	Country Club Road	Cul-de-sac	1040	8		$185,000		$185,000		7	$ 26,429	S					S				S					S				W		
PLEASANT AVE	Yellowstone Trail	State Highway #7	580	8		$84,000		$84,000		3	$ 28,000	O					S					S					S				W		
LILAC LA	Mill Street	Dead End	1070	8		$167,000		$167,000		5	$ 33,400					S			O		S					S				W		
FOREST DR	Minnetonka Boulevard	Suburban Drive	1000	8		$187,000		$187,000		14	$ 13,357					S					S					S				W		
OAKVIEW CT	Chaska Road	Cul-de-sac	450	8		$87,000		$87,000		6	$ 14,500					S					S					S				W		

Street Name	From	To	Length W.M. (Ft)	Dia (In)	Exist. W.M.	Amount Install w/ Cut and Restore	Install w/Full Rd Reconstruct	Cost for Domestic Supply	Cost for Oversizing Main	No. of Lots	Cost per Lot	YEAR																					
												12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32
ARBOR CREEK LA	Grant Lorenz Road	Cul-de-sac W	470	8		$88,000		$88,000		6	$ 14,667			S					S					S					S		W	
MEADOWVIEW RD	Valleywood Lane	Wild Rose Lane	660	8		$118,000		$118,000		1	$ 118,000		S					S					S					S		W	
WILTSEY LA	Pleasant Avenue	Cul-de-sac	560	8		$91,000		$91,000		5	$ 18,200	S					S					S				S				W	
TIMBER LA	Smithtown Road	Cul-de-sac	1730	8		$256,000		$256,000		18	$ 14,222	S		O			S					S				S					S/W
KATHLEEN CT	Woodside Road	Cul-de-sac	325	6		$66,000		$66,000		4	$ 16,500			S			O		S					S					S			W
ECHO RD	County Road 19	Country Club Road	1960	8		$317,000		$317,000		28	$ 11,321	S					O					S					S					W
3RD AVE	Christmas Lake Road	Excelsior city limits	400		Yes					2						S					S					S						
BAYSWATER RD	Minnetonka Boulevard	Dead End	1050		Yes					32						S			O		S					S						
BOULDER BRIDGE DR	Smithtown Road	Smithtown Road	3030		Yes					28			S					S					S					S				
BOULDER BRIDGE LA N	Boulder Bridge Lane	North Cul-de-sac	300		Yes					7			S					S					S					S				
BOULDER BRIDGE LA S	Boulder Bridge Drive	South Cul-de-sac	720		Yes					10			S					S					S					S				
BRACKETTS RD	Apple Road	Cul-de-sac	960		Yes					22						S					S					S						
BRENTRIDGE DR	Howards Point Road (S)	Howards Point Road (N)	2107		Yes					24				S					S					S					S			
BRYNMAWR PL	Howards Point Road	Cul-de-sac	1090		Yes					19				S					S					S					S			
BURLWOOD CT	Shorewood Oaks Road	Cul-de-sac	555		Yes					13			S					S					S					S				
CHARTWELL HILL	Old Market Road	Cul-de-sac	900		Yes					16					S					S					S					S		
CHESTNUT CT	Near Mountain Boulevard	Cul-de-sac	290		Yes					11					S					S		O			S					S		
CHESTNUT TER	Near Mountain Boulevard	Cul-de-sac	130		Yes					7					S					S		O			S					S		
CLOVER LA	Minnetonka Drive	Cul-de-sac	390		Yes					6		O					S					S					S					
COVINGTON CT	Vine Hill Road	Cul-de-sac	130		Yes					7					S					S					S					S		
COVINGTON RD E	Old Market Rd	Vine Hill Rd	2780		Yes					14					S					S					S					S		
COVINGTON RD W	Radisson Road	Old Market Rd	2260		Yes					17					S					S					S					S		
DEER RIDGE	Koehnen Circle	Cul-de-sac	319		Yes					5						S					S						S					
DELLWOOD LA	Enchanted Drive	Cul-de-sac	590		N/A					4							S					S		O			S					
DIVISION ST	Excelsior city limits	Dead End	325		Yes					10						S					S					S						
ELBERT PT	McKinley Place	Cul-de-sac	360		Yes					10			O		S					S					S					S		
ENCHANTED COVE	Enchanted Drive	Cul-de-sac	150		N/A					5							S					S		O			S					
ENCHANTED DR	Enchanted Lane	Cul-de-sac	1600		N/A					20							S					S		O			S					
ENCHANTED LA	Minnetrista city limits	Shady Island Bridge	3430		N/A					14							S					S		O			S					
ENCHANTED PT	Enchanted Lane	Dead End	1270		N/A					20							S					S					S					
EUREKA RD N	Smithtown Road	Birch Bluff Road	2750		Yes					8			S						O				S					S				
FAIRWAY DR	Smithtown Road	End Cul-de-sac (n)	731		Yes					8			S					S					S					S				
GILLETTE CUR	Minnetonka Drive	Cul-de-sac	640		Yes					12		S				O						S					S					
GRANT ST	Excelsior city limits	Dead End	600		Yes					6		S					S					S					S					
KELSEY DR	Smithtown Road	End Cul-de-sac (s)	414		Yes					6				S					S					S					S			
KNIGHTSBRIDGE RD	Manor Road	Manor Road	1870		Yes					14		O				S					S						S					
LAFAYETTE AVE	Excelsior city limits	Dead End			Yes					4																						
LAKE LINDEN CT	Yellowstone Trail	Cul-de-sac	672		Yes					14		S					S					S					S					
LAWTONKA DR	Timber Lane	Cul-de-sac	550		Yes					13		S					S					S			O		S					
MALLARD LA	Wedgewood Drive	Cul-de-sac	430		Yes					12				S					S					S					S			
MAPLE AVE	Strawberry Lane	Dead End	400		Yes					1				S					S					S					S			
MAPLE LEAF CIR	Shorewood Oaks Drive	Dead End	300		Yes					8			S					S					S					S				
MAPLE VIEW CT	Eureka Road	Cul-de-sac	660		Yes					10			S					S					S					S				
MARSH POINTE CIR	Marsh Point Drive	End Cul-de-sac (n)	291		Yes					7				S					S					S					S			
MARSH POINTE CT	Marsh Point Drive	End Cul-de-sac (n)	496		Yes					9				S					S					S					S			
MARSH POINTE DR	Smithtown Rd (E connect)	Smithtown Rd. (W connect)	2549		Yes					15				S					S					S					S			
MCKINLEY CIR	McKinley Court	Cul-de-sac	260		Yes					9			O		S					S					S					S		
MCKINLEY CT	Vine Hill Road	Cul-de-sac	890		Yes					17					O					S					S					S		
MCKINLEY PL N	Near Mountain Boulevard	Cul-de-sac	560		Yes					15						O				S					S					S		
MCKINLEY PL S	Near Mountain Boulevard	Cul-de-sac	600		Yes					18						O				S					S					S		
MINNETONKA DR	County Road 19	Yellowstone Trail	2050		Yes					21		S					S					S					S					
MUIRFIELD CIR	Old Market Road	Old Market Road	2080		Yes					31					S					S					S					S		
NEAR MOUNTAIN BLVD	Vine Hill Road	South city limits (Chan)	2255		Yes					20					S					S		O			S					S		
OAK LEAF TR	Shorewood Oaks Drive	Shorewood Oaks Drive	1500		Yes					26			S					S					S					S				
OLD MARKET RD	State Highway #7	Covington Road	2400		Yes					7					S					S					S					S		
PARK LA	Eureka Road	End Road (w)	901		Yes					36			S					S					S					S				

Street Name	From	To	Length W.M. (Ft)	Dia (In)	Exist. W.M.	Amount Install w/ Cut and Restore	Install w/Full Rd Reconstruct	Cost for Domestic Supply	Cost for Oversizing Main	No. of Lots	Cost per Lot	YEAR 12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32
PARK ST	Glencoe Road	Pleasant Avenue	917		Yes					13		S					S					S					S					
PARKVIEW LA	Suburban Drive	Cul-de-sac (e)	417		Yes					9					S						S				S						
PINE BEND	Howards Point Road	Howards Point Road	990		Yes					9				S					S					S					S			
SERVICE RD E	Old Market Road	Vine Hill Road South			Yes					12					S					S				S						S		
SHADY HILLS CIR	Shady Hills Road	Shady Hills Road	1555		Yes					17						O				S				S						S		
SHADY HILLS RD	Vine Hill Road	Shady Hills Alley	1330		Yes					14			O		S					S					S					S		
SHADY ISLAND CIR	Shady Island Road	Shady Island Road	1020		NA					9							S						O				S					
SHADY ISLAND PT	Shady Island Circle	Dead End	360		NA					5							S						O				S					
SHADY ISLAND RD	Shady Island Bridge	Dead End	1500		NA					17							S						O				S					
SHADY ISLAND TR	Shady Island Circle	Dead End	300		NA					3							S						R				S					
SHADY LA	Shady Hills Road	Cul-de-sac	215		Yes					6				O	S					S					S					S		
SHOREWOOD OAKS DR	Strawberry Lane	State Highway #7	2240		Yes					23			S					S					S					S				
SIERRA CIR	Silver Lake Trail	Cul-de-sac	500		Yes					11					S					S					S					S		
SILVER LAKE TR	Sweetwater Curve	Near Mountain Boulevard	1195		Yes					15					S					S		O			S					S		
SMITHTOWN RD	South city limits (Vict)	CR No. 19	12630		Yes					151			S					S					S					S				
SMITHTOWN WAY	Smithtown Rd	Cul-de-sac (s)	697		Yes					9				S					S						S					S		
ST ALBANS BAY RD S	Excelsior Boulevard	St. Albans Bay Cir.	1730		Yes					16	$ -					S					S						S					
STRATFORD PL	Apple Road	Cul-de-sac	710		Yes					15						S					S						S					
SWEETWATER CIR	Sweetwater Curve	Cul-de-sac	460		Yes					10					S					S					S		O			S		
SWEETWATER CT	Sweetwater Curve	Cul-de-sac	110		Yes					5					S					S					S		O			S		
SWEETWATER CUR	Covington Road	Cul-de-sac	4130		Yes					39					S					S					S		O			S		
TEAL CIR	Wedgewood Drive	Cul-de-sac	160		Yes					5				S					S						S				S			
VINE RIDGE RD	Covington Road	Covington Road	2150		Yes					49					S					S					S					S		
VIRGINIA COVE	Smithtown Rd	Cul-de-sac (e)	917		Yes					13				S					S						S				S			
WATERFORD CIR	Waterford Place	Cul-de-sac	360		Yes					5					S					S					S					S		
WATERFORD CT	Old Market Road	Waterford Ct. (Loop)	1918		Yes					54					S					S					S					S		
WATERFORD PL	Old Market Road	Vine Hill Road	2490		Yes					32					S					S					S					S		
WEDGEWOOD DR	Smithtown Road	Cul-de-sac	2795		Yes					32				S					S						S				S			
WHITNEY CIR	Near Mountain Boulevard	Cul-de-sac	290		Yes					9					S					S					S			O		S		
WOOD DUCK CIR	Smithtown Road	Cul-de-sac	900		Yes					26		O					S					S					S					
							New connections served			1,345																							
							Oversizing cost		$567,000																							
Annual Expenditures - City Streets						**$21,997,000**		**Avg cost - city lots**			**$14,635**		$2,127,000	$94,000	$2,131,000	$2,396,000	$1,365,000	$1,146,000	$1,899,000	$436,000	$1,420,000	$1,609,000	$345,000	$142,000	$1,166,000	$368,000	$302,000	$1,215,000	$1,450,000	$1,450,000	$297,000	$639,000

Street Name	From	To	Length W.M. (Ft)	Dia (In)	Exist. W.M.	Amount Install w/ Cut and Restore	Install w/Full Rd Reconstruct	Cost for Domestic Supply	Cost for Oversizing Main	No of Lots	Cost per Lot	YEAR 12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32
Ridge Point Circle	Country Club Road	Cul-de-sac	400	8		$79,000		$ 79,000		3	$ 26,333		W																			
Galpin Lane	Galpin Lake Road	Dead End	760	8		$124,000		$ 124,000		7	$ 17,714							W														
Tiffany Lane	Radisson Inn Road	Cul-de-sac		6		$79,000		$ 79,000		9	$ 8,778											W										
Carrie Lane	Radisson Inn Road	Cul-de-sac		8		$87,000		$ 87,000		7	$ 12,429												W									
Christmas Lake Point	Radisson Inn Road	Cul-de-sac	1050	8		$177,000		$ 177,000		15	$ 11,800													W								
Ridge Road	Covington Road	Dead End	4150	12		$1,231,000		$ 1,138,000		39	$ 29,179													W								
Eureka Way	Smithtown Road	Dead End	405	6		$69,000		$ 69,000		2	$ 34,500															W						
High Pointe Road	Our Saviour Church	Cul-de-sac (North)		6		$124,000		$ 124,000		3	$ 41,333																	W				
Island View Road	Howard's Point Road	Dead End		8		$153,000		$ 153,000		14	$ 10,929																		W			
Strawberry Circle	Catcart Dr	Cul-de-sac (e)		8		$110,000		$ 110,000		3	$ 36,667																			W		
Spencer Lane	Minnetonka Boulevard	Minnetonka Boulevard	380	6		$76,000		$ 76,000		4	$ 19,000																				W	
Barrington Way					Yes					22																						
Bowman CT					Yes					4																						
Devonshire Circle					Yes					14																						
Duck Island	No ROADS	Island			NA					0																						
Frog Island	No ROADS	Island			NA					0																						
Gales Island	NO ROADS	Island			NA					0																						

Street Name	From	To	Length W.M. (Ft)	Dia (In)	Exist. W.M.	Amount Install w/ Cut and Restore	Install w/Full Rd Reconstruct	Cost for Domestic Supply	Cost for Oversizing Main	No. of Lots	Cost per Lot	YEAR 12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32
Gideons Lane					Yes					16																						
Goose Island	No Roads	Island			NA					0																						
Kensington Gate					Yes					12																						
Lagoon Drive					NA					6																						
MILL ST	Excelsior city limits	Chanhassen city limits			NA					25																						
OAK ST					NA					0																						
Pond View Drive					Yes					28																						
Regents Walk					Yes					37																						
Sams Way					NA					0																						
Spray Island	NO ROADS	Island			NA					0																						
Spring Circle					Yes					13																						
St. Albans Bay Circle					Yes					12																						
Sussex Place					Yes					16																						
							New connections served			106																							
Annual Expenditures - Private Streets						**$2,309,000**		**Avg cost - private lots**			**$20,906**		$79,000					$124,000				$79,000	$87,000	$1,408,000		$69,000		$124,000	$153,000	$110,000	$76,000	
Total Annual Expenditures - Current Dollars						**$24,306,000**		**Average cost all lots**			**$15,093**		$2,206,000	$94,000	$2,131,000	$2,396,000	$1,365,000	$1,270,000	$1,899,000	$436,000	$1,420,000	$1,688,000	$432,000	$1,550,000	$1,166,000	$437,000	$302,000	$1,339,000	$1,603,000	$1,560,000	$373,000	$639,000
Total Annual Expenditures - Inflated Dollars						**$29,385,092**							$2,250,120	$97,798	$2,263,434	$2,593,507	$1,507,070	$1,430,226	$2,181,354	$510,843	$1,697,031	$2,057,663	$537,138	$1,965,775	$1,508,345	$576,612	$406,452	$1,838,160	$2,244,587	$2,228,064	$543,391	$949,520

Total Oversizing Cost **$567,000**
Divided by Total New Connections **1,451**

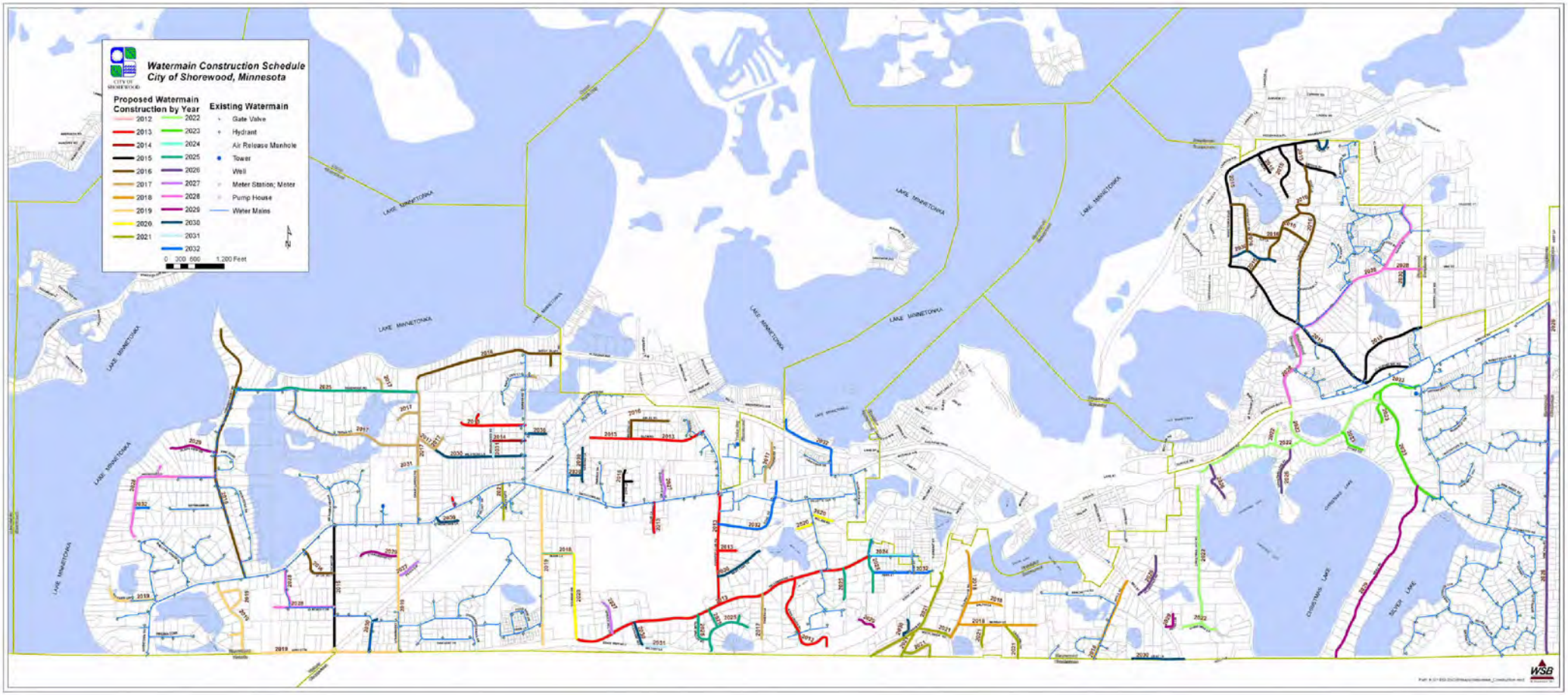
Minimum Connection Fee **$391**

NOTES

1. Costs shown are in 2012 dollars.
2. Costs shown include design, construction, and soft costs - excluding right of way or easement costs.
3. Additional right of way and easement acquisistion costs are not included in the above figures.
4. Roadways shown to be fully reconstructed are from the Pavement Inventory. If not reconstructed, roadway will be restored to original (or better) condition.

KEY

S	Road to be sealcoated
S/W	Watermain installed prior to sealcoat.
O	Road to be overlaid.
O/W	Watermain installed prior to overlay.
W	Watermain installed and road restored to existing condition or better.
R	Road is to be reconstructed
R/W	Watermain to be installed in addition to road being reconstructed


Watermain Construction Schedule
City of Shorewood, Minnesota
Proposed Watermain Construction by Year
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
2031
2032
Existing Watermain
Gate Valve
Hydrant
Air Release Manhole
Tower
Well
Meter Station; Meter
Pump House
Water Mains
0 300 600 1,200 Feet
LAKE MINNETONKA
CHRISTMAS LAKE
SILVER LAKE

#11

CITY OF SHOREWOOD

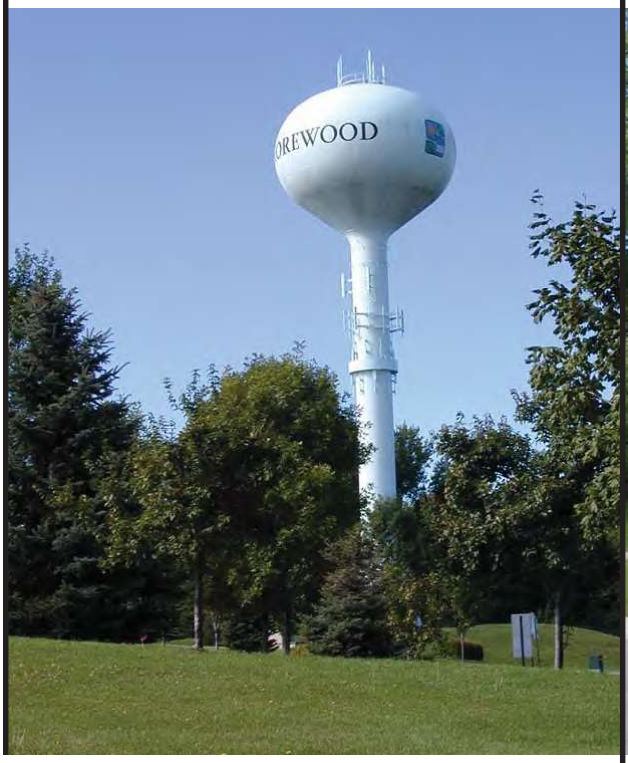
September 29, 2012

2012 Water Distribution Plan Update

WSB Project No.: 2100-00

City of Shorewood
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2012 Water Distribution System Plan Update

For:

City of Shorewood, Minnesota

October 1, 2012

Prepared By:

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CERTIFICATION

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly licensed Professional Engineer under the laws of the State of Minnesota.



Paul Hornby, P.E. License. No. 23359

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I. INTRODUCTION AND BACKGROUND

In 1995 the City of Shorewood initiated plans for the expansion of the water distribution system by preparing a phased 20 year plan to systematically provide water to residents and businesses throughout the City. The goal of the plan was ultimately to connect the west and east elevated tanks and water supply wells to the trunk system, improving fire flow capacity as a public safety measure and eliminate the need for hydro-pneumatic tanks at the wells. This plan identified improvements in two 5-year periods and one 10-year period, based upon prioritized on criteria including fire flow benefits, cost effectiveness, and resident requests while coordinating with scheduled roadway reconstruction.

Since completion of the 1996 water distribution plan, the City has developed policy to fund the expansion of the water distribution system. There has been debate regarding the appropriate connection fee to establish for municipal water connection in a fair, equitable and feasible manner. In 1996 there were approximately 1,640 connections remaining for the expansion of the water distribution system and the twenty year capital improvement plan projected $15 million in costs, resulting in an average cost for the connection of a service of $9,150 in 1995 dollars. The City's current connection charge is $10,000 and has been this amount for the past several years.

The current projection of the number of lots to be served by the public water distribution system is 1,485 parcels, using data from the Summary of Opinion of Costs for 20 Year Watermain Extension prepared with the Pavement Management Plan. This projected number of connections does not include island properties due to the logistics and cost of serving the island areas with the City system, and does not include those properties that currently have access to the water system, but have not connected to it.

In comparison, the City 2030 Comprehensive Plan projects the total number of parcels in the City to be around 2,950. The City currently has 1,291 water customers, approximately 100 island lots that are not proposed to be served with public water, 272 parcels that have access to water but have not connected, resulting in 1,287 parcels remaining to be served by the expansion of the public water system.

The parcels to be served by the expansion of the public water system vary by about fourteen percent (14%) between the Comprehensive Plan and the Pavement Management Plan. For the purpose of this report, the parcels identified in the Summary of Opinion of Costs for 20 Year Watermain Extension prepared with the Pavement Management Plan has been used to correlate with the scheduling of the pavement management program. *The City should use this opinion of cost for capital improvement planning, but should be aware that the actual project costs will increase with a lower parcel/unit basis, when projecting assessments for individual property owners. Confirmation of the number of parcels should be performed during the preliminary design phase for each street segment.*

Since 1996, the City water distribution system experienced some expansion through new development and petition by residents, but hasn't been expanded annually through the Capital Improvement Program as phased in the 1996 Water Plan.

The 2012 update to the 1996 Water Distribution System Plan is to provide discussion and recommendations for water system expansion including:

- Capital Improvement Plan cost forecast for watermain segments for the system, focusing on the first seven years of improvements
- Review alternative construction methods that may reduce overall project costs
- Review and recommend modification to the schedule of improvements as identified by the City staff as compared to the pavement management schedule
- Provide policy alternatives to encourage and/or incent residents to connect to the City water distribution system
- Provide alternatives for funding the expansion of the water distribution system.

II. CAPITAL IMPROVEMENT PROJECT COST FORECAST 2013 -2019

The format utilized to prepare the cost projections is based on construction items typically included in watermain system expansion projects, but may not be specific in detail to each individual segment identified for the watermain improvement. The project cost forecasts are performed in this manner to provide a slightly conservative Capital Improvement Plan (CIP) budgeting tool for the preparation of annual finance planning, but does not provide the specific level of detail that would be provided at the feasibility study/preliminary design phase for an individual project.

The cost projections are prepared in 2012 construction cost data and include a ten percent (10%) contingency for miscellaneous construction items and twenty percent (20%) for indirect costs such as legal, administrative, fiscal, and engineering design. The indirect costs do not include the application process and construction monitoring for specialized governmental loan programs due to the additional documentation that may be required with the programs. Program funding from the Public Facilities Authority, Clean Water Revolving Fund, or other sources should be reviewed for applicability for individual projects.

Project costs forecasted for the 2012 water distribution system plan include watermain costs for lateral watermain (8-inch diameter and smaller) and trunk watermain (10-inch diameter and greater). Lateral watermains provide the general distribution of water to properties while trunk watermains provide water distribution to the networks of lateral watermain. Larger diameter mains will also provide water service to commercial properties where higher demand for industrial or commercial use is required, and/or a higher fire flow demand is required.

The projected improvement costs for this plan update also considers the City pavement management plan schedule, and includes costs for the excavation and restoration of one-half of the roadway width for watermain segments where roadway reconstruction is not anticipated with the water system expansion. Costs for the restoration of the roadway are excluded where the pavement management plan requires roadway reconstruction. Roadway restoration anticipates the excavation and compaction of the roadway subgrade, placement of eight inches (8”) of aggregate base, and four inches (4”) of bituminous pavement. For roadways that have curb and gutter and granular sub-base, construction cost projections are adjusted to reflect this cost on a segment by segment basis.

Our opinion of typical watermain costs in 2012 construction dollars for the purpose of this plan update is forecasted as follows:

Lateral Watermain Extension	$80 per linear foot
Trunk Watermain Extension	$101 per linear foot
Roadway restoration costs (one-half roadway width)	$95 to $160 per linear foot

The individual watermain extension segment cost information, along with the proposed construction year, is included in the appendix. Miscellaneous cost such as driveway restoration and service construction from the watermain to the property line are also included.

Although the scope of this report is to review the first seven years of capital improvements, the appendix contains forecasts for a twenty year improvement plan. The information provided is prepared in present (2012) value and future projection for CIP budgeting purposes can be performed annually with the Engineering News Record (ENR) construction cost index, or another index if preferred. The City should review the phasing and costs at least every 5 years for capital improvement budgeting.

III. ALTERNATIVE CONSTRUCTION METHODS

Recent advancements in trenchless construction technologies provides cost competitive alternatives to conventional open trench construction and minimizes disturbance to an existing neighborhood and inconvenience to residents. The City of Shorewood does have some watermain segments that have been installed with trenchless technologies, by directional drilling done in the mid-1990's utilizing high density polyethylene pipe (HDPE) pipe. New technologies in materials and methods have provided competition for the material suppliers, and there is more contractor competition to reduce construction cost as well. The City typically utilizes ductile iron pipe (DIP) for watermain constructed with conventional trench excavation and restoration, and the Public Works Department is familiar with this pipe product and methods of maintenance and repair. The HDPE requires a more specialized method for the connection of services and laterals to the pipe by means of thermal fusion connectors or specialty connectors along the pipe length. PVC manufactures have developed fusible C-900 watermain class pipe that can be installed by trenchless methods similar to HDPE pipe. Laterals and service connections to the PVC pipe can be made in a method similar to DIP, with DIP or PVC fittings, and with similar pipe restraints and gaskets. DIP can also be constructed by trenchless technologies with a restrained joint system.

Watermain constructed with trenchless methods would be done with an alignment outside of the roadway pavement area to minimize pavement disturbance, but effectiveness can be limited by narrow rights of way. Extension of services from the watermain can be grouped at property lines to reduce the number of excavations for connection to the watermain, and services can be bored or drilled under the roadway to serve properties on the opposite side of the roadway from the watermain.

Watermain construction with trenchless technologies, for the mainline pipe portion of the project, is expected to be approximately 50 percent higher in cost than construction by conventional open trench construction; however the restoration costs can be reduced significantly.

Construction costs for trenchless construction technology can vary widely and should be considered during the preliminary design/feasibility study for individual watermain project segments, to take into consideration the unique aspects of the street characteristics, rights of way width, accessibility, environmentally sensitive areas of significance, woodland areas, and other obstacles.

For the purpose of CIP planning, conventional open trench construction methods are projected to provide uniform methodology for budgeting and funding purposes.

IV. SCHEDULE OF IMPROVEMENTS

City staff previously prepared a schedule of construction for watermain improvements identified by the proposed year of construction. There are some general modifications that could be made to the schedule that can concentrate the improvements within sub-districts of the City to reduce mobilization or transit costs during construction. However, the City staff may also have prioritized water extension improvements in a manner where the improvement is needed for the overall functionality of the water system, scheduled to reduce conflict with the pavement management plan, and scheduled where residents have expressed an interest in the improvement.

The preliminary schedule of improvements recommends only a few minor changes in the year of construction for a few segments for discussion purposes. The plan goal is to provide a schedule that works well with the pavement plan and some minor scheduling changes can be made to the water system expansion, street maintenance program, or street re-construction. The pavement management plan indicates some roadway maintenance items (seal coat and overlay) that occur just before or soon after the installation of watermain.

We recommend the schedule for either the water system expansion or the pavement management items be adjusted so that a scheduled street overlay occurs no less than two years after watermain construction to reduce occurrences of differential settlement that may develop in pavement restoration areas. After the two year period, the overlay program can include a leveling course to fill settlement areas as needed and the overlay of new pavement can provide a consistent finished pavement surface.

We recommend that the seal coat schedule be adjusted so that there is at least a two year period between a seal coat and watermain improvement on a roadway segment to provide a seal coat approximately two years after roadway restoration after watermain construction. This allows for leveling or patching with bituminous pavement of any differential settlements that may occur in the restoration area followed by a seal coat and uniform surfacing of the roadway.

The watermain schedule can also be modified to match the pavement management plan if desired.

V. POLICY CONSIDERATIONS FOR IMPROVEMENTS

Setting policy for the expansion of the water distribution system, connection to the system, and collection of funds to reimburse the City for infrastructure costs are critical steps to planning system expansion. Items the City Council should consider in establishing policies for the expansion of the water system are indicated below.

- Connection Policy – The City should expect that property owners will connect to the water system as it becomes available. The City should review the timeline when connection is required with the expected lifecycle of a residential well. The City policy should require connection to the public water supply upon failure of an individual well, and set time line for connection to the system after the public water has become available, within five to ten years as an example. Policy written in this format provides some middle ground for a property owner to plan for the connection to the City system.

- Sanitary Sewer Fees – Unless the private well water supply to an individual home is metered by the City, determination of wastewater discharge to the sanitary sewer is estimated based on the expected daily use for an individual property, or divided annually among sewer connected properties from wastewater charges by the Metropolitan Council Environmental Services (MCES). Connection to the public water system when available provides a means for the City to more accurately distribute wastewater fees by actual water usage.

- Water System Availability Charge - Cities that install public utilities expect that residents will be connected to the system when the utility is available and within a set timeframe. With the absence of a policy or ordinance requiring connection within this timeframe, the City can consider applying an availability charge to properties in areas where there is access to the public water system but owners have chosen not to connect. This charge can take the place of a connection charge or be utilized in combination with a connection charge.

- The City should consider policy to require placement of water meters (new construction) on the primary service line for individual homes and a secondary meter for outdoor/irrigation lines (when irrigation is from the City source) to track water volume that does not discharge to the sanitary sewer system. This policy consideration allows the City to compare water volume pumping records from the City wells to the wastewater volume metered to the MCES system. The City can also use this approach to account for wastewater costs and to document potential lost water in the system to meet appropriation permit requirements.

- Irrigation Wells – The City could allow property owners to maintain their existing private well for irrigation purposes after connection to the public water supply for domestic use, provided the well is permanently disconnected from the water system. The City policy has to ensure that the public water supply is not contaminated from a private source such as a private well.

- Water System Connections - The City does have a number of properties where access to the public water system is available but property owners have not connected. The City should consider one policy that applies all charges and fees to new connections to

the system. A connection fee that may have been $9,500 in 1996 is currently $15,930 when brought to present value in 2012 using the ENR Construction Cost Index. City connection charge considerations should allow for the repayment of the funding burden the City has carried for previous system expansion costs, provided properties have not previously been fully assessed the cost for the improvements. Another way to approach this policy is to apply a typical interest rate the City would charge for an eight or ten year assessment for this improvement.

- Funding Alternative Considerations - Residents connecting to the City water system will experience a number of costs associated with the connection. Resident costs include the initial connection fee, meter costs, private contractor service extension costs from the house to the curb box at the street right of way, and well abandonment or conversion to irrigation well. The City can incent property owners to connect to the water system by allowing some of the costs to be spread out over a longer period of time to ease immediate out of pocket expenses. Please refer to **Section VI - Alternatives for Funding** for longer term funding scenario examples.

VI. ALTERNATIVES FOR FUNDING

The City does have the ability to utilize a variety of funding resources for the expansion of the water distribution system. Alternatives are identified below for discussion purposes, establishment of funding scenarios should be formalized through the adoption of policies. We recommend the consideration of funding alternatives include a consultation with the City Finance Director, financial consultant, and City Attorney.

The City of Shorewood has maintained a more natural environment within the urban twin cities metropolitan area, and is has many larger lots and lower densities. The lower density will generally result in higher costs for infrastructure improvements on a per unit or parcel basis compared to more dense urban areas. Funding watermain improvements solely through assessments will be challenging since the City will have the burden of showing the assessed improvement provides benefit, which can be challenging where property owners already have a private well. Looking at alternative methods to fund the water system balanced with assessments, connection fees, and other sources is key to successfully implementing the system expansion.

The alternatives identified below can be considered individually or in combination to reduce upfront costs to residents connecting to the water system, but spreads the costs over a determined period of time. In reviewing the potential funding mechanisms for the water system expansion, the overall cost of the system expansion (in present value or 2012 dollars) is projected to be $26.5 million, with an average per unit (parcel) cost of $17,230 using parcel projection data from the Pavement Management Plan (1,485 new connection parcels), and an average per unit cost of $20,600 utilizing parcel projections from the Comprehensive Plan (1,287 new connection parcels). The average rate per unit is expected to decrease if the City applies a single connection policy that includes properties where water is available but owners have not connected to date.

The Water Implementation Plan spreadsheet, located in the Appendix of this report, projects the average cost per unit or parcel by year of construction. The spreadsheet is prepared utilizing the roadway length and number of lots identified in the Summary of Opinion of Costs for 20-year Watermain Extension prepared by the City. This spreadsheet projects the number of properties remaining to connect to the City water system to be 1,485, with a range of annual cost per parcel between $7,100 and $33,200 compared by year of construction.

- **Connection Charge -** The City of Shorewood currently uses a connection charge for funding water system expansion and availability of the public water supply. The City can utilize this up-front connection charge to fund a portion of the water system expansion while using other financial mechanisms that will spread costs over a longer period of time for property owners. If the City chooses a connection charge that funds a portion of the cost to expand the water system, another funding tool will be required for the City to finance the improvements such as the water funds, bonds, or low interest loans.

- **Assessments to benefitting properties** – Assessments for the expansion of the water system can be used as the sole mechanism to fund the improvements or can be used to partially fund the improvements. Special assessments reflect the influence of a specific local improvement on the value of selected property. No matter what method the city

uses to establish the amount of the assessment, the real measure of benefit is the increase in the market value of the land because of the improvement.

  - City property owners can expect that the replacement of a well will range from about $6,000 for a drift well to about $10,000 for a bedrock-drilled well. Assessments should be limited to a reasonable value of the construction of a new well for this area. The City may also allow property owners to have the option to add the connection charge, if so levied, to their assessment to spread costs over a longer period of time. This option provides some incentive to a property owner to connect to the public water system. However, the City will need to use other financial means to fund the portion covered by the assessed connection charge.

- **Establishment of a Water System Utility District –** The City does have the authority to establish a district under Minnesota Statues Chapter 444 to collect revenue for the establishment and expansion of water supply, storage and distribution systems. The City of Shorewood could consider establishing a waterworks district to fund the expansion of the water system. The City already has an established water system where some properties have the public water system available to them but are not connected to the system. A district could be created over the entire City, with the exception of the island areas, and subdivisions constructed with public sewer and water (all properties are connected to sewer and water utilities). Improvement costs that are not included within connection charges and are not assessed, can be covered over a longer period of time through the establishment of a district, and can reduce upfront costs to property owners. The waterworks district could be established and utilized for a period up to 30 years, but should be utilized as a tool to reimburse the City for bonds and other associated costs for the desired time frame. Some items to consider are:

  - The City should identify a requirement for connection to the system in order to recoup the initial investment.

  - There is no requirement to show benefit to properties under Chapter 444 as required by Chapter 429

  - There is not a mechanism through title search for a new owner to know about the fees/charges established in this manner, as there is with an assessment

- **Establishment of Utility Franchise Fees –** Franchise fees are a tool available to cities for the collection of revenue for utility company use of public rights of way and easements. The City would need to negotiate with the private utility owner (gas and electric) for inclusion in the franchise agreement. The franchise fee is limited to 5-percent of the gross operating revenues or gross earnings from its operations in the municipality. Establishment of a franchise fee can provide long-term revenue stream that can assist the city with funding waterworks improvements.

- **Funding through Bonds/Loans -** In the preparation of a long-term infrastructure funding program, the City will likely need to borrow funds through the bonding process or through low interest loans through funding programs such as the Public Facilities Authority (PFA), Drinking Water Revolving Fund (DWRF), or other such agency

programs. The City may discover that the sale of bonds may provide a more favorable interest rate than low interest loans, depending on the City bond rating and the agency program/provider of the loan.

- **Sample Funding Scenario -** A sample funding scenario with several of the alternatives identified above follows (all costs represent present value in 2012 dollars):

  Water system expansion costs for CIP 2013 through 2032 = $26,541,000

  Estimated number of remaining residential water connections – 1,485
  (Water is currently not accessible to these properties)

  Average Cost Scenario -
  Average projected cost per lot for watermain expansion (construction and indirect costs)

  $26,541,000 / 1,485 Lots = $17,900 per Lot*

Connection charge -	$ 6,500 per Lot	
Assessment portion -	$ 8,500 per Lot	
Utility District fees -	$ 2,900 per Lot	(over 15 years = $16.11/mo)

  High Cost Scenario -
  Average projected cost per lot for watermain expansion (construction and indirect costs)

CIP Year 2021 -	$33,230 per Lot*	
Connection charge -	$ 6,500 per Lot	
Assessment portion -	$ 8,500 per Lot	
Utility District fees -	$ 18,230 per Lot	(over 15 years = $102/mo) (over 20 years = $76/mo) (over 25 years = $61/mo)

The scenarios above do not include interest for long term loans or bonds and this cost will need to be factored through financial analysis. We roughly estimate that the establishment of a utility franchise fee can reduce interest costs by 30% to 50%. Construction and indirect costs should be adjusted annually with the ENR Construction Cost Index, or other construction cost factor to maintain the CIP over time.

The projected costs in the Watermain Implementation Plan spreadsheet with costs representing present value (2012 dollars) are enclosed for your information.

* It should be noted that the average cost per parcel will increase approximately 20% using the Comprehensive Plan projection for the remaining number of future lots (1,287).

Water Distribution System Implementation Plan Spreadsheet

Water Distribution System Map

SHOREWOOD WATER MAIN IMPLEMENTATION PLAN

	Lateral	Trunk
Water Main per LIN FT	$ 79.59	$ 101.30
Water Service per EACH	$ 627.00	$ 1,234.20
Restoration (without curb)per LIN FT	$ 95.56	$ 95.56
Restoration (with curb) per LIN FT	$ 158.81	$ 158.81
Driveway Resotration per EACH	$ 381.14	$ 381.14

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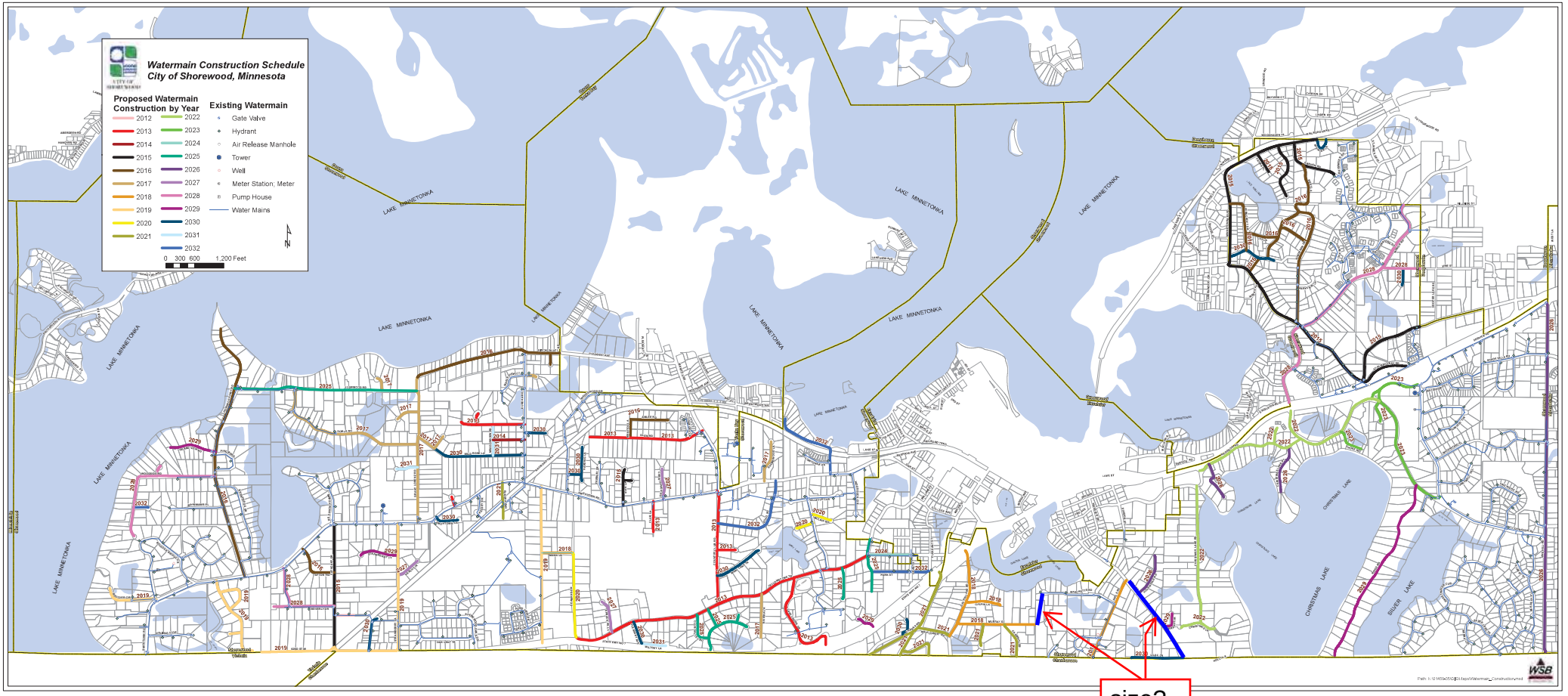
Priority	Street Name	From	To	Road Reconstruction	Existing Curb	Existing Water Main	Length	Size	Services	Total Water Main Improvements	Total Restoration	Total Amount
2013	Club Lane	Smithtown Road	Dead End	No			620	8	5	$ 52,479.61	$ 61,154.11	$ 113,633.72
2013	Country Club Road	Smithtown Road	Yellowstone Trail	No			2330	12	13	$ 252,078.45	$ 227,614.20	$ 479,692.64
2013	Glen Road E	County Road 19	Manitou Lane	No			850	8	18	$ 78,935.87	$ 88,088.13	$ 167,024.00
2013	Glen Road W	Manitou Lane	Dead End	No			1500	8	11	$ 126,279.12	$ 147,535.47	$ 273,814.59
2013	Lake Linden Drive	Yellowstone Trail	TH 7	No			1150	12	4	$ 121,434.19	$ 111,420.83	$ 232,855.02
2013	Ridge Point Circle	Country Club Road	cul-de-sac	No			400	8	3	$ 33,716.23	$ 39,368.20	$ 73,084.43
2013	Smithtown Circle	Smithtown Road	cul-de-sac	No			238	6	5	$ 22,076.96	$ 24,649.43	$ 46,726.39
2013	Valleywood Circle	Valleywood Lane	cul-de-sac	Yes			500	6	6	$ 43,556.04	$ -	$ 43,556.04
2013	Valleywood Lane	Eureka Road	Dead End	Yes			1310	8	10	$ 110,530.38	$ -	$ 110,530.38
2013	Yellowstone Trail	Seamans Drive	Academy Avenue	No			6360	12	44	$ 698,586.03	$ 624,544.21	$ 1,323,130.24
									TOTAL 2013			***$ 2,864,047.46***
2014	Sunnyvale Lane	Meadowview Lane	Eureka Road	Yes			650	8	8	$ 56,748.25	$ -	$ 56,748.25
									TOTAL 2014			***$ 56,748.25***
2015	Cathcart Drive	Smithtown Road	LRT	No			2610	8	22	$ 221,518.89	$ 257,801.77	$ 479,320.66
2015	Excelsior Boulevard	St. Albans Bay Road	East City Limits (Deephaven)	No			2132	12	32	$ 255,470.43	$ 215,934.49	$ 471,404.93
2015	Fatima Place	Minnetonka Boulevard	Dead End	No			500	8	7	$ 44,183.04	$ 50,448.94	$ 94,631.98
2015	Garden Road	Minnetonka Boulevard	Dead End	No			1240	8	13	$ 106,840.22	$ 123,451.63	$ 230,291.85
2015	Lakeway Terrace	Minnetonka Boulevard	cul-de-sac	No			1200	8	23	$ 109,926.70	$ 123,440.50	$ 233,367.20
2015	Minnetonka Boulevard	St. Albans Bay Road	Deephaven City Limits	No			2990	12	16	$ 322,640.42	$ 291,828.51	$ 614,468.93
2015	St. Albans Bay Road N	Suburban Drive	Minnetonka Drive	No			1955	12	15	$ 216,558.57	$ 192,540.72	$ 409,099.29
2015	Star Circle	Star Lane	cul-de-sac	Yes			260	6	4	$ 23,200.90	$ -	$ 23,200.90
2015	Star Lane	Smithtown Road	cul-de-sac	Yes			810	8	11	$ 71,363.34	$ -	$ 71,363.34
									TOTAL 2015			***$ 2,627,149.08***
2016	Afton Road	Smithtown Road	Cathcart Drive	No			990	8	10	$ 85,062.20	$ 98,417.72	$ 183,479.92
2016	Amlee Road	Manitou Lane	cul-de-sac	Yes			800	8	16	$ 73,702.46	$ -	$ 73,702.46
2016	Birch Bluff Road E	Grant Lorenze Road	Tonka Bay City limits	No			730	12	56	$ 143,065.72	$ 91,103.83	$ 234,169.55
2016	Ferncroft Drive	Minnetonka Boulevard	Forest Drive	No			1230	8	16	$ 107,925.34	$ 123,639.41	$ 231,564.75
2016	Howard's Point Road	Smithtown Road	Dead End	No		Yes	1000	8	18	$ 90,874.08	$ 102,422.43	$ 193,296.51
2016	Idlewild Path	Rustic Way	Suburban Drive	No			660	8	7	$ 56,917.13	$ 65,738.86	$ 122,655.99
2016	Ivy Lane	Ferncroft Drive	Rustic Way	No			700	8	12	$ 63,235.66	$ 71,467.02	$ 134,702.67
2016	Lee Circle	Birch Bluff Road	cul-de-sac	No			260	8	4	$ 23,200.90	$ 26,370.66	$ 49,571.56
2016	Manitou Lane	Amlee Road	Glen Road	No			360	8	4	$ 31,159.71	$ 35,926.86	$ 67,086.57
2016	Rustic Way	Sunset Lane	Forest Drive	No			1190	8	13	$ 102,860.82	$ 118,673.53	$ 221,534.34
2016	Suburban Drive	Rustic Way	Park Street	No			1075	12	33	$ 149,628.34	$ 115,306.60	$ 264,934.94
2016	West Lane	Rustic Way	cul-de-sac	No			1050	8	11	$ 90,464.48	$ 104,532.58	$ 194,997.06
2016	Woodend Place	St. Albans Bay Road	Forest Drive	No			340	8	1	$ 27,686.95	$ 32,872.21	$ 60,559.16
									TOTAL 2016			***$ 2,032,255.49***
2017	Elm ridge Circle	Edgewood Road	cul-de-sac	No			330	8	6	$ 30,026.07	$ 33,822.27	$ 63,848.33
2017	Grant Lorenz Road	Smithtown Road	Birch Bluff Road	No			2930	12	24	$ 326,435.89	$ 289,143.88	$ 615,579.77

2017	Noble Road E	Grant Lorenz Road	670' west	No	Yes		670	12	8	$ 77,745.99	$ 109,453.71	$ 187,199.70
2017	Noble Road W	670' West Grant Lorenz Road	2120' W Grant Lorenze Road	No	Yes		1450	12	35	$ 190,085.02	$ 243,618.40	$ 433,703.41
2017	Oak Ridge Circle	Grant Lorenz Road	cul-de-sac	No			540	8	8	$ 47,993.56	$ 54,652.56	$ 102,646.12
2017	Orchard Circle	Eureka Road	cul-de-sac	No			290	8	5	$ 26,215.54	$ 29,618.65	$ 55,834.20
2017	Riviera Lane	Yellowstone Trail	cul-de-sac	Yes			915	8	14	$ 81,601.09	$ -	$ 81,601.09
2017	Shorewood Lane	Smithtown Road	cul-de-sac	Yes			900	8	16	$ 81,661.27	$ -	$ 81,661.27
2017	Wild Rose Lane	Grant Lorenz Road	Sylvan Lane	Yes			400	8	34	$ 53,153.23	$ -	$ 53,153.23
2017	Sylvan Lane	Wild Rose Lane	cul-de-sac	No			315	8	4	$ 27,578.25	$ 31,626.57	$ 59,204.81
									TOTAL 2017			***$ 1,734,431.95***
2018	Mann Lane	Eureka Road	Seamans Drive	Yes			660	8	4	$ 55,036.13	$ -	$ 55,036.13
2018	Maple Street	Lake Linden Drive	End East	Yes			450	6	3	$ 37,695.64	$ -	$ 37,695.64
2018	Apple Road	Mill Street	south City limits	No			1750	12	16	$ 197,025.84	$ 173,331.65	$ 370,357.49
2018	Galpin Lake Road	State Highway #7	Mayflower So. City Limits	No			2230	12	18	$ 248,119.24	$ 219,963.67	$ 468,082.91
21018	Galpin Lane	Galpin Lake Road	Dead End	No			760	8	7	$ 64,875.94	$ 75,295.06	$ 140,171.00
2018	Murray Street	Galpin Lake Road	Dead End	No			1790	8	28	$ 160,018.66	$ 181,727.75	$ 341,746.41
									TOTAL 2018			***$ 1,413,089.58***
2019	62nd Street W	Catcart Drive	Strawberry Lane	No			1330	8	7	$ 110,241.15	$ 129,765.39	$ 240,006.54
2019	62nd Street W	Catcart Drive	Dead End	No			1320	8	8	$ 110,072.27	$ 129,190.91	$ 239,263.17
2019	Blue Ridge Lane	Lake Virgina Drive	Lake Virginia Drive	No			900	8	7	$ 76,018.27	$ 88,673.74	$ 164,692.01
2019	Boulder Circle	Boulder Bridge Drive	cul-de-sac	No			700	8	7	$ 60,100.66	$ 69,561.34	$ 129,662.00
2019	Eureka Road S	Smithtown Road	TH 7	No			3250	12	25	$ 360,086.76	$ 320,104.85	$ 680,191.61
2019	Lake Virgina Drive	Smithtown Road	Dead End	No			1570	8	11	$ 131,850.29	$ 154,224.81	$ 286,075.10
2019	Maple Ridge Lane	Lake Virgina Drive	cul-de-sac	No			280	6	5	$ 25,419.66	$ 28,663.03	$ 54,082.70
2019	Strawberry Lane	Smithtown Road	Maple Avenue	No			2010	12	24	$ 233,237.98	$ 201,226.85	$ 434,464.83
									TOTAL 2019			***$ 2,228,437.95***
2020	Elder Turn	Minnetonka Drive	cul-de-sac	No			370	8	6	$ 33,209.59	$ 37,644.75	$ 70,854.34
2020	McLain Road	Minnetonka Drive	cul-de-sac	No			460	8	5	$ 39,745.52	$ 45,864.19	$ 85,609.71
2020	Seamans Drive	Yellowstone Trail	Mann Lane	Yes			1800	8	19	$ 155,171.54	$ -	$ 155,171.54
									TOTAL 2020			***$ 311,635.59***
2021	Cardinal Drive	Murray Street	south City limits	No			770	8	5	$ 64,417.82	$ 75,488.41	$ 139,906.23
2021	Chaska Road E	Mayflower	TH 7	No			1150	8	10	$ 97,796.29	$ 113,707.64	$ 211,503.93
2021	Chaska Road W	TH 41	Mayflower	No			1275	8	6	$ 105,236.80	$ 124,128.35	$ 229,365.15
2021	Mayflower Road	Chaska Road	Galphin Lake Road	No			660	8	1	$ 53,155.13	$ 63,452.05	$ 116,607.18
2021	Murray Court	Murray Street	cul-de-sac	No			500	8	5	$ 42,929.04	$ 49,686.67	$ 92,615.71
2021	Murray Hill Road	Chanhassen City Limits	Chaska Road	No			520	12	2	$ 55,145.48	$ 50,454.51	$ 105,599.99
2021	Summit Avenue	Murray Hill Road	South City Limits	No			940	8	3	$ 76,693.80	$ 90,971.68	$ 167,665.47
									TOTAL 2021			***$ 1,063,263.67***
2022	Christmas Lake Road	3rd Avenue	Christmas Lane	No			2790	12	29	$ 318,424.60	$ 277,670.88	$ 596,095.48
2022	Christmas Lane E	Christmas Road	Dead End	No			300	8	1	$ 24,503.42	$ 29,049.73	$ 53,553.16
2022	Christmas Lane W	Christmas Lake Road	Dead End	No			390	8	7	$ 35,428.35	$ 39,937.12	$ 75,365.47
2022	Radisson Entrance	Radisson Inn Road	cul-de-sac	No			616	12	2	$ 64,870.48	$ 59,628.46	$ 124,498.94
2022	Radisson Road	Old Market Road	Christmas Lake Road	No			5238	12	41	$ 581,222.50	$ 516,180.25	$ 1,097,402.75
2022	Tiffany Lane	Radisson Road	cul-de-sac	No			350	6	9	$ 33,498.83	$ 36,876.91	$ 70,375.74
									TOTAL 2022			***$ 2,017,291.53***
2023	Carrie Lane	Radisson Inn Road	cul-de-sac	No			500	8	7	$ 44,183.04	$ 50,448.94	$ 94,631.98
2023	Covington Road	Carrie Lane	Old Market Road							$ -	$ -	$ -
2023	Delton Avenue	Radisson Inn Road	Old Market Road							$ -	$ -	$ -
2023	Shore Road	Radisson Inn Road	Dead End	No			625	6	6	$ 53,504.55	$ 62,013.06	$ 115,517.61
									TOTAL 2023			***$ 210,149.59***
2024	Christmas Lake Point	Radisson Inn Road	cul-de-sac	No			1050	8	15	$ 92,972.48	$ 106,057.12	$ 199,029.60

2024	Ridge Road	Covington Road	Chanhassen City Limits	No			4150	12	39	$ 468,537.43	$ 411,446.53	$ 879,983.97
2024	Academy Avenue	Tellowstone Trail	Grant Street	No	Yes		650	8	10	$ 58,002.25	$ 107,039.72	$ 165,041.97
									TOTAL 2024			***$ 1,244,055.54***
2025	Charleston Circle	Yellowstone Trail	cul-de-sac	No			685	8	7	$ 58,906.83	$ 68,127.91	$ 127,034.75
2025	Club Valley Road	Yellowstone Trail	Wood Drive	No			650	8	7	$ 56,121.25	$ 64,783.24	$ 120,904.49
2025	Edgewood Road	Howards Point Road	Grant Lorenz Road	No			3800	8	43	$ 329,395.70	$ 379,524.38	$ 708,920.08
2025	Glencoe Road	North City Limits (Excelsior)	Dead End	No			1200	8	15	$ 104,910.70	$ 120,391.42	$ 225,302.11
2025	Rampart Court	Wood Drive	cul-de-sac	No			208	8	5	$ 19,689.32	$ 21,782.57	$ 41,471.89
2025	Tee Trail	Yellowstone Trail	Wood Drive	No			380	8	4	$ 32,751.47	$ 37,838.10	$ 70,589.57
2025	Wood Drive	State Highway #7	cul-de-sac	No			1290	8	12	$ 110,192.62	$ 127,848.59	$ 238,041.21
									TOTAL 2025			***$ 1,532,264.11***
2026	Hillendale Road	Mill Street	Dead End	No	Yes		930	8	12	$ 81,540.91	$ 152,269.59	$ 233,810.51
2019	Eureka Way	Smithtown Road	Dead End	No			405	6	2	$ 33,487.17	$ 39,464.88	$ 72,952.05
2026	Merry Lane	TH 7	cul-de-sac	No	Yes		870	8	10	$ 75,511.63	$ 141,978.55	$ 217,490.18
2026	Vine Hill Road	Broms Boulevard	Shady Hills	No			400	8	3	$ 33,716.23	$ 39,368.20	$ 73,084.43
									TOTAL 2026			***$ 597,337.17***
2027	Christopher Road	Smithtown Road	cul-de-sac	No			670	8	10	$ 59,594.01	$ 67,837.89	$ 127,431.90
2027	Peach Circle	Strawberry Lane	cul-de-sac	Yes	Yes		448	8	7	$ 40,044.46	$ -	$ 40,044.46
2027	Spruce Hill Court	Yellowstone Trail	cul-de-sac	No			750	8	7	$ 64,080.06	$ 74,339.44	$ 138,419.50
									TOTAL 2027			***$ 305,895.86***
2028	Beverly Drive	Cathcart Drive	cul-de-sac	No			1180	8	14	$ 102,691.93	$ 118,099.04	$ 220,790.98
2028	Cajed Lane	Smithtown Road	Beverly Drive	No			780	8	5	$ 65,213.70	$ 76,444.03	$ 141,657.73
2028	High Pointe Road	Our Saviour Church	cul-de-sac	No			800	6	3	$ 65,551.46	$ 77,593.00	$ 143,144.46
2028	Manor Road	Knightbridge	Bowman Court	No			1630	12	10	$ 177,464.39	$ 159,577.40	$ 337,041.79
2028	Manor Road	Excelsior Boulevar	East City Limits	No			3650	12	39	$ 417,886.39	$ 363,665.54	$ 781,551.93
2028	Vine Street	Manor Road	East City Limits	No			800	8	10	$ 69,940.46	$ 80,260.95	$ 150,201.41
2028	Woodside Lane	Woodside Road	cul-de-sac	No			240	6	3	$ 20,982.14	$ 24,078.28	$ 45,060.42
2028	Woodside Road	Howards Point Road	cul-de-sac	No			2900	12	40	$ 343,144.03	$ 292,375.18	$ 635,519.22
									TOTAL 2028			***$ 2,454,967.94***
2029	Brand Circle	Christmas Lane	cul-de-sac	No			360	8	4	$ 31,159.71	$ 35,926.86	$ 67,086.57
2029	Islandview Road	Howards Point Road	Dead End	No			915	8	14	$ 81,601.09	$ 92,775.12	$ 174,376.21
2029	Strawberry Court	Strawberry Lane	cul-de-sac	No	Yes		850	8	11	$ 74,546.87	$ 139,183.43	$ 213,730.30
									TOTAL 2029			***$ 455,193.07***
2030	Anthony Terrace	Vine Street	cul-de-sac	Yes			360	8	4	$ 31,159.71	$ -	$ 31,159.71
2030	Church Road	West 62nd Street	cul-de-sac	No	Yes		750	8	12	$ 67,215.06	$ 123,683.28	$ 190,898.34
2030	Forest Drive	Minnetonka Boulevard	Suburban Drive	No			1000	12	14	$ 118,580.88	$ 100,897.88	$ 219,478.76
2030	Harding Avenue	Wedgewood Drive	Harding Lane	No	Yes		285	8	4	$ 25,190.60	$ 46,786.21	$ 71,976.81
2030	Harding Lane N	Harding Aveneu	cul-de-sac	No	Yes		620	8	10	$ 55,614.61	$ 102,275.33	$ 157,889.94
2030	Harding Lane S	Harding Avenue	cul-de-sac	No	Yes		170	6	4	$ 16,037.97	$ 28,522.73	$ 44,560.70
2030	Lilac Lane	Mill Street	Dead End	No			1070	8	5	$ 88,294.25	$ 104,157.01	$ 192,451.25
2030	Mary Lake Trail	Country Club Road	cul-de-sac	No	Yes		1040	8	7	$ 87,160.60	$ 167,833.33	$ 254,993.93
2030	Nelsine Drive	Eureka Road	cul-de-sac	No			460	8	8	$ 41,626.52	$ 47,007.60	$ 88,634.11
2030	Oakview Court	Chaska Road	cul-de-sac	No	Yes		450	8	6	$ 39,576.64	$ 73,752.60	$ 113,329.24
2030	Pleasant Avenue	Yellowstone Trail	TH 7	No			580	8	3	$ 48,042.09	$ 56,569.36	$ 104,611.45
2030	Smithtown Lane	Smithtown Road	cul-de-sac	No			605	8	8	$ 53,166.79	$ 60,864.09	$ 114,030.87
2030	Spencer Lane	Minnetonka Boulevard	Minnetonka Boulevard	No			380	6	4	$ 32,751.47	$ 37,838.10	$ 70,589.57
2030	Strawberry Circle	Catcart Drive	cul-de-sac	No			615	8	3	$ 50,827.67	$ 59,914.03	$ 110,741.70
2030	Wild Rose Lane	Eureka Road	Sylvan Lane	No	Yes		2025	8	11	$ 168,062.86	$ 325,788.55	$ 493,851.41
									TOTAL 2030			***$ 2,259,197.81***
2031	Arbor Creek Lane	Grant Lorenz Road	cul-de-sac	No	Yes		470	8	6	$ 41,168.40	$ 76,928.86	$ 118,097.26

2031	Meadowview Road	Valleywood Lane	Wild Rose Lane	No	Yes		660	8	1	$ 53,155.13	$ 105,197.63	$ 158,352.76
2031	Wiltsey Lane	Pleasant Avenue	cul-de-sac	No			560	8	5	$ 47,704.32	$ 55,420.39	$ 103,124.72
									TOTAL 2031			***$ 379,574.74***
2032	Echo Road	County Road 19	Country Club Road	No			1960	8	28	$ 173,548.64	$ 197,973.29	$ 371,521.93
2032	Kathleen Court	Woodside Road	cul-de-sac	No			325	6	4	$ 28,374.13	$ 32,582.19	$ 60,956.31
2032	Park Street	Glencoe Road	Pleasant Street							$ -	$ -	$ -
2032	Timber Lane	Smithtown Road	cul-de-sac	No			1730	8	18	$ 148,973.38	$ 172,182.68	$ 321,156.06
									TOTAL 2032			***$ 753,634.30***

TOTAL $ 26,540,620.65


Watermain Construction Schedule
City of Shorewood, Minnesota
Proposed Watermain Construction by Year
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
2031
2032
Existing Watermain
Gate Valve
Hydrant
Air Release Manhole
Tower
Well
Meter Station; Meter
Pump House
Water Mains
0 300 600 1,200 Feet
LAKE MINNETONKA
size?

ENR Construction Cost Index

City Assessment Survey

Example Policies/Ordinances from other Cities

Agency Finance Programs - Low Interest Loans/Grants

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City Cost Index - Minneapolis - As of August 2012

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The building and construction cost indexes for ENR's individual cities use the same components and weighing as those for the 20-city national indexes. The city indexes use local prices for portland cement and 2 X 4 lumber and the national average price for structural steel. The city's **BCI** uses local union wages, plus fringes, for carpenters, bricklayers and iron workers. The city's **CCI** uses the same union wages for laborers.

ENR COST INDEXES IN MINNEAPOLIS (1978-2012)

YEAR	MONTH	BCI	%CHG	CCI	%CHG
2012	Sep	5310.48	1.7	10554.09	3.7
2012	Aug	5299.44	1.6	10564.25	3.8
2012	Jul	5303.56	1.5	10568.37	3.7
2012	Jun	5296.68	1.6	10561.49	3.8
2012	May	5297.18	1.7	10561.99	3.8
2012	May	5297.18	1.7	10561.99	3.8
2012	Apr	5271.55	1.2	10536.36	3.6
2012	Mar	5258.92	1.2	10523.73	3.6
2012	Feb	5249.17	1.5	10513.98	3.7
2012	Feb	5249.17	1.5	10513.98	3.7
2012	Jan	5249.17	2.5	10263.98	1.8
2011	Dec	5257.05	2.6	10271.86	1.8
2011	Nov	5223.96	1.9	10271.36	1.8
2011	Oct	5229.84	2.2	10277.24	1.9
2011	Sep	5223.34	2.2	10180.74	1.0
2011	Aug	5216.39	2.1	10179.49	1.0
2011	Jul	5225.40	2.1	10188.50	1.0
2011	Jun	5213.90	2.0	10177.00	1.0
2011	May	5208.15	2.6	10171.25	1.3
2011	Apr	5207.15	3.1	10170.25	1.5
2011	Mar	5197.65	2.9	10160.75	1.4
2011	Feb	5172.89	2.8	10135.99	1.3
2011	Jan	5119.38	3.4	10082.48	0.8
2011		5257.05	2.6	10271.86	1.8
2010	Dec	5123.38	4.2	10086.48	4
2010	Nov	5126.63	4.3	10089.73	4.1
2010	Oct	5118.13	3.7	10081.23	3.7
2010	Sep	5109.32	3.4	10077.66	3.7
2010	Aug	5109.32	3.1	10077.66	3.5
2010	Jul	5119.7	4.2	10088.04	3.7
2010	Jun	5113.2	4.7	10081.54	3.5
2010	May	5074.89	3.8	10043.03	3

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2010	Mar	5050.06	2.9	10018.4	3.7
2010	Feb	5033.18	2.6	10001.52	3.6
2010	Jan	4949.37	0.6	9999.77	3.4
2009	Dec	4918.48	-0.9	9698.88	-0.2
2009	Nov	4915.73	-1.8	9696.13	-0.7
2009	Oct	4937.24	-2.1	9717.64	-0.9
2009	Sep	4941.99	-2.1	9722.39	-0.9
2009	Aug	4953.62	-0.5	9734.02	-0.3
2009	Jul	4915.4	-0.4	9732.27	0
2009	Jun	4885.99	0.7	9745.02	0.9
2009	May	4887.86	1.7	9746.89	1.3
2009	Apr	4895.36	2.2	9644.39	0.5
2009	Mar	4907.99	2.6	9657.02	0.6
2009	Feb	4905.49	2.9	9654.52	0.8
2009	Jan	4919.74	2.9	9668.77	1.9
2008	Dec	4964.63	3.9	9713.66	2.4
2008	Nov	5003.95	4.1	9766.66	2.6
2008	Oct	5044.46	6	9807.17	6.9
2008	Sep	5049.71	6.7	9812.42	7
2008	Aug	4979.73	5.7	9760.67	6.4
2008	Jul	4935.26	6.8	9732.16	6.2
2008	Jun	4850.69	6.4	9662.41	6.1
2008	May	4808.69	5.5	9620.41	5.7
2008	Apr	4789.44	5.4	9601.16	5.6
2008	Mar	4748.44	5.4	9596.16	5.6
2008	Feb	4768.44	3.8	9580.16	4.8
2008	Jan	4779.32	4.1	9491.04	3.8
2007	Dec	4777.57	4	9489.29	3.8
2007	Nov	4807.71	4.7	9519.43	3.9
2007	Oct	4758.49	0.7	9176.67	-1.2
2007	Sep	4734.98	1.5	9170.03	1.5
2007	Aug	4711.93	1.2	9169.78	1.6
2007	Jul	4619.45	-0.8	9167.78	1.6
2007	Jun	4558.55	-1.8	9106.88	1.1
2007	May	4557.55	-1.6	9105.88	1.2
2007	Apr	4543.55	-2.7	9091.88	0.7
2007	Mar	4540.8	-2.7	9089.13	0.7
2007	Feb	4592.7	-1.5	9141.03	1.3
2007	Jan	4592.07	-1	9140.4	1.5
2006	Dec	4594.06	-0.9	9142.39	1.6
2006	Nov	4593.13	-0.3	9158.96	2.1
2006	Oct	4726.14	2.8	9291.97	3.7
2006	Sep	4666.48	2.2	9032.47	1.1
2006	Aug	4664.23	0.6	9030.22	0.3
2006	Jul	4657.23	0.2	9023.22	0.1
2006	Jun	4640.73	-0.4	9006.72	-0.2
2006	May	4632.98	1.1	8998.97	0.6
2006	Apr	4667.37	4.3	9033.36	4.8
2006	Mar	4664.37	5	9030.36	5.1
2006	Feb	4660.22	4.9	9026.21	5
2006	Jan	4640.46	3.4	9006.45	4.3
2005	Dec	4634.46	3.3	9000.45	4.2
2005	Nov	4607.21	2.7	8973.2	3.9
2005	Oct	4596.47	2.8	8962.46	3.9
2005	Sep	4565.66	2.2	8931.65	3.7



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Gives readers a glimpse of who is planning and constructing some of the largest projects throughout the U.S. Much information for pulse is derived from McGraw-Hill Construction Dodge.

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Information is provided on construction projects in following stages in each issue of ENR: **Planning**, **Contracts/Bids/Proposals** and **Bid/Proposal Dates**.

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2005	Jul	4646.43	7.4	9013.56	9.5
2005	Jun	4657.93	8.7	9025.06	9.7
2005	May	4582.4	7.4	8949.53	9
2005	Apr	4473.08	7.7	8622.76	6.5
2005	Mar	4441.81	8	8591.51	6.6
2005	Feb	4443.81	9	8593.51	7.1
2005	Jan	4487.83	10.8	8637.53	8
2004	Dec	4487.83	10.7	8637.53	8
2003	Dec	4054.8	5	7999.46	5
2002	Dec	3860.38	2.9	7620.66	4.1
2001	Dec	3752.65	3.5	7317.41	4.6
2000	Dec	3624.64	0.4	6995.02	1.7
1999	Dec	3609.65	4.1	6878.53	3.8
1998	Dec	3468.98	1.6	6628.38	3
1997	Dec	3414.63	0.5	6434.11	2.2
1996	Dec	3397.24	8.6	6298.52	6.6
1995	Dec	3129.52	-0.1	5909.05	2.3
1994	Dec	3131.05	5.1	5776.85	7.1
1993	Dec	2978.6	6	5395.05	5.1
1992	Dec	2811.14	3.7	5133.25	4.1
1991	Dec	2711.5	2.4	4932.67	2.8
1990	Dec	2648.43	1.8	4798.61	-0.1
1989	Dec	2607.84	2.5	4804.75	4.8
1988	Dec	2543.91	1.7	4582.99	2
1987	Dec	2500.9	1.7	4494.16	2
1986	Dec	2459.3	2.4	4408.75	2.4
1985	Dec	2401.69	4	4303.33	2.2
1984	Dec	2309.85	-3.6	4209.93	-2.6
1983	Dec	2396.62	8.1	4322.45	10.1
1982	Dec	2217.19	5.6	3924.98	8.6
1981	Dec	2098.75	9.7	3612.6	11.5
1980	Dec	1913.26	0.5	3238.86	2.7
1979	Dec	1902.93	9.8	3154.37	8.7
1978	Dec	1732.48	9.9	2902.6	8.1

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Assessment Policy Summary

City	Latest Update	Street	Storm Sewer	Sanitary Sewer	Water Main	Misc.
Afton	N/A	Does not Assess				
Arden Hills	2004	50% - Reconstruction 50% - Mill and Overlay 50% - Alley Reconstruction to abutting properties	100% - New 0% - Reconstruct	100% - New 0% - Reconstruct	100% - New 0% - Reconstruct	
Burnsville	2010	100% - under Chapter 429 40% - Reconstruction	100% - under Chapter 429 40% - Reconstruction	100% - under Chapter 429 40% - Reconstruction	100% - under Chapter 429 40% - Reconstruction	Reconstruction of a major element not pre-existing may be fully assessed to the resident. If reconstruct with new curb where none is existing, 40% rate is used plus an additional 60% for the concrete curb.
Champlin	2003	100% - New 50% - Reconstruction	100% - New 50% - Reconstruction SFU 100% - Reconstruction MF and Commercial	100% - New 50% - Reconstruction SFU 100% - Reconstruction MF and Commercial	100% - New 50% - Reconstruction SFU 100% - Reconstruction MF and Commercial	* Seal Coating is 100% assessed * If existing rural street is reconstructed as urban, 50% street assessment plus 100% of curb cost * See policy, many factors for rates
Chisago City	Not Dated	Determined by City Council	Determined by City Council	Determined by City Council	Determined by City Council	
Circle Pines	2008	100% - New 25% - Reconstruction of Urban Street 100% - Overlay and/or Mill and Overlay	0%	0%	0%	
Cottage Grove	2005	45% - Urban Residential Lots based on City Standard	45% - Urban Residential Lots based on City Standard	45% - Urban Residential Lots based on City Standard	45% - Urban Residential Lots based on City Standard	
Edina	2010	100% - Reconstruction Non-MSAS (Excludes curb cost) 20% - MSAS Reconstruction (Excludes curb cost)				* MSAS Curb will be paid for by MSAS Funds * Non-MSAS Curb will be paid for by Stormwater Utility Fund
Fairmont	1996	70% - Reconstruction	0% - Reconstruct	0% - Reconstruct	0% - Reconstruct	Sanitary Sewer, Water Main, and Storm Sewer Reconstruction paid for by City Taxes and Utility Funds
Forest Lake	2004	100% - New Street or Existing Gravel to Bituminous 70% - Reconstruction - Non-MSAS MSA Street - 100% of standard City Section Cost Commercial/Industrial - 70% of Standard City Section plus 100% of the additional width/pavement thickness needed for the zoning				
Grand Rapids	2008	New - Percentage Depends upon zoning 40% - Reconstruction (Non-residential properties) 30% - Reconstruction (Residential Properties) 60% - Overlay and Seal Coating 100% - Alley Reconstruction to abutting properties	New - Percentage Depends upon zoning	New - Percentage Depends upon zoning	New - Percentage Depends upon zoning	
Grant	2005	Up to 100% - New, Reconstruction or Overlay				
Hanover	2006	Up to 35% - Residential Reconstruction Up to 100% but not less than 50% - Commercial Reconstruction	Any additional benefit above 35% may be assessed	Any additional benefit above 35% may be assessed	Any additional benefit above 35% may be assessed	
Harris	N/A	No Assessment Policy				
Hastings	Not Dated	90% of the Estimated Benefit	90% of the Estimated Benefit	0% - Reconstruct/Repair	0% - Reconstruct/Repair	
Hugo	2010	100% - Paving an Existing Gravel Road *Lump Sum Construction by Unit:* $5,200/unit - Complete Reconstruction $4,100/unit - Partial Reconstruction $3,400/unit - Reclamation/Overlay $2,100/unit - Urban Overlay $1,800/unit - Rural Overlay	100% - New For Reconstruct or Improvement to Existing, storm sewer cost is lumped in with the street costs as shown to the left.	100% - New 0% - Laterals (Reconstruction) 100% - Replace Services from Main to Property Line	100% - New 0% - Laterals (Reconstruction) 100% - Replace Services from Main to Property Line	
Inver Grove Heights	N/A	Have Pavement Management Policy, Not Assessment Policy				
Lakeville						
Lonsdale	2006	100% - New 100% - Upgrade of Gravel Road to Urban 50% - Reconstruction after 25 years <50% - Reconstruction prior to 25 years 100% - Alley Reconstruction	100% - New Reconstruct - Based on ratio of actual life to expected service life.	100% - New 100% - Any defects requiring improvement as part of an improvement project.	100% - New 100% - Any defects requiring improvement as part of an improvement project.	
Mahtomedi	2010	100% - New or Street Reconstruct not in City CIP 100% - Paving an Existing Gravel Road Reconstruction - % Not Identified - Cannot Exceed Benefit	100% - New Construction, Non-CIP projects Reconstruction - In accordance with Recon Policy	100% - New and Non-CIP projects (Laterals) 100% - Replace Services from Main to Property Line	100% - New and Non-CIP projects (Laterals) 100% - Replace Services from Main to Property Line	
May Township	N/A	No Assessment Policy				
Minnetonka	N/A	Does not Assess				
Minnetrista	2010	100% - New Construction 50% - Reconstruction 100% - Overlay and/or Mill and Overlay	50% - New 50% - Reconstruction	100% - New 25% - Reconstruction	100% - New 25% - Reconstruction	
Mound	2004	100% - New Construction 2/3 - Reconstruction If curb and gutter is new on recon, 100% curb assessed 2- or 4-lane divided roads, 50% of standard 28' street assessed	100% - New 0% - Reconstruction	100% - New 100% - Service Replacement 0% - Laterals (Reconstruction)	100% - New 100% - Service Replacement 0% - Laterals (Reconstruction)	Commercial or Industrial lots are assessed 30% or 40%
North Branch	2011	No Percentage Identified	No Percentage Identified	No Percentage Identified	No Percentage Identified	
Oakdale	2011	100% - New $40/Lin Ft (Single Family) - Reconstruction $56/Lin Ft (Multi-Family) - Reconstruction $75/Lin Ft (Commercial/Industrial) - Reconstruction $25/Lin Ft (Single Family) - Overlay $32/Lin Ft (Multi-Family) - Overlay $36/Lin Ft (Commercial/Industrial) - Overlay	100% - New 0% - Reconstruction	100% - New 0% - Reconstruction	100% - New 0% - Reconstruction	
Plymouth	2007	40% - Reconstruction 40% - Reconstruction $1,000 minimum for mill and overlay projects	100% - New or Reconstruction	100% - New or Reconstruction	100% - New or Reconstruction	
Princeton	1994	100% - New 50% or More - Reconstruction	100% - New (Assessment Rate Based on individual property contributing drainage area)	100% - Not Clearly defined	100% - Not Clearly defined	
Savage	2004	100% - New Reconstruction - Based on Individual Benefit Appraisals $1,000 - Overlay (Rate Could increase based on total cost)	100% - New Reconstruction - Based on Individual Benefit Appraisal	100% - New Reconstruction - Based on Individual Benefit Appraisal	100% - New Reconstruction - Based on Individual Benefit Appraisals	
Shakopee	N/A	Not in Folder				
South St. Paul	2006	100% - New $49.50 / Front Foot - Reconstruct (Max. of 75 Feet, as of 2006) $ 13 / Front Foot - Mill and Overlay (Max. of 75 Feet, as of 2002) $ 34 / Front Foot - Bituminous Replacement (Max. of 75 Feet) 60% - Alley Reconstruction	100% - New Reconstruction - Based on Benefit Received	100% - New Reconstruction - Based on Benefit Received $16 / Lin Ft - to Extend Service to Property 100% - Service Replacement	100% - New Reconstruction - Based on Benefit Received $14 / Lin Ft - to Extend Service to Property 100% - Service Replacement	
St. Anthony Village	2008	35% or 50% - Reconstruction (Depends on Zoning) 50% - Overlay 100% - Alley Reconstruction or Overlay	0%	0% - Laterals (Reconstruction) 100% - Service Replacement	0% - Laterals (Reconstruction) 100% - Service Replacement	
St. Paul Park	Not Dated	100% - New 33% - Reconstruct (Residential) 40% - Reconstruct (Commercial)	100% - New 33% - Reconstruct (Residential) 40% - Reconstruct (Commercial)	100% - New 33% - Reconstruct (Residential) 40% - Reconstruct (Commercial)		
Stacy	N/A	No Assessment Policy				
Wayzata	N/A	Does not Assess				
Woodbury	2007	100% - New 33% - Reconstruct/Rehabilitation (Residential) 100% - Reconstruct/Rehabilitation (Commercial) See policy for Rate Table (Properties outside of MUSA)	100% - New 33% - Reconstruct/Rehabilitation (Residential) 100% - Reconstruct/Rehabilitation (Commercial)	100% - New 100% - Rehabilitation 33% - Reconstruct (Residential) 100% - Reconstruct (Commercial)	100% - New 100% - Rehabilitation 33% - Reconstruct (Residential) 100% - Reconstruct (Commercial)	
Wyoming	Not Dated Being Re-evaluated	100% - New or Reconstruction	100% - New or Reconstruction	100% - New or Reconstruction	100% - New or Reconstruction	

Sample Ordinances

Fast Tracks

- Training Calendar
- MRWA Quizzes
- Fleet Program
- Sample Ordinances
- Job Listings
- MRWA Search

Minnesota Rural Water Association
217 12th Avenue SE
Elbow Lake, MN 56531
Phone: 218-685-5197
Fax: 218-685-5272
E-mail: mrwa@mrwa.com

Sample Water Utility Availability (WAC) Ordinance

Ordinance No. ____

AN ORDINANCE AMENDING THE _____ CITY CODE BY ADDING SECTION ___ ESTABLISHING A WATER AVAILABILITY CHARGE (WAC). THE COUNCIL OF THE CITY OF _____ DOES ORDAIN:

SECTION ONE: That the _____City Code be amended by adding the following:

"Section ___, **Water Availability Charge (WAC)** ____ Charge Established. For the purpose of providing funds for the city's wells, water treatment, water storage and water distribution systems, and the plant and facilities connected therewith, and the payment of capital charges represented by bonds, certificates of indebtedness or otherwise, which may be used to finance the costs of additions or expansions to the facilities, and the payment of reasonable requirements or reserves for replacement in obsolescence thereof, there is hereby imposed upon each lot, parcel of land, building or premises having any connection with the City's public water system a water availability charge (WAC) as hereinafter provided. Said charge shall be in addition to any other previous or future charge or assessment levied against the property.

Section ___, **Determination and Administration of Charge.** The availability charge as hereinabove authorized shall be imposed in addition to the user charges for water service and shall be determined and administered as follows:

Subdivision 1. Payment Required:

a. Payment Required Prior To Connection: Prior to the issuance of the applicable permit and before connecting to the City's water system, a City water availability charge as hereinafter provided shall be paid.

b. Additional Building Permit: If, after the initial availability charge is paid, an additional building permit is issued, the use of the property changes, or new water connection is made, the availability charge shall be recalculated and any additional charges shall be paid.

c. Change By Resolution: Any change in the City water availability charge as hereinafter set forth shall be by Council Resolution.

Subd. 2. **Determination of Charge.** The amount of the availability charge shall be determined by the City by first determining the number of Equivalent Residential Connections (ERC's) applicable to the particular property. This charge shall be calculated in accordance with the most current ERC Table on file in the office of the City Engineer. Once the appropriate number of ERC's are determined in this manner, the availability charge shall be calculated using the charge in the most recent resolution setting the availability charge.

Subd. 3. **Determination of ERC's.** The City shall determine the number of ERC's.

Subd. 4. **Transfer of ERC's.** Once established, the number of ERC's shall remain the same on the property. An ERC can be transferred on the property from a structure being removed to a structure being constructed.

Subd. 5. **Uses Not On Table**. Any use not represented in the ERC tables shall be subject to determination of the appropriate number of ERC's by the City based on estimated flows. The most recent edition of the Service Availability Charge Procedures Manual prepared by the Metropolitan Council Environmental Services division may also be utilized as a tool for calculating ERC's."

SECTION TWO. That this ordinance shall take effect and be in force on _____, 20__.

Adopted this _____ day of _____, 20__.

BY: _____
ATTEST: _____

The purpose of this ordinance amendment is to increase the Water Availability Charge by $200 and increase the Sewer Availability Charge by $200.

Ordinance Number _____

ORDINANCE AMENDING SECTION 572 OF
THE 2007 CODE OF ORDINANCES
ENTITLED "WATER AND SEWER SYSTEM AVAIALABITY CHARGES"

THE COUNCIL OF THE CITY OF ST. CLOUD HEREBY ORDAINS:

SECTION 1. That Section 572 of the 2007 Code of Ordinances entitled "Water and Sewer System Availability Charges" is hereby amended as follows:

Section 572 – Water and Sewer System Availability Charges

Section 572:00. Water and Sewer System Availability Charges. Pursuant to Minnesota Statutes Chapter 444.075 and all other powers delegated by the State of Minnesota, the City adopts an availability charging system ~~charges~~ to pay for the construction, reconstruction, repair, enlargement, improvement and for the availability of potable water treatment, supply, storage and distribution facilities and for wastewater treatment, disposal and conveyance facilities. These charges, ~~to be known as~~ Water Availability Charges (WAC) and Sewer Availability Charges (SAC), will be in the amounts established in Section 572:~~08~~20. These charges are in addition to all other permit fees, special assessments and connection charges ~~heretofore~~ established by the City.

Section 572:0~~2~~5. Water System Availability Permit Required. It is unlawful for any person to connect any structure, property or building addition to the City's municipal water system ~~of the City~~, either directly or indirectly, or to install or alter any water supply plumbing system that is subject to the provisions of this ordinance, without first making written application to, and obtaining, a Water System Availability Permit from the City Health and Inspection Department. The WAC fee must be paid before the City will issue a plumbing permit for the connection to the municipal water system.

Section 572:~~03~~10. Sewer System Availability Permit Required. It is unlawful for any person to connect any structure, property or building addition to the City's municipal sanitary sewer system ~~of the City~~, either directly or indirectly, or to install or alter any wastewater collection plumbing system that is subject to the provisions of this ordinance, without first making written application to, and obtaining, a Sewer System Availability Permit from the City Health and Inspection Department. The SAC fee ~~required herein~~ must be paid before the City will issue a plumbing permit for ~~said~~ the connection to the municipal sanitary sewer system.

Section 572:~~07~~15. Charges, General. Water Availability Charges (WAC) and Sewer Availability Charges (SAC) will be based on the projected water consumption and sewer usage at the premises ~~to be connected to the municipal water and sanitary sewer systems~~ as indicated by the size of the water meter(s) to be installed ~~thereat~~.

Section 572:~~08~~20. Charges. The WAC and SAC ~~charges~~ fees for all structures/properties to be connected to the municipal water and sanitary sewer systems will be determined by multiplying the base rate (as shown in Table 1) by the applicable Meter-and-Service Ratio (as shown in Table 2).

Table 1
Base Rate Schedule, Water and Sewer Availability Charges

	~~Calendar Year Beginning 01/01/04~~	~~Calendar Year Beginning 01/01/05~~	~~Calendar Year Beginning 01/01/06~~	~~Calendar Year Beginning 01/01/07~~
~~WAC:~~	~~$1100~~	~~$1200~~	~~$1300~~	~~$1400~~
~~SAC:~~	~~$1100~~	~~$1200~~	~~$1300~~	~~$1400~~

Beginning March 1, 2008, the WAC fee is $1,600 and the SAC fee is $1,600.

Table 2
Equivalent Meter-and-Service Ratio

Meter Size	Meter-and-Service Ratio
5/8 inch	1.0
¾ inch	1.0
1 inch	1.4
1 ¼ inch	1.6
1 ½ inch	1.8
2 inch	2.9
3 inch	11.0
4 inch	14.0
6 inch	21.0
8 inch	29.0
Other sizes	To be determined by the ~~Utility~~ Public Utilities Director based on the flow capacity of the water meter(s) to be installed.

In situations where a premises ~~is to~~ will be connected to the municipal sanitary sewer system, but will not be connected to the municipal water system, the ~~Utility~~ Public Utilities Director will determine the applicable SAC ~~charges~~ fee based on the anticipated sewer usage ~~at such premises~~.

Section 572:~~10~~25. Exemptions. Buildings/property uses that meet any of the following criteria will be exempt from the WAC and SAC ~~charges~~ fees:

~~Subd. 1. Existing Building Exemption. All buildings and building additions which exist as of the effective date of this ordinance, and which are connected to the municipal sanitary sewer and water systems by December 31, 2006.~~

~~Subd. 2. Pending Construction Exemption. All buildings and building additions for which a building permit was issued prior to December 31, 2003, and which are connected to the municipal sanitary sewer and water systems by December 31, 2004.~~

~~Subd. 3. Merger Area Exemption. All buildings situated within Areas 1 through 6 of the Merger Agreement between the City and the (former) Township of St. Cloud, which are connected to the municipal sanitary sewer and water systems within one year following the date that utility service is first made available in such area. This exemption does not apply to buildings constructed on lots platted after December 31, 2003.~~

~~Subd. 4. Pending Development Exemption. All buildings in newly platted areas that meet the following conditions:~~

~~(a) The plat was filed before December 31, 2003.~~
~~(b) The building must be connected to the municipal sanitary sewer and water systems by December 31, 2004.~~

Subd. 1. City Facilities. All buildings and building additions that are owned by the City of St. Cloud are exempt from the Water Availability Charge and the Sewer Availability Charge.

Subd. 2. Sprinkling or Irrigation Meters. Water meters installed solely for the purpose of irrigation are exempt from the Sewer Availability Charge.

Subd. 3. Fire Suppression Meters. Water meters installed solely for the purpose of measuring water for fire suppression are exempt from the Water Availability Charge and Sewer Availability Charge.

Section 572:30. Redevelopment Credit. In cases of redevelopment, the property owner may request a credit from the Public Utilities Director for the existing water and sewer availability at the property prior to the redevelopment activity and apply the credit to applicable Sewer Availability Charge and Water Availability Charge. The credit given shall not be greater than the effective Sewer Availability Charge and Water Availability Charge.

Section 572:~~12~~35. Violations. Violation of any of the provisions of this ordinance will constitute a misdemeanor.

DRAFTED BY: Patrick Shea
DEPARTMENT: Public Utilities

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Text

Please contact the municipality for questions regarding regulations.

Farmington, MN webpage / (651) 280-6800

8-3-5: PRIVATE WATER SYSTEM UNLAWFUL:

It shall be unlawful for any person to install a private or community water system in the city in cases where the public water system is accessible to the premises where such private system is requested. To determine whether or not such public water is available for connection each person or corporation desiring to install a private or community water system must first make application for connection to the public system. Upon determination of the council that it is not feasible to connect the applicant's premises to the public water system, then the applicant shall be granted a permit to install a private community water system.

All properties using a water system in the city, except those properties which are considered as agricultural, shall connect to the water system of the city within one year after the time that said system is available to the property. (Ord. 173, 7-7-1969)

City of Lino Lakes -

§ 401.02 CONNECTION WITH WATER REQUIRED.

(1) Any buildings used for human occupancy, including all business buildings, unless specifically exempted by the Council on the grounds that no human beings occupy or use the buildings and no human needs are generated therein, located on property adjacent to a water main, or in a block through which the water extends, shall be required to petition for water service and to connect thereto when their present on-site water system fails. The owner of the property shall pay all assessments for water in accordance with Lino Lakes assessment policies. No permits will be granted for reconstruction of existing on-site systems when city water service is available to the property.

(2) Agricultural buildings hereafter constructed within the city on property adjacent to a water main or in a block through which the water system extends, shall be provided with a connection to the municipal water system for all human needs.

(3) Connection to the sanitary sewer system shall be required within seven years from the date of:

(a) Connection to the water system; or

(b) When the sanitary sewer system is available.

(Prior Code, § 401.01a) (Ord. 13-97, passed 6-23-1997)

§ 402.02 CONNECTION WITH SEWER REQUIRED.

(1) Any buildings used for human habitation or for human occupancy, including all business buildings, unless specifically exempted by the Council on the grounds that no human beings occupy or use the buildings and no sewage wastes are generated therein, located on property adjacent to a sewer main, or in a block through which the system extends, shall be required to petition for sanitary sewer service and to connect thereto when their present on-site sewage system fails. The owner of the property shall pay all assessments for sanitary sewer in accordance with Lino Lakes assessment policies. No permits will be granted for reconstruction of existing on-site systems when city sanitary sewer service is available to the property.

(2) Agricultural buildings hereafter constructed within the city on property adjacent to a sewer main or in a block through which the system extends shall be provided with a connection to the municipal sanitary sewer system for the disposal of all human wastes.

(3) Connection to the water system shall be required within seven years from the later date of:

(a) Connection to the sanitary sewer system; or

(b) When the water system is available.

(Prior Code, § 402.02) (Am. Ord. 14-97, passed 6-23-1997)

ARTICLE III PUBLIC WATER SYSTEM AND CONNECTIONS

SECTION 14-300. ESTABLISHMENT OF DEPARTMENT. There is hereby established a Sewer and Water Department for the City of Columbus (the "City"). The sewer and water system as now constituted, or as shall hereafter be enlarged or extended, shall be operated and maintained under the provisions of this Ordinance subject to the authority of the City Council at any time to amend, alter, change or repeal the same. If there are any conflicts between Article III of City Code Chapter 14 and other Articles within Chapter 14, the provisions within Article III shall prevail. *[Chapter 14, Article III § 14-300, added by Ord. No. 06-01, effective March 2, 2006.]*

SECTION 14-301. CITY COUNCIL. The City Council shall have charge and management of the sewer and water system subject to such delegation of authority to the City Engineer, Public Works Supervisor and to other City employees as the City Council shall provide. *[Chapter 14, Article III § 14-301, added by Ord. No. 06-01, effective March 2, 2006.]*

SECTION 14-302. DEFINITIONS. The terms used herein shall be defined as follows:

BUILDING DRAIN. The building drain is that part of the lowest horizontal piping of the building drainage system which receives the discharge from other drainage pipes and which lies within the perimeter of the building.

BUILDING SEWER. The building sewer is that part of the building drainage system that extends from the building drain to the sewer service line at the property line.

DETERMINATION. The computation of Service Availability Charge unit(s) assigned to a given property. A Determination should be performed when modification is made to the use of the property.

FACILITIES. Facilities means and includes waterworks and sanitary sewer systems, or any portion or portions thereof.

RESIDENTIAL PROPERTY. A property that is used exclusively for permanent human living space, including single family homes, attached homes, town homes, condominiums, and manufactured homes. Residential Property does not include motels, hotels, camps, apartment complexes, nursing homes, senior housing, or prisons.

SANITARY SEWER. Sanitary sewer means sanitary sewer systems, including sewage treatment works, disposal systems, and other facilities for disposing of sewage, industrial waste, and other wastes.

SEWER SERVICE. The sewer service line is that piping which receives the building sewer discharge at the property line and extends to the City sewer main line.

WATERWORKS. Waterworks means waterworks systems, including mains, valves, hydrants, service connections, wells, pumps, reservoirs, tanks, treatment plants, and other appurtenances of a waterworks system.

[Chapter 14, Article III § 14-302 added by Ord. No. 06-01, effective March 2, 2006.]

SECTION 14-303. SUPERVISION AND PLUMBING STANDARDS. The City Inspector shall inspect all sewer connections made to the Sanitary Sewer system, all water connections made to the Waterworks system, and excavations for the purpose of installing or repairing the same.

The expense of cleaning any debris causing blockage or any of the repairs in the Building Sewer drainage system, Building Drain, Sewer Service lines, or Waterworks service lines up to the City main lines in the street, including the wye, or otherwise, shall be borne by and paid for by the owner of the property served by the Sewer Service line or Waterworks service line. The owner of the property shall also pay for any damages done to the City main lines, including the cleaning and any repairs of the said sewer main line caused by said debris and cleaning or repairs of said Building Sewer drainage system, Building Drain, and Sewer Service lines. The City shall have no obligation to clean any blockage in or repair any such Building Sewer drainage system, Building Drain, Sewer Service line, or Waterworks service line, whether on private property or public property. *[Chapter 14, Article III § 14-301, added by Ord. No. 06-01, effective March 2, 2006]*

SECTION 14-304. APPLICATION, PERMIT, USAGE AND CONNECTION CHARGE. No person, firm or corporation shall make any type of connection, repair, enlargement or alteration to the City Facilities system except upon making an application therefore on a form provided by the City and receiving a permit issued by the City for such purposes. The application shall include the legal description of the property to be served, the uses for which the connection is requested, and a sketch of the service showing approximate location and the size of the service line to be used. At the time of taking such application, there shall be paid to the City the following fees for the following purposes:

A. **ASSESSMENTS PAID.** No connection shall be made with respect to any Sanitary Sewer or water main serving the property or any person or occupants of the land, parcel or premises affected unless all assessments for such sewer or water, or such installments thereof as are due and payable have been paid or provided for the payment of the full and proportionate share of the utility, which share shall be payable as described under Section 14-304.

B. **PAYMENTS FOR INSTALLING SERVICE LINE.** For service to the property for which a Sewer Service or water service line has not been previously installed from the main line to the property line, the owner, occupant or user shall contract with a licensed utility installer or plumber for the installation of said line and all payments required shall be assumed by the owner, occupant, or user. Only a utility installer or plumber licensed to operate in the City shall be allowed to install service lines within public right-of-ways.

C. **SERVICE TO PROPERTY OUTSIDE OF THE CITY.** For Facilities service to property outside of the City, the owner, occupant or user shall pay to the City at the time of application for permit an amount not less than the payments made by or charges placed against comparable properties for like service within the City in an amount as may be established by the City Board.

D. **CITY'S AUTHORITY TO IMPOSE CHARGES FOR SEWER AND WATER CONNECTION.** Under Minnesota Statutes § 444.075, subdivision 3, as amended, in order to pay for the construction, reconstruction, repair, enlargement, improvement, or other obtainment, the maintenance, operation and use of the Facilities, and of obtaining and complying with permits required by law, the City Council may impose just and equitable charges for the use and for the availability of the Facilities and for connections with them and make contracts for the charges.

[Section 14-304 D. amended by Ord. No. 09-02, effective March 5, 2009.]

E. **SEWER CONNECTION CHARGES.** Every lot, parcel of land or building will be charged a specific sum of money, in order to connect to City's Facilities. Such a charge is made for the privilege of making such a connection, either directly or indirectly, to the disposal system through which connection the Facilities of the City are made available for disposal of sewage, industrial waste, water or other liquid from such premises. This charge hereinafter is referred to as the City's Service Availability Charge (the "SAC"). The City's SAC fee is $300.00 per SAC unit and is subject to amendment by ordinance. The City's SAC fee is in addition to the SAC unit charge made by the Metropolitan Council Environmental Services ("MCES"). The total SAC charge for each building or structure shall be equal to its number of SAC units multiplied by the current year SAC rate mandated by the MCES plus the number of SAC units multiplied by the City's current SAC rate.

The owner of any property desiring to connect such property to an existing Sanitary Sewer main where such property has not previously been connected to said main may do so on the approval of the City and upon paying a City and MCES SAC.

F. **WATER CONNECTION CHARGES.** Every lot, parcel of land or building will be charged a specific sum of money, in order to connect to City's Facilities. Such a charge is made for the privilege of making such a connection, either directly or indirectly, to the Waterworks system through which connection the Facilities of the City are made available for the supply of water for domestic, commercial, and industrial use, lawn irrigation and other outdoor use and fire suppression. This charge hereinafter is referred to as the City's Water Availability Charge (the "WAC"). The City's WAC fee is $1,100.00 per Equivalent Residential Unit (ERU) and is subject to amendment by ordinance. The total WAC charge for each property shall be equal to its maximum number of ERUs multiplied by the City's current WAC rate.

The owner of any property desiring to connect such property to City's Facilities where such property has not previously been connected may do so on the approval of the City and upon paying a City WAC.

G. **PAYMENT OF CONNECTION CHARGES.** Connection charges are payable at the time of building permit issuance. The Building Official shall not issue a building permit until such connection charge is paid.

H. **APPLICATION AND PERMIT.** No connection from any premises to City's Facilities is authorized without there being first obtained for such connection a permit issued by the City. No permit may be obtained from the City, and no representative of the City is authorized to issue a permit for connection unless and until an authorized representative of the City receives an application for such connection, determines and establishes the type of connection to be made and receives the connection charge required or unless by approval of the City Council such payment is deferred or is to be made in installments. The City shall prepare and provide for and furnish any form and instrument found necessary to the connection applications and permits of the City and perform all acts reasonably required with respect thereto. Applications and permits shall be uniform, in accordance with this Ordinance.

I. **ADMINISTRATION.** The Building Official shall prepare or revise a building permit or sewage and water connection permit application form to provide information necessary for the computation of the number of City SAC and WAC units assignable to the building or property in question, and shall collect the applicable charge before issuance of a permit. The Building Official shall make such information available to the City Council upon request. If upon filing a report covering such permit with the MCES, the Council determines that a greater number of City

units is assignable to the building or structure in question, any additional amount of cost allocated to the City as a result shall be paid by the person or company to whom the permit was granted.

J. **INCREASED CONNECTION CHARGES BASED ON MEASUREMENTS.** The Determination and establishment in the first instance of the City SAC represented by the connection, especially when made by estimate based upon representation of the owner or occupancy of the premises, is at all times subject to further review and Determination after the connection has been made and used by an actual measurement by the City or MCES of the sewage or water discharge from such connection entering into the system of the City. The receipt and acceptance by the City of any money paid and received by the City, as previously imposed, does not bar the City's right to payment of the correct amount of money due therefore, and may be determined and established by actual measurement; and the City's right to recover therefore is not impaired. After a connection has been made and the connection charge established, imposed and paid, no diminution in discharge from the premises shall entitle the owner (or occupant) to a reduction, reimbursement or refund with respect to the connection charge imposed and paid.

K. **CALCULATION OF SEWER CONNECTION CHARGES.**

1. There shall be a charge for each City SAC unit, as established from time to time by ordinance of the City Board.
2. The following are hereby established as connection units:

(a) All Residential Properties shall be assigned one SAC unit per dwelling unit.

(b) Commercial, institutional, industrial and other building types shall be assigned a minimum of one unit. In accordance with MCES policy and procedures, commercial City SAC units are determined by the approximate maximum wastewater flow potential and industrial City SAC units are determined based on maximum normal daily wastewater flow volume separately for process areas and maximum potential daily wastewater flow volume for commercial areas. The City will use the criteria in Appendix A to this ordinance for determining the SAC units identified for commercial facilities. The City SAC unit estimate for properties either not described in Appendix A, or industrial properties will be determined by the City Council in conjunction with the MCES. The City Council may review actual sewage flow one year after the initial discharge, and the City may impose such additional connection charges in accordance with the provisions of this Ordinance.

The City shall provide information necessary for the computation of the number of units assignable to the building or structure in question on the building permit and sewer connection application forms and shall collect the applicable charge before issuance of the permit.

(c) In accordance with MCES policy and procedures, the City Council may consider credit for a SAC unit previously paid on any property when a new use is established on a site. A new use is redevelopment of a property for a different use.

(d) Any charges levied by and pursuant to Section 14-304, and which have been properly billed to the occupancy of any premises served, and not paid, may be covered in a civil action by the City in any court of competent jurisdiction.

(e) The funds received from the collection of charges authorized by this Ordinance shall be deposited, as collected, in a fund known as the Water and Sewer Fund, and shall be disbursed:

1) To meet costs of operation;

2) To the debt redemption to provide funds for the payment of principal and interest on bonds issued to finance the costs of constructing improvements to the City Facilities as prescribed by resolutions or covenants authorizing or securing such bonds; and

3) To provide funds for the reasonable requirements of extending, improving and replacing City Facilities.

L. **CALCULATION OF WATER CONNECTION CHARGES.**

1. There shall be a charge for each City WAC unit, as established from time to time by ordinance of the City Council.

2. The following are hereby established as connection units:

(a) Each property proposed to be connected to the City's Waterworks system shall have a determination made as to the number of ERUs of water demand the property can place on the Waterworks system. This determination shall be made by the City Engineer. The determination shall include the number of buildable acres contained within the subject property. Each buildable acre is determined to place a minimum of five (5) ERUs of water demand on the system.

(b) The water connection charge shall be the number of ERUs assigned to the property multiplied by the current WAC rate.

M. **MULTIPLE CONNECTIONS.** Multiple connections of more than one building to a single Building Sewer or Sewer Service line or single water service line shall be permitted only by special application to the City. The applicant shall submit a detailed sketch showing location, grades and special structures to the City Engineer for review prior to applying for a permit. All costs involved for the engineering review shall be paid by the applicant along with the other required fees at the time of issuance of the permit. The charge for the cost of the trunk lines, lift station, force mains and disposal facilities shall be levied against each property sought to be connected either through single services or multiple connections.

[Chapter 14, Article III § 14-304, added by Ord. No. 06-01, effective March 2, 2006, amended by Ord. No. 09-02, effective March 2, 2009, amended by Ord. No. 09-04, effective March 19, 2009.]

SECTION 14-305. REQUIRED CONNECTION TO CITY FACILITIES.

A. **FACILITIES CONNECTION FOR NEW CONSTRUCTION.** To protect the general health and welfare of the City it is required that all new construction of any residence, dwelling or building following the publication date of this ordinance, be connected to the City Facilities when such City Facilities become available. If the City Facilities are not immediately available, the owner of each new residence, dwelling or building shall be subject to an additional charge of $1,000.00 plus other penalties as provided herein if such Facilities connection is not made within one (1) year after the City Facilities become available.

B. **SEWER CONNECTIONS FOR EXISTING RESIDENCE, DWELLING OR BUILDING.** To protect the general health and welfare of the City it is required that the liquid wastes from any plumbing system of any residence, dwelling or building be discharged to the public sewer system. The owner of each existing residence, dwelling or building as of the date of

this published ordinance, to which Sewer Service becomes available shall be subject to an additional charge of $1,000.00 plus other penalties as provided herein if such connection is not made within five (5) years after the property has been assessed and the Sewer Service becomes available.

C. **WATER CONNECTIONS FOR EXISTING RESIDENCE, DWELLING OR BUILDING.** To protect the general health and welfare of the City it is required that the owner of each existing residence, dwelling or building as of the date of this published ordinance, to which Waterworks become available shall be subject to an additional charge of $1,000.00 plus other penalties as provided herein if such connection is not made within eight (8) years after the Waterworks become available.

[Chapter 14, Article III § 14-305, added by Ord. No. 06-01, effective March 2, 2006]

SECTION 14-306. FAILED SEPTIC SYSTEM. To protect the general health and welfare of the City, the owner of each residence, dwelling or building to which Sewer Service is or becomes available, is required to make a connection to the City Facilities as soon as practicable should that owner's septic system fail. A failing system is defined as a seepage pit, cesspool, drywell, leaching pit, other pit, a tank that obviously leaks below the designated operating depth, or any system with less than the required vertical separation.

[Chapter 14, Article III § 14-306, added by Ord. No. 06-01, effective March 2, 2006, amended by Ord. No. 09-02, effective March 5, 2009.]

SECTION 14-307. CITY INSPECTOR. The City Inspector shall examine all applications before construction is begun and after the construction, enlargement, alteration or repair is complete, the City Inspector shall be notified. It shall be unlawful to cover any affected lines until an inspection has been made and such connection and the work incidental thereto has been approved by the City as a proper and suitable connection.

It shall be the duty of the sewer installer and/or plumber to notify the City Inspector by telephone or in writing, not less than eight working hours between the hours of 8:00 A.M. and 4:00 P.M. before work is to be inspected or tested.

[Chapter 14, Article III § 14-307, added by Ord. No. 06-01, effective March 2, 2006]

SECTION 14-308. EXISTING DRAINAGE AND PLUMBING SYSTEMS. Prior to connection to the City's Facilities, the City Inspector shall examine the existing drainage system and the interior plumbing system. All such systems shall conform to the requirements of this Ordinance and the requirement of the Minnesota Plumbing Code. In the event that such drainage system or plumbing system is determined to be non-conforming to the above requirements, the contractor, owner or occupant shall do whatever corrective work which may be necessary before final hook-up to the City's Facilities is made. The decision of the City Inspector as to the extent of corrective work to be done in each individual case to conform to the above requirements shall be final.

[Chapter 14, Article III § 14-308, added by Ord. No. 06-01, effective March 2, 2006]

SECTION 14-309. INSTALLATION OF CONNECTIONS. All Sewer Services and Waterworks services shall be installed by an utility installer or Master Plumber licensed in the State of Minnesota and the City of Columbus. Any owner, occupant or licensed plumber may install, repair or make alteration to the Building Drain or Building Sewer lines provided that said construction is conducted under the regulations of this Ordinance. Prior to receiving a permit for plumbing work as outlined herein a City of Columbus Anoka County, Minnesota **City Code, Chapter 14: PUBLIC HEALTH, WELLS, SEWERS, AND UTILITIES** Part of COL\CODE\CH14.COD [Page printed 10/1/2009 4:22:00 PM] **PAGE 14-9**

satisfactory showing must be made that such plumber, excavator, or utility installer is carrying liability insurance in an accredited company with the City against loss as customarily provided in such policies.
[Chapter 14, Article III § 14-309, added by Ord. No. 06-01, effective March 2, 2006]

SECTION 14-310. EXCAVATING WORK.

A. **CITY INSPECTION**. All installation work or repair of connection to the Sanitary Sewer, Sewer Service, or Waterworks system including grades, bends and backfilling shall be inspected by the City Inspector. No work shall be covered or backfilled until directed by said Inspector. All work and excavations shall be protected by barricades and warning markers and lights reasonable and suitable for the purpose. The City shall be held harmless of any claim or loss as might otherwise arise for damage, loss or injury caused by or arising by reason of such work being performed.

B. **EXCAVATION PROCEDURES**. No digging in any permanent type street shall be permitted except by special written permission from the City. Backfilling shall be thoroughly compacted by mechanical means to 95 percent Standard Proctor density. The top 12 inches of the excavation shall be backfilled with Class 5 gravel base material. The bituminous surface shall match existing thickness and shall be installed in accordance with Minnesota Highway Department Specification.

Where excavations are unsatisfactorily filled and surfacing is improperly patched, the City Council shall cause them to be placed in a satisfactory condition and the cost thereof shall be charged to such plumber making the same, and the privilege of such plumber doing further work within the City shall be suspended until such charge is paid. Such plumber shall be given notice thereof and ten days within which to pay such charge.
[Chapter 14, Article III § 14-310, added by Ord. No. 06-01, effective March 2, 2006]

SECTION 14-311. CONSTRUCTION REQUIREMENTS. All Building Sewers and Sewer Service lines shall be of PVC schedule 40, ductile iron pipe, or extra strength cast iron soil pipe. Joints shall be made by using a City approved pre-formed compression gasket. Individual service lines shall not be less than 4 inches in diameter and shall be placed at a uniform grade of not less than 1/8 of an inch per foot. Sewer Service lines shall contain no more than two (2) 45 degree bends, clean out shall be at intervals not to exceed 80 feet. Multiple connections of more than one building shall be as approved by the City Engineer as described under Section 14-304.M. No interconnection of the existing private sewer system shall remain upon connection to the public system. If a Sewer Service connection is such that gravity flow can be had to the public sewer main and a sump pump is presently used, said sump pump shall be disconnected, discontinued and removed from service.

All water service lines shall be PVC AWWA C-900, ductile iron pipe, or Type K copper tubing. Service lines shall have a minimum of 7.5 feet of cover to adequately protect from freezing. Where a service has not previously been provided, all new connections to the watermain shall be performed "under pressure" and a gate valve or curb stop provided at the point of connection or property line.

The service installer should verify the location and elevation of the connection before proceeding with the installation. Any deviation from the plan location which will affect the installing of the service connections, should be brought to the attention of the City immediately. The City will assume no responsibility for extra charges as a result of such misplaced connection unless it is notified before any work is done and has had an inspection made by its representative to confirm the condition and to authorize extra work.

Section 701 - Electric Utility Franchise Fee

701.01. DEFINITIONS. For purposes of this Ordinance, the following capitalized terms shall have the following meanings:

Subd. 1. City. The City of Hopkins, County of Hennepin, State of Minnesota.

Subd. 2. Company. Xcel Energy, a Minnesota Corporation (formerly Northern States Power), its successors and assigns.

701.03. Purpose. The Hopkins City Council has determined that franchise fees should be imposed on gas and electric utilities in return for their use of City-owned rights-of-way. The purpose of this ordinance is to establish such franchise fees to be paid to the City by the Company.

701.05. City Authority. Minnesota Statutes 216B.36 grants cities the authority to impose a franchise fee on gas and electric utility services. Such fees are in return for basic right to operate within municipally-owned rights-of-way and other public property as provided in utility franchise agreements/ordinances between a city and the respective utilities operating within the municipal boundaries. In addition, City of Hopkins Franchise Ordinance 87-5 78 authorizes the City to impose, by separate ordinance, a franchise fee on the Company.

701.07. Franchise Fee Imposed. A franchise fee is hereby imposed on the Company, Xcel Energy, pursuant to City of Hopkins Franchise Ordinance 87-578 and Minnesota Statutes 216B.36 and subject to the fee schedule below.

A franchise Fee is to be collected by the Company from each customer in the designated customer classification for service at each and every customer premise, as indicated by the following schedule:

Fee Schedule

Customer Classification	Monthly Fee Per Customer Premise
Residential	$1.70
Small C & I— non demand	$3.35
Small C & I—demand	$15.00
Large C & I	$105.00

This fee is an account-based fee on each premise and not a meter-based fee. In the event that a customer of the company covered by this ordinance has more than one meter at a single premise, but only one account, only one fee shall be assessed to that account. If a premise has two or more meters for a single customer billed at different rates, the Company may have an account for each rate classification, which will result in more than one franchise fee assessment for electric service to that premise. If the Company combines the rate classifications into a single account, the franchise fee assessed to the account will be the largest franchise fee applicable to a single rate classification for energy delivered to that premise. In the event any customer of the Company covered by this ordinance has more than one premise, each premise (address) shall be subject to the applicable fee. In the event a question arises as to the proper fee amount for any premise, the Company's manner of billing for energy used at all similar premises in the city will control. (Amended Ord. 2011-1036)

701.09. Date Franchise Fee Takes Effect. The above utility franchise fees shall go into effect in and be applicable to all of the Company's billings commencing with bills for the month of January 2012.

701.11. Limitation. Franchise Ordinance 87-578 limits the total amount of franchise fee which may be collected to 5% of the Company's gross revenues within the City limits. So long as this limitation remains in effect, in no event shall the total of the fees collected pursuant to Section 701.07 be greater than 5% of the Company's gross revenues within the City of Hopkins as defined in the Franchise Ordinance.

701.13. Payment of Fee. Franchise fees shall be paid to the City quarterly, based on a calendar year, with payment due by the 30th day after the end of each quarter.

701.15. Dispute. Any disputes or other issues which arise will be subject to the terms of this Ordinance, Franchise Ordinance 87-578, Minnesota Statutes 26lB.36 as well as any other agreements entered into by the City and the Company.

701.17. Termination of Ordinance. This ordinance and the franchise fee imposed by it shall remain in effect until December 31, 2013, at which time they shall terminate and be of no further effect, except that the Company shall remain obligated after that date to pay the City all franchise fees due with respect to any period of time prior to December 31, 2013, and collected after that date. (Amended Ord. 2011-1036)

(This Section added through Ord. No. 2003-910; Amended through Ord. No. 2011-1036)

APPENDIX "C"
ELECTRIC FRANCHISE FEE
CITY OF LITTLE CANADA, RAMSEY COUNTY, MINNESOTA

AN ORDINANCE IMPLEMENTING AN ELECTRIC FRANCHISE FEE ON NORTHERN STATES POWER D/B/A XCEL ENERGY FOR PROVIDING ELECTRIC SERVICE WITHIN THE CITY OF LITTLE CANADA.

THE CITY OF LITTLE CANADA ORDAINS:

SECTION 1. The City of Little Canada Municipal Code is hereby amended to include reference to the following Special Ordinance.

Subd. 1. Purpose. The Little Canada City Council has determined that it is in the best interest of the City to impose a franchise fee on those public utility companies that provide natural gas and electric services within the City of Little Canada.

(a) Pursuant to City Ordinance #550, a Franchise Agreement between the City and Northern States Power, d/b/a Xcel Energy, the City has the right to impose a franchise fee on Xcel Energy in amount and fee design as set forth in Section 9.1 of the Xcel Energy Franchise and in the fee schedule attached as Exhibit A.

Subd. 2. Franchise Fee. A franchise fee is hereby imposed on Xcel Energy under its Electric Franchise in accordance with the schedule attached hereto and made a part of this ordinance, commencing with the Xcel Energy's October 2003 billing month.

This fee is an account-based fee and not a meter-based fee. In the event that an entity covered by this ordinance has more than one meter at a single premise, but only one account, only one fee shall be assessed to that account. If a premise has two or more meters being billed at different rates, the Company may have an account for each rate classification, which will result in more than one franchise fee assessment for electric service to that premise. In the event any entities covered by this ordinance have more than one premise, each premise (address) shall be subject to the appropriate fee. In the event a question arises as to the proper fee amount for any premise, the Company's manner of billing for energy used at that premise before this ordinance was adopted will control.

Subd. 3. Payment. The said franchise fee shall be payable to the City in accordance with the terms set forth in Section 9.4 of the Franchise.

Subd. 4. Surcharge. The City recognizes that the Minnesota Public Utilities Commission allows the utility company to add a surcharge to customer rates to reimburse such utility company for the cost of the fee and that Xcel Energy will surcharge its customers in the City the amount of the fee.

Subd. 5. Record Support for Payment. Xcel Energy shall make each payment when due and, if requested by the City, shall provide at the time of each payment a statement summarizing

how the franchise fee payment was determined, including information showing any adjustments to the total surcharge billed in the period for which the payment is being made to account for any uncollectibles, refunds, or error corrections.

Subd. 6. Enforcement. Any dispute, including enforcement of a default regarding this ordinance will be resolved in accordance with Section 2.5 the Franchise Agreement.

Subd. 7. Effective Date of Franchise Fee. Notwithstanding the effective date of this ordinance and notwithstanding any contrary provisions in the Franchise, the effective date of the franchise fee collected under Subdivision 2 of this ordinance is the later of ten (10) days after the publication or after the sending of written notice enclosing a copy of this adopted ordinance upon Xcel Energy by certified mail. It has been agreed to in advance by Xcel Energy's representatives that Xcel Energy will abide by the provisions of this Subdivision 7, provided fee collection will not commence before the later of the Company billing month set forth in Subdivision 2 or the first billing month commencing 20 days after the foregoing effective date of the franchise fee.

Subd. 8. Sunset Clause. This Ordinance shall automatically sunset upon expiration of the Electric Franchise. The City Council may unilaterally renew or extend the fee on the same terms and conditions. Without waiver of any rights under Minnesota law, the City Council shall seek agreement from Company if the City intends to change the fee rate or fee design.

SECTION 2. This ordinance takes effect as provided herein.

(Source: Ord: 552, Amended: Ord. 643.)

EXHIBIT "A"
XCEL ENERGY ELECTRIC FRANCHISE
FEE SCHEDULE

Class	Fee Per Premise
Residential	$1.75 per month
Sm C & I – Non-Dem	$4.00 per month
Sm C & I – Demand	$24.00 per month
Large C & I	3.75% per month with an annual cap of $2,400.00
Public Street Ltg	$15.00 per month
Muni Pumping – N/D	$1.00 per month
Muni Pumping – Dem	$7.00 per month

The amount paid by large C&I customers shall be 3.75% per month of Gross Earnings as defined in the Franchise Agreement excluding all of a customer's Gross Revenues in any calendar year which exceed $2,400.00.

Franchise fees are to be collected by the Utility in the amounts set forth in the above schedule, and submitted to the City on a quarterly basis as follows:

January – March collections due by April 30.
April – June collections due by July 31.
July – September collections due by October 31.
October – December collections due by January 31.

CHAPTER 7
ELECTRIC UTILITY FRANCHISE AGREEMENT

SECTION:

8-7-1: Definitions
8-7-2: Adoption of Franchise
8-7-3: Location, Other Regulations
8-7-4: Relocations
8-7-5: Tree Trimming
8-7-6: Indemnification
8-7-7: Vacation of Public Ways
8-7-8: Change in Form of Government
8-7-9: Franchise Fee
8-7-10: Provisions of Ordinance
8-7-11: Amendment Procedure
8-7-12: Previous Franchises Superseded
8-7-13: Franchise Fee
8-7-14: Collection of Fee
8-7-15: Payment of Fee
8-7-16: Surcharge
8-7-17: Enforcement
8-7-18: Effective Date
8-7-19: Sunset Clause

8-7-1: DEFINITIONS: For purposes of this Ordinance, the following capitalized terms listed in alphabetical order shall have the following meanings:

City. The City of Monticello, County of Wright, State of Minnesota.

City Utility System. Facilities used for providing public utility service owned or operated by City or agency thereof, including sanitary sewer, storm sewer, street lighting and traffic signals, and water service, but excluding facilities for providing heating, lighting or other forms of energy.

Commission. The Minnesota Public Utilities Commission, or any successor agency or agencies, including an agency of the federal government, which preempts all or part of the authority to regulate electric retail rates now vested in the Minnesota Public Utilities Commission.

Company. Northern States Power Company, a Minnesota corporation, d/b/a Xcel Energy its successors and assigns.

Electric Facilities. Electric transmission and distribution towers, poles, lines, guys, anchors, conduits, fixtures, and necessary appurtenances owned or operated by Company for the purpose of providing electric energy for public use.

Notice. A written notice served by one party on the other party referencing one or more provisions of this Ordinance. Notice to Company shall be mailed to the General Counsel, 414 Nicollet Mall, 5th Floor, Minneapolis, MN 55401. Notice to the City shall be mailed to the City Administrator, 505 Walnut Street, Suite 1, Monticello, MN 55362. Either party may change its respective address for the purpose of this Ordinance by written notice to the other party.

Public Ground. Land owned by the City for park, open space or similar purpose, which is held for use in common by the public.

Public Way. Any street, alley, walkway or other public right-of-way within the City.

8-7-2: ADOPTION OF FRANCHISE:

2.1 Grant of Franchise. City hereby grants Company, for a period of 20 years from the date this Ordinance is passed and approved by the City, the non-exclusive right to transmit and furnish electric energy for light, heat, power and other purposes for public and private use within and through the limits of the City as its boundaries now exist or as they may be extended in the future. For these purposes, Company may construct, operate, repair and maintain Electric Facilities in, on, over, under and across the Public Ways and Public Grounds of City, subject to the provisions of this Ordinance. Company may do all reasonable things necessary or customary to accomplish these purposes, subject, however, to such reasonable regulations as may be imposed by the City pursuant to ordinance and to the further provisions of this franchise agreement.

2.2 Effective Date; Written Acceptance. This franchise shall be in force and effect from and after passage of this Ordinance, its acceptance by Company, and its publication as required by law. The City by Council resolution may revoke this franchise agreement if Company does not file a written acceptance with the City within 90 days after publication.

2.3 Service and Rates. The service to be provided and the rates to be charged by Company for electric service in City are subject to the jurisdiction of the Commission. The area within the City in which Company may provide electric service is subject to the provisions of Minnesota Statutes, Section 216B.40.

2.4 Publication Expense. The expense of publication of this Ordinance will be paid by City and reimbursed to City by Company.

2.5 Dispute Resolution. If either party asserts that the other party is in default in the performance of any obligation hereunder, the complaining party shall notify the other party of the default and the desired remedy. The notification shall be written. Representatives of the parties must promptly meet and attempt in good faith to negotiate a resolution of the dispute. If the dispute is not resolved within 30 days of the written notice, the parties may jointly select a mediator to facilitate further discussion. The parties will equally share the fees and expenses of this mediator. If a mediator is not used or if the parties are unable to resolve the dispute within 30 days after first meeting with

the selected mediator, either party may commence an action in District Court to interpret and enforce this franchise or for such other relief as may be permitted by law or equity.

2.6 Continuation of Franchise. If the City and the Company are unable to agree on the terms of a new franchise by the time this franchise expires, this franchise will remain in effect until a new franchise is agreed upon, or until 90 days after the City or Company serves written Notice to the other party of its intention to allow the franchise to expire but in no event shall this franchise continue for more than one year after expiration of the 20 year term set forth in Section 2.1.

8-7-3: LOCATION, OTHER REGULATIONS:

3.1 Location of Facilities. Electric Facilities shall be located, constructed and maintained so as not to interfere with the safety and convenience of ordinary travel along and over Public Ways and so as not to disrupt or interfere with normal operation of any City Utility System previously installed therein. Electric Facilities shall be located on Public Grounds as determined by the City. Company's construction, reconstruction, operation, repair, maintenance, location and relocation of Electric Facilities shall be subject to permits if required by separate ordinance and to other reasonable regulations of the City to the extent not inconsistent with the terms of this franchise agreement. Company may abandon underground Electric Facilities in place. At the City's request, Company will remove abandoned Electric Facilities interfering with a City improvement project, but only to the extent such Electric Facilities are uncovered by excavation as part of the City improvement project.

3.2 Field Locations and Mapping Information. Company shall provide field locations for its underground Electric Facilities within City, including any abandoned Electric Facilities consistent with the requirements of Minnesota Statutes, Chapter 216D. Company shall provide accurate and current mapping information for any of its Electric Facilities in accordance with Minnesota Rules Parts 7819.4000 and 7819.4100 and other applicable state and federal laws.

3.3 Street Openings. Company shall not open or disturb any Public Way or Public Ground for any purpose without first having obtained a permit from the City, if required by a separate ordinance, for which the City may impose a reasonable fee. Permit conditions imposed on Company shall not be more burdensome than those imposed on other utilities for similar facilities or work. Company may, however, open and disturb any Public Way or Public Ground without permission from the City where an emergency exists requiring the immediate repair of Electric Facilities. In such event Company shall notify the City by telephone to the office designated by the City as soon as practicable. Not later than the second working day thereafter, Company shall obtain any required permits and pay any required fees.

3.4 Restoration. After undertaking any work requiring the opening of any Public Way or Public Ground, Company shall restore the same, including paving and its foundation, in accordance with Minnesota Rules Part 7819.1100, to as good a condition as formerly existed, and shall maintain any paved surface in good condition for two years thereafter. The work shall be completed as promptly as weather permits, and if Company

shall not promptly perform and complete the work, remove all dirt, rubbish, equipment and material, and put the Public Way or Public Ground in the said condition, the City shall have, after demand to Company to cure and the passage of a reasonable period of time following the demand, but not to exceed five days, the right to make the restoration at the expense of Company. Company shall pay to the City the cost of such work done for or performed by the City. This remedy shall be in addition to any other remedy available to the City for noncompliance with this Section 3.4.

3.5 Avoid Damage to Electric Facilities. Nothing in this Ordinance relieves any person from liability arising out of the failure to exercise reasonable care to avoid damaging Electric Facilities while performing any activity.

3.6 Notice of Improvements. Except in emergencies, the City must give Company at least sixty (60) days notice of plans for improvements to Public Ways or Public Ground where the City has reason to believe that Electric Facilities may affect or be affected by the improvement. The notice must contain: (i) the nature and character of the improvements, (ii) the Public Ways and Public Grounds upon which the improvements are to be made, (iii) the extent of the improvements, (iv) the time when the City will start the work, and (v) if more than one Public Way or Public Ground is involved, the order in which the work is to proceed. The notice must be given to Company a sufficient length of time in advance of the actual commencement of the work to permit Company to make any necessary additions, alterations or repairs to its Electric Facilities.

3.7 Shared Use of Poles. Company shall make space available on its poles or towers for City fire, water utility, police or other City facilities whenever such use will not interfere with the use of such poles or towers by Company, by another electric utility, by a telephone utility, or by any cable television company or other form of communication company. In addition, the City shall pay for any added cost incurred by Company because of such use by City.

8-7-4: RELOCATIONS:

4.1 Relocation of Electric Facilities in Public Ways. The Company shall comply with Minnesota Rules, Part 7819.3100 and applicable City ordinances to the extent consistent with applicable law regarding use of Public Rights of Way and Public Grounds. If the City determines to vacate a Public Way for a city improvement project, or at City's cost to grade, regrade, or change the line of any Public Way, or construct, reconstruct, or make any improvement to, or within any City Utility System within any Public Way, it may order Company to relocate its Electric Facilities located therein if relocation is reasonably necessary as determined by the City to accomplish the City's proposed public improvement. Except as provided in Section 4.3, Company shall relocate its Electric Facilities at its own expense within sixty (60) days of Notice from the City as specified in Section 3.5. If a relocation is ordered within five years of a prior relocation of the same Electric Facilities, which was made at Company expense, the City shall reimburse Company for non-betterment costs on a time and material basis, provided that if a subsequent relocation is required because of the extension of a City Utility System to a previously unserved area, Company may be required to make the subsequent relocation at its expense. Nothing in this Ordinance requires Company to relocate,

remove, replace or reconstruct at its own expense its Electric Facilities where such relocation, removal, replacement or reconstruction is solely for the convenience of the City and is not reasonably necessary for the construction or reconstruction of a Public Way or City Utility System or other City improvement.

4.2 Relocation of Electric Facilities in Public Ground. City may require Company at Company's expense to relocate or remove its Electric Facilities from Public Ground upon a finding by City that the Electric Facilities have become or will become a substantial impairment to the existing or proposed public use of the Public Ground. Company shall relocate its Electric Facilities within sixty (60) days notice from the City as specified in Section 3.6, or, if such relocation cannot be accomplished within 60 days, then within a reasonable period of time as mutually agreed to by City and Company.

4.3 Projects with Federal Funding. Relocation, removal, or rearrangement of any Company Electric Facilities made necessary because of the extension into or through City of a federally-aided highway project shall be governed by the provisions of Minnesota Statutes, Section 161.46, as supplemented or amended. It is understood that the right herein granted to Company is a valuable right. City shall not order Company to remove or relocate its Electric Facilities when a Public Way is vacated, improved or realigned because of a renewal or a redevelopment plan which is financially subsidized in whole or in part by the Federal Government or any agency thereof, unless the reasonable non-betterment costs of such relocation and the loss and expense resulting therefrom are first paid to Company, but the City need not pay those portions of such for which reimbursement to it is not available.

4.4 No Waiver. The provisions of this franchise apply only to facilities constructed in reliance on a franchise from the City and shall not be construed to waive or modify any rights obtained by Company for installations within a Company right-of-way acquired by easement or prescriptive right before the applicable Public Way or Public Ground was established, or Company's rights under state or county permit.

8-7-5: TREE TRIMMING:

Company may trim all trees and shrubs in the Public Ways and Public Grounds of City, but only to the extent Company finds the trimming and cutting necessary to avoid interference with the proper construction, operation, repair and maintenance of any Electric Facilities installed hereunder,
provided that Company shall save the City harmless from any liability arising therefrom, and subject to permit or other reasonable regulation by the City.

8-7-6: INDEMNIFICATION.

6.1 Indemnity of City. Company shall indemnify, keep and hold the City free and harmless from any and all liability on account of injury to persons or damage to property occasioned by the construction, maintenance, repair, inspection, the issuance of permits, or the operation of the Electric Facilities located in the Public Ways and Public Grounds. The City shall not be indemnified for losses or claims occasioned through its own negligence except for losses or claims arising out of or alleging the City's negligence as

to the issuance of permits for, or inspection of, Company's plans or work. The City shall not be indemnified if the injury or damage results from the performance in a proper manner of acts reasonably deemed hazardous by Company, and such performance is nevertheless ordered or directed by City after notice of Company's determination.

6.2 Defense of City. In the event a suit is brought against the City under circumstances where this agreement to indemnify applies, Company at its sole cost and expense shall defend the City in such suit if written notice thereof is promptly given to Company within a period wherein Company is not prejudiced by lack of such notice. If Company is required to indemnify and defend, it will thereafter have control of such litigation, but Company may not settle such litigation without the consent of the City, which consent shall not be unreasonably withheld. This section is not, as to third parties, a waiver of any defense or immunity otherwise available to the City; and Company, in defending any action on behalf of the City shall be entitled to assert in any action every defense or immunity that the City could assert in its own behalf. This franchise agreement shall not be interpreted to constitute a waiver by the City of any of its defenses of immunity or limitations on liability under Minnesota Statutes Chapter 466.

8-7-7: VACATION OF PUBLIC WAYS.

The City shall give Company at least two weeks prior written notice of a proposed vacation of a Public Way.

Except where required for a City improvement project, the vacation of any Public Way, after the installation of Electric Facilities, shall not operate to deprive Company of its rights to operate and maintain such Electric Facilities, until the reasonable cost of relocating the same and the loss and expense resulting from such relocation are first paid to Company. In no case, however, shall City be liable to Company for failure to specifically preserve a right-of-way under Minnesota Statutes, Section 160.29.

In accordance with Minnesota Rules, Part 7819.3200, if the City's order directing vacation of the Public Way does not require relocation of the Company's Electric Facilities to prevent interference with a current public improvement, the vacation proceedings shall not be deemed to deprive Company of its right to continue to use the right-of-way of the former Public Way for its Electric Facilities installed prior to such order of vacation.

8-7-8: CHANGE IN FORM OF GOVERNMENT.

Any change in the form of government of the City shall not affect the validity of this Ordinance. Any governmental unit succeeding the City shall, without the consent of Company, succeed to all of the rights and obligations of the City provided in this Ordinance.

8-7-9: FRANCHISE FEE.

9.1 Fee Schedule. During the term of the franchise hereby granted, and in lieu of any permit or other fees being imposed on Company, the City may impose on

Company a franchise fee by collecting the amounts indicated in the Fee Schedule set forth in a separate ordinance from each customer in the designated Company Customer Class. The parties have agreed that the franchise fee collected by the Company and paid to the City in accordance with this Section 9 shall not exceed the following amounts.

Class	Fee Per Premise Per Month
Residential	$ 1.95
Sm C & I – Non-Dem	$ 5.50
Sm C & I – Demand	$ 31.00
Large C & I	$ 190.00
Public Street Ltg	$ 12.00
Muni Pumping –N/D	$ 12.00
MuniPumping – Dem	$ 31.00

9.2 Separate Ordinance. The franchise fee shall be imposed by a separate ordinance duly adopted by the City Council, which ordinance shall not be adopted until at least 60 days after written notice enclosing such proposed ordinance has been served upon Company by certified mail. The fee shall not become effective until the beginning of a Company billing month at least 60 days after written notice enclosing such adopted ordinance has been served upon Company by certified mail. Section 2.5 shall constitute the sole remedy for solving disputes between Company and the City in regard to the interpretation of, or enforcement of, the separate ordinance. No action by the City to implement a separate ordinance will commence until this Ordinance is effective. A separate ordinance which imposes a lesser franchise fee on the residential class of customers than the maximum amount set forth in Section 9.1 above shall not be effective against Company unless the fee imposed on each other customer classification is reduced proportionately in the same or greater amount per class as the reduction represented by the lesser fee on the residential class.

9.3 Terms Defined. For the purpose of this Section 9, the following definitions apply:

9.3.1 "Customer Class" shall refer to the classes listed on the Fee Schedule and as defined or determined in Company's electric tariffs on file with the Commission.

9.3.2 "Fee Schedule" refers to the schedule in Section 9.1 setting forth the various customer classes from which a franchise fee would be collected if a separate ordinance were implemented immediately after the effective date of this franchise agreement. The Fee Schedule in the separate ordinance may include new Customer Class added by Company to its electric tariffs after the effective date of this franchise agreement.

9.4 Collection of the Fee. The franchise fee shall be payable quarterly and shall be based on the amount collected by Company during complete billing months during the period for which payment is to be made by imposing a surcharge equal to the designated franchise fee for the applicable customer classification in all customer billings for electric service in each class. The payment shall be due the last business

day of the month following the period for which the payment is made. The franchise fee may be changed by ordinance from time to time; however, each change shall meet the same notice requirements and not occur more often than annually and no change shall require a collection from any customer for electric service in excess of the amounts specifically permitted by this Section 9. The time and manner of collecting the franchise fee is subject to the approval of the Commission. No franchise fee shall be payable by Company if Company is legally unable to first collect an amount equal to the franchise fee from its customers in each applicable class of customers by imposing a surcharge in Company's applicable rates for electric service. Company may pay the City the fee based upon the surcharge billed subject to subsequent reductions to account for uncollectibles, refunds and correction of erroneous billings. Company agrees to make its records available for inspection by the City at reasonable times provided that the City and its designated representative agree in writing not to disclose any information which would indicate the amount paid by any identifiable customer or customers or any other information regarding identified customers. In addition, the Company agrees to provide at the time of each payment a statement summarizing how the franchise fee payment was determined, including information showing any adjustments to the total surcharge billed in the period for which the payment is being made to account for any uncollectibles, refunds or error corrections.

9.5 Equivalent Fee Requirement. The separate ordinance imposing the fee shall not be effective against Company unless it lawfully imposes and the City monthly or more often collects a fee or tax of the same or greater equivalent amount on the receipts from sales of energy within the City by any other energy supplier, provided that, as to such a supplier, the City has the authority to require a franchise fee or to impose a tax. The "same or greater equivalent amount" shall be measured, if practicable, by comparing amounts collected as a franchise fee from each similar customer, or by comparing, as to similar customers the percentage of the annual bill represented by the amount collected for franchise fee purposes. The franchise fee or tax shall be applicable to energy sales for any energy use related to heating, cooling or lighting, or to run machinery and appliances, but shall not apply to energy sales for the purpose of providing fuel for vehicles. If the Company specifically consents in writing to a franchise or separate ordinance collecting or failing to collect a fee from another energy supplier in contravention of this Section 9.5, the foregoing conditions will be waived to the extent of such written consent.

9.6 Exception to Equivalent Fee Requirement. The requirement in Section 9.5 to impose an equivalent fee on any other energy supplier does not apply if the City uses the franchise fee collected for no purpose other than betterment of the Electric Facilities, including such things as relocating poles, placing the Electric Facilities underground or installing lighting above ground, or to pay charges for the operations and maintenance of the streetlight system installed in Company's service territory in the City, and incorporates the provisions of this Section 9.6 by reference or restatement. If the City wishes to take advantage of this exception, the City must separately account for all franchise fees received from Company. The City must provide a report to Company no later than 30 days after the due date for each franchise fee payment indicating the current balance of the franchise fee account, the expenditures from the account since the last report, the budgeted expenditures from the account for the current calendar year, and the

amount committed by contract for expenditures in the current budget year. The City will promptly give Notice to Company if and when the unallocated balance reaches $1,000,000.00. The unallocated balance means the balance minus any amounts committed by contract for expenditures. Upon receiving this Notice, Company will cease collection at the end of the first full monthly billing cycle, which occurs after receipt of the Notice and thereafter Company will have no further obligation to pay the franchise fee to the City until the first billing month commencing 90 days after Notice that the unallocated balance has fallen below $300,000.00. The City will have no obligation to return any amount which exceeds the $1,000,000.00 unallocated balance or any balance remaining upon any repeal of the separate ordinance by the City, provided such balance will be reinstated by the City to the separate account if said separate ordinance is subsequently reenacted. Any franchise fee imposed on Company as authorized by this Section 9.6 shall be the exclusive fee payable by Company under this franchise until the City, by ordinance, repeals the separate ordinance imposing the fee under this Section 9.6.

8-7-10: PROVISIONS OF ORDINANCE.

10.1 Severability. Every section, provision, or part of this Ordinance is declared separate from every other section, provision, or part; and if any section, provision, or part shall be held invalid, it shall not affect any other section, provision, or part. Where a provision of any other City ordinance conflicts with the provisions of this Ordinance, the provisions of this Ordinance shall prevail.

10.2 Limitation on Applicability. This Ordinance constitutes a franchise agreement between the City and Company as the only parties and no provision of this franchise shall in any way inure to the benefit of any third person (including the public at large) so as to constitute any such person as a third party beneficiary of the agreement or of any one or more of the terms hereof, or otherwise give rise to any cause of action in any person not a party hereto.

8-7-11: AMENDMENT PROCEDURE.

Either party to this franchise agreement may at any time propose that the agreement be amended to address a subject of concern and the other party will consider whether it agrees that the amendment is mutually appropriate. If an amendment is agreed upon, this Ordinance may be amended at any time by the City passing a subsequent ordinance declaring the provisions of the amendment, which amendatory ordinance shall become effective upon the filing of Company's written consent thereto with the City Clerk within 90 days after the date of final passage by the City of the amendatory ordinance.

8-7-12: PREVIOUS FRANCHISES SUPERSEDED.

This franchise supersedes any previous electric franchise granted to Company or its predecessor.

(#455, 3/12/07)

8-7-13: Franchise Fee. During the term of the franchise granted by Ordinance No. 455 to Northern States Power Company, D/B/A Xcel Energy, its successors and assigns (Company), and subject to the terms and conditions specified in that Ordinance, in particular Section 8-7-9, the City hereby imposes on Company a franchise fee determined by collecting the amounts indicated in the following Fee Schedule from each customer in the designated Company Customer Class as defined in tariffs filed by the Company with the Minnesota Public Utilities Commission..

Class	Fee Per Premise Per Month
Residential	$ 1.95
Small C & I – Non-Dem	$ 5.50
Small C & I – Demand	$ 31.00
Large C & I	$ 190.00
Public Street Lighting	$ 12.00
Municipal Pumping –Non-Demand	$ 12.00
Municipal Pumping – Demand	$ 31.00

(#456, 3/12/07)

8-7-14: Collection of the Fee. The fee is an account-based fee on each premise and not a meter-based fee. In the event that an entity covered by this ordinance has more than one meter at a single premise, but only one account, only one fee shall be assessed to that account. If a premise has two or more meters being billed at different rates, the Company may have an account for each rate classification, which will result in more than one franchise fee assessment for electric service to that premise. If the Company combines the rate classifications into a single account, the franchise fee assessed to the account will be the largest franchise fee applicable to a single rate classification for energy delivered to that premise. In the event any entities covered by this ordinance have more than one premise, each premise (address) shall be subject to the appropriate fee. In the event a question arises as to the proper fee amount for any premise, the Company's manner of billing for energy used at all similar premises in the city will control.

(#456, 3/12/07)

8-7-15: Payment of the Fee. The franchise fee shall be payable by the Company quarterly and shall be based on the amount collected by Company during complete billing months during the period for which payment is to be made by imposing a surcharge equal to the designated franchise fee for the applicable customer classification in all customer billings for electric service in each class. The payment shall be due the last business day of the month following the period for which the payment is made. No franchise fee shall be payable by Company if Company is legally unable to first collect an amount equal to the franchise fee from its customers in each applicable class of customers by imposing a surcharge in Company's applicable rates for electric service. Company may pay the City the fee based upon the surcharge billed subject to subsequent reductions to account for uncollectibles, refunds and correction of erroneous billings.

The Company shall provide at the time of each payment a statement summarizing how the franchise fee payment was determined, including information showing any adjustments to the total surcharge billed in the period for which the payment is being made to account for any uncollectibles, refunds or error corrections. Company shall make its records available for inspection by the City at reasonable times.

(#456, 3/12/07)

8-7-16: Surcharge. The City recognizes that the Minnesota Public Utilities Commission allows the utility company to add a surcharge to customer rates to reimburse such utility company for the cost of the fee and that Xcel Energy will surcharge its customers in the City the amount of the fee.

(#456, 3/12/07)

8-7-17: Enforcement. Any dispute, including enforcement of a default regarding this ordinance will be resolved in accordance with Section 2.5 of the Franchise Agreement.

(#456, 3/12/07)

8-7-18: Effective Date. The franchise fee shall be become effective after publication and sixty (60) days after written notice to the Company as provided in the Franchise, and thereupon collection of the fee for all Customer Classes shall commence at the beginning of the Company's June 2007 billing month.

(#456, 3/12/07)

8-7-19: Sunset Clause. This ordinance shall automatically sunset on May 31, 2027.

(#456, 3/12/07)

Minnesota Rural Water Association

Our Mission: *"To provide the latest information, education, and technical assistance to protect our public waters and improve the quality of life in Minnesota."*

Minnesota Governmental Finance Agency Group

Finance your next project with tax-exempt loans through the Minnesota Governmental Agency Finance Group!

Minne$ota Governmental Agency Finance Group

The Minnesota Governmental Agency Finance Group (MGAFG), in conjunction with Morgan Keegan, introduced its Flexible-Term Finance Program in 2005. The program will provide financing for a variety of projects with loan terms up to twenty five years.

The purpose of MGAFG is to assist communities in obtaining competitive financing for construction projects and refunding opportunities. The program is structured as a tax-exempt pooled financing, with the MGAFG as the Program Administrator and Issuer. David Drown Associates is the financial advisor and servicer for the program.

Specifics:

- Low, fixed tax-exempt interest rates
- Short-term and long-term finance structures - 1 to 25+ years depending on the project
- Participants do not borrow a debt service reserve, but they have access to a Program level reserve in the event of a default. (Maintaining the debt reserve at the program level helps to reduce costs of borrowing)
- Long-term, underlying bond rating of "AA-" from Standard & Poor's, regardless of borrower's credit rating
- No cross liability for individual borrowers
- No minimum size requirement for the issuer or for the amount borrowed
- Security - Bonds secured by revenues of the system or general obligations of the community
- Tax-exempt bonds may be used in conjunction with other funding sources
- Low costs of issuance - the program passes on economies of scale
- Refundings of existing debt and leases permitted in program.

Downloadable:

Frequently Asked Questions Form

Fact Sheet

Fast Tracks

Training Calendar
MRWA Quizzes
Fleet Program
Sample Ordinances
Job Listings
MRWA Search

Minnesota Rural Water Association
217 12th Avenue SE
Elbow Lake, MN 56531
Phone: 218-685-5197
Fax: 218-685-5272
E-mail: mrwa@mrwa.com

1 Page Flyer on MGAFG Program

Sample Term Sheet

MGAFG Pre-Application

MGAFG Program Step by Step

- Applicant obtains **application form** for funding from the Minnesota Governmental Agency Finance Group ("MGAFG"), and completes and returns the application to MGAFG.
- The application and credit review package includes general system information such as rates and customer base, operating budgets, tax base information, financial statements, and project information.
- MGAFG reviews the application and the credit review package.
- MGAFG provides the applicant with a conditional "Commitment for Funding" letter.
- Morgan Keegan submits rating package and information to Standard & Poor's (and insurance company if applicable).
- The applicant completes any remaining regulatory requirements, and projects are typically bid prior to commencement of construction.
- MGAFG, via the program's Bond Counsel, provides the applicant the necessary loan and authorizing documents.
- The applicant, at a public meeting, approves and authorizes the project financing package.
- Morgan Keegan, with final approval from the applicant, sets the loan rate at the market rate for applicant's borrowing on the scheduled day of pricing.
- The project loan is closed through the program Trustee, and construction may commence.
- Invoice requisitions are sent to the program Trustee for payment.
- Interest earnings on the Construction Fund are credited to borrowers.
- Loan repayments are made on a semi-annual basis to the program Trustee via monthly sinking fund installments.
- The loan is paid in full.

Contact the Minnesota Governmental Agency Finance Group

Quality On Tap!

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Minnesota Department of Health

Drinking Water Revolving Loan Fund General Information

The Drinking Water Revolving Fund (DWRF) provides below market rate loans for public water system improvements. The first step for obtaining a loan is to place a project on the Project Priority List. The Instructions for placing projects on the Project Priority List as well as the Time Line can assist you with how to submit a proposal. There is no obligation to obtain a loan if a project is listed. Likewise, there is no guarantee that every listed project will be funded.

Funding priority goes to projects that:

- protect public health,
- achieve or maintain compliance with drinking water regulations, and
- are for communities in financial need.

Systems eligible for loans include:

Community Water systems that are:

- *Publicly owned municipal type systems*
- *Regional water systems*
- *Privately owned condominium and manufactured home park systems*

Nonprofit Noncommunity Systems such as:

- *Schools, day care centers, churches, retreat centers*



Loans are most often used to replace or upgrade wells, treatment plants, water towers, or distribution systems. Projects have also included consolidating water systems, water meters, computerized monitoring and control systems, and extending public water services to properties with contaminated private wells. Loans may not be used for economic expansion or enhancements primarily intended for fire suppression.

Interest rates are excellent, typically in the 2% range but the program is not intended for small loans. In fiscal year 2011 the



median loan was $1,820,000. Approximately 50 million dollars can be provided for loans each year.

Two state entities work together to provide this program. They are the Minnesota Department of Health (technical engineers), and the Minnesota Public Facilities Authority (bankers). Funding is provided from a combination of sources, including federal funds through the U.S. Environmental Protection Agency, state matching funds, loan repayments and the Public Facilities Authority (PFA) revenue bond proceeds.

651-201-5000 Phone
888-345-0823 Toll-free
651-201-5797 TTY

Information on this website is available in alternative formats to individuals with disabilities upon request.

Updated Thursday, 03-Nov-2011 12:49:42 CDT

Minnesota Department of Health

Drinking Water Revolving Loan Fund
What it Means to Minnesota Public Water Suppliers

Download a print version of this document: Drinking Water Revolving Fund What it Means to Minnesota Public Water Suppliers (PDF: 419KB/2 pages)

Overview >

The Drinking Water Revolving Fund provides below-market-rate loans to municipalities and other community drinking water systems—as well as to nonprofit noncommunity drinking water suppliers. Loans can be used to improve or construct treatment, storage, and distribution systems that are necessary to maintain compliance with the federal Safe Drinking Water Act and improve drinking water infrastructure.

Water is our most important resource. We are fortunate in Minnesota to have a safe and adequate supply of water. However, this will continue only if we remain vigilant and address emerging issues, such as deteriorating drinking-water infrastructures.

Many public drinking water systems in Minnesota are 50 to 100 years old. Funds are needed to upgrade or expand water systems and to remedy water quality problems and threats. The Drinking Water Revolving Fund could mean relief for these aging systems.

Enacted in the summer of 1996 as part of the reauthorized Safe Drinking Water Act, this program allows states to set up revolving-loan funds for drinking water projects similar to those already in place for wastewater treatment projects.

Elements of the Drinking Water Revolving Fund

Program Purpose: To provide financial assistance—primarily in the form of below-market-rate loans—to municipalities and other eligible public water suppliers to improve or construct water treatment, storage, and distribution systems needed to comply with the Safe Drinking Water Act and to improve drinking water infrastructure.

Eligible Applicants: All community water suppliers and nonprofit, noncommunity water suppliers, such as schools and government office buildings, are eligible for the loans. This program is not available to private well owners.

How It Works: The federal government awards funds to states to capitalize their individual revolving funds. In Minnesota, these federal funds can be leveraged through the sale of tax-exempt bonds to generate additional funds that can be loaned to municipalities for eligible drinking water systems. Upon completion of its project, the loan recipient will repay the loan. These repaid funds will then be lent to other eligible drinking water suppliers. The revolving loan fund will help water suppliers meet projected needs many years into the future.

Interest Rates: The loans will be made at below-market rates with the specific rate based on market conditions and the size and financial capability of each municipality. The interest rate

will be determined by financial need for municipal water systems and by a reduction of up to two percent on bank-loan rates for eligible nonmunicipal and noncommunity water systems.

Priorities: The Safe Drinking Water Act gives priority for the use of funds to projects that address the most serious risk to human health, are necessary to ensure compliance with the requirements of the Safe Drinking Water Act, and assist the systems most in need on a per household basis according to state affordability criteria.

Money Available: Minnesota expects to finance over 30 million dollars for projects each year. If necessary, these funds can be leveraged through the sale of bonds to generate additional loan funds.

Administration: The Drinking Water Revolving Fund is being administered by the Minnesota Department of Health and the Public Facilities Authority (Minnesota Department of Employment and Economic Development). The Health Department will set priorities for the use of the revolving-fund money, review the proposed projects for technical adequacy, and provide training and technical assistance for public drinking water suppliers. The Public Facilities Authority will review the borrower's financial capability, sell bonds to fund projects, set the interest rate, terms, and conditions of the loans, and process and award the loans.

To discuss the eligibility of a particular project, call your district engineer or public health sanitarian at the appropriate Minnesota Department of Health District Office:

Bemidji
705 5th Street NW, Suite A
Bemidji, Minnesota 56601-2933
218-308-2100 FAX: 218-308-2122

Duluth
320 West Second Street, Room 703
Duluth, Minnesota 55802-1402
218-723-4642 FAX: 218-723-4920

Fergus Falls
1505 Pebble Lake Road, Suite 300
Fergus Falls, Minnesota 56537-3858
218-332-5150 FAX: 218-332-5196

Mankato
12 Civic Center Plaza, Suite 2105
Mankato, Minnesota 56001-7789
507-344-2700 FAX: 507-344-2723

Marshall
1400 East Lyon Street
Marshall, Minnesota 56258-2529
507-537-7151 FAX: 507-537-7194

Rochester
18 Woodlake Drive Southeast

Rochester, Minnesota 55904-5506
507-206-2700 FAX: 507-206-2711

St. Cloud
3333 West Division Street, Suite 212
St. Cloud, Minnesota 56301-4557
320-223-7300 FAX: 320-233-7350

St. Paul
Snelling Office Park
1645 Energy Park Drive
St. Paul, Minnesota 55108-2790
651-201-5888

For general information about the Drinking Water Revolving Fund program, contact:

Minnesota Department of Health
Drinking Water Protection Section
625 North Robert Street
P. O. Box 64975
St. Paul, Minnesota 55164-0975
651-201-4700 FAX: 651-201-4701

For information regarding the Public Facilities Authority's application procedures and financial assistance available through the Drinking Water Revolving Fund, contact:

Minnesota Department of Employment and Economic Development
Public Facilities Authority
332 Minnesota Street, Suite E200
St. Paul, Minnesota 55101-1351
1-800-657-3858 or 651-259-7469
FAX: 651-296-8833

651-201-5000 Phone
888-345-0823 Toll-free
651-201-5797 TTY

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POSITIVELY Minnesota
Department of Employment and Economic Development

Drinking Water Revolving Fund

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Overview

The Drinking Water Revolving Fund (also called the Drinking Water State Revolving Fund) helps communities build drinking water storage, treatment and distribution systems that comply with standards in the Safe Drinking Water Act.

Administered jointly by the Minnesota Public Facilities Authority and the Minnesota Department of Health, the fund provides below-market-rate loans to upgrade and construct public drinking water systems.

Eligibility
Cities, counties, townships, sanitary districts or other governmental subdivisions responsible for providing public drinking water are eligible.

Minimum Project Requirements
Projects must be included on the Minnesota Department of Health's Project Priority List and the PFA's Intended Use Plan. Projects must be certified by the Minnesota Department of Health before the PFA may approve a loan.

Applicants must demonstrate the financial capacity to repay the loan and that complete financing of the project is in place. Borrowers must issue a general obligation bond to the PFA as security for the loan.

Allowable Costs
Allowable costs include land costs, site preparation, construction, engineering, equipment and machinery, bond issuance, and certain fees and contingency costs. Projects that are primarily to serve growth are not eligible

Interest Rates
Rates are determined by a market rate index (market scale) or the PFA's bond market rate (Authority scale), which ever is higher, less a 1.50 percent discount approved by the PFA. Borrowers with a service area population under 2,500 may be entitled to additional discounts. The type of security pledged to the PFA, the loan term and principal schedule, and the presence of a significant user will affect the interest rate of the loan.

Terms
Loans are amortized up to a maximum of 20 years, or up to 30 years if the average annual resident cost would exceed 1.4 percent of median household income.

Disbursement of Funds
Funds are disbursed on a monthly basis as costs are incurred.

Applications Accepted
Applications are accepted within six months after the Intended Use Plan is approved using the PFA's loan application forms. The IUP is compiled once a year but may be amended during the year.

Contact the PFA
Click here for a list of PFA program contacts.

Minnesota Rural Water Association

Our Mission: *"To provide the latest information, education, and technical assistance to protect our public waters and improve the quality of life in Minnesota."*

Fast Tracks

- Training Calendar
- MRWA Quizzes
- Fleet Program
- Sample Ordinances
- Job Listings
- MRWA Search

Minnesota Rural Water Association
217 12th Avenue SE
Elbow Lake, MN 56531
Phone: 218-685-5197
Fax: 218-685-5272
E-mail: mrwa@mrwa.com

Loan & Grant Funding Options

These options are available to assist local governments and others with the construction of public infrastructure.



Water, Waste Disposal and Community Facility Loans and Grants
USDA Rural Development State Office
Minnesota Rural Development Offices
St. Paul, MN 55101-1853
Phone: 651-602-7800
Community Program - 651-602-7810
Fax: 651-602-7825
Provides low interest loans and grants for construction of public infrastructure.

Interim Financing
Minnesota Rural Water Finance Authority
Ruth Hubbard, Administrator: 1-800-367-6792
David Drown Associates, Financial Advisors: 1-612-920-3320
Provides low-cost interim financing for communities which have received a permanent loan commitment from the United States Department of Agriculture, Rural Development (RD).

Midi Loan Finance Program
Minnesota Rural Water Association
Ruth Hubbard, Administrator: 1-800-367-6792
David Drown Associates, Financial Advisors: 1-612-920-3320
Assists communities in obtaining competitive financing for water, wastewater, gas, streets, and community facilities projects.

Micro Loan Finance Program
Minnesota Rural Water Association
Ruth Hubbard, Administrator: 1-800-367-6792
David Drown Associates, Financial Advisors: 1-612-920-3320
Helps members finance small projects at the lowest possible cost. Loans from $30,000 to $200,000 repaid seven years or less, structured as a single G.O. Note, tax-exempt, and bank qualified.

Water Projects
Minnesota Department of Employment & Economic Development
Public Facilities Authority
Drinking Water Revolving Fund - *administered in conjunction with the Minnesota Department of Health*
Phone: 651-201-3972
Provides below-market financing to local governments and other public water suppliers to upgrade and construct drinking water treatment, distribution and storage facilities.

Minnesota Department of Health's DWRF site

DWRF Frequently Asked Questions

Wastewater and Stormwater Projects
Minnesota Department of Employment & Economic Development
Public Facilities Authority
Clean Water Revolving Fund - *administered in conjunction with the Minnesota Pollution Control Agency*
Phone: 651-259-7465 or 1-800-657-8833
Provides below-market financing or grants to local governments to upgrade and construct wastewater or stormwater treatment and collection facilities.

Water and/or Wastewater Projects
Minnesota Department of Employment & Economic Development
Small Cities Development Program
Phone: 651-297-1980 or toll-free at 1-800-657-3858.

Provides housing grant funds, public facility grants and comprehensive grants.

Funding Available for Small Communities in Need of Wastewater Treatment Solutions:
The Southeast Minnesota Water Resources Board announces the availability of funds for small communities where some or all of the homes have inadequate sewage treatment resulting from failing septic systems. Up to $3000 (with a required match) is available to communities for an assessment of current conditions such as lot sizes, soil conditions, and state of existing septic systems. Up to $6000 (with a required match) is available to communities to fund an engineering feasibility study for a community wastewater treatment solution. **These funds cannot be used to install individual sewage treatment systems, however, contact the names below to find out if your county has loan funds available for this purpose.**

For more information and to obtain the short application form, contact Sheila Craig, "Community Sewage Treatment Facilitator," 507-765-3896 or scraig@co.fillmore.mn.us if you are in Dodge, Fillmore, Houston, Olmsted, or Winona Counties or Aaron Wills, "Community Sewage Treatment Facilitator" 507-646-8400 or aaron@crwp.net if you are in Rice, Goodhue, Wabasha, Steele, or Le Sueur Counties.

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City of Shorewood Council Meeting Item

9B
MEETING TYPE REGULAR

Title / Subject: Water connections
Meeting Date: September 24, 2018
Prepared by: Greg Lerud, City Administrator
Reviewed by: Julie Moore, Communications and Recycling Coordinator; Larry Brown, Director of Public Works

Attachments: Utility bill insert, Program Description, FAQ

Background: At the last work session, the council directed staff to return with the plan to provide awareness to those property owners who have access to city water, but who are not yet connected to the system.

Program: Upon approval by the City Council, an insert will be put in with the October 1 utility bills of those property owners who have water available but are not connected. The notice will direct them to a page at our website that will have the program description and an FAQ section. There will also be an article in the newsletter.

Financial or Budget Considerations: There are minimal expense to the notice.

Next Steps and Timeline: Staff has set a goal of 35% of those receiving the notice will respond to the city. Staff will track responses and report to the Council by the end of the year. If that response level is not reached, staff will develop additional notification and engagement.

WATER CONNECTION INCENTIVE PLAN

The Shorewood City Council recently discussed the number of homes that have access to city water but are not connected to the city's system and has approved an incentive plan to encourage properties to connect.

The City's Water Access Charge (WAC) is presently $10,000. That amount is supposed to represent the proportional cost of each connection's share of the water system. The amount has been $10,000 for approximately 20 years and it no longer represents the cost of the connection. The city will be increasing the WAC over the next few years to more accurately track the cost. But for those who connect to the system before December 31, 2019, the charge will remain $10,000. Connections made after that time will be rate in place at the time the connection is made.

There is a possibility that the $10,000 has already been fully or partially paid. The city has gone back through past assessments to determine if there was an assessment previously paid on the property, and for what amount. If there has been a previous assessment, that principal amount will be deducted from the $10,000 WAC charge, and that will be the remaining amount due.

Typically, the WAC charge is paid at the time of connection as a lump sum or assessed over a period of years with an interest rate. As a further incentive, for those connecting to the city system by December 31, 2019 the city will allow the WAC charge to be assessed on their property at zero percent interest for up to 10 years.

Residents can maintain their private well for irrigation or other outdoor uses. If you chose to continue to use your well outdoors, a city building permit is required to an inspection can be done to ensure that the well and city system are separate.

If you are interested in learning more, want to know if an assessment has previously been paid, or have a question that is not in the FAQ section below, please contact City Greg Lerud at (952) 960-7905, or glerud@ci.shorewood.mn.us, and he will answer your question or direct you to the proper City staff member.

FREQUENTLY ASKED QUESTIONS

1. **Why am I receiving this information?** Your property has been identified as having access to city water (a service line has been extended into your property, or a water main is close enough to your property) but are not connected to the system.
2. **Why is this an issue now?** The City Council asked staff to analyze the water system and the number of people who are connected and the number who have water available, but who are not connected. The analysis shows there are approximately 290 parcels that have city water available but are not connected. Also, there are many new property owners that may not know that water is available at their property. The Council wants to educate residents about city water and is encouraging connections through a couple of incentives.
3. **Does it cost to connect to the City water system?** Yes, the City charges a Water Access Charge (WAC) of $10,000 for single family homes. The WAC for multi-family and commercial properties is different.
4. **How is the WAC determined?** Dividing the cost of installing watermain, hydrants, service extensions to the edge of the right-of-way, valves, etc. by the number of connections. The resulting average is the WAC. The WAC amount has been $10,000 for more than 15 years, and the average cost is much higher than that amount.
5. **What are the incentives to connect?** First, the council has decided to hold the WAC charge at $10,000 for those who connect to the system by December 31, 2019. The city will be evaluating the WAC charge throughout the next year, it is likely to increase significantly over the next few years. The second incentive is that the city will allow the WAC charge cost to be assessed on your property over a maximum of 10 years. Finally, that assessment will be done at 0% interest, provided the principal amount is paid each year.
6. **Could I owe something less than $10,000 for a single-family WAC?** Yes. During research on this issue, the city has determined that numerous properties that have not connected to water have already paid an assessment for water. These assessments could have been paid by a prior owner. Any amount previously assessed for water will be deducted from the $10,000 WAC charge. For example, if there was a $5,000 assessment previously paid for water on the property you own, to connect now, you would have the remaining $5,000 as an assessment. Likewise, if there was a previous assessment of $10,000, there would be no WAC charge due to connect.
7. **Are there other costs to connect?** Yes. The property owner must pay for the service line to be brought into the house from the water shutoff valve, typically located at the property boundary at the street, and for the cost of a plumber to connect the water in the house.
8. **What are advantages to being on city water?** There are several; confidence that the water you are drinking is safe; availability when power is out; access to optional private service line insurance
9. **What are the disadvantages to being on city water?** Some people prefer taste of private well water, and there is no monthly or quarterly water billing.
10. **What happens after December 31, 2019 if I want to connect to city water?** You would still receive credit for any prior assessment, but the cost to connect will be based on the WAC charge at that time.

11. **How often is it recommended that water be tested?**
    The City is required by law to test the water weekly for fluoride levels, monthly for bacteriological testing, and reports annually for copper, lead, arsenic, gross alpha particles, combined radium, total haloacetic acids, total chlorine and floured as part of the annual Consumer Confidence Report for the water system and is available here: http://www.ci.shorewood.mn.us/pages/pdfdocs/2017%20CCR.pdf
    There is no specific requirement for testing private well water. However, the MN Department of Health recommends testing well water every three years. MN law does not require that well water be tested prior to the transfer of a property, but many banks and lending institutions require it as part of the mortgage process.
12. **Why should I have my water tested?** Many contaminants found in water are tasteless and odorless and can only be detected by testing the water. Even at low levels, many of the contaminants can cause health issues.
13. **How can I test my well to know what it is in my water?** The City has negotiated a favorable price to conduct a water test through Twin Cities Lab. For $140 the lab will test for four main contaminants – coliform, nitrates, arsenic, and lead. These tests can also be conducted by any State-approved laboratory. Regardless if you choose to connect to the city's system, the City urges you to test your water, so you can make an informed decision.
14. **After connecting to the city's water system, can I continue to use my well in any way?** Yes. Private wells are permitted to continue to be used for outside purposes – irrigation, cleaning, etc. A plumber must disconnect the private well from the inside system, and that must be inspected by the Building Official. You may also choose to abandon the well.
15. **What is the next step if I am interested?** Contacting the city to express interest and determine if an assessment has previously been paid, and if so, the amount. If you desire to proceed with connection, the city will work with you on an assessment agreement. Once that is in place, you can hire a contractor make the connection.

WELL TROUBLES? WATER TROUBLES?

JUST INTERESTED IN CONNECTING TO CITY WATER?

You are receiving this insert because city water is available at your property, but your home is not connected to the city system. There could be a couple of reasons why – you are happy with your well, or perhaps you recently purchased the property and are not aware that water is available. Whatever the reason, the City wants you to know there is an opportunity to connect to the system for a rate that will be available through December, 2019.

There is too much information to put on this form, so if you are interested in learning more, please visit the City's website: www.ci.shorewood.mn.us where you will find additional information.

CITY OF SHOREWOOD
CITY COUNCIL REGULAR MEETING
MONDAY, SEPTEMBER 24, 2018

5755 COUNTRY CLUB ROAD
COUNCIL CHAMBERS
7:00 P.M.

MINUTES

1. CONVENE CITY COUNCIL REGULAR MEETING

Mayor Zerby called the meeting to order at 7:00 P.M.

A. Roll Call

Present. Mayor Zerby; Councilmembers Johnson, Labadie, and Sundberg; Attorney Keane; City Administrator Lerud; City Clerk Thone; Finance Director Rigdon; Planning Director Darling; Director of Public Works Brown; and, City Engineer Fauske

Absent: Councilmember Siakel.

B. Review Agenda

Sundberg moved, Labadie seconded, approving the agenda as presented. Motion passed 4/0.

2. CONSENT AGENDA

Mayor Zerby reviewed the items on the Consent Agenda.

Johnson moved, Labadie seconded, Approving the Motions Contained on the Consent Agenda and Adopting the Resolutions Therein.

A. City Council Work Session Meeting Minutes of September 10, 2018

B. City Council Regular Meeting Minutes of September 10, 2018

C. Approval of the Verified Claims List

D. Approval of the Shorewood Community and Event Center Attendant

E. Authorize Equipment Purchase for Public Works, Ford F250

F. Approval of Permanent Appointment of Scott Schroeder

G. Approval of Change Order to Extend Completion Date for City Project 17-04, RESOLUTION NO. 18-094, " A Resolution Approving Change Order No. 2 for the Riviera Lane, Shorewood Lane, and Mann Lane Street and Utility Improvements Project, and the Watermain Extension along Yellowstone Trail (Club Valley Road to Riviera Lane), Riviera Lane, State Highway 7 (Riviera Lane to Lake Linden Drive) and Lake Linden Drive (State Highway 7 to 6140 Lake Linden Drive)", City Project 17-04

H. Approval of Resolution Establishing Shorewood Precinct #5, RESOLUTION NO. 18-095, "A Resolution Establishing a Shorewood Election Precinct and a Combined Polling Place for Cathcart Park"

I. Accept 2018 Recycling Grant, RESOLUTION 18-096, "A Resolution Accepting 2018 Hennepin County Residential Recycling Grant

Motion passed 4/0.

3. MATTERS FROM THE FLOOR

Kelly Morrison, 4236 Heathcote Road, Deephaven introduced herself and announced she is running for Minnesota State House District 33B. She stated that she is a physician who has been practicing in Minnesota for the past 17 years and has lived in Deephaven for nine years. She stated that her theme is a Healthy Thriving Minnesota which to her means that all Minnesotans get access to quality, affordable healthcare.

Councilmember Sundberg thanked Dr. Morrison for taking the time to come and speak before the Council. She stated that the City has a number of issues that overlap with the State level issues and asked how she would work with the City to address these issues.

Dr. Morrison stated that she plans to be very accessible for the Council and noted that she would like to be kept informed of the issues that affect the City. In answer to an audience question, she stated that she grew up in a Republican family but has always been a Democrat.

Councilmember Johnson asked how Minnesota should respond to the new tax reforms that will incentivize the wealthiest people to leave the State. Dr. Morrison stated that she thinks the State is on the upper edge of what is sustainable for State income tax.

Mayor Zerby stated that he understands many present tonight are here to let the Council know their opinion about the Amlee Road/Glen Road street reconstruction project. The entire Council has received a number of questions from residents about this possible project and have tried to respond to them as best as they could. He noted that he had worked with staff to put together a commonly asked question and answer sheet and noted that there are copies available at the front desk and they were also mailed out to residents on Friday. He reviewed a few of the questions and explained the process the City uses to evaluate and plan for street reconstruction or sealcoating projects. He stated that this road has been on the twenty-five-year project list, and the City is still discussing what the project may look like. He noted that no decisions have been made on the Amlee Road/Glen Road area. He stated that the City does not assess for road projects and is paid for through property taxes. He explained the thought process behind considering putting in water hook up lines as part of road projects, but noted that there is only a connection fee when you decided to hook up. He noted that people are allowed to keep their wells if they want to use them for watering lawns or even drinking out of, they just cannot be connected with the City water lines. He clarified that there will be no vote tonight on whether to proceed with the street reconstruction project. He stated that the Council is considering looking at a communication plan because the City recognizes that they could have done a better job of working with the residents about this project and what to expect and will communicate this type if information to residents much sooner than has been done in the past. He reiterated that there will be no decisions or discussion on Amlee Road or Glen Road street construction project at tonight's meeting.

Jack Kegel, 5085 St. Alban's Bay Road, stated that he was here with a number of people to talk about Manor Park and the condition of the pond. He stated that before the pond was made part of the stormwater collection system, the pond was a healthy ecosystem and a community asset. He stated that the pond has deteriorated since the Parkview development went in and is now completely turbid and supports little aquatic life other than a solid covering of algae. He stated that during warm weather the pond produces a foul odor. He stated that they feel the pond has to be dredged but then expect it to deteriorate again within a few years. He stated that the residents in the area would like the City to explore whether anything can be done to improve the functionality of the Parkview stormwater pond in order to reduce the degradation it causes to the Manor Park pond. He stated that they held a community meeting about the pond in 2009 and someone had pointed out that fountain was put into the Parkview stormwater pond. This pond now has no algae and is an attractive amenity which means the sediment cannot settle there and seems to be winding up in Manor Park pond. He suggested removing the fountain and allowing the Parkview pond to resume its intended function may help Manor Pond. He stated that the Manor Park area residents have been waiting for the City to take action on these concerns for ten years. He stated that they are hoping this will be included in the Comprehensive Plan.

Planning Director Darling noted that the Council is planning to hold a work session meeting at Manor Pond on October 9, 2018 from 5:30 p.m. to 6:30 p.m.

Richard Eng, 25170 Glen Road, stated that he would like to talk about the Grant Street improvements that is costing the City thousands of dollars. He stated that he believes that WSB has failed the City time and time again. He stated that he would like an independent investigation to be done because this situation never should have occurred. He stated that he would like this issue to be put on the docket for an October meeting before the elections in November. He stated that he does not believe due diligence was done and that someone should be held accountable.

Bob Gagne, 24850 Amlee Road, spoke regarding the Amlee Road and Glen Road project. He stated that he has lived here since 1961. He stated that all the water that Mr. Eng just touched upon ends up is his backyard as well as the two yards next to him. He stated that he also believes that Three Rivers Park should also be involved because there is a culvert under the old railroad tracks that is plugged. He stated that sometime in the early 70s the City received a grant to put the sewer in and he asked at the time why they did not just go ahead and put the water in while the streets were dug up, but the City chose not to do it. He stated that he has paid taxes to the City for 50 year and would like a road that is not full of potholes and drains correctly. He asked for this to be given time on a work session with the area residents and that the full Council would be in attendance to hear the whole story.

Councilmember Johnson noted that the land that has the blocked culvert is owned by the railroad authority and he has been trying to get in touch with them about this issue.

Roger Rodney, 25135 Glen Road, spoke regarding the Amlee Road/Glen Road project and expressed his concern with the credibility of WSB. He stated that he has pictures and video of the amount of fill that was brought in and all the trucks that came in that he has shown the City. He stated that hid property has a river running through it and feels WSB has to answer for that.

George Greenfield, 24715 Yellowstone Trail, stated that a month ago some questions were raised about the calamity of July 13, 2018. He stated that Mayor Zerby promptly contacted the Chief of Police who answered two of the three questions. He read aloud from the statement by the Chief that when the case is made public by the BCA the report will also be available to the public. He stated that the South Lake Police Department claims they do not have a copy of the report and refuse to provide a copy of the report. He stated that the BCA and State Representative Cindy Pugh, has not returned calls. He stated that he feels

the South Lake Police Department is being obstructive and resistant to providing any information. He asked the Council to direct the Police Chief to come to the City for a public meeting so residents can question him about the involvement by the department in the incident.

Mayor Zerby noted that the South Lake Police Department has oversight from the mayors of the four cities that the department serves and a coordinating committee composed of the city administrators, and not the Council.

Elizabeth Mann, 2410 Amlee Road, stated that she was here to talk about the Amlee Road/Glen Road project. She stated that she went on-line and read the minutes and became concerned with what she was reading. She stated that her main concern is the lack of communication with the residents when the City is considering a feasibility study that is going to cost over $140,000. She expressed her appreciation to Mayor Zerby for attempting to reach out to her even though their schedules never connected. She stated that she received the question and answer letter that was sent out on Friday about 20 minutes before the meeting which she feels is a big part of the communication problem. She stated that the lack of communication from the City was very disappointing.

Chet Ritchie, 24995 Glen Road, stated that there are issues on Glen Road with potholes, water and drainage and gave an example of two cars parking on the sides of the road and a car not being able to drive through so the police had to be called. He stated that because there are no fire hydrants and the road in some places it is too narrow and in some places about as wide as an alley, it presents a safety issue. He stated that he supports something being done to improve the road.

Richard Eng, 25170 Glen Road, stated that two cars can pass on Glen Road because it is 18 feet wide and noted that widening the road will increase the speed in which drivers travel on the road. He stated that there is a fire hydrant at the beginning Glen Road and the fire truck has equipment that will enable them to fight fires there, if needed.

Mayor Zerby suggested moving item 8A earlier in the agenda.

ENGINEERING/PUBLIC WORKS – (moved from later in the agenda)
A. Communication Plan for Capital Improvements

City Engineer Fauske gave a summary of the proposed communication process that would include sending a letter to residents approximately two years before the proposed project, gathering opinions on watermain extensions, neighborhood open house, feedback to Council with summary of the open house comments, hold another neighborhood open house when a draft of the feasibility study is available, and another open house prior to construction.

Councilmember Labadie stated that she feels this is a much better plan than what is currently in place within the City. Councilmember Sundberg asked how this communication plan impacts the Amlee Road/Glen Road neighborhood and how the City moves forward. City Engineer Fauske stated that the first goal is restoring the trust of the residents. She stated that staff is certainly willing to hold an open house to answer resident questions. Councilmember Sundberg stated that if the City follows this communication plan that would put off any decision about Amlee Road/Glen Road for quite some time.

Kipp Knutson, 24820 Glen Road, asked what is considered an adequate time frame for notifying residents.

City Engineer Fauske stated the City provides a two-week notice to the resident when there will be a neighborhood meeting of any sort. She stated that if residents are not able to attend the meetings this would also give them time to submit their comments via phone or e-mail prior to the meeting.

Mayor Zerby stated that he feels an initial two-year notice is a good idea and feels that it should be repeated at one year also because there may be turn over in ownership. He asked for feedback from the residents on the two week' notice for open houses and if they prefer a postcard notification versus e-mail. The audience indicated that they prefer postcard notification rather than e-mail.

Clint Bucher, 5490 Manitou Lane, stated that he harkens back to 2007 when this road project was first brought up there was much heated discussion. He mentioned Laura Turgin a former Councilmember that was accessible open and listened. He stated that he has gotten the same feeling from Councilmember Labadie. He stated that back in 2007 a majority of the people did not want it to take 30 feet of their yard even though they thought the road sounded good and would cost hundreds of thousands of dollars for a catch basin that really wouldn't restore the failed foundation. He noted that in the middle of the Council meeting in 2007, there was a break and people went outside and during the break, the Council tried to take the vote while the residents were outside. He stated that antics like that do not engender trust. He stated that he did receive a postcard about the three lots at the end of Glen Road. He stated that same basic people were there along with the same engineering company and the same things were said, like "we did not know there were any drainage problems in there". He stated that the residents there told them that they had informed the City and had taken pictures to show them. He said this was just a year ago, but he said at the time, when the City comes through with the story again, the people in the room will remember it. He stated that he did not receive a post card when the current homes were built at the end of Glen Road. He stated that the City approved them without any additional public input or meeting. He stated that it feels a bit like a used car salesman from the City, "Trust us. Buy a used car from us. We are good guys". He stated that he would like to trust the City, but asked the City not to tell him to trust them, but to show him he could trust the City.

Zerby moved, Sundberg seconded, to Approve the Communications Plan for Capital Improvements. Motion passed 4/0.

Mayor Zerby stated that the City will stay in communication regarding these projects. He encouraged residents to also contact the Councilmembers if they had any questions or additional comments. Councilmember Johnson noted that someone was giving out an incorrect work number for him, so he asked that they not use that number. He stated that his correct number is available through City Hall.

Elizabeth Mann, 24710 Amlee Road, asked if the Amlee Road/Glen Road project was on stage one, two, or three of the new communications plan.

City Administrator Lerud stated that he would say this project is between numbers one and two. He noted that the City will be sending out a more descriptive explanation of the project as well as a survey.

4. PUBLIC HEARING

A. 7:00 PM Public Hearing to Vacate Portion of Woodside Road Right-of-Way
Applicant: Michael Giebenhain
Location: 28110 Woodside Road

Planning Director Darling noted that the sixty-six feet of right-of-way was originally acquired in 1883 as part of the Scotts Subdivision and the home on the property was constructed in 1910. She noted that a portion of the home and porch was constructed within the right-of-way which has created a cloud on the

title. The property owner is asking for the City to vacate the 16 feet of the westernmost right-of-way in order to correct the issue. She noted that the property owner to the south of this property had also recently requested a similar vacation of the right-of-way. She explained that any new street would require fifty feet of right-of-way. She noted that the proposed resolution includes language about reserving a seven-foot drainage and utility easement rather than the standard ten because of the placement of the porch.

Councilmember Sundberg stated that this seems like a very logical way to deal with this issue.

Mayor Zerby opened the public hearing for comment at 8:04 p.m. being there was no comment, he closed the public hearing at 8:05 p.m.

Sundberg moved, Johnson seconded to approve RESOLUTION No. 18-097, "A Resolution Vacating an Undeveloped Portion of Woodside Road." Motion passed 4/0.

5. REPORTS AND PRESENTATIONS

6. PARKS

A. Report by Commissioner Barr on September 11, 2018 Park Commission Meeting

Commissioner Barr stated that the Park Commission discussed the Manor Park pond and looked over the Capital Improvement Plan. She stated that there were residents at the meeting to share their concerns about the Manor Park pond and noted that Planning Director Darling was able to share some results of some testing she had conducted which concluded that the water is not toxic. She stated that the Commission is encouraging staff to look into short term and long-term solutions for the pond issues. She noted that because of increased concrete and grading costs, they will not proceed with completing the Badger Park playground area for construction in the spring of 2019. She noted that the Park Commission has found there will be a $30,000 savings by not having to pour concrete below the poured rubber surface, since the plans are for a curb around the structure. She reviewed some of the revisions that were made to the CIP.

B. Update on Manor Park Pond

Planning Director Darling stated that she was able to perform some simple tests to test the pond for toxic algae and found that there was no toxic algae present in the samples. She stated that staff has started looking into possible chemical treatment options to reduce the green vegetation and algae in the pond. She stated that the costs for this treatment option is approximately $1,000 each time the pond is treated. She noted that there are private ponds that drain into Manor Park, so the treatment may be ineffective if the upstream ponds populate the algae or vegetation. She noted that cold weather slows the growth of algae so it may be a wise idea to wait and treat the pond next June and July. She stated that staff is also wondering if the Council would like staff to treat the Silverwood Park pond and whether they Council would like to have the dredging of Manor Park in the CIP as a separate item. She noted that the dredging had been included in the Comprehensive Plan. She stated that staff is looking for how quickly the Council would like the dredging project to take place.

Councilmember Sundberg asked about the presence of road waste contamination in the Manor Park pond. Planning Director Darling noted that this waste is from a treatment that people used to use on bituminous driveways and it was a chemical that would run off into the pond and sits at the bottom with the sediment. She stated that then when the pond is dredged, the removed material is contaminated with these pollutants and it has to be landfilled, which makes the project very expensive.

Councilmember Sundberg asked for the total cost for treatment with all the various chemicals that will be needed. Planning Director Darling reiterated that it will probably be around $1,000 for each treatment.

Councilmember Labadie noted that the packet referenced the Park Tour that was held this past summer and stated that "several" residents attended the Park Tour. She would like to clarify that it was "several dozen" residents. She explained that she was present for the tour and the group of residents is a committed, cohesive group that supports cleaning up the pond. She asked how many upstream ponds drain into Manor Park pond.

Planning Director Darling stated that she is aware of one or two ponds, such as the Parkview pond. Councilmember Labadie asked if the chemical treatment being considered is something that is regulated to a governmental agency that the City will need to obtain a permit from in order to complete the treatment.

Planning Director Darling does not believe that any permitting will be required. Councilmember Labadie asked if the assumption is that this chemical application will be done annually. Planning Director Darling stated that it may be done more than once a year because they are not sure how long the treatment will last. Councilmember Labadie asked whether the goal of the treatment was a crystal-clear pond or to eliminate the smell. Planning Director Darling stated that the chemical treatment would keep down the vegetation and the algae and noted that the algae is emitting a gas which is causing the smell.

Mayor Zerby stated that he thinks the pond needs to be dredged because it is surrounded by three roadways and thinks the treatments used on the roads to keep them safe for winter driving have more than likely gone into the pond and caused problems. He stated that he feels there needs to be some science-based decisions made and stated that the chemical treatment option sounds like a "Band-aid" and does not create a working ecosystem. He stated that he thinks the City needs to have someone come in and take a look at it because he thinks the ecosystem is broken. He noted that he had previously recommended Steve Nikomis. He stated that he is in favor of doing a treatment for a temporary solution for this year, but thinks the City needs to look at longer term solutions.

Frank Furter, 20635 Manor Road, stated that he lives directly across from the pond. He stated that he agrees with everything Mayor Zerby said. He noted that there is only one driveway that has bituminous surface and he assumes most of the road waste that Planning Director Darling was talking about came from the slurry coat that has been applied to the roads over the years. He stated that when the pond gets enough water in it drains into St. Alban's Bay, so the water quality of this pond will affect the quality of the lake water.

Jack Kegel, 5085 St. Alban's Bay Road, stated for his first fifteen years living here this pond had a healthy ecosystem. He noted that he would see egrets, wood ducks and all sorts of mammals living in and around the pond. He stated that he hasn't seen ducks or egrets in years and noted that geese won't even come to the pond and they will usually go just about anywhere. He stated that the pond in its present condition is not supporting wildlife the way it used to and it was an important part of the community when it was a healthy ecosystem. He stated that he understands that the Parkview pond is a private pond but asked if there were any regulations that stormwater ponds have to abide by since it appears that pond is not keeping any of its sediment and it is all just going to Manor Park pond and asked who would be responsible for enforcing those regulations.

Public Works Director Brown noted that the Parkview pond is a small portion of drainage area that flows in the Manor Park pond. He stated that there are regulations in place and is overseen by the Minnehaha Creek Watershed District.

Mr. Kegel stated that to him it is very clear that there is a connection between the health of Manor Park pond and the Parkview subdivision because that is when the deterioration began. He stated that he would like the City to take a look at the upstream ponds also, so the City is not back in the same situation in ten years.

Councilmember Johnson asked what the cost of dredging would be. Planning Director Darling stated that staff is estimating that it would be over $200,000.

Public Works Director Brown stated that when this was considered, City Engineer Landini was in charge of the project. He noted that there were many comments made a few meetings ago and in correspondence that said this never really went to a vote, which is not the case. He stated that staff went back and looked at Council documents where this was considered and it came to a decision that the material that comes out will have to go to a managed landfill. He stated that the estimated cost at that time was $230,000 and the Council felt they did not have the resources to proceed.

Councilmember Sundberg asked if once the pond was dredged if all the contamination would be removed so that issue would be taken care of. Public Works Director Brown stated that would be the goal. He stated that the City's hope is that some of the ecological aspects that have been brought up tonight, can be brought back. Councilmember Sundberg stated that she likes the idea of dredging because she does not like having polluted properties in the City.

There was a consensus of the Council to pursue information regarding dredging of the Manor Park pond. Planning Director Darling reiterated that there will be a larger impact to treating the algae in the warmer months of June and July.

Mayor Zerby stated that he would support treating it yet this year, since the cost is fairly minimal, and then revisiting the topic when they hold their work session out at Manor Park pond. He asked the residents that were present if they objected to treating the pond this year.

Jodi Kaye, 5105 Suburban Drive, stated that she does not think there is a huge benefit in doing it right now because it is starting to clean itself up a bit because of the cooler temperatures. She stated that she would prefer spending the money to treat the pond next year when it will be more effective. She stated that this pond was never intended to be a stormwater run-off pond, but simply a pond. Mr. Kegel stated that making it a stormwater pond really led to its degradation.

There was a consensus of the Council to treat the pond next summer and use the interim time to consult with both the watershed district and a consultant about the best way to proceed.

7. PLANNING

8. ENGINEERING/PUBLIC WORKS

A. Communication Plan for Capital Improvements – (moved to earlier on the agenda)

B. Approve Professional Services Agreement for Reclaim Project: Enchanted Island and Shady Island, City Project 18-11

Public Works Director Brown stated that there has been a consensus that the islands are ripe for doing a full reclamation project for Enchanted Island and Shady Island. He noted that the estimated costs are $113,634 and staff is recommending approval.

Mayor Zerby stated that he thinks these roads are overdue. He suggested sending a postcard to the residents to let them know the City is making progress and moving forward on this project to make sure it is communicated with the residents.

Johnson moved, Labadie seconded, Approving RESOLUTION NO. 18-098, "A Resolution Approving a Professional Services Agreement with WSB and Associates for the Preparation of Plans, Specifications and Bidding Services for the 2019 Street Reclamation Project: Enchanted Island and Shady Island," City Project 18-11, and begin the newly approved communications plan with the residents. Motion passed 4/0.

C. Approve Professional Services Agreement for the 2018 Inflow and Infiltration Abatement Project, City Project, 18-12

Public Works Director Brown noted that the City budgets $70,000 for inflow and infiltration abatement and noted that staff has areas along Edgewood Road and Park Street that need attention. He noted that the expected construction costs will be about $65,000. Staff is recommending approval.

Mayor Zerby stated that he thought he remembered that there used to be annual video inspections done but does not remember seeing that for a while. Public Works Director Brown stated that they have been looking at them as road construction projects happen and noted that there are some that are on a televising schedule but most are done in conjunction with road construction.

Zerby moved, Sundberg seconded, to Approve RESOLUTION NO. 18-099, "A Resolution Approving the Professional Services Agreement for the 2018 Inflow and Infiltration Project," City Project 18-12. Motion passed 4/0.

D. Mutual Aid Agreement for Public Works

Public Works Director Brown stated the goal of this agreement is to have a Mutual Aid Agreement in place so when an emergency happens, the cities do not have to take time to get an agreement in place to meet FEMA standards and agency needs. He stated the goal is have this agreement in place State-wide. He stated that Hennepin County has agreed to be the administrator for this area. He reviewed some of the terms in the agreement regarding responsibility, liability and reimbursement of costs. Staff is recommending approval.

Mayor Zerby stated that he is not in favor of this agreement and noted that the City is already having trouble getting done what needs to be done within the City. He stated that the City has worked with local cities and partnered with them in the past, when needed, but he is not prepared to send our Public Works Department to other parts of the metropolitan area. He asked if other nearby cities like Excelsior and Tonka Bay have signed this agreement.

Public Works Director Brown stated that Excelsior and Tonka Bay are currently reviewing the agreement. He stated that communities such as Crystal, New Hope, Medina, and Edina have already signed.

Councilmember Sundberg asked how often Public Works Director Brown would expect to be called out to other areas if this agreement is signed. Public Works Director Brown stated that he believes it will be very limited and noted that it will be the Council's choice whether they would like to send resources.

Mayor Zerby stated that he does not believe that would happen in reality because that would involve calling a special Council meeting, so he does not feel there would be any Council interaction in these situations.

City Administrator Lerud stated that this agreement is a two-way street, so the City will also be able to access assistance, if needed. Councilmember Sundberg stated that she feels this agreement may be a positive for a small city like Shorewood.

Councilmember Labadie stated that in her opinion it depends on who the City will enter into a Joint Powers Agreement with because, depending on who it is looking at, Shorewood may be considered the "big city". She stated that there have been many instances where the City has cleared a trail, stops at the edge of the City and the neighboring cities do not clear theirs. She stated that there are problems on the islands with the roads with our City taking care of them and the next city over not taking care of their roads. She stated that she was afraid of certain cities taking advantage of the City's excellent Public Works staff machinery, and competence. She stated that if this agreement partners with larger cities, she thinks it could be a benefit to the City. She expressed concern of whether there would be an emergency that effected the City as well as the bigger cities and the services and assistance may go to the bigger cities and Shorewood be given the scraps. She stated that the agreement makes her a little bit nervous. She noted that in the case of a disaster and FEMA is being called in, she thinks the agreements makes common sense. She noted the immediate sand bagging efforts when there was flooding on Lake Minnetonka was not declared a FEMA disaster until after the fact. She stated that there is a phrase included in the agreement that states, "normal day to day activities" which makes her very nervous.

Councilmember Johnson stated that based on information he has gathered from Next Door, there is a push from Excelsior to merge Public Works with our department. He stated that he is a little leery to sign onto something like this until the City has better clarity as to what our surrounding neighbors are going to do and what their Councils will look like, post-election. He asked City Attorney Keane if he had read through the agreement and had any thoughts on it. City Attorney Keane stated that he had reviewed the agreement and it is customary as it relates to the shifting of risks and liabilities. He stated that the remainder of the agreement is a policy question for the Council to discuss.

Councilmember Sundberg stated that she thinks her fellow Councilmembers raised some valid concerns and agrees that she would be more comfortable waiting to see what the neighboring communities will do. She stated that she is tired of the City being taking advantage of by some of the communities.

9. GENERAL/NEW BUSINESS

A. Shorewood Community and Event Center Rental Fee Schedules

City Administrator Lerud stated that staff has been contacting similar facilities to see what they charge for rental fees to arrive at fees for the Shorewood Community and Event Center. He noted that staff is proposing that this fee schedule go into effect on January 1, 2019.

Councilmember Johnson stated that before making a decision he would like to know the frequency with which the building is being used. He said he wants to make sure that the rates are competitive, and the city is not losing rentals because the fees are too high. He said he would also like to know the lowest fee that

can be charged where the City is covering its costs. City Administrator Lerud stated that there is enough time between now and the end of the year that he can bring those answers back to the Council at a future meeting.

Councilmember Sundberg asked when the City would start communicating its new name. City Administrator Lerud stated that he received the quote from the sign company late this afternoon and noted that the new name has already been put on the website and social media sites.

Councilmember Labadie stated that there was discussion at one point of charging a different rate for non-profit groups but she did not see that included in the information. City Administrator Lerud stated that had been included on a previous version and will be included again when it comes before the Council.

B. Water Connections

Administrator Lerud explained that at the last work session the Council had talked about encouraging people to hook up to water if it was available to them. He noted that of the properties that have water available but were not connected to the system, one-hundred and eight of the properties have paid an assessment, but are not connected. He stated that there are approximately one-hundred thirty properties that have water available but have not paid an assessment. He stated that it has been determined that there is too much information to send out in a mailer, so the plan is to send a flyer with the next sewer bill that will refer them to the website for the detailed information.

Councilmember Sundberg stated that she strongly suggests that the City not use the WAC acronym because it will quickly become a joke that the City is "whacking" residents again. She suggested simply stating "water access charge" and not shortening it.

Councilmember Labadie explained her thoughts on item number eight of the frequently asked questions document, "What are the advantages to being on City water." She stated that in her opinion it is an advantage to be on City water because it increases property value in the event of resale. She asked if that would be worth researching and including as a footnote.

City Administrator Lerud stated that he will ask the City Assessor and ask that question for possible inclusion in the information. Councilmember Sundberg asked if there was data regarding water quality of wells in our area that could also be included.

City Administrator Lerud stated that the City does not have that information because they are private wells. He noted that there is information included regarding having their wells tested for contaminants.

Zerby moved, Johnson seconded, to Approve the Water Connection information and communication process, with the changes as discussed. Motion passed 4/0.

10. STAFF AND COUNCIL REPORTS

A. Administrator and Staff

1. Enterprise Funds Budget Report

Mayor Zerby recessed the Council meeting at 9:02 p.m. to allow for the recording tape to be changed. The meeting was reconvened at 9:06.

Finance Director Rigdon reminded the Council that Enterprise Funds are different that General Budget Funds. He noted the Enterprise funds are used to report activities for which fees are charged to users. He noted that there was nothing out of the ordinary in this report but noted the City should focus on the cash balances of the major funds.

Other

Mayor Zerby asked Public Works Director Brown about the light fixture on Smithtown and Eureka Road. Public Works Director Brown stated that he had given Xcel Energy the go ahead to add the additional light.

Mayor Zerby asked about street painting. Public Works Director Brown stated that the new system after sealcoating is to sweep the street and then come back one month later and sweep again and paint the street. He believes that the second sweeping and painting will be done in about two weeks.

City Engineer Fauske stated that due to last week's rain, the watermain extension through Riviera Lane did not take place and they anticipate that work moving forward this week if the weather cooperates.

Planning Director Darling noted that at the last Council meeting there was a resident who came forward with concerns about the condition of Glen Road and the amount of mud and debris along the road. She explained that she had followed up and inspected the property almost every day. She reviewed the other times she inspected the property and the pictures of what was found. She stated that she believes the contractor has gotten the point that the City expects them to keep the roads clean and will have the Building Officials continue to keep an eye on it when they are in the area.

B. Mayor and City Council

Mayor Zerby stated that he had sent out a memo about Hennepin County giving a grant to Excelsior for Mill Street and asked if the City had any contact with them to see if the City could have any input into the process since the Council has heard from residents along Mill Street that they are also anxious for something to be done. He stated that there should at least be coordination of the projects. City Administrator Lerud stated that he believes Excelsior is planning to form a staff level oversight committee, that will involve citizens from both cities as well as Chanhassen.

Mayor Zerby stated that he represented the City at NPR to discuss the bee pollinator document. He stated that it was well received and also a message that the smaller cities do not like it when they get overruled by bigger government.

11. ADJOURN

Johnson moved, Sundberg seconded, Adjourning the City Council Regular Meeting of September 24, 2018, at 9:16 P.M. Motion passed 4/0.

ATTEST:

Sandie Thone, City Clerk

Scott Zerby, Mayor

City of Shorewood City Council Retreat

2023 COUNCIL RETREAT AGENDA

February 27, 2023
8:30 AM - 3:30 PM
Shorewood Community and Event Center
Conference Room
5735 Country Club Road, Shorewood, MN 55331

Coffee and Refreshments	8:00 – 8:30
Welcome and Opening	15 Minutes
Council Priorities Discussion	
1. City Staffing	90 Minutes
a. Current Staffing and Organizational Structure	
b. Rolls and Responsibilities	
c. Compensation study	
2. Review of 2020 - 2025 Strategic Plan / Plan for Update	60 Minutes
BREAK	**15 Minutes**
3. Update – Next steps for Integrated Pest Management Plan	30 Minutes
LUNCH	**30 Minutes**
4. Long-Term Plan for Water infrastructure Investment	60 Minutes
5. Hybrid Council Meetings	45 Minutes
BREAK	**15 Minutes**
6. Review of Current and Planned Public Improvement Projects	45 Minutes
Closing Comments and Adjourn	15 Minutes

City of Shorewood

2023 City Council Retreat

February 27, 2023
Shorewood Community and Event Center

Topic

4. Long Term Plan Regarding Water Infrastructure and Delivery

Prepared By: Matt Morreim, Public Works Director
Andrew Buddie, City Engineer
Joe Rigdon, Finance Director

Background:

Source, Capacity & Treatment:

Shorewood has 6 wells that range from 100-1000 Gallons Per Day capacity and range in depth from 280 feet to 640 feet. The municipal wells produce water from the Prairie du Chein-Jordan, St. Peter-Jordan, and Tunnel City-Wonewoc aquifers. As comparison, most private wells are 100 feet to 250 feet deep and pull water glacial till acquirers. In the western system the primary well is Well 7 which located at Silverwood Park and includes iron filters for treatment. In the summer when the demand is highest, it is supplemented by wells 1 and 6. In the eastern system the primary well is Well 3 located at Badger Park and in the summer supplemented by wells 4 & 5. All wells provide chemical treatment with chlorine and fluorine. The municipal water supply meets all regulated contaminate levels set by the Minnesota Department of Health but often there are complaints from residents about hardness and the amount of iron in the water.

Treatment Site ID (Plant Name or Well ID)	Year Constructed	Treatment Capacity (GPD)	Treatment Method	Treatment Type	Annual Volume of Residuals	Disposal Process for Residuals	Do You Reclaim Filter Backwash Water?
Well 1	1973	750	Chemical Addition	Chlorination, fluoridation	N/A	N/A	N/A
Well 3	1981	750	Chemical addition	Chlorination, fluoridation	N/A	N/A	N/A
Well 4	1981	500	Chemical addition	Chlorination, fluoridation	N/A	N/A	N/A
Well 5	1981	500	Chemical addition	Chlorination, fluoridation	N/A	N/A	N/A
Well 6	1982	100	Chemical addition	Chlorination, fluoridation	N/A	N/A	N/A
Well 7	1986	1,000	Chemical addition, Iron Filters	Chlorination, fluoridation, iron removal	16,146 gal	Sanitary Sewer	Yes
Total	N/A	3,600	N/A	N/A	N/A	N/A	N/A

Resource Type (Groundwater, Surface water, Interconnection)	Resource Name	MN Unique Well # or Intake ID	Year Installed	Capacity (Gallons per Minute)	Well Depth (Feet)	Status of Normal and Emergency Operations (active, inactive, emergency only, retail/wholesale interconnection))	Does this Source have a Dedicated Emergency Power Source? (Yes or No)
Groundwater	Well 1	232331	1973	750	528	Active	No
Groundwater	Well 3	161414	1982	750	359	Active	No
Groundwater	Well 4	171020	1981	500	640	Active	No
Groundwater	Well 5	171023	1981	500	640	Active	No
Groundwater	Well 6	122298	1982	100	280	Active	No
Groundwater	Well 7	416160	1986	1,000	415	Active	No

The city also has two water towers, one on the east and one on the west system. Both systems operate at the similar pressures so that the two systems can be combined at some point in the future and add to the resiliency of the overall system.

Table 5. Storage capacity, as of the end of the last calendar year

Structure Name	Type of Storage Structure	Year Constructed	Primary Material	Storage Capacity (Gallons)
West Water Tower	Elevated storage	1995	Steel	500,000
East Water Tower	Elevated storage	1986	Steel	400,000
Total	N/A	N/A	N/A	900,000

The city also has several emergency interconnections available with surrounding communities of Minnetonka, Chanhassen, Victoria, and Tonka Bay.

Distribution:

The city has approximately 25 miles of 8" to 24" watermain providing distribution throughout the city and 435 hydrants. The existing watermain provides water service to 1473 connections (residential & commercial). The existing system is available to another 462 homes that have not yet chosen to connect to the system. Currently the city does not require residents to connect when the watermain is available so, many residents choose to continue utilizing existing private wells until the well has problems mechanically or with the quality of water. There are another 1327 developable parcels within the city that does not currently have access to municipal water.

Future Improvements:

Distribution:

It is the city's current practice to expand the distribution system on an opportunity basis. Typically, the addition of watermain is reviewed with other major infrastructure projects such as new development or street reconstruction projects. Typically, if the street is planned for full depth street reconstruction it is in the best interest of the city to install municipal water at that time. Watermain can also be considered when a street is slated for reclamation, like what was completed on Woodside Lane several years ago and what will be completed on Strawberry Court this year. Also, if there are petitions signed by

supportive neighborhoods the city could further pursue adding watermain in other locations, but a larger burden of the overall project cost is placed on those petitioning.

As mentioned above there are 462 homes that have water available but are not connected. Each connection would need to pay the current $10,000 connection charge which equates to $4.5 million in potential revenue and does not even account for the revenue generated by water consumption. It may be in the best interest of the city to try and "incentivize" connections by one of the following options or potentially others:

1. **Required Time Frame:** establish policy that residents must connect with 2 or 5 years of water being available.
2. **Increased Connection Fee:** plan to increase the connection fee significantly in several years and communicate to residents when this will happen to try end encourage connections.
3. **Sale of House:** establish policy that any sold house needs to connect to water if it is available.
4. **Building Permit:** establish policy that any house issued a building permit must connect to water.
5. **Other Ideas:**?

Source, Capacity & Treatment:

It is anticipated that the city has adequate wells and storage to meet daily demands of the population to be served in next 20 years. However, it is anticipated that either additional storage or higher capacity wells will be needed to serve the ultimate population and fire flow demand of approximately 8,000 residents.

One of the most frequent comments the city receives on the water supply is on quality, largely due to hardness and the amount of iron. There are several approaches that the city could take to address the quality and ultimately depends on the cost/benefit of providing high quality water for the residents.

For comparison below is information on the types of treatment provided by other adjacent communities. In general, most communities treat for iron and manganese, but do not treat the water for hardness. Excelsior is the only adjacent community that treats for hardness.

	Treatment (Y/N)	Type of Treatment	Notes
Tonka Bay	Y	Filtration	Hardness is an issue, couldn't find much information (website was glitching)
Excelsior	Y	Gravity filtration	Softening and iron/manganese removal
Chanhassen	Y	Sand filters, chlorine, fluoride	Iron and manganese removal, chlorination, and fluoridation (no softening)
Minnetonka	Y		Iron removal, chlorination, fluoridation, corrosion control (no softening)
Victoria	Y	Sand filters, chlorine, fluoride	

Treatment Options:

Low Cost: (less than $100k per well)

1. Chemical Treatment: Feed a polyphosphate solution. This would be an additional chemical to feed and would help with sequestering iron (keeping it in solution). Iron will still oxidize if exposed to enough oxygen, but it may help reduce some iron (rust) complaints. This option required another tank to store the chemical and a chemical feed pump. Staff will need to confirm there is space available in each well house for this option.
2. Operational Changes: If certain wells are lower in iron and manganese then operationally can use those wells more often and first to reduce the amount of potential for rust, etc. The is generally practiced but more data could be acquired to verify and improve this process.
3. Operational Changes: City staff does flush mains, however, flushing more often could improve the quality especially any dead-end mains as those can be more susceptible to iron deposits due to water sitting in the pipe longer.

Mid Cost: ($100k to multi million per well)

4. Looped Connections: Providing looped connections in strategic or problematic locations could help improve the quality in dead end areas. This would significantly reduce areas of stagnant flows and buildup of sediment. Additional water quality testing and further engineering would be required to better understand preferred locations. One challenge with adding looped connections to an existing system is that utility easements typically need to be acquired through side and back yards of several properties.

Higher Cost: (multi million to $7.5 Million per well)

5. Buy from other Cities: Connect into existing water systems that have treatment and use their water solely. This needs further vetting with the adjacent communities to confirm it is feasible both from a supply, demand, and operating pressure perspective. This means Shorewood gets out of the 'water business' and is just a buyer.
6. Filtration at each Well: provide filtration at each of the well sites for iron and manganese removal. This would require a building (approx. 75' x 100') and would also require land space. Many of the wells are clustered near each other and therefore could be fed to one filtration building. One filter building is estimated to be about $7.5 million per 1000 GPD well. Much further evalution would be needed to better understand potential solutions and the level of quality that could be achieved in the water.

<u>Financial Consider & Water</u>

Of a total of approximately 3,000 City utility billing accounts, the City has roughly 1,500 utility accounts using City water, and 1,500 not using City water. The main sources of water revenue include utility user charges, and water access hookup charges (WAC). Water user charges are based upon quarterly water meter readings obtained electronically by the public works/water department.

Quarterly water rates for the City are $26.86 for the 1st 5,000 gallons used, $4.54 for gallons used of 5,000 to 50,000, and $6.52 for gallons used in excess of 50,000. The user charge revenue was $737,000 in 2021, and was preliminarily $808,000 in 2022. In recent years, rates have been increased by 10% per

year, as part of a response to a declining cash balance of the water fund. A comparison to five other cities is include as an attachment. As shown, the Shorewood rates and calculated charges on various water usage levels are lower than each city, with the exception of the City of Chanhassen.

WAC fees have been $10,000 per hookup for many years. The WAC fees may be paid by cash or by special assessment. The total number of water hookups for 2020, 2021, and 2022 were 20, 18, and 8, respectively. Financed by the issuance of revenue bonded debt, the water fund has incurred significant infrastructure costs over the past several years. The repayment of this debt expected a greater amount of WAC fee revenues, which has contributed to the water fund's declining cash balance.

The 2023-2032 10-year water capital improvement plan is attached. Significant improvements are included for Strawberry Lane, Strawberry Court, Peach Circle, and Birch Bluff Road.

Question for Council:

1. Should the City Engineer prepare a scope of work to study potential long-term improvements to the City's water infrastructure to improve water quality?

2. Should City staff further review options to "incentivize" connections to the existing watermain?

Attachments:

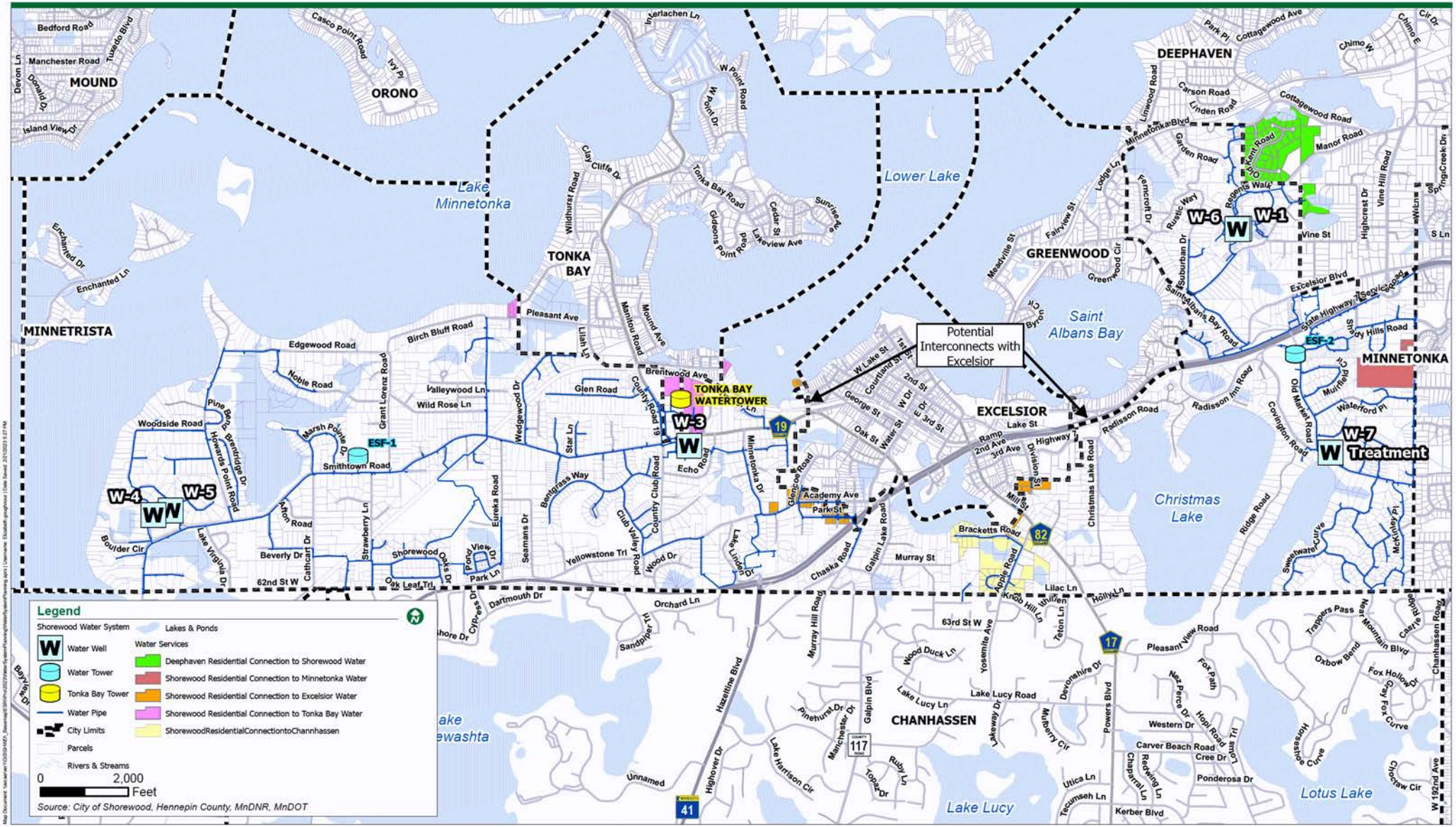
- Water System Overview Map
- Water Connections Map
- Age of Existing Wells Map
- Water Schematic
- Water Projects by Source
- Utility Rate Comparison
- Consumer Confidence Report 2021

Watermain System

Shorewood, MN

February 2023

BOLTON & MENK

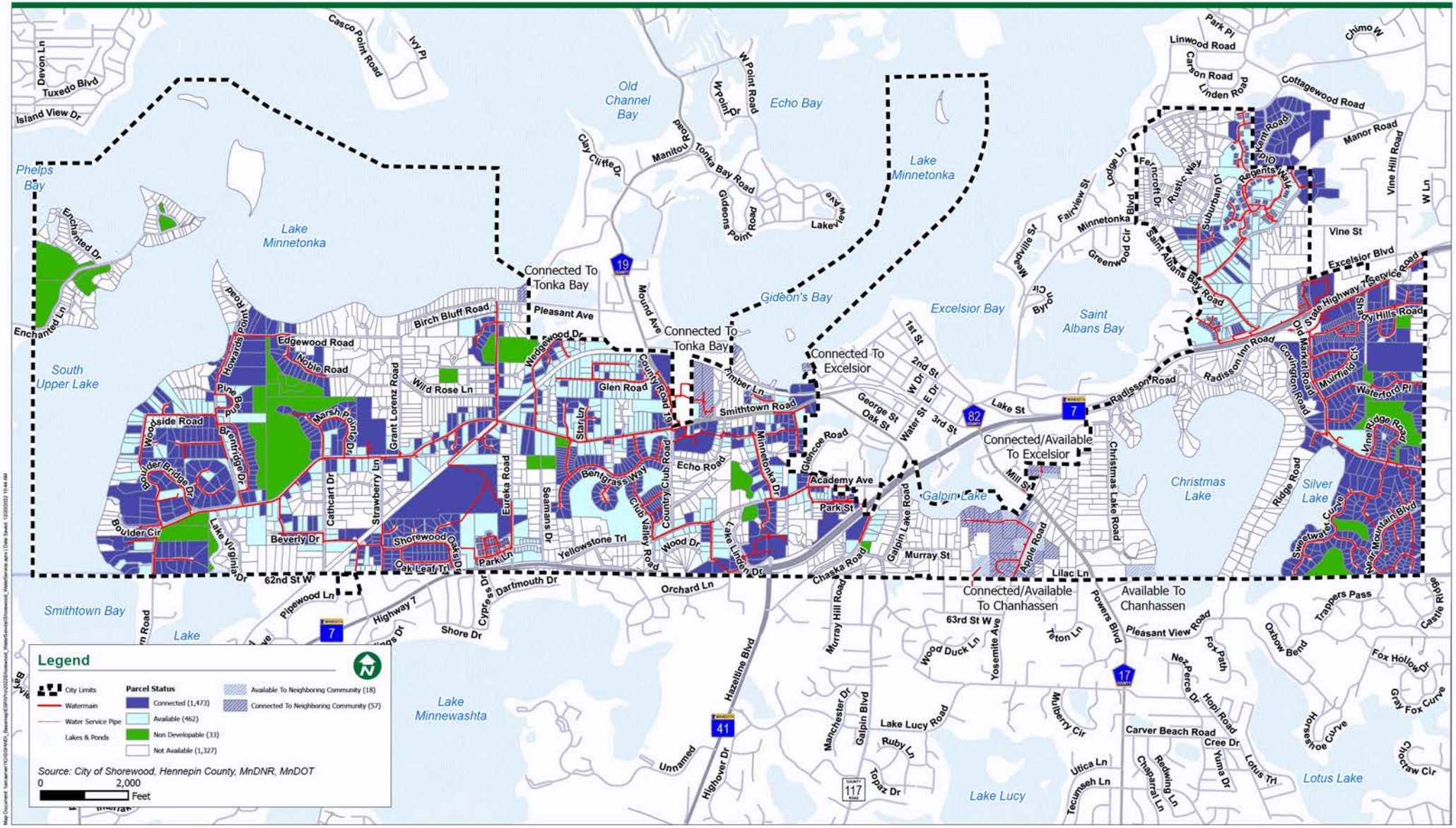


Water Services

City of Shorewood, MN

December 2022

BOLTON & MENK

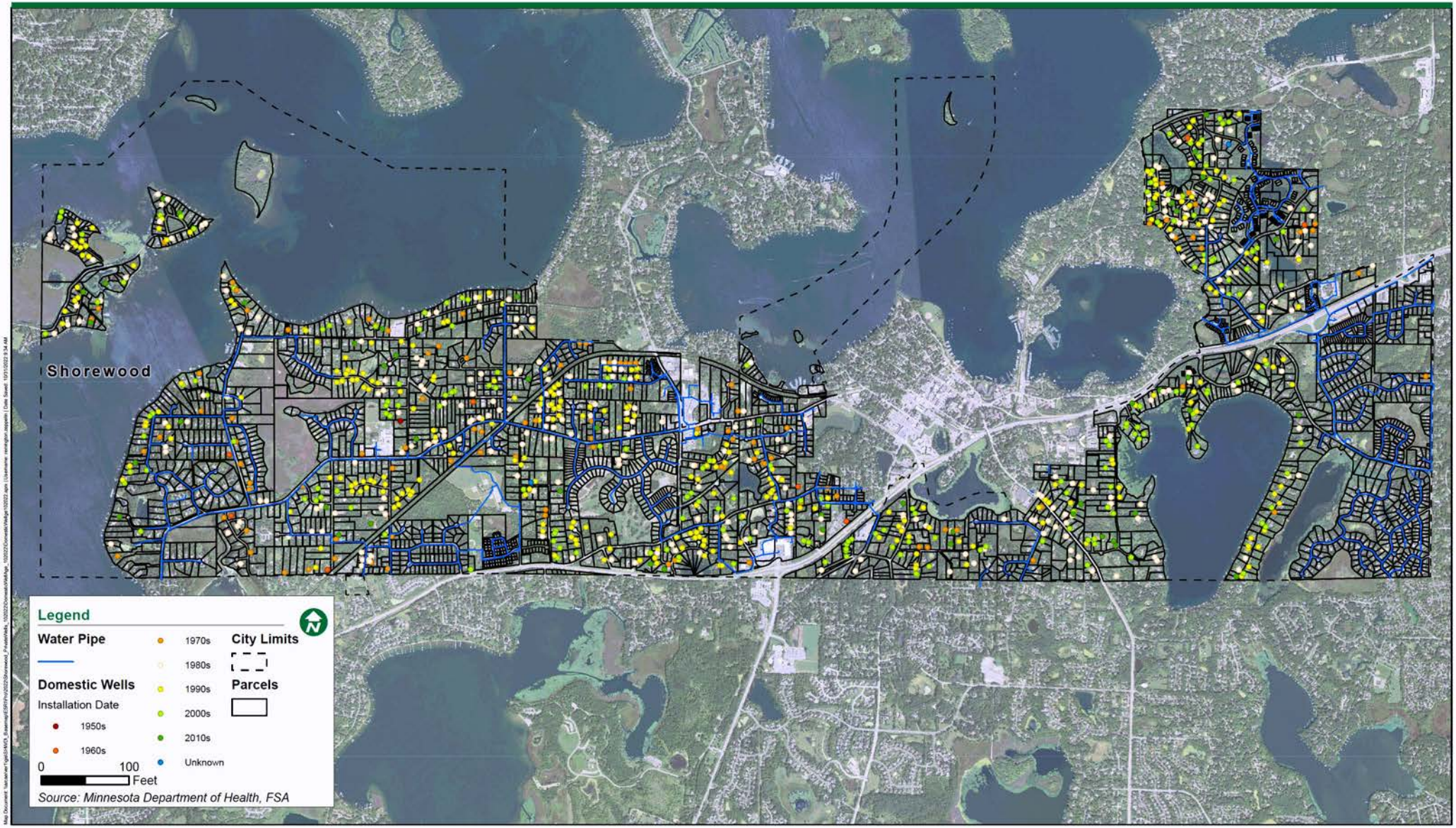


Age of Domestic Wells

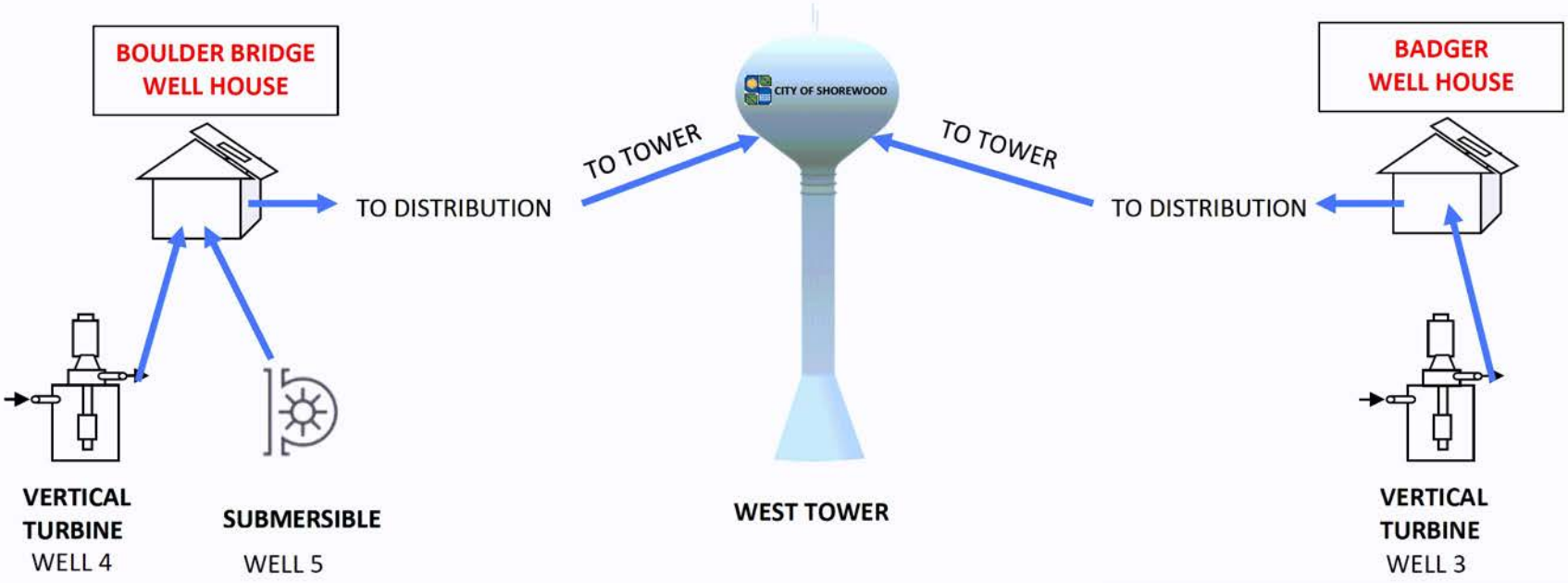
Shorewood

October 2022

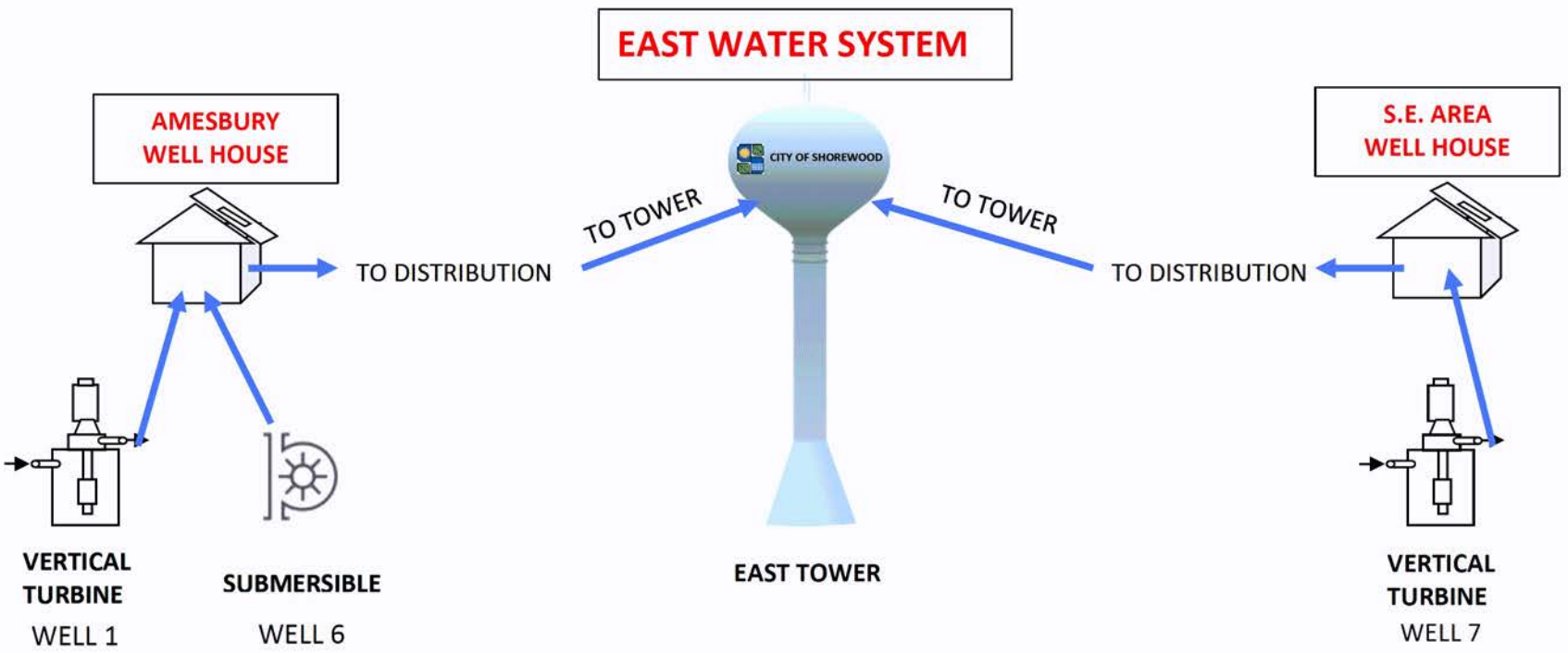
BOLTON & MENK



WEST WATER SYSTEM



EAST WATER SYSTEM



NOTE: THERE IS NO INTERCONNECTION BETWEEN THE EAST AND WEST WATER SYSTEMS.

City of Shorewood, Minnesota

Capital Improvement Program

2023 thru 2032

PROJECTS BY FUNDING SOURCE

Source	#	Priority	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Total
601 - Water Fund													
Truck - Ford 550 w/crane, Utility Truck 50%	007	n/a						101,250					101,250
Air Compressor - Ingersall Rand 185	038	n/a			34,200								34,200
Dodge Grand Caravan (Pool) - Water	077	n/a	38,400										38,400
Edgewood Rd reclaim	ST-21-01	n/a									1,022,135		1,022,135
Strawberry Court reclaim	ST-22-01	n/a	203,608										203,608
Peach Circle reconstruction	ST-22-02	n/a	169,373										169,373
Strawberry Ln reconstruction	ST-23-01	n/a	659,459										659,459
Grant Lorenz Rd reclaim	ST-23-02	n/a							751,815				751,815
Vine Ridge Road Watermain	ST-23-05	n/a			896,835								896,835
Birch Bluff Rd reconstruction	ST-23-99	n/a	941,280										941,280
Noble Rd recon	ST-24-01	n/a					550,011						550,011
Galpin Lake Rd/Trail	ST-24-03	n/a					634,453						634,453
Mill Street Trail Construction - Led by Hpn County	ST-27-03	n/a			2,620,235								2,620,235
Rebuild Well Pump SE VT Well	W-19-05	n/a			25,000								25,000
Rebuild Well Pump Amesbury VT Well	W-20-05	n/a				25,000							25,000
Rebuild Well Pump Badger VT Well	W-21-02	n/a						35,000					35,000
Rebuild Well Pump Boulder Bridge VT Well	W-22-02	n/a					35,000						35,000
Rebuild Well Pump Amesbury Submersible Well	W-23-01	n/a	30,000						36,000				66,000
Badger Park Watermain	W-23-02	n/a	63,600										63,600
Replace valves SE area filter plant w/ cotrols	W-23-03	n/a	67,200										67,200
Water Meter Replacement Project	W-23-04	n/a	30,000	30,000	30,000	30,000	35,000	35,000	35,000	35,000	35,000	35,000	330,000
Rebuild Well Pump Boulder Bridge Submersible Well	W-24-01	n/a		30,000									30,000

Source	#	Priority	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Total
East Water Tower Paint & Reconditioning	W-24-02	n/a		380,000									*380,000*
Replace VFD SE Area Well	W-24-03	n/a		10,000									*10,000*
Replace VFD Badger Well	W-26-01	n/a				12,000							*12,000*
Watermain Reconstruction Activity	W-99-01	n/a	100,000	105,000	110,000	115,000	120,000	125,000	130,000	135,000	140,000	145,000	*1,225,000*
601 - Water Fund Total			**2,302,920**	**555,000**	**3,716,270**	**182,000**	**1,374,464**	**296,250**	**952,815**	**170,000**	**1,197,135**	**180,000**	***10,926,854***
GRAND TOTAL			2,302,920	555,000	3,716,270	182,000	1,374,464	296,250	952,815	170,000	1,197,135	180,000	***10,926,854***

City of Shorewood
Water Utility Rates Comparison
2023

Shorewood		Tonka Bay		Chanhassen		Minnetrista		Excelsior		Mound	
* 1st 5,000 gallons	$26.86	* 0-15,999 gallons	$7.54	* Fixed Charge (minimum charge per quarter)	$16.62	* Base per quarter	$31.97	* Fixed charge	$53.36	* Quarterly base rate charge	$58.42
* per 1,000 gallons in excess of 5,000 and up to 50,000 gallons	$4.54	* 16,000-30,999	$8.22	* 0-15,000 gallons	$2.43	* 0-25,000 gallons	$4.13	* 0-20,000 gallons	$7.74	* 1,000-5,000 gallons	$5.07
* per 1,000 gallons in excess of 50,000 gallons per quarter	$6.52	* 31,000-45,999	$8.91	* 15,001-30,000	$3.75	* 25,001-50,000	$5.15	* 20,000-40,000	$9.69	* 5,001-25,000	$5.83
		* More than 46,000	$9.59	* 30,001-60,000	$4.45	* Over 50,001	$6.59	*Over 40,000	$14.51	* 25,001 +	$6.70
				* 60,001-90,000	$4.97						
				* 90,001 +	$6.07						

Quarterly Usage (Gallons)	Fee	Quarterly Usage (Gallons)	Fee	Quarterly Usage (Gallons)	Fee	Quarterly Usage (Gallons)	Fee	Quarterly Usage (Gallons)	Fee	Quarterly Usage (Gallons)	Fee
5,000	$27	5,000	$38	5,000	$29	5,000	$53	5,000	$92	5,000	$84
15,000	$72	15,000	$113	15,000	$53	15,000	$94	15,000	$169	15,000	$142
25,000	$118	25,000	$195	25,000	$91	25,000	$135	25,000	$257	25,000	$200
50,000	$231	50,000	$416	50,000	$198	50,000	$264	50,000	$547	50,000	$368

Shorewood 2021 Drinking Water Report

This report contains important information about your drinking water. Have someone translate it for you, or speak with someone who understands it.

Información importante. Si no la entiende, haga que alguien se la traduzca ahora.

Making Safe Drinking Water

Your drinking water comes from the following groundwater sources: Shorewood purchases water from Chanhassen and your system has six wells ranging from 326 to 640 feet deep, that draw water from the Prairie Du Chien-Jordan, Prairie Du Chien Group and Tunnel City-Wonewoc aquifers.

Shorewood works hard to provide you with safe and reliable drinking water that meets federal and state water quality requirements. The purpose of this report is to provide you with information on your drinking water and how to protect our precious water resources.

Contact Larry Brown, Director of Public Works , at 952-960-7913 or Lbrown@shorewoodpw.com if you have questions about Shorewood's drinking water. You can also ask for information about how you can take part in decisions that may affect water quality.

The U.S. Environmental Protection Agency sets safe drinking water standards. These standards limit the amounts of specific contaminants allowed in drinking water. This ensures that tap water is safe to drink for most people. The U.S. Food and Drug Administration regulates the amount of certain contaminants in bottled water. Bottled water must provide the same public health protection as public tap water.

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the Environmental Protection Agency's Safe Drinking Water Hotline at 1-800-426-4791.

Shorewood Monitoring Results

This report contains our monitoring results from January 1 to December 31, 2021.

We work with the Minnesota Department of Health to test drinking water for more than 100 contaminants. It is not unusual to detect contaminants in small amounts. No water supply is ever completely free of contaminants. Drinking water standards protect Minnesotans from substances that may be harmful to their health.

Learn more by visiting the Minnesota Department of Health's webpage Basics of Monitoring and testing of Drinking Water in Minnesota (https://www.health.state.mn.us/communities/environment/water/factsheet/sampling.html).

How to Read the Water Quality Data Tables

The tables below show the contaminants we found last year or the most recent time we sampled for that contaminant. They also show the levels of those contaminants and the Environmental Protection Agency's limits. Substances that we tested for but did not find are not included in the tables.

We sample for some contaminants less than once a year because their levels in water are not expected to change from year to year. If we found any of these contaminants the last time we sampled for them, we included them in the tables below with the detection date.

We may have done additional monitoring for contaminants that are not included in the Safe Drinking Water Act. To request a copy of these results, call the Minnesota Department of Health at 651-201-4700 between 8:00 a.m. and 4:30 p.m., Monday through Friday.

Explaining Special Situations for the Highest Result and Average

Some contaminants are monitored regularly throughout the year, and rolling (or moving) annual averages are used to manage compliance. Because of this averaging, there are times where the Range of Detected Test Results for the calendar year is lower than the Highest Average or Highest Single Test Result, because it occurred in the previous calendar year.

Definitions

- **AL (Action Level)**: The concentration of a contaminant which, if exceeded, triggers treatment or other requirements which a water system must follow.
- **EPA:** Environmental Protection Agency
- **MCL (Maximum contaminant level)**: The highest level of a contaminant that is allowed in drinking water. MCLs are set as close to the MCLGs as feasible using the best available treatment technology.
- **MCLG (Maximum contaminant level goal)**: The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs allow for a margin of safety.
- **MRDL (Maximum residual disinfectant level):** The highest level of a disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.
- **MRDLG (Maximum residual disinfectant level goal)**: The level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.
- **N/A (Not applicable)**: Does not apply.
- **pCi/l (picocuries per liter)**: A measure of radioactivity.
- **ppb (parts per billion)**: One part per billion in water is like one drop in one billion drops of water, or about one drop in a swimming pool. ppb is the same as micrograms per liter (µg/l).
- **ppm (parts per million)**: One part per million is like one drop in one million drops of water, or about one cup in a swimming pool. ppm is the same as milligrams per liter (mg/l).
- **PWSID**: Public water system identification.

Monitoring Results – Regulated Substances

LEAD AND COPPER – Tested at customer taps.

Contaminant (Date, if sampled in previous year)	**EPA's Ideal Goal** (MCLG)	**EPA's Action Level**	**90% of Results Were Less Than**	**Number of Homes with High Levels**	**Violation**	**Typical Sources**
Lead (10/01/20)	0 ppb	90% of homes less than 15 ppb	5.8 ppb	1 out of 19	NO	Corrosion of household plumbing.
Copper (10/01/20)	0 ppm	90% of homes less than 1.3 ppm	0.45 ppm	0 out of 19	NO	Corrosion of household plumbing.

INORGANIC & ORGANIC CONTAMINANTS – Tested in drinking water.						
Contaminant (Date, if sampled in previous year)	**EPA's Ideal Goal** (MCLG)	**EPA's Limit** (MCL)	**Highest Average or Highest Single Test Result**	**Range of Detected Test Results**	**Violation**	**Typical Sources**
Cyanide, Free	0.2 ppm	0.2 ppm	0.06 ppm	N/A	NO	Discharge from steel/metal factories; Discharge from plastic and fertilizer factories.
Barium	2 ppm	2 ppm	0.16 ppm	N/A	NO	Discharge of drilling wastes; Discharge from metal refineries; Erosion of natural deposit.
Gross Alpha	0 pCi/l	15.4 pCi/l	5.9 pCi/l	0.0 - 5.9 pCi/l	NO	Erosion of natural deposits.
Combined Radium	0 pCi/l	5.4 pCi/l	1.3 pCi/l	0.0 - 1.3 pCi/l	NO	Erosion of natural deposits.
Arsenic	0 ppb	10.4 ppb	7.75 ppb	4.36 - 10.80 ppb	NO	Erosion of natural deposits; Runoff from orchards; Runoff from glass and electronics production wastes.

Potential Health Effects and Corrective Actions (If Applicable)

Arsenic: During the year our system had an arsenic result that was greater than the MCL. Since there is variability in sampling results, and this is not an acute contaminant, four quarterly sample results are used to determine compliance. Quarterly monitoring for arsenic was conducted, and the annual average for arsenic was less than the MCL, therefore, no violation was issued for this contaminant.

Arsenic: While your drinking water meets EPA's standard for arsenic, it does contain low levels of arsenic. EPA's standard balances the current understanding of arsenic's possible health effects against the costs of removing arsenic from drinking water. EPA continues to research the health effects of low levels of arsenic, which is a mineral known to cause cancer in humans at high concentrations and is linked to other health effects such as skin damage and circulatory problems.

CONTAMINANTS RELATED TO DISINFECTION – Tested in drinking water.						
Substance (Date, if sampled in previous year)	**EPA's Ideal Goal** (MCLG or MRDLG)	**EPA's Limit** (MCL or MRDL)	**Highest Average or Highest Single Test Result**	**Range of Detected Test Results**	**Violation**	**Typical Sources**
Total Trihalomethanes (TTHMs)	N/A	80 ppb	1 ppb	N/A	NO	By-product of drinking water disinfection.
Total Haloacetic Acids (HAA)	N/A	60 ppb	2.5 ppb	N/A	NO	By-product of drinking water disinfection.
Total Chlorine	4.0 ppm	4.0 ppm	1.24 ppm	0.60 - 2.12 ppm	NO	Water additive used to control microbes.

Total HAA refers to HAA5

OTHER SUBSTANCES – Tested in drinking water.						
Substance (Date, if sampled in previous year)	**EPA's Ideal Goal** (MCLG)	**EPA's Limit** (MCL)	**Highest Average or Highest Single Test Result**	**Range of Detected Test Results**	**Violation**	**Typical Sources**
Fluoride	4.0 ppm	4.0 ppm	0.9 ppm	0.46 - 0.79 ppm	NO	Erosion of natural deposits; Water additive to promote strong teeth.

Potential Health Effects and Corrective Actions (If Applicable)

Fluoride: Fluoride is nature's cavity fighter, with small amounts present naturally in many drinking water sources. There is an overwhelming weight of credible, peer-reviewed, scientific evidence that fluoridation reduces tooth decay and cavities in children and adults, even when there is availability of fluoride from other sources, such as fluoride toothpaste and mouth rinses. Since studies show that optimal fluoride levels in drinking water benefit public health, municipal community water systems adjust the level of fluoride in the water to an optimal concentration between 0.5 to 0.9 parts per million (ppm) to protect your teeth. Fluoride levels below 2.0 ppm are not expected to increase the risk of a cosmetic condition known as enamel fluorosis.

Some People Are More Vulnerable to Contaminants in Drinking Water

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. The developing fetus and therefore pregnant women may also be more vulnerable to contaminants in drinking water. These people or their caregivers should seek advice about drinking water from their health care providers. EPA/Centers for Disease Control (CDC) guidelines on appropriate means to lessen the risk of infection by *Cryptosporidium* and other microbial contaminants are available from the Safe Drinking Water Hotline at 1-800-426-4791.

Learn More about Your Drinking Water

Drinking Water Sources

Minnesota's primary drinking water sources are groundwater and surface water. Groundwater is the water found in aquifers beneath the surface of the land. Groundwater supplies 75 percent of Minnesota's drinking water. Surface water is the water in lakes, rivers, and streams above the surface of the land. Surface water supplies 25 percent of Minnesota's drinking water.

Contaminants can get in drinking water sources from the natural environment and from people's daily activities. There are five main types of contaminants in drinking water sources.

- **Microbial contaminants,** such as viruses, bacteria, and parasites. Sources include sewage treatment plants, septic systems, agricultural livestock operations, pets, and wildlife.
- **Inorganic contaminants** include salts and metals from natural sources (e.g. rock and soil), oil and gas production, mining and farming operations, urban stormwater runoff, and wastewater discharges.
- **Pesticides and herbicides** are chemicals used to reduce or kill unwanted plants and pests. Sources include agriculture, urban stormwater runoff, and commercial and residential properties.
- **Organic chemical contaminants** include synthetic and volatile organic compounds. Sources include industrial processes and petroleum production, gas stations, urban stormwater runoff, and septic systems.
- **Radioactive contaminants** such as radium, thorium, and uranium isotopes come from natural sources (e.g. radon gas from soils and rock), mining operations, and oil and gas production.

The Minnesota Department of Health provides information about your drinking water source(s) in a source water assessment, including:

- How Shorewood is protecting your drinking water source(s);
- Nearby threats to your drinking water sources;
- How easily water and pollution can move from the surface of the land into drinking water sources, based on natural geology and the way wells are constructed.

Find your source water assessment at Source Water Assessments (https://www.health.state.mn.us/communities/environment/water/swp/swa) or call 651-201-4700 between 8:00 a.m. and 4:30 p.m., Monday through Friday.

Lead in Drinking Water

You may be in contact with lead through paint, water, dust, soil, food, hobbies, or your job. Coming in contact with lead can cause serious health problems for everyone. There is no safe level of lead. Babies, children under six years, and pregnant women are at the highest risk.

Lead is rarely in a drinking water source, but it can get in your drinking water as it passes through lead service lines and your household plumbing system. Shorewood is responsible for providing high quality drinking water, but it cannot control the plumbing materials used in private buildings.

Read below to learn how you can protect yourself from lead in drinking water.

1. **Let the water run** for 30-60 seconds before using it for drinking or cooking if the water has not been turned on in over six hours. If you have a lead service line, you may need to let the water run longer. A service line is the underground pipe that brings water from the main water pipe under the street to your home.
    - You can find out if you have a lead service line by contacting your public water system, or you can check by following the steps at: https://www.mprnews.org/story/2016/06/24/npr-find-lead-pipes-in-your-home
    - The only way to know if lead has been reduced by letting it run is to check with a test. If letting the water run does not reduce lead, consider other options to reduce your exposure.
2. **Use cold water** for drinking, making food, and making baby formula. Hot water releases more lead from pipes than cold water.
3. **Test your water.** In most cases, letting the water run and using cold water for drinking and cooking should keep lead levels low in your drinking water. If you are still concerned about lead, arrange with a laboratory to test your tap water. Testing your water is important if young children or pregnant women drink your tap water.
    - Contact a Minnesota Department of Health accredited laboratory to get a sample container and instructions on how to submit a sample:
      Environmental Laboratory Accreditation Program (https://eldo.web.health.state.mn.us/public/accreditedlabs/labsearch.seam)
      The Minnesota Department of Health can help you understand your test results.
4. **Treat your water** if a test shows your water has high levels of lead after you let the water run.
    - Read about water treatment units:
      Point-of-Use Water Treatment Units for Lead Reduction (https://www.health.state.mn.us/communities/environment/water/factsheet/poulead.html)

Learn more:

- Visit Lead in Drinking Water (https://www.health.state.mn.us/communities/environment/water/contaminants/lead.html)

- Visit Basic Information about Lead in Drinking Water (http://www.epa.gov/safewater/lead)
- Call the EPA Safe Drinking Water Hotline at 1-800-426-4791.To learn about how to reduce your contact with lead from sources other than your drinking water, visit Common Sources (https://www.health.state.mn.us/communities/environment/lead/fs/common.html).

Help Protect Our Most Precious Resource – Water

The Value of Water

Drinking water is a precious resource, yet we often take it for granted.

Throughout history, civilizations have risen and fallen based on access to a plentiful, safe water supply. That's still the case today. Water is key to healthy people and healthy communities.

Water is also vital to our economy. We need water for manufacturing, agriculture, energy production, and more. One-fifth of the U.S. economy would come to a stop without a reliable and clean source of water.

Systems are in place to provide you with safe drinking water. The state of Minnesota and local water systems work to protect drinking water sources. For example, we might work to seal an unused well to prevent contamination of the groundwater. We treat water to remove harmful contaminants. And we do extensive testing to ensure the safety of drinking water.

If we detect a problem, we take corrective action and notify the public. Water from a public water system like yours is tested more thoroughly and regulated more closely than water from any other source, including bottled water.

Conservation

Conservation is essential, even in the land of 10,000 lakes. For example, in parts of the metropolitan area, groundwater is being used faster than it can be replaced. Some agricultural regions in Minnesota are vulnerable to drought, which can affect crop yields and municipal water supplies.

We must use our water wisely. Below are some tips to help you and your family conserve – and save money in the process.

- Fix running toilets—they can waste hundreds of gallons of water.
- Turn off the tap while shaving or brushing your teeth.
- Shower instead of bathe. Bathing uses more water than showering, on average.
- Only run full loads of laundry, and set the washing machine to the correct water level.
- Only run the dishwasher when it's full.
- Use water-efficient appliances (look for the WaterSense label).
- Use water-friendly landscaping, such as native plants.
- When you do water your yard, water slowly, deeply, and less frequently. Water early in the morning and close to the ground.
- Learn more
  - Minnesota Pollution Control Agency's Conserving Water webpage (https://www.pca.state.mn.us/living-green/conserving-water)
  - U.S. Environmental Protection Agency's WaterSense webpage (https://www.epa.gov/watersense)

Shorewood Water Connection Program

4/22/2025

Bringing Clean and Reliable Water to Every Home

The City of Shorewood is committed to providing its residents with safe, clean, and reliable water. Our Water Connection Program is designed to extend water services to homes and businesses, ensuring access to high-quality municipal water.

Why Connect to Shorewood's Water System?

Health & Safety

- Municipal water undergoes treatment and regular testing to meet the Minnesota Department of Health safety standards, providing you with peace of mind.

Reliability

- Say goodbye to well maintenance issues and power outage issues. Enjoy consistent high-water pressure and availability.

Property Value

- Connecting to a municipal water system can increase the value of your property by offering a modern, dependable utility.

Program Highlights

- Connection Assistance: Guidance through every step of the process, from permitting to installation.
- Cost Sharing Opportunities: The city can provide cost savings by completing several service installations with one contractor and savings are passed on to you. Also, costs can be assessed to make connections affordable for residents.
- Environmental Sustainability: By using Shorewood's centralized system, you contribute to efficient water use and long-term environmental protection.

How to Get Started

1. Check Eligibility: Call Shorewood Engineering (952) 960-7910 to see if your property has access to water. Based on your lot criteria, staff will be able to provide you with an estimate of overall connections costs.
2. Sign a Right of Entry Agreement: Complete and return the Right of Entry Agreement to allow city staff and their contractors access to your property and home to evaluate the service installation.

3. Schedule an Inspection: A city representative will visit your property to confirm the construction process and details. This will include viewing and taking pictures of the location where the water service will enter your home.
4. Pricing: The city will coordinate with licensed contractors to provide a detailed quote to install the service and connect it within the house.
5. Sign an Agreement Form: Sign and return the agreement form commits the city to install and connect the service and the property owner to pay the costs.
6. Get Connected: Our team will coordinate with the contractors to complete permits and make the connection per state and local building codes.

Program Costs

While the costs vary by property, the City of Shorewood offers:

- Flexible Payment Plans:
    - Pay the costs upfront, or
    - Spread the cost over 5 to 10 years by assessing your property taxes.
- Transparent Pricing: Detailed quotes will be provided before any work begins.

Frequently Asked Questions

1. What if I already have a private well?
    a. You can still connect to the municipal system and use your well for irrigation or other non-potable purposes. Ask about dual system options!
2. How long does the process take?
    a. The timeline varies, but most connections are completed within 4-6 weeks from Agreement submittal. Installation of the water service and internal plumbing is typically completed within 1 or 2 days.
3. What happens to my old plumbing?
    a. Our team ensures your current plumbing integrates seamlessly with the new system.

Contact Us

For more information or assistance:

Visit: Shorewood City Hall, 5755 Country Club Road, Shorewood, MN 55331
Call: (952) 960-7910
Email: engineering@ci.shorewood.mn.us
Website: https://www.shorewoodmn.gov/303/Connect-to-City-Water

Make the switch to cleaner, safer, and more reliable water today!

City of Shorewood

City Water Services & Property Sale Year

City of Shorewood, MN

#20

April 2025

BOLTON & MENK

2019 - 3 connections*
2020 - 2 connections*
2021 - 3 connections
2022 - 0 connections
2023 - 1 connections
2024 - 2 connections
2025 - 3 connections
Total - 9 connections

*Woodside Rd water available in 2021 and 5 connections not counted towards total.

2019 - 3 connections
2020 - 6 connections
2021 - 1 connections
2022 - 2 connections
2023 - 7 connections*
2024 - 3 connections
2025 - 11 connections
Total - 30 connections

*Strawberry Lane water available in 2024 and 3 connections not counted towards total.

2019 - 1 connections*
2020 - 1 connections*
2021 - 2 connections*
2022 - 1 connections*
2023 - 2 connections*
2024 - 1 connections
2025 - 2 connections
Total - 3 connections

*Birch Bluff water available in 2024 and not counted towards total.

2019 - 3 connections
2020 - 5 connections
2021 - 4 connections*
2022 - 2 connections
2023 - 5 connections
2024 - 2 connections
2025 - 4 connections
Total - 22 connections

*Glen/Amlee/Manitou water available in 2022 and 3 connections not counted towards total.

2019 - 2 connections
2020 - 2 connections
2021 - 0 connections
2022 - 1 connections
2023 - 2 connections
2024 - 3 connections
2025 - 1 connections
Total - 11 connections

These are not counted as they will connect.

These are not counted as they will connect.

2019 - 1 connections
2020 - 2 connections
2021 - 1 connections
2022 - 2 connections
2023 - 0 connections
2024 - 4 connections
2025 - 0 connections
Total - 10 connections

Summary Per Year:
2019 - 9 connections
2020 - 15 connections
2021 - 6 connections
2022 - 7 connections
2023 - 12 connections
2024 - 15 connections
2025 - 21 connections
Total - 85 connections

*Does not include homes sold prior to water being available in street.

Legend

Sale Year
- Sold 2019
- Sold 2020
- Sold 2021
- Sold 2022
- Sold 2023
- Sold 2024
- Sold 2025

Water Service Parcels
- Connected (1503)
- Available (531)
- Available To Neighboring Community (25)
- Connected To Neighboring Community (65)
- Non Developable (36)
- Not Available (1224)

- Watermain
- Water Service Pipe
- Lakes
- City Boundary

0 2,000 Feet

Source: City of Shorewood, Hennepin County, MnDNR, MnDOT

Map Document: \\arcserver1\bm_gis\MINNESOTA\SHWD_General\2025\Shorewood_Water Connections & Home Sales\Pro\Shorewood_Water Connections & Home Sales.aprx | Username: augusta.boyer | Date Saved: 4/18/2025 12:54 PM

Excelsior Fire District
Proudly serving the Communities of:
Deephaven-Excelsior-Greenwood-Shorewood Tonka Bay
24100 Smithtown Road
Shorewood, MN. 55331

MEMO

To: Shorewood City Council

From: Fire Chief Mackey

Date: 05/09/2025

Subject: Public Water Supply

A reliable water supply is essential for the protection of lives and property from the devastating effects of fire. Without a reliable and sustainable water supply, the ability of the fire department to protect those lives and property, and to bring a structure fire under control, will be severely limited.

When dealing with a structure fire, time is the most critical factor. If a fire department can utilize an accessible, reliable municipal water source (i.e. fire hydrant), a sustainable water supply can be established in a matter of minutes. If that fire department must depend on water being supplied from a mobile water source (i.e. tankers), the time to establish a water supply will be considerably longer and is far less reliable. Tankers would be paged as a tanker group. These units come from neighboring cities: i.e. Tanker group 1 is Mound, Wayzata and Long Lake. These tankers are from paid on call fire departments and would be several minutes out as a delayed arrival of water supply versus a hydrant. These tankers along with our own tanker/pumper (2,000 gallons) and our tanker (3,000 gallons) would provide approximately 15,000 gallons of water and 5 fire apparatus to start with. If the fire grows to a defensive fire an elevated master steam can flow up 1,500 gallons of water per minute. In 10 minutes, all of tanker group 1 water will be gone. We have 5 tanker groups that are similar but come from farther away coming with approximately 9,000 gallons of water. All the tankers must stage and be able to shuttle water in and out of the scene requiring wider and weight rated roads to dump and refill on. Adversely, this same amount of tanker water supply can be accomplished with 1 hydrant and possibly 2 based on the size of the fire, 1 apparatus and considerably less manpower.

Additionally, properties that have fire sprinklers often also rely on a reliable public water supply. These sprinkler systems are invaluable in keeping fires suppressed long enough for people to evacuate and the fire department to respond.

Respectfully,

Curt Mackey, Fire Chief
Excelsior Fire District
24100 Smithtown Road
Shorewood, MN 55331
Office: 952-960-1650
Fax: 952-960-1690
Cell: 952-210-6718
Email: cmackey@excelsiorfire.org

#22

Property ID	Conaminants Found? (Y/N)	Excess MDH Guidance? (Y/N)	Arsenic (10 ug/L)	Nitrates (10mg/L)	Coliform Bacteria (<1cfm/100ml)	Lead (15 ug/L)
1	Yes	No	6.71	0.05	0	NA
2	Yes	No	9.64	1	0	NA
3	Yes	No	2	1	0	NA
4	Yes	No	0	0.5	0	NA
5	Yes	No	2	1	0	2
6	Yes	No	2	1	0	2
7	Yes	No	2	1	0	2
8	Yes	Yes	21.2	1	0	2.62
9	Yes	No	4.09	1	0	2
10	Yes	No	2	0.05	0	NA
11	Yes	No	2	0.05	0	NA
12	Yes	Yes	2	0.05	2	NA
13	Yes	No	2.17	0	0	NA
14	Yes	No	4.29	1	0	2
15	Yes	No	2.03	1	0	2.5
16	Yes	No	2.03	1	0	2.5
17	Yes	No	7.75	0.05	0	2
18	Yes	No	6.84	1	0	2
19	Yes	No	2	1	0	2
20	Yes	No	2.35	0.05	0	2.5
21	Yes	Yes	2	1	0	24.9
22	Yes	No	4.26	0.05	0	2
23	Yes	No	5.34	1	0	2
24	Yes	No	5.34	1	0	2
25	Yes	No	2	1	0	2
26	Yes	No	2	1	0	2
27	Yes	No	1	0.68	0	NA
28	Yes	No	1	0.68	0	NA
29	Yes	No	7.1	0.03	0	NA
30	Yes	No	7.1	0.03	0	NA
31	Yes	No	8.1	1	0	2
32	Yes	No	8.1	1	0	2
33	Yes	No	7.12	1	0	NA
34	Yes	Yes	1	0.05	2	NA
35	Yes	No	5.15	1	0	2
36	Yes	Yes	13.5	1	0	2
37	Yes	No	7.11	0.05	0	NA
38	Yes	No	2	1	0	2
39	Yes	No	2	1.43	0	2

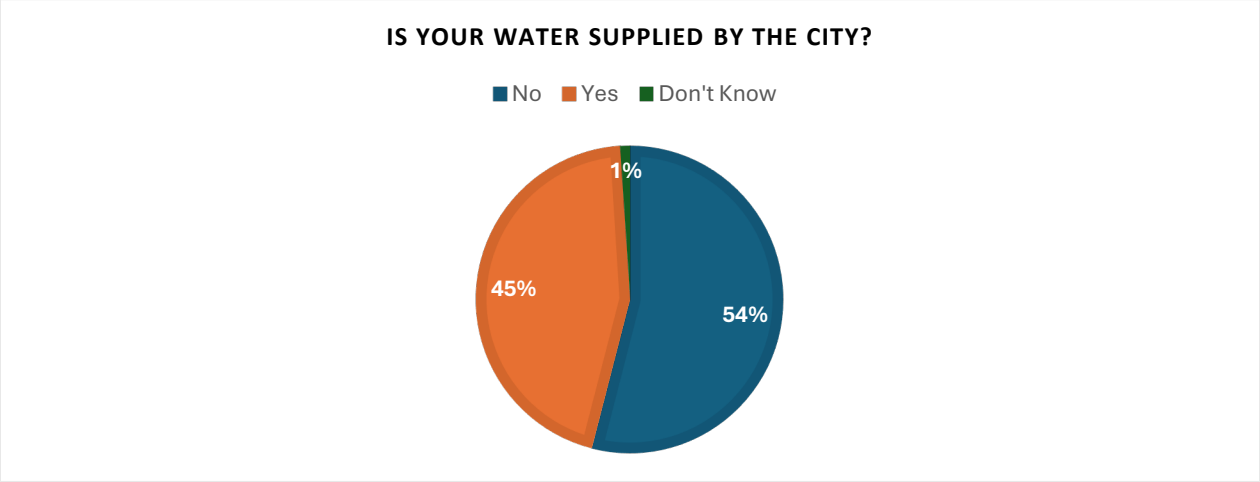
40	No	No					
41	Yes	No	2	0.05	0	NA	
42	Yes	No	2	0.5	0	NA	
43	Yes	No	2	1	0	NA	
44	Yes	No	3.32	1	0		2
45	Yes	No	1.4	0.1	0	NA	
46	Yes	No	1.4	0.1	0	NA	
47	Yes	No	2	1	0		2
48	Yes	No	2	1	0		2
49	Yes	No	2	1	0		2
50	Yes	No	2	1	0		2
51	Yes	No	1	0.1	1	NA	
52	Yes	No	1	0.1	1	NA	
53	Yes	Yes	0	1	2	NA	
54	Yes	No	2.01	1	0		2
55	Yes	No	5.55	1	0	NA	
56	Yes	No	5.55	1	0	NA	
57	Yes	No	6.78	1	0	NA	
58	Yes	Yes	16.4	1	0		2
59	Yes	No	2	1	0		2
60	Yes	No	5.66	1	0		2
61	Yes	No	3.65	1	0		2
62	Yes	No	2	1	0		2
63	Yes	No	2	1	0		2.5
64	Yes	No	2	1	0		2.5
65	Yes	No	2	0.159	0		2
66	Yes	No	2	0.159	0		2
67	Yes	No	2	1	0		2
68	Yes	No	2	1	0		2
69	Yes	No	2	1	0		2
70	Yes	No	2	1	0		2
71	Yes	No	2	1	0		2
72	Yes	No	2	1	0		2
73	Yes	Yes	19.6	1	0		2
74	Yes	Yes	19.6	1	0		2
75	Yes	No	0.62	0	0	NA	
76	Yes	No	0.62	0	0	NA	
77	Yes	No	2	1	0		2
78	Yes	No	2	1	0		2
79	Yes	No	2	1	0		2

2025 Shorewood Community Survey

City Water

Ninety-seven percent of total survey respondents reported on whether or not their water is supplied by the City. Forty-four percent of these respondents reported their water is supplied by the City.

Figure: Water is Supplied by the City



Those who reported having municipal water service were asked to rate several aspects of the service. Nearly half (48%) believe the quality or taste of water is “excellent” or “good.” Over half (61%) feel the dependability of the service is “excellent” or “good.” A little over one-third (35%) said the cost of City water is “fair” or “poor.”

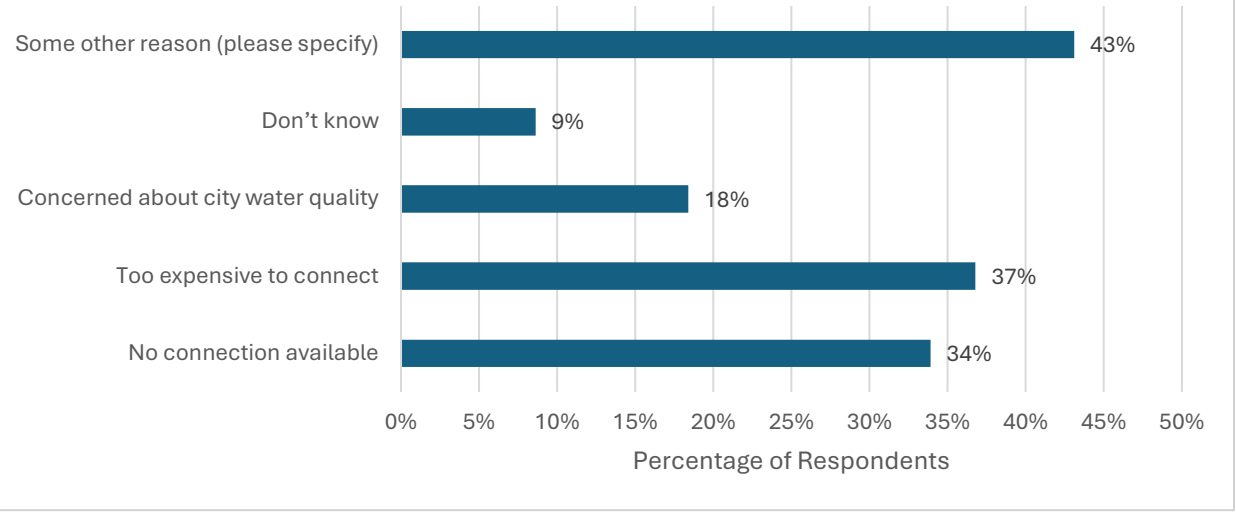
Table: Aspects of City Water

If you HAVE municipal water, please rate each of the following aspects.						
	Excellent	Good	Fair	Poor	Don't know	Total
Quality (e.g., taste of water)	17%	31%	14%	6%	32%	100%
Dependability of service	34%	27%	4%	2%	34%	100%
Cost	6%	23%	23%	12%	35%	100%

Asked only of those who reported that their water is supplied by the City.

Those who reported not having City water service were asked to indicate the reasons they did subscribe to the service. Respondents were prompted to indicate multiple choices, if applicable. Most reported “some other reason.” Of those responses, most were related to having a well.

Figure: Reasons for Not Having City Water



Asked only of those who reported that their water was not supplied by the City. Totals may exceed 100% as respondents could select more than one response.

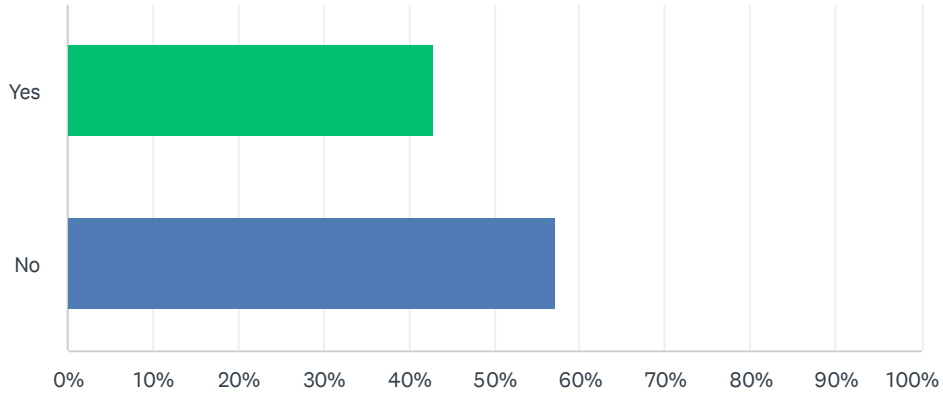
Table: Comments Regarding Other Reasons for Not Having City Water

No connection available "and that is fine!"
Own well
We have connection
We have a well, it's good!
Well water has always served me, well
Have a well
Have a well and water quality is very good
No good reason to connect. My well is deep and good and I test water regularly The bias and inconsistancy of the implementation of the water infrastructure has been grossly unfair, inconsistent and biased. Many older neighborhoods have been assessed thousands of dollars whereas some of the newer areas with newer or more expensive have not been assessed anything for the water hook-up availability. Against city policy, And now the city is under water with its water finances.
House has well water when we bought it and municipal water has not been offered.
We have Excelsior water
When we moved here, the well was here so we are using our own well for water. Don’t know anything more about a change in the future
Well installed when we moved in
Well
Never thought otherwise, always had a well.
Well water
prefer to maintain my well
Well
We have a well and a water purification system.
Don’t want. Love having a well
To my knowledge the only way to connect is by directional drilling for an impractical disctance. We would love to opportunity to connect to city water, but have not seen a practical option to do so. We're on Mill street, and we're hoping for an opportunity related to the bike path project
Well is working just fine
have well
Already invested $$$ in own well and happy with it
Get water from Tonka bay
Well
Like our well water
On a well
We don't want water poisoned with chemicals like chlorine and fluoride
Don't want another bill for a mediocre product
I prefer having my own well.
We didnt know it was an option.
Have a well
Rent and have a well
N/A
Well water
I have municipal water
do not want to connect to city water

I have a well and want to keep a well. The water is safer and healthier (I have my water tested). The city should not mandate a city water hookup.
Have well. Do not know cost to connect
Satisfied with well water (though must treat for iron and hardness).
City water wasn't available when street developed; no reason to change from well now.
Well
Not needed at this time
I'm on well.
We've been using the well that was here when we moved in 50 yrs ago.
well water with lots of iron
I like my freedom and independence. Can you possibly understand that?
After the poisoning of city residents in Flint, Michigan; exactly how many civil servants went to jail? How can that be? Prove to us that it cannot happen here.
My well is paid for and provides good water. No need to pay extra for city water.
Prefer my well water
Chanhassen provides our water
we like our well water and don't want to be restricted as to when we can water
Invested in a well that is sufficient.
No quality benefits, expensive and just one more bill every month
City won't extend water line to our neighborhood
Happy with our well water. Do not want to add to our expense. Already pay $142.25 for sewer and $43.49 for storm water and $18 for recycling
prefer well
cost and quality
Own Well
We have a well so don't need it.
my well still is fine.
We've never been approached to connect.
My water quality is better than what city will provide
Our last experience with city water was Wedgewood Drive. Billed $10,000 and still no city water. Stick to the well.
We know that we would have to continue to maintain our in-house water treatment system, in addition to paying any assessments and hook up charges, and then pay for water on top of it. We cannot afford it frankly.
Cost of water versus our well. City sewer already too much.
Have well
Home has a private well
Well. Don't want city water
Well water
expensive to connect into our area and to our home then pay for what is now free
I am already on a well. Offer to connect happened before we moved in.
well
Well water
would like it since our water has arsenic and the city has not responded to offer to help with this in the past

Q1 Have you completed any significant maintenance on your private well and/or treatment system in the last 5 years?

Answered: 7 Skipped: 1



ANSWER CHOICES	RESPONSES	
Yes	42.86%	3
No	57.14%	4
TOTAL		7

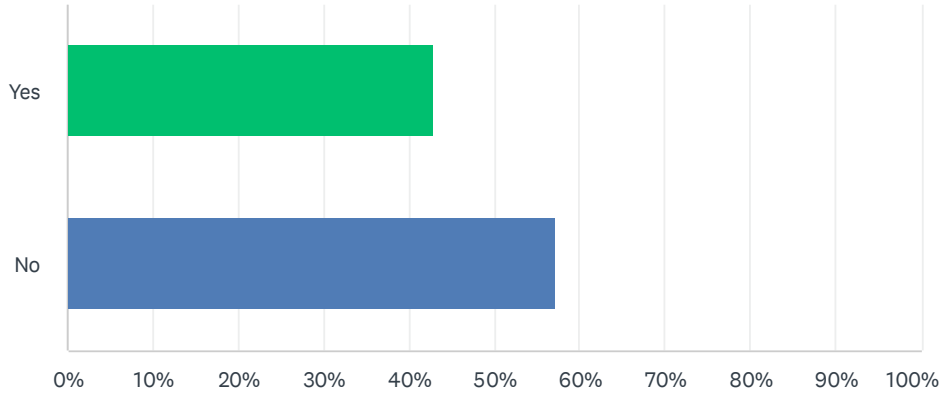
Q2 If yes, please provide details. (i.e. cost, items fixed, etc.)

Answered: 3 Skipped: 5

#	RESPONSES	DATE
1	New well pump, pressure tank, iron filter and softener	5/28/2025 7:17 PM
2	New softener, mixing tank, and iron filter with chlorination system	5/27/2025 9:29 PM
3	Fitting on connection from well to house cracked 2 years ago in winter had it fixed	5/25/2025 9:49 AM

Q3 Have you had your well water tested prior to treatment and after treatment and are you willing to provide the results? If yes, please email results to engineering@ci.shorewood.mn.us

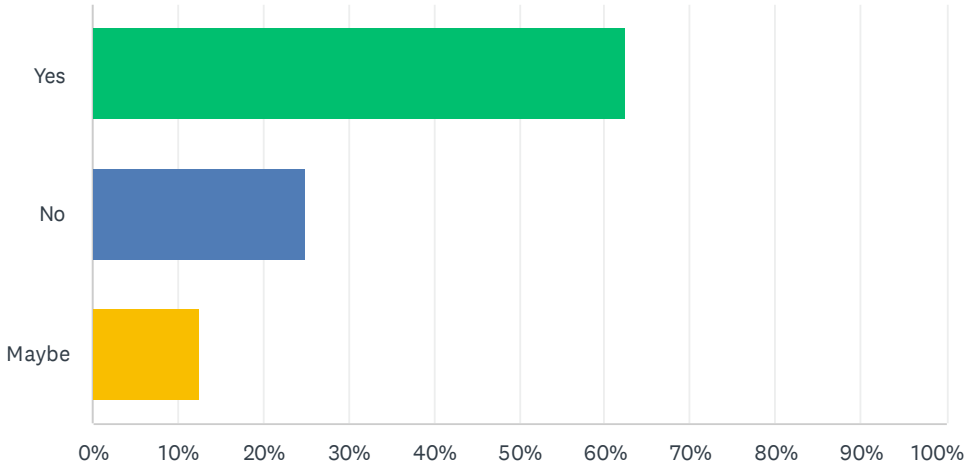
Answered: 7 Skipped: 1



ANSWER CHOICES	RESPONSES	
Yes	42.86%	3
No	57.14%	4
TOTAL		7

Q4 Are you interested in having the ability to connect to municipal water in the future when your private well fails?

Answered: 8 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	62.50%	5
No	25.00%	2
Maybe	12.50%	1
TOTAL		8

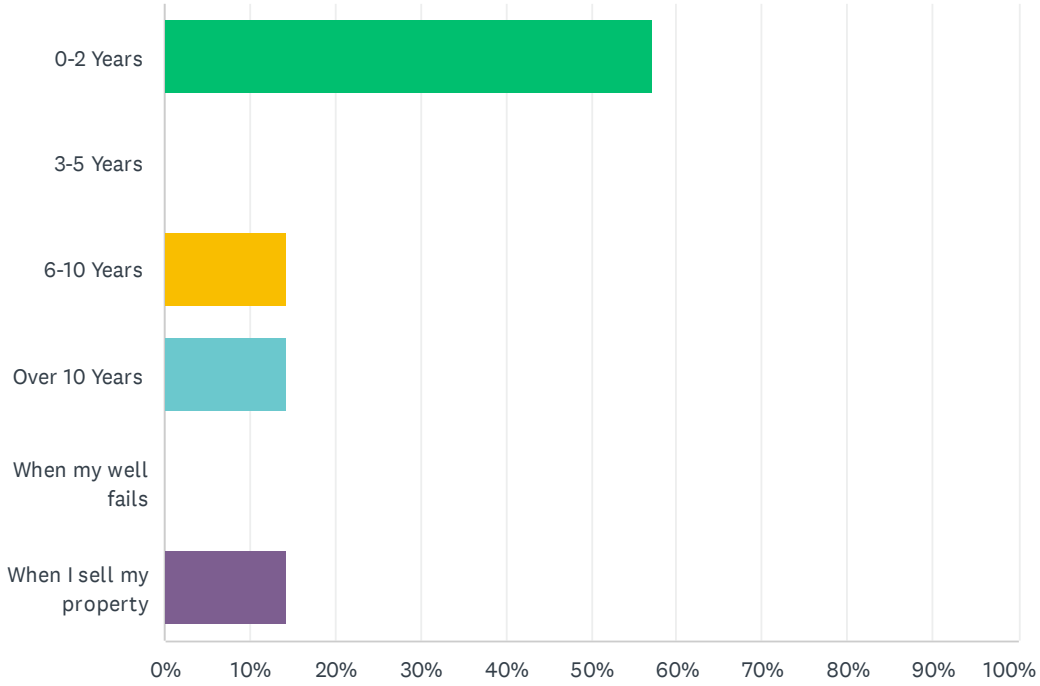
Q5 If no, why not?

Answered: 2 Skipped: 6

#	RESPONSES	DATE
1	Cost of install and cost of water bill going forward	6/3/2025 8:37 AM
2	Cost	6/2/2025 11:54 AM

Q6 How soon might you be interested in connecting to City Water?

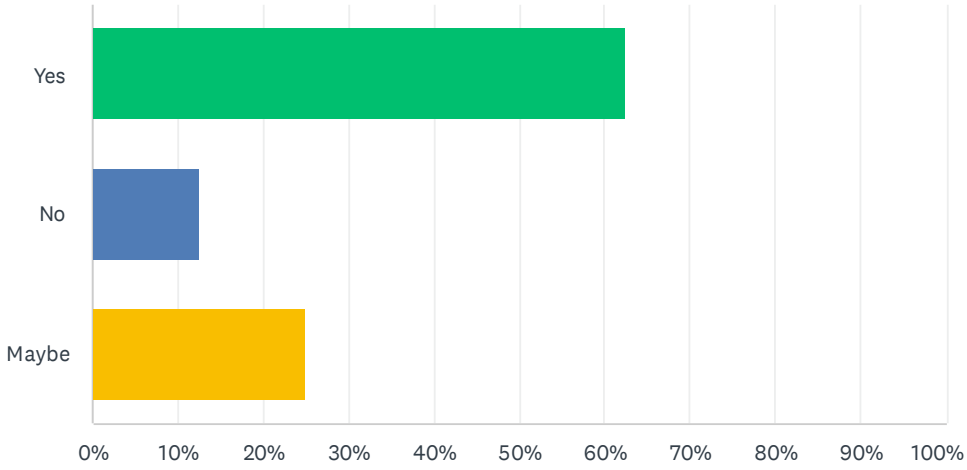
Answered: 7 Skipped: 1



ANSWER CHOICES	RESPONSES	
0-2 Years	57.14%	4
3-5 Years	0.00%	0
6-10 Years	14.29%	1
Over 10 Years	14.29%	1
When my well fails	0.00%	0
When I sell my property	14.29%	1
TOTAL		7

Q7 Would you like a future buyer of your property to have the ability to connect to city water?

Answered: 8 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	62.50%	5
No	12.50%	1
Maybe	25.00%	2
TOTAL		8

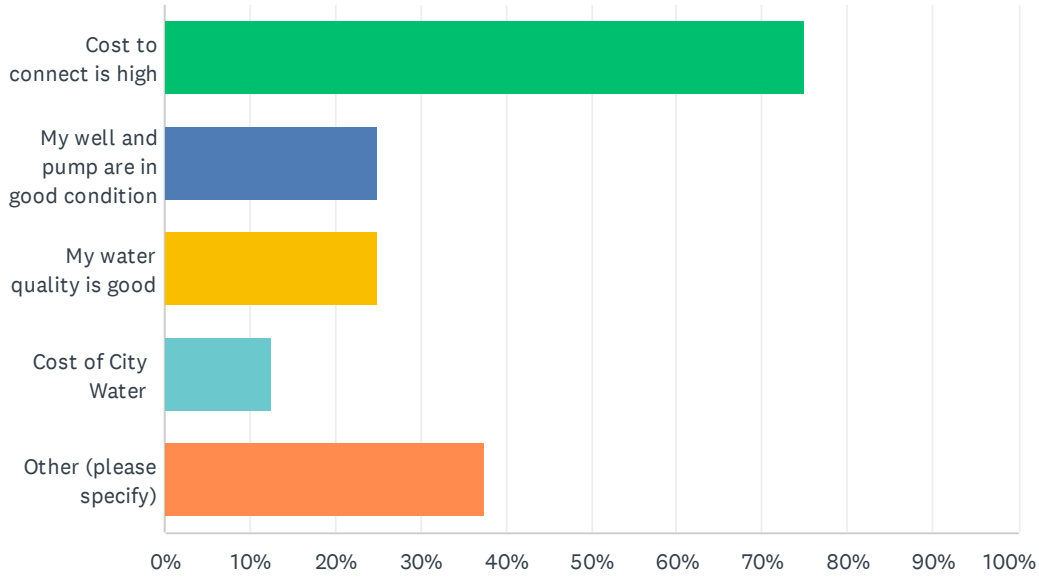
Q8 If no, why not?

Answered: 1 Skipped: 7

#	RESPONSES	DATE
1	Not planning to sell and I don't make decisions for other people	6/3/2025 8:37 AM

Q9 If water is made available, what reasons do you have for not connecting to City Water? (Check all that apply)

Answered: 8 Skipped: 0

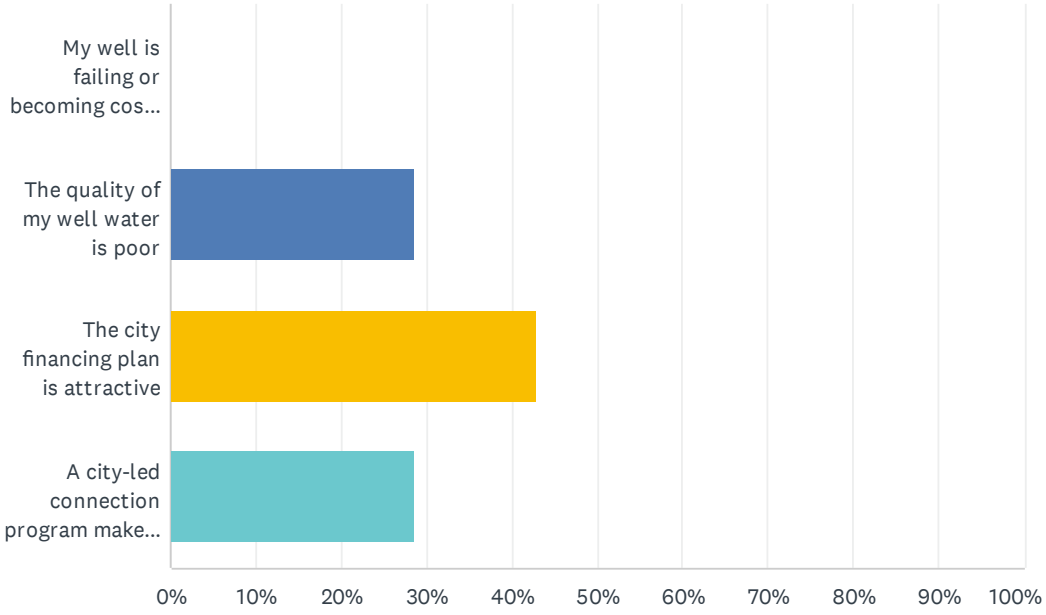


ANSWER CHOICES	RESPONSES	
Cost to connect is high	75.00%	6
My well and pump are in good condition	25.00%	2
My water quality is good	25.00%	2
Cost of City Water	12.50%	1
Other (please specify)	37.50%	3
Total Respondents: 8		

#	OTHER (PLEASE SPECIFY)	DATE
1	Quality of city water	5/28/2025 7:17 PM
2	The cost to connect seems like it will prevent me from being able to even make that change even though I would like to.	5/28/2025 10:24 AM
3	None	5/21/2025 9:29 AM

Q10 Why would you consider connecting to City water?

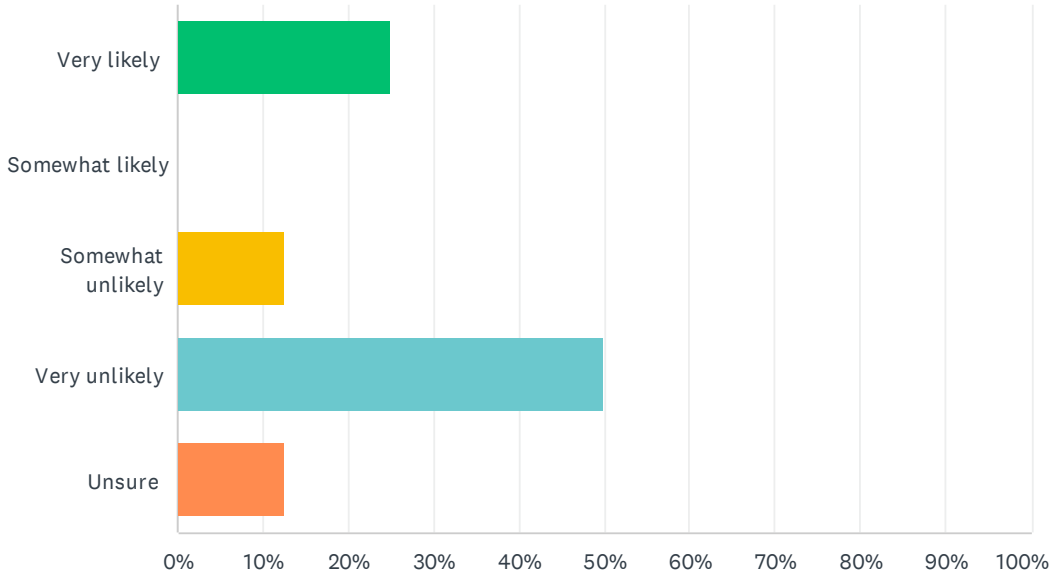
Answered: 7 Skipped: 1



ANSWER CHOICES	RESPONSES	
My well is failing or becoming costly to maintain	0.00%	0
The quality of my well water is poor	28.57%	2
The city financing plan is attractive	42.86%	3
A city-led connection program makes it easy to connect	28.57%	2
TOTAL		7

Q11 Based on the above estimates, how likely are you to connect to city water if it is available?

Answered: 8 Skipped: 0



ANSWER CHOICES	RESPONSES	
Very likely	25.00%	2
Somewhat likely	0.00%	0
Somewhat unlikely	12.50%	1
Very unlikely	50.00%	4
Unsure	12.50%	1
TOTAL		8

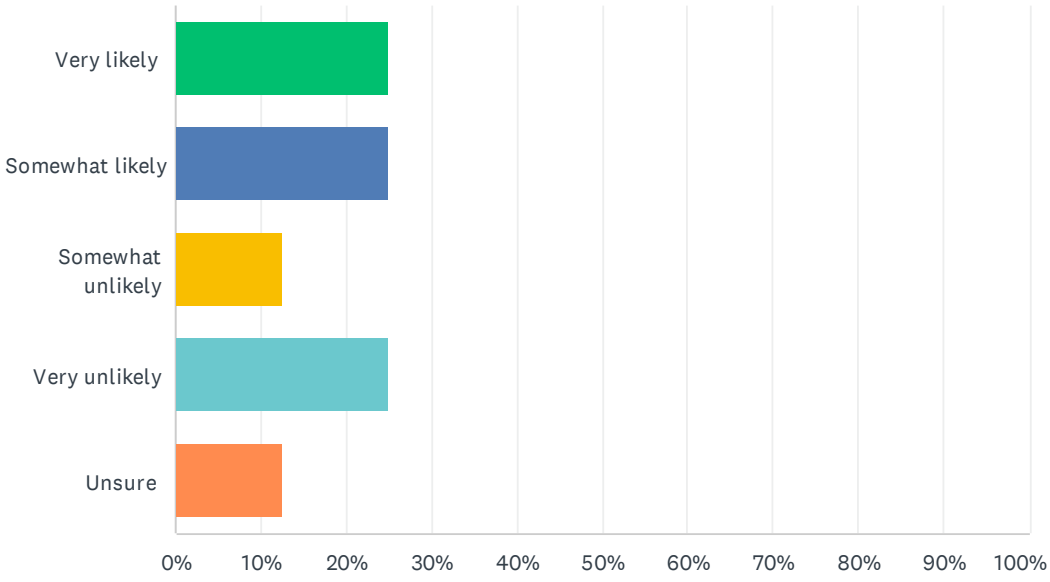
Q12 What are the reasons for your response?

Answered: 7 Skipped: 1

#	RESPONSES	DATE
1	Needless expense - I cant afford. Would force me out of my house. Would probably have to sell property.	6/3/2025 8:37 AM
2	Cost	6/2/2025 11:54 AM
3	Most likely the city water is better than my well water	5/28/2025 7:17 PM
4	The cost seems to be prohibitive	5/28/2025 10:24 AM
5	I would love to connect but am far from the road and the cost would be very high based on these materials.	5/27/2025 9:29 PM
6	Expense is beyond my need	5/25/2025 9:49 AM
7	Given the opportunity to connect is something I have been hoping for. Well is getting old and don’t want to have to deal with it.	5/21/2025 9:29 AM

Q13 If the city were to coordinate the installation and connection of the water service from the property line into your home and be able to assess all costs including the Connection Charge, Service Installation, and Internal Plumbing costs over a 5- or 10-year time frame, how likely are you to connect to city water?

Answered: 8 Skipped: 0



ANSWER CHOICES	RESPONSES	
Very likely	25.00%	2
Somewhat likely	25.00%	2
Somewhat unlikely	12.50%	1
Very unlikely	25.00%	2
Unsure	12.50%	1
TOTAL		8

Q14 What are the reasons for your response?

Answered: 7 Skipped: 1

#	RESPONSES	DATE
1	Cant afford any more expenses. I'm retired disabled veteran.	6/3/2025 8:37 AM
2	Cost	6/2/2025 11:54 AM
3	The financing makes it an easy choice	5/28/2025 7:17 PM
4	Again the cost is the biggest factor. If it could be done and paid for over 5 years it would be more realistic.	5/28/2025 10:24 AM
5	Would need more information on total cost and how it would be paid. Would also like to know if trenching is an option instead of expensive directional drilling.	5/27/2025 9:29 PM
6	Costs	5/25/2025 9:49 AM
7	I think this is good timing and a great idea. I’m all in!	5/21/2025 9:29 AM

Streets/Project (2)	City Project Number	Year Available	Water Install Cost (1)	Water Install Cost (Inflation Adjusted) (3)	Lots Served	Cost per Lot	Cost per Lot (Inflation Adjusted)	Average Lot Area (Acres)	Lots Conneted	Percent connected	Depreciation	Notes
Grant St, Park St, Division St, Broms Blvd/Delton, Regents Walk	73-01	1976			19	$0.00	$0.00	0.81	19	100%		8" main
Clover Lane, Gillette Curve, Echo Rd	80-01	1981			25	$0.00	$0.00	0.93	17	68%		12" from Badger well Minnetonka Dr, 8" on Gillette Curve
Smithtown Rd, Cajed Ln, Beverly Dr, Cathcart, south Strawberry Ln	?	1986			50	$0.00	$0.00	0.94	26	52%		16" & 12" on Smithtown & and 8" main, connected Boulder Bridge to Shorewood Oaks
Church Road	91-02	1992	$30,000.00	$79,570.06	11	$2,727.27	$7,233.64	0.34	5	45%	$24,000.00	6" main
Pine Bend, Howards Point	91-11	1992			14	$0.00	$0.00	0.99	7	50%		9" main
Howards Point, Edgewood Road	95-01	1996	$155,000.00	$365,267.65	20	$7,750.00	$18,263.38	1.57	17	85%	$108,500.00	8" main extended for Noble Road development
Smithtown Road - near Victoria and Eureka Rd S. to CR 19	95-16	1997	$320,000.00	$732,136.86	44	$7,272.73	$16,639.47	0.96	11	25%	$216,000.00	16" main, interconnect with Victoria and trunk line from Eureka S to CR 19
Smithtown Road - easement south of Boulder Circle	97-03	1998	$39,000.00	$86,630.27	5	$7,800.00	$17,326.05	1.86	4	80%	$25,350.00	8" main
Eureka Road south of Smithtown Road, Freeman Park	99-02	2001	$163,000.00	$331,345.44	10	$16,300.00	$33,134.54	7.99	2	20%	$93,725.00	12" main provided looping for west system
Minnetonka Drive, Yellowstone Trail	03-07	2004	$315,000.00	$585,992.79	18	$17,500.00	$32,555.16	0.86	7	39%	$157,500.00	16" main provided service for Cub Foods
Wedgewood Drive, Teal Circle, Mallard Lane	02-02	2006	$298,000.00	$522,544.80	38	$7,842.11	$13,751.18	0.70	16	42%	$134,100.00	8" main
Manor Road, St. Albans Bay, Suburban Dr	05-05	2007	$464,000.00	$789,928.94	53	$8,754.72	$14,904.32	1.10	5	9%	$197,200.00	12" main to connect Amesbury to east system, 8" on lateral
Apple Road	05-11	2012	$179,000.00	$262,867.53	6	$29,833.33	$43,811.26	1.20	6	100%	$53,700.00	8" main, interconnect with Chanhassen, added 6 services but provided water to 30+ lots
Star Lane, Star Circle	14-11	2016	$131,000.00	$170,925.29	13	$10,076.92	$13,148.10	0.57	7	54%	$26,200.00	8" main
Park Street, Glencoe Road, Chaska Rd	16-04	2017	$633,000.00	$801,865.46	21	$30,142.86	$38,184.07	1.36	2	10%	$110,775.00	12" main
Yellowstone Trail/Riviera Lane	17-04	2019	$740,000.00	$883,598.70	29	$25,517.24	$30,468.92	1.07	9	31%	$92,500.00	12" main on Yellowstone & 8" main on Riviera
Woodside Road, Woodside Lane, Kathleen Court	19-04	2021	$585,000.00	$658,422.65	41	$14,268.29	$16,059.09	1.10	13	32%	$43,875.00	8" main
Glen Rd, Amlee Rd, Manitou Rd	18-08	2022	$692,000.00	$756,167.08	50	$13,840.00	$15,123.34	0.84	6	12%	$34,600.00	8" main
Strawberry Lane, Strawberry Court, Peach Circle	19-05	2024	$974,000.00	$1,003,220.00	31	$31,419.35	$32,361.94	1.20	7	23%	$24,350.00	12" main -provided looping benefit for operations
Birch Bluff, Lee Circle	21-01	2024	$888,000.00	$914,640.00	60	$14,800.00	$15,244.00	0.76	6	10%	$22,200.00	8" main
Total					**558**			**1.36**	**192**	**34%**		

Average 1995-2025 = $23,398.32

Notes:

(1) Costs are from year bid and include administration & engineering.

(2) Projects included on the list are city lead, many of which were trunk lines to serve private development and/or improve the overall reliabililty of the system. Private development areas are not included as water connections were required for new lots.

(3) Assumes 3% annual inflation

City of Shorewood

City Council Meeting Item

Item
7A

Title/Subject: **Water Infrastructure**
Meeting Date: Monday, June 9, 2025
Prepared by: Marc Nevinski, City Administrator
Matt Morreim, Public Works Director
Andrew Budde, City Engineer
Jeanne Schmuck, Finance Director
Jake Griffiths, Planning Director
Attachments: See Memo Reference section

Executive Summary

Shorewood's Water Enterprise Fund is projected to run a negative balance by 2026, reaching an approximate $4.5M deficit by 2035 if current policies remain unchanged. Despite annual rate increases of 10% since 2019, the current funding model is unsustainable and places increasing strain on both the municipal water system and ratepayers.

This issue is not new. For over 30 years, the City has studied, discussed, and struggled with its municipal water policy. The result is a fragmented municipal water system, underutilized infrastructure, and a growing financial deficit in the fund. Growth and development in Shorewood have added additional resources to the system, but with limited development opportunities remaining, difficult policy decisions must now be made, as continuing the status quo for even a short amount of time will compound the problem.

There is no single solution to address this challenge, but city staff have outlined a range of options that would work together to address the financial deficit. The City Council is requested to consider the information in this memorandum, the various options, and direct staff as to which options should be pursued. Council's direction will inform the assumptions to be used in the Long Term Financial Management Plan which Northland Securities will present in late June. The direction will also be used in developing the 2026 budget.

Introduction

City water infrastructure has been a contentious topic for many decades. Currently, approximately 50% of Shorewood residents are connected to city water and 50% have private wells. Approximately 531 households have access to city water but choose to remain on their private well. In addition to a lack of residential connections, challenges facing Shorewood's water infrastructure are:

- Lack of clear vision on overall infrastructure decisions.
- Infrastructure is aging and will require costly maintenance and replacement.
- Minimal treatment in the city's water supply.
- Current utility funding for projects is spending down reserves.

At the request of City Council, city staff have prepared this memo to provide history, current infrastructure status, financial picture, and options to consider.

Memo References

This memo is intended to provide the city council with a robust historical and current picture of the city's water infrastructure. City staff reference historical content from previous work session, city council meeting and city council retreats. The following references are listed in chronological and numbered order and are available in the Agenda Center on the City's website under the June 9, 2025 regular meeting packet.

1. November 21, 1991 – A Study of The Support of Shorewood Property Owners for a Proposed City-Wide Water System – Report and survey results.
2. January 16, 1996 – Planning Commission Meeting Minutes – Joint meeting with city council discussing 20 year water plan.
3. January, 1996 – Water Distribution System Improvement Implementation Plan Report – Discussed citywide implementation of watermain over 20-year period.
4. March 9, 2006 – City Council Work Session Agenda Packet and Minutes – Council work session packet and minutes detailing capital bonding, water extension, connection policy and practice and watermain survey results.
5. January 20, 2010 – City Council Work Session Agenda Packet and Minutes – Council packet and minutes detailing items regarding the water connection policy.
6. February 4, 2010 – Water Connection Fees – History – Discussed the history of water connections and fees through 2010. Also includes July 1999 council memo regarding City Water Discussion – Study Session
7. February 22, 2010 – City Council Memo – Water Ordinance – Discussed amendments to water ordinance including using special assessments.
8. July, 2010 – Municipal Water Brochure – Brochure explaining water quality, assessment process, connection process and private well information.
9. December, 2011 – Shorewood, MN Citizen Survey Report of Results – Report and survey results of city survey that includes city water questions.
10. June 25, 2012 – City Council Work Session Agenda Packet – Water Plan Update
11. September 29, 2012 – 2012 Water Distribution Plan Update – Update to 1996 water distribution plan. Details implementation of citywide watermain over 20-year period.
12. August 27, 2018 – City Council Work Session Memo and Minutes – Water Connections – Council memo and minutes outlining strategies to increase water connections.
13. September 24, 2018 – City Council Memo and Minutes – Water Connections – Council memo and minutes providing detail for a utility bill insert.
14. February 27, 2023 – City Council Retreat Agenda Packet – Council memo providing detail for water treatment options.
15. January 26, 2024 – City Council Retreat Agenda Packet – Council memo providing details for City Infrastructure and Financing Strategies.
16. October, 2024 – Maps – Map showing which parcels have water available and which are connected or not connected to municipal water. Additionally, map showing areas that have requested water availability in their area.

17. January 27, 2025 – City Council Workshop Memo and Minutes – Information from meeting where direction was provided to City staff to move forward with requiring new subdivisions to connect to the municipal water system.
18. April 22, 2025 – Shorewood Water Connection Program DRAFT – Draft resident mailer for the water connection program.
19. April 28, 2025 – City Council Meeting Agenda Packet and Minutes – Information from meeting where action on subdivision regulations was tabled.
20. April, 2025 – Recent Home Sales Map – Map detailing recent home sales in relation to water availability.
21. May 9, 2025 – Public Water Supply Memo – Memo from Excelsior Fire District Chief regarding importance of a municipal water supply.
22. Private Well Testing Data from Rental License Program – Laboratory testing results of private well water at rental properties from within the last 3 years.
23. June, 2025 – City Water Citizen Survey Results – Survey results from a citizen survey that are specific to city water.
24. June, 2025 - Mill Street Survey Results
25. June, 2025 – Water Connection Summary Sheet

History

Prior to 1973, Shorewood residents were served by private wells. In 1973, the Amesbury development was built along with a deep well and distribution piping. The water infrastructure was paid for by the developer and was turned over to the city upon completion. During this time, the city struggled on whether to have city water or not. One early policy was that any new development of ten or more units was required to construct a community or city well and distribution system.

The following is a timeline of water utility assessments, connections and the water connection fee:

- Boulder Bridge and Woodhaven were built in the late 1970's and 1980 and were subject to the 10-lot water policy. Both developments included wells, pump houses and water lines at the cost to the developer. The Woodhaven well and pump house were decommissioned while the Boulder Bridge wells are still in operation today. Residents of Boulder Bridge paid $6,500 per lot while the costs are unknown for the Woodhaven development. The city negotiated deals with the developers for any future connections to the system outside of the developments. The cost was $2,000 plus interest.
- In 1981, the Badger well, pump house and water lines were installed as part of the Wild Duck Third Addition. The funding is unknown for the Badger system.
- In 1987, Shorewood Oaks constructed approximately one mile of watermain to extend the Boulder Bridge system to Shorewood Oaks. The watermain cost Shorewood Oaks residents nearly $6,000 per lot. The city renegotiated (extending it) the reimbursement agreement with Boulder Bridge and waived the $2,000 per lot reimbursement charge for Shorewood Oaks. It was decided by the City Council that residents along the watermain outside of Shorewood Oaks would pay a hook-up charge of $4,000. The Brynmawr development north of Boulder Bridge was the last development to connect for $4,000.
- In 1995, City Council was interested in a city-wide water system and ordered an update of the water distribution plan for the city. As part of the update, it was decided that new development

should pay a $5,000 assessment and a $5,000 "trunk charge" per lot for city water. The $10,000 came out of a plan to serve the majority of the city with city water in three phases over a 20-year time span. At the same time, the $4,000 hook-up fee was raised to $5,000. The Heritage development, south of Edgewood Road, was installed under that policy

- In 1996, Lundgren Brothers developed Marsh Pointe. The developer threatened a lawsuit objecting to the $10,000 in city charges in addition to their cost of installing the development's water. They alleged that it was unfair that existing residents only paid $5,000 while new residents had to pay $10,000 and more. The City settled with the developer, reducing charges to $8,000 per lot.
- Following the Marsh Pointe development, the City amended its water policy to make the $10,000 ($5,000 assessment and $5,000 trunk charge) for all properties, new or existing. The City Attorney's office advised the city that there was no statutory authority for a "trunk charge". As a result, the city amended its code to include the term "connection charge".

In January of 2010, city staff discussed the water connection policy with the Council at a work session. Discussion included revisions and additions to existing municipal code. Two options were proposed by city staff that would allow the council to initiate a watermain project without special assessments to adjacent property owners. The options are found in Memo Reference #5, PDF pages 17-24. At the end of the meeting, the Mayor stated that there was a consensus to not include the proposed language eliminating assessments in the ordinance. That being said, the following proposed language from the 2010 discussion reflects the City's current practice.

903.181 CITY INITIATED WATER IMPROVEMENT

Subdivision 1. Initiating an Improvement

a. *The City Council may order the extension of municipal water as part of a planned road improvement project. If the Council makes such a determination, the feasibility report for the road improvement project shall include the feasibility of extending municipal water.*
b. *Upon determination and election to extend municipal water service as part of a planned road improvement project, the Council shall determine if the water improvement will be funded through a Special Assessment against benefiting property or if the improvement will be installed without a Special Assessment.*

Subd. 2. Improvement without Special Assessment. If the City Council elects to proceed with the project without the imposition of a Special Assessment, the Council shall proceed as follows:

a. *Residents abutting the road way where the improvement will be made will be sent notification of the improvement along with information on the municipal water system and costs to connect during the improvement project.*
b. *The City Council may hold a public hearing on the project. If the Council chooses to hold a public hearing on the project, such hearing will cover at least the following items:*
    i. *The estimated cost to complete the improvement;*
    ii. *The estimated cost for residents to connect to the System at time of construction;*
    iii. *The process to connect following completion of construction;*
    iv. *The estimated cost to connect following completion of construction;*

v. Any other information the City Engineer or City Council deems pertinent.

Subd. 3. Improvement with Special Assessment. If the City Council elects to proceed with the project and to assess the costs of the improvement to the benefiting homeowners, the City shall follow all the requirements of Minnesota Statute 429 as may be amended.

According to city records, property owners on Star Lane and Star Circle were assessed for watermain improvements along with the street reconstruction project. This project occurred in 2015 and it appears to be the last city water project that included assessments. All property owners connected to city water as part of the project. All city projects involving watermain after 2015 did not assess property owners for watermain improvements.

In summary, the implementation decisions around watermain have been inconsistent from project to project over the past 30-40 years. The city is currently following a practice that is not detailed in city policy.

Public Input

Over the past several decades the city has conducted a number of public engagement campaigns to seek public input on the municipal water system. These efforts have included several different methods such as statistical surveys conducted by professional consultants, public open houses and hearings for individual projects and proposed policy changes, and community surveys.

In 1991, the City conducted a statistical survey using an outside consultant to study the support of Shorewood property owners for a proposed city-wide water system. In 1996, public engagement was conducted around the Implementation Plan Report for Water Distribution System Improvements. In 2011, a statistical survey was conducted using an outside consultant which had a section devoted to seeking public input on the municipal water system. Since that time, several other less formal community surveys have also been conducted in-house which sought public input on the municipal water system. The 2025 community survey (not statistical; available online) recently closed at the end of May 2025 and a project specific survey related to the Mill Street Trail Watermain closed in early June 2025. Copies of these surveys and their results are attached for reference.

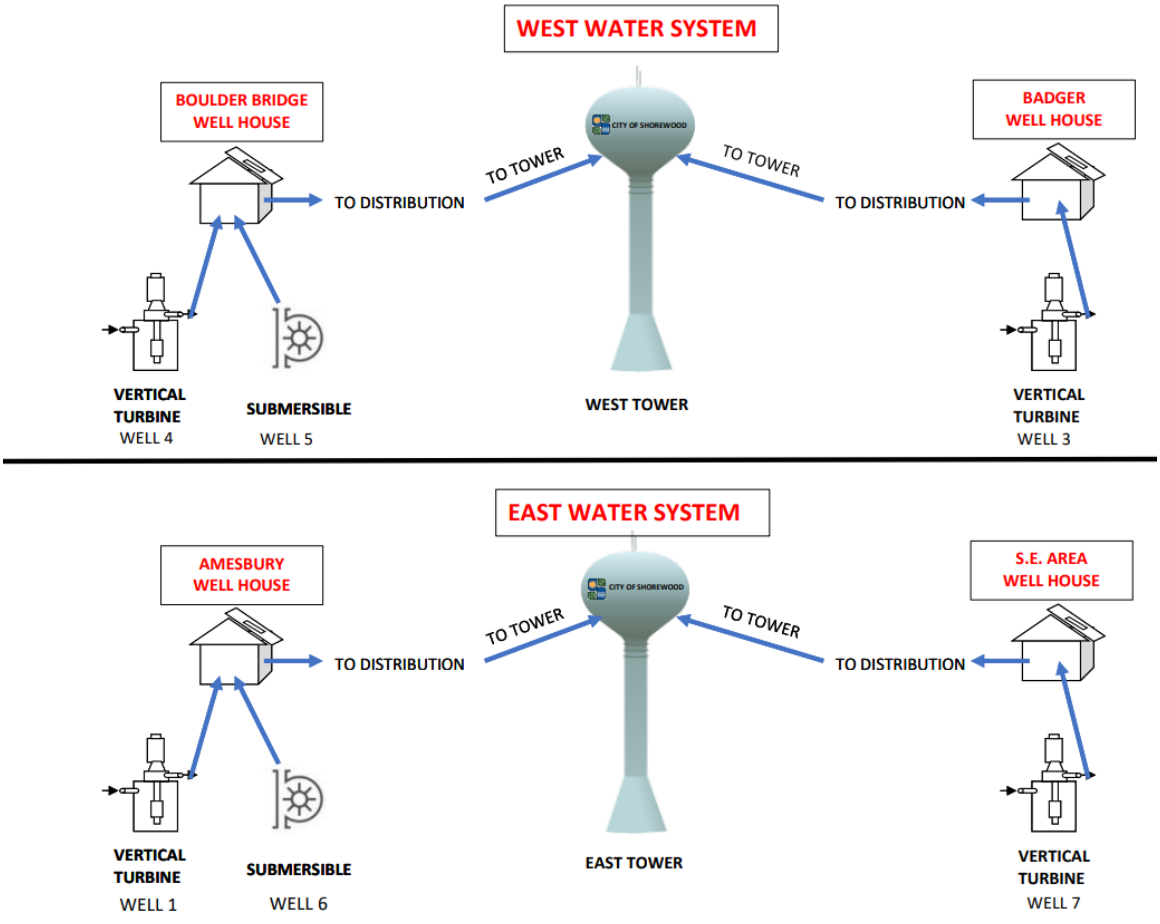
When reviewing these public engagement efforts, a trend has been that public perception of the municipal water system has generally been good. The most common reasons individuals do not connect to the municipal water system being that water is not available to their property or that the cost to connect is too expensive. This trend is echoed by the 2025 Community Survey, where 33.53% of respondents identified no connection being available and 36.47% of respondents identified that the cost to connect were the two most common reasons respondents were not connected to the municipal water system. Concerns about city water quality have historically been less important to residents, which is also echoed by the 2025 Community Survey where only 18.24% of respondents identified these concerns over water quality as a reason for not being connected. Detailed results from the 2025 Community Survey are attached for reference.

Aside from the public engagement and input that has already been conducted on the municipal water system over the past several decades, each of the options presented later in this report would require

their own level of public engagement or hearing as part of the evaluation and implementation process. Some level of public outreach and education is anticipated depending on the direction received for the options outlined in this report.

Current Water System

Shorewood has six municipal wells in four locations that range in flow capacity from 100-1000 gallons per day and range in depth from 280 feet to 640 feet. The municipal wells produce water from the Prairie du Chein-Jordan, St. Peter-Jordan, and Tunnel City-Wonewoc aquifers. Shorewood has two separate water systems, an east and a west system. The eastern system's primary well is Well 7 which is located at Silverwood Park and includes iron filters for treatment. During peak water demand in the summer, Well 7 is supplemented by wells 1 and 6 located in Amesbury. Typically, the western system's primary well is Well 3 located at Badger Park and in the summer supplemented by wells 4 & 5 located in Boulder Bridge. In 2023, the city switched wells 4 & 5 to primary due to their lower iron content compared to Well 3. All wells provide chemical treatment with chlorine and fluorine. The municipal water supply meets all regulated contaminate levels set by the Minnesota Department of Health but often there are complaints from residents about hardness and the amount of iron in the water.



Treatment Site ID	**Location**	**Type** (Groundwater, Surface Water, Interconnection)	Year Constructed	**Treatment Capacity** (Gallons per minute)	Well Depth	Treatment Method
Well 1	Amesbury	Groundwater	1973	750	528	Chemical addition
Well 3	Badger Park	Groundwater	1982	750	359	Chemical addition
Well 4	Boulder Bridge	Groundwater	1981	500	640	Chemical addition
Well 5	Boulder Bridge	Groundwater	1981	500	640	Chemical addition
Well 6	Amesbury	Groundwater	1982	100	280	Chemical addition
Well 7	Silverwood Park	Groundwater	1986	1000	415	Chemical addition, iron filters

The city has two water towers, one for the east system and one for the west system. Both systems operate at similar water pressure which will allow the two systems to be combined at some point in the future to add to the resiliency of the overall system. As comparison, most private wells are 100 feet to 250 feet deep and pull water glacial till acquirers. Lastly, the city has emergency interconnections available with surrounding communities of Minnetonka, Chanhassen, Victoria, and Tonka Bay.

Structure Name	Type of Storage Structure	Year Constructed	Primary Material	Storage Capacity (Gallons)
West Water Tower	Elevated storage	1995	Steel	500,000
East Water Tower	Elevated storage	1986	Steel	400,000
Total	N/A	N/A	N/A	900,000

The city has approximately 25 miles of 8" to 24" watermain providing distribution throughout the city and 435 hydrants. The existing watermain provides water service to 1568 residential and commercial parcels of which 1503 are connected to Shorewood and another 65 are connected to Tonka Bay, Excelsior, or Chanhassen. The existing system is available to another 531 homes that have not yet chosen to connect to the system. There are another 1224 buildable parcels within the city that do not currently have access to municipal water. This is determined by comparing the number of sanitary sewer users to watermain users and accounting for those parcels that are not connected. It is anticipated that the city will have adequate wells and storage to meet daily demands of the population to be served in the next 20 years. However, it is anticipated that either additional storage or higher capacity wells will be needed to serve the ultimate population and fire flow demand of approximately 8,000 residents, or approximately 3,348 services.

It is the city's current practice to expand the distribution system on an opportunity basis. Typically, the addition of watermain is considered with other major infrastructure projects such as new development or street reconstruction projects. Typically, if the street is planned for full-deep reconstruction it is

most cost effective and efficient to install municipal water at that time. Watermain can also be considered when a street is slated for reclamation, like what was completed on Woodside Lane several years ago. Also, if there are petitions signed by supportive neighborhoods the city could further pursue adding watermain in other locations, but a larger burden of the overall project cost is placed on those petitioning.

Water Quality

The city's water supply is quality, consistent and in many cases better than private wells. As discussed previously, the city's main issues with the water supply are higher levels of iron and the lack of treatment. Iron is a secondary contaminant that's main downside is a visual issue. Most residents with private wells have similar issues with iron. The Minnesota Department of Health requires testing and reporting on arsenic, nitrates, and coliform for all new wells as of 2008. The city receives results of these tests, but they are often after in-house treatment and are not representative of the ground water source. Therefore, it is challenging to directly compare municipal water with private well water without more strategic testing of private wells.

Staff have gathered hydrogeological information from the DNR website and have focused images on Shorewood (memo reference 15). This information provides some basic visualization of private and municipal well depths relative to the source aquifers. Private wells typically source water from within 150'-300' of the surface and within geological glacial outwash that can be susceptible to surface water infiltration over time. Shorewood's municipal wells source water from 280 ft to 640 ft and are typically pulled from a confined aquifer below a layer of bedrock that is not susceptible to surface water infiltration. The figures also provide some information related to water chemistry and identify areas that have higher than the MDH standard for arsenic and manganese levels present in the shallower aquifer. This has been confirmed by some of the required reports from the MDH.

Below is a summary of results of the most common contaminants in drinking water. Lead and copper results are from a sample from resident taps. The remainder of the results are from the source water, or wells.

- Lead (2023): 0-5.9 parts per billion (ppb) (Environmental Protection Agency's action level: 15 ppb).
- Copper (2023): 0-0.75 parts per million (ppm) (EPA's action level: 1.3 ppm)
- Arsenic (2024): 4.13-4.9 ppb (EPA's limit: 10 ppb)
- Manganese (2025): 30-60 ppb (Minnesota Department of Health guidance values: 100 ppb for infants who drink tap water and 300 ppb for older than one year) –Note: Data is from field tests by city staff and not laboratory testing.
- Iron (2025): See results to the right (MDH guidance: 0.3 ppm (mg/l) is usually objectionable).

WELL	IRON Effluent (mg/l)
Amesbury - 1	0.46
Amesbury - 2	0.43
Boulder Bridge - 1	0.39
Boulder Bridge - 2	0.31
Badger	1.57
Southeast	2.22

Analysis of Private Wells

The Minnesota Department of Health (MDH) emphasizes that private well owners are solely responsible for ensuring their water is safe to drink. Unlike public water systems, private wells are generally not monitored, making them susceptible to contamination from various sources or a lack of adequate maintenance. Common contaminants in private wells across Minnesota include arsenic, nitrates, coliform bacteria, and lead, which can all pose significant health risks. For example, arsenic exposure is associated with an increased risk of cancer or other serious health effects. MDH recommends that private well owners regularly test their water and take appropriate actions to protect their health. These actions typically involve installation of costly water treatment systems into residential homes that can range anywhere from a few thousand dollars to $25,000-$30,000 depending on the level of contaminants.

Contamination in private wells is common in Shorewood. The City of Shorewood requires rental property owners to provide laboratory testing results for common contaminants as part of the rental licensing process to protect the health of the occupants of the rental property. If a private well at a rental property has contamination more than MDH's guidelines for safe drinking water, the landlord is required to provide treatment and ensure the water is safe before a rental license is issued. Of the 79 rental properties with private wells, 98.7% had detectable contamination, and 11.4% had contamination that exceeded MDH safety limits. Arsenic is the most prevalent contaminant and was present in nearly every well that was tested. Other concerning contaminants known to be in the area's private wells include coliform bacteria, nitrates and lead. While the municipal water system is tested regularly and treated for these contaminants, private well owners are entirely responsible for their drinking water and the costs associated with ensuring its safety.

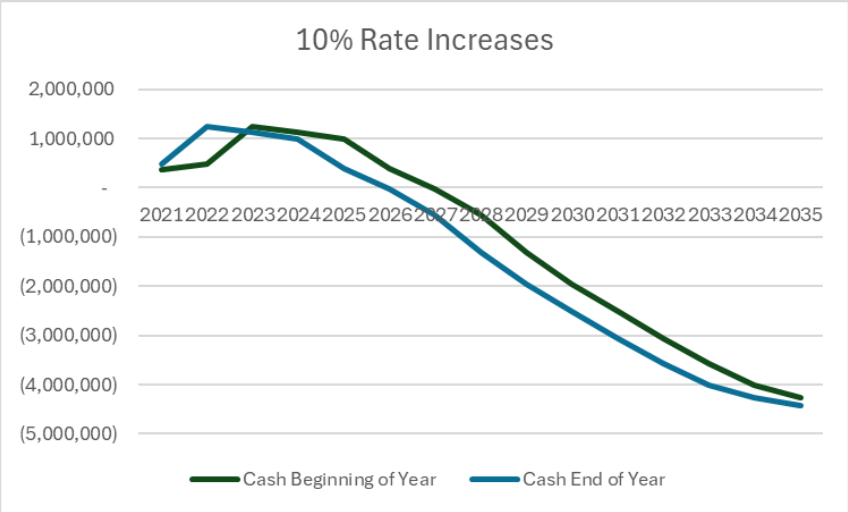
Comparison

The municipal water system is as good as, and often better than, private well water due to its consistent quality, professional monitoring, and protected sourcing. While both systems can experience elevated iron levels, municipal water is regularly tested, treated, and drawn from deeper, more confined aquifers less susceptible to contamination. In contrast, private wells are typically built much shallower and are more vulnerable to common contaminants including arsenic, nitrates, coliform bacteria, and lead. Private wells can also be susceptible to drying up during severe drought conditions. Unlike the municipal water system, private wells are not routinely tested and require homeowners to invest in costly treatment systems to ensure safe drinking water. Data from Shorewood's rental licensing program underscores the fact that nearly all private wells tested have detectable contamination which indicates that there is widespread private well contaminants in Shorewood. By comparison, the municipal water system is subject to rigorous testing and state oversight, which provides residents with a more reliable and safer source of drinking water.

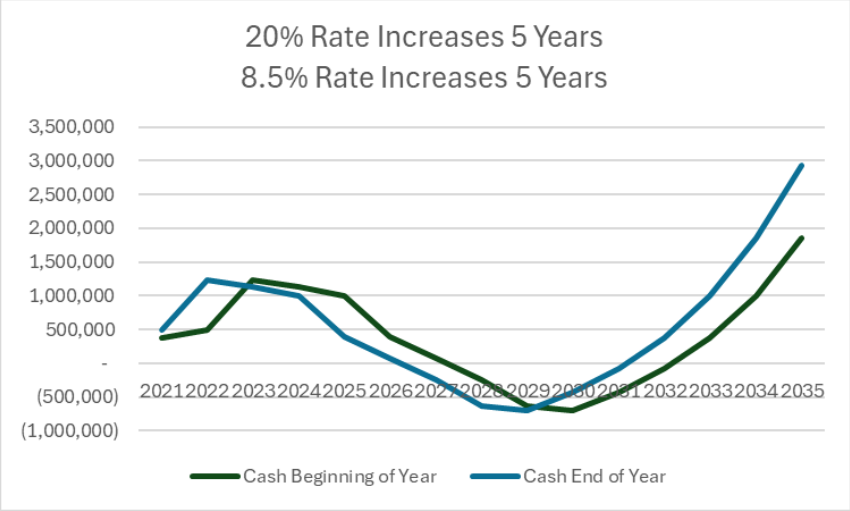
Financial

Due to the unique challenges that Shorewood faces, the water utility fund's reserves are depleting, and it is projected to go into a deficit over the next 10 years.

The present plan for financing the water fund since 2019 has been to implement 10% annual rate increases. With the City's current system, the Water fund is projected to have a negative cash position by 2026. With the trajectory of an ending negative cash balance of $4,496,756 by 2035.



Utilizing Shorewood's current practice of rate increases to offset the cash shortages, rates would need to increase 20% annually over the next 5 years and 8.5% for the remaining 5 to meet the City's Reserve Policy in 2034. The Water fund would also need to supplement the CIP projects with bonding.



Strategies

Stabilizing and improving the long-term viability of the water fund will require multiple strategies. Generally, it is not sustainable at this point to solely raise rates of existing water customers to cover the costs of all the water infrastructure. Alternative funding options are needed to cover, at a minimum, the negative cash balances and then to work towards achieving the goal of the newly adopted Reserve Policy to retain an adequate level of reserves and provide for cash flow requirements and contingency needs.

It is challenging to estimate the number of residents that would connect if the city implemented some or all of the options. In the past, connection assumptions tended to be overestimated and subsequently over inflated potential revenue. Currently, the water connection fee is $10,000 per unit. Additionally, an average residential consumer generates an additional $150-$500 per year in water usage fees.

The following connection and alternative funding strategies can be utilized individually or in combination. As the list of options progresses, they tend to become more complex, costly and/or controversial. Council will be asked to provide formal direction to determine which options should be pursued or not pursued. If there are specific details, information, or direction desired for the selected options, Council should include that in its motion so the information can be included in future consideration.

Option 1 - Improve Public Perception

The city has a general public relations issue in that many residents believe that the city's water is bad and poor quality. Many employees and city officials hear this sentiment from long-term residents and others, and it appears to have a negative impact in the community. The city's water supply is quality, consistent and in many cases better than private wells. As discussed previously, the city's main issues with the water supply are higher levels of iron.

The Council may wish to consider an informational campaign that begins to tell an accurate story of the city's water quality and system. The campaign could include general information about the water system and water quality results from the city and perhaps compare to available private well data. Additionally, the campaign could communicate additional options described in Options 2 and 3 if the council decides to move forward.

Staff estimate that the cost of a campaign would be around $5000 not including city staff time. It is anticipated that the campaign would continue for 3-5 years in some form utilizing the materials and methods created in year one. The ongoing campaign after year one is anticipated to cost $2000 per year.

Option 2 – Implement Organized Connection Program

The city could choose to lead a city or area wide project that helps facilitate installing a water service from the existing watermain or curb stop into their house. This provides economies of scale, helps manage costs and eliminates much of the challenging coordination between residents and contractors. Initial start-up work would include developing an application process that would include connection information, educational information, online forms, right-of-entry agreements, funding forms, budgeting estimates, etc. This effort could possibly commence in 2026 and could be paired with funding options detailed in Option 3.

The estimated start-up cost of the connection program is $5000. Following the initial start-up, the estimated ongoing city cost of the program is $1000-$3000 per resident. This cost would include all the design work, resident and contractor coordination, and construction inspection and would be included in installation costs.

Option 3 – Implement Water Availability Fee

The city could apply the base water fee (currently $32.51/quarter) as a water availability fee for all properties that have water available but have chosen not to connect. The base fee would help fund the water utility's fixed expenses, such as system operations and maintenance, which are about 70% of the total system costs. This fee could be included in the 2026 master fee schedule as a Water Availability Fee. The estimated revenue from 2026-2035 would be $254,391.

Option 4 – Implement Infrastructure Fee

The city could implement an infrastructure fee for all residents that do not have water directly available but benefit from the city's overall existing water infrastructure. Municipal water infrastructure helps support all Shorewood residents with public safety and fire protection, reduction in homeowner's insurance, and access to water at public facilities (See memo from Fire Chief). Additionally, the public water supply is more resilient during more severe droughts due to the depth of the city's wells.

The proposal is to put the infrastructure fee in place beginning in 2027 at an initial rate of $10 per quarter, with $1 increase annually. Shorewood could take the remainder of 2025 and all of 2026 to educate and promote the benefits of this added infrastructure fee. The estimated revenue from 2027-2035 would be $470,232.

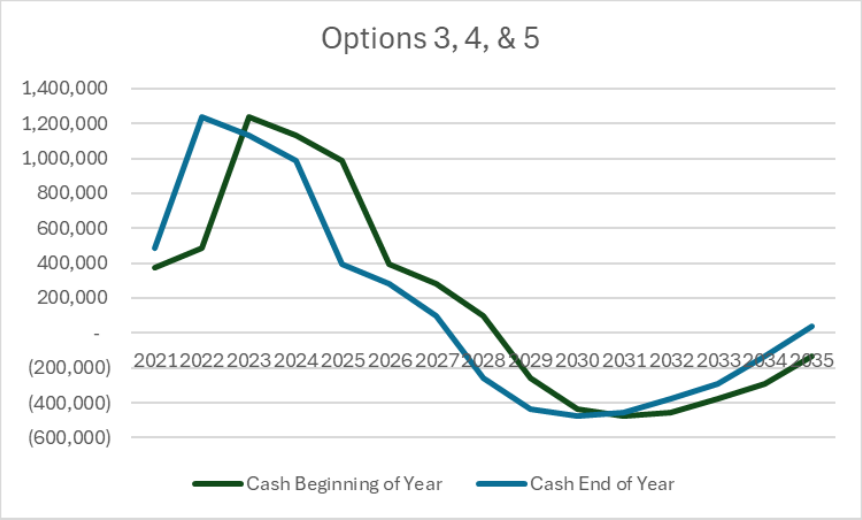
Option 5 – Modify the Water Usage Rate Structure

The current rate structure was adjusted in 2008 to modify the first tier from 10,000 to 5,000 to reward water conservation. Revising the existing rate structure to introduce an additional tier at 25,000 gallons of consumption to continue promoting water conservation could look as follows:

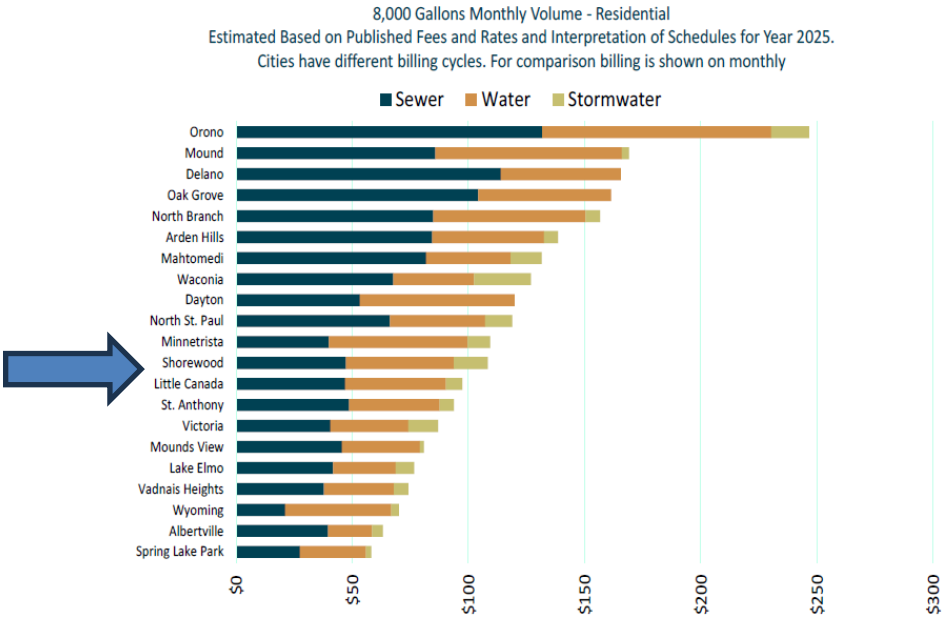
	Per 1,000 Gallons Per Quarter	
	Current Rates	Proposed Rates
Base Fee	$ 32.51	$ 32.51
0-5,000 Gallons	$ -	$ 1.75
5,001-25,000 Gallons	$ 5.49	$ 5.75
25,001-50,000 Gallons	$ 5.49	$ 8.65
Over 50,000 Gallons	$ 7.89	$ 10.35

The estimated revenue from 2026-2035 would be $2,102,903.

NOTE: If options 3, 4, & 5 are implemented as discussed, rates would still remain competitive and continue to promote conservation.



See below for water usage fee comparison based on 8,000 gallons of monthly water usage.



<u>Option 6 – Allow Assessment of Complete Water Connection Costs</u>

The City could revise or develop policies to more comprehensively mitigate the financial impact of connecting to municipal water. This concept allows residents to assess the complete water connection costs, not just the $10,000 connection charge, which would include the connection charge, the cost of the connection from the lateral to the house and any required plumbing modifications.

<u>Option 7 – Require New Subdivisions to Connect</u>

This option was previously presented to the City Council at the January 27, 2025, City Council Workshop and April 28, 2025, City Council meeting. Staff reports and minutes from these meetings are

attached for reference and provide detailed background on this option. This is not a complex option to implement and could be presented for adoption at an upcoming City Council meeting if the Council desired. The City Council previously provided direction to city staff to implement this option at the January 27, 2025, City Council Workshop. However, at the April 28, 2025, City Council meeting adoption of this policy as part of broader updates to the City's Subdivision Ordinance was tabled.

This option would essentially require that all new developments be connected to the municipal water system. A new development is defined as a lot split, where one property is divided into two properties, or a plat, where one property is divided into three or more properties. If infrastructure was not available, the developer would either need to pay the cost to extend the infrastructure to the site, work with the surrounding neighborhood to petition the city to install infrastructure or wait until infrastructure is extended. This type of regulation is very common in cities in the region and helps ensure orderly and efficient development without passing the costs of infrastructure expansion on to the residents of the community. New developments without municipal water connection also do not install fire hydrants which presents a challenge from a public safety perspective.

For every residential lot that is built without connecting to the municipal water system, it costs the city approximately $14,855 over 5 years in lost revenue, and $22,674 over 10 years, based on the City's current rate structure and fee schedule. This revenue would have gone to the Water Enterprise Fund if municipal water connection was required for every new subdivision, which would help address the fund's deficit.

Option 8 – Require Connection Upon Sale of Home

The city could revise the municipal code to require that all new residents purchasing a home that has water available would be required to connect to municipal water. In review of the past 7 years of home sales (including 2025) this would have generated 85 new connections. The option to consider would be to put the sale of home water connection requirement in place beginning in 2026. The policy could consider giving new homeowners a period of time to perform the connection work (i.e. 180 days). Following the 180 days, the property would be assessed the connection fee which would only be triggered if connection did not occur. The details of this option would need to be worked out as part of development of the program. It is estimated that the sale of home connection requirement would apply to 3-7 homes per year. The estimated revenue from 2026-2035 would be $204k-$476k in connection fees with consumption fees on top of those estimates.

Summary Per Year:
2019 - 9 connections
2020 - 15 connections
2021 - 6 connections
2022 - 7 connections
2023 - 12 connections
2024 - 15 connections
2025 - 21 connections
Total - 85 connections

*Does not include homes sold prior to water being available in street.

Option 9 – Require Connection Upon New Home Build or Complete Reconstruct

The city could revise the municipal code to require all property owners building a new home or completely rebuilding a home that has water available would be required to connect to municipal water. The number of homes that fall under the above situation are:

- 2021 – 2 Homes
- 2022 – 4 Homes
- 2023 – 2 Homes
- 2024 – 5 Homes

Similar to option 8, this policy would put the new home or complete rebuild of home water connection requirement in place beginning in 2026.The number of connections would vary based on the number of new home builds or complete reconstructs. Currently, each new resident that connects to municipal water would generate $10,000 in connection fees and $150-$500 per year in water usage fees.

Option 10 – Require Connection Following a Watermain Project

The City could revise the municipal code to require connecting to municipal water as water infrastructure becomes available. Future new watermain projects would go through the typical public approval process and be approved by Council. Currently, there are a number of watermain infrastructure projects in the 10-year capital improvement plan (CIP). With this change, all property owners would be required to connect to municipal water as part of the project.

This option suggests putting the new-watermain connection requirement in place beginning in 2026. The timeline to connect could be within 6 months or 2 years of the project completion, or upon failure of existing well. The number of connections would vary per watermain project. Currently, each new resident that connects to municipal water would generate $10,000 in connection fees and $150-$500 per year in water usage fees.

Option 11 – Increase the Water Connection Fee

The $10,000 water connection fee was established following the Marsh Point development in 1996. Since that time the $10,000 water connection fee has not been changed; however, there have been significant increases in materials and labor costs that have added to the cost of installation and maintenance of municipal water infrastructure. Based on the Consumer Price Index, simply adjusting the water connection fee for inflation without factoring in actual infrastructure costs would increase the fee from $10,000 to $20,776.88. The exact fee amount would need to be evaluated further, however adjusting for inflation would likely be a starting point for that analysis.

Option 12 – Improve Water Treatment

A frequent comment or complaint regarding the city's water supply is quality, most notably the hardness and the higher amounts of iron. Over the past two years, staff have performed water testing and implemented short-term, lower-cost solutions to improve water quality. The short-term, lower-cost solutions are:

- Adjust well priority on the east and west systems to put the wells with the lowest amount of iron in the lead. This will result in the majority of water supplied to the system coming from wells with less iron.
- Perform additional watermain flushing to clear iron build-up from pipes. Citywide watermain flushing was completed routinely in the past. Staff noted areas that have more significant iron build-up and perform additional watermain flushing in those areas. The best example is longer dead-end cul-de-sacs where the watermain is not looped.
- Remove the iron build-up from the base of the water towers tanks. Each water tower outlet has a standpipe that discharges approximately 2-3' above the bottom of the tank. Over time, iron settles out in the tower and needs to be cleaned out periodically. The tanks will be cleaned out in the fall of 2025. Moving forward, staff plan to perform routine tower cleaning to remove iron build-up.

Additional improvements to water quality will require improved or new water treatment at each of the well locations. A current project is in progress to optimize the SE area well filter. The project is scheduled to be substantially completed in late 2025. Following completion, iron levels will be reduced to levels below 0.30 ppm. Staff have begun to investigate treatment options at each of the other well locations and associated budgetary costs. Treatment options are unique at each well location. Amesbury and Boulder Bridge locations may involve treatment equipment only as the existing building may have enough footprint to house treatment equipment. City staff have recently met in May 2025 with a metropolitan suburb regarding the potential purchase of existing water treatment equipment for the Boulder Bridge location. The treatment feasibility and project scoping would need to be completed to move forward. Badger location would involve a building and treatment equipment.

It is recommended that staff evaluate treatment options to enhance treatment discussed above and provide a more detailed cost analysis and feasibility.

Option 13 – Require Connection Upon Large Home Renovation

The city could revise the municipal code to require that all property owners performing a large home renovation that has water available would be required to connect to municipal water. This option could be put in place in 2026 but would require extensive education for residents, real estate agents, buyers and contractors. The challenge for this option is developing and maintaining appropriate criteria to trigger the connection requirement. Consideration may be given to the value of the building permit, if the work includes plumbing modifications, or the size of the modification, among other factors. The number of connections would vary based on the renovation criteria and the number of residents that would meet the criteria. This option would also need additional research and coordination with the City Attorney.

Option 14 – Require Connection to Existing Watermain

The city could revise the municipal code to require connecting to existing municipal water where it is available. Currently, 531 households have municipal water available and are not connected. A water connection requirement was implemented in Shorewood in 2003 for commercial properties and residential properties over 4 or more units if water is available. This option could be put in place in 2026. Consideration may be given to the timeline to connect, such as within 2 years, 5 years or upon failure of existing well or some other event. Currently, each new property that connects to municipal water would generate $10k in connection fees and $150-$500 per year in water usage fees.

Option 15 – Amend City Code for Service Ownership

Currently, the city's municipal code defines ownership of water utility services from the watermain to the property line/curb stop. Property owners are responsible for the service from the curb stop valve into their residence or building. Water services are more often maintained by the city from the watermain to the curb stop or valve. This arrangement increases risk and costs to the City and the water fund. Chanhassen and Excelsior own the water service to the curb box. Minnetonka owns the water main only, but they have historically made repairs to water services to the curb box.

Water service line municipal code language is as follows:

903.07 SERVICE PIPES (WATER)

Subd. 1. Maintenance and repair. It shall be the responsibility of the property owner to maintain the service pipe from the curb box into the structure. In the case of failure upon the part of the property owner to repair any leak occurring in his pipe within 24 hours after verbal or written notice thereof, the water will be shut off and will not be turned on until the service charge, as established by ordinance of the Council, has been paid and the leak repaired. When the waste of water is great, or when damage is likely to result from the leak, water may be turned off immediately pending repairs.

The concept is to revise the current municipal code to have the property owner, not the City, be responsible for the water service pipe from the watermain to their house. The estimated revenue saved would be $10k-$30k per year. The estimated revenue saved from 2026-2035 would be $100k to $300k.

Option 16 – Utility Assessments

Implementing project assessments (MN Statutes Chapter 429) has potential benefits and drawbacks. The benefits of assessments include:

- Increased project funding outside of the general tax levy and dedicated specifically for improvements that mostly benefit adjacent properties
- Increased community engagement
- Properties exempt from taxes can be assessed

Drawbacks include:

- Significant statutory and administrative process
- Added time and costs
- Requirements for meeting the "special benefit" threshold (i.e. the assessment cannot exceed the property value increase resulting from the improvement)
- Potential for opposition to the assessment

The statutory required minimum percentage of special assessments is 20% of the improvement cost, so other sources of funds would likely still be required. The decision to implement project assessments should be made considering the specific project, community context, and potential impacts. Careful planning, transparency, and a commitment to equity are essential for ensuring that project assessments are a fair and effective way to fund projects. Development of an assessment policy would be necessary to define the details and practices of assessing improvement projects.

Many metro cities utilize special assessments to partially fund infrastructure improvements including Chanhassen, Hopkins, St. Louis Park, and Eden Prairie. Conversely, some cities have opted not to assess for improvement and instead fund them using general fund dollars or other resources.

The current city code 903.18 Subd. 2.a.1 includes language on how residents can petition the city to extend water main.

Subd. 2. *Special assessment procedure.*

a. *Initiating the improvement.* Improvement proceedings may be initiated in any one of the following four ways:

(1) *One hundred percent petition.* By a petition signed by 100% of the owners of real property abutting any street named as the location of the improvement. Upon receipt of a petition of 100% of the abutting property owners, the City Council must determine that it has been signed by 100% of the owners of the affected property. After making this determination, a feasibility report shall be undertaken and the project may be ordered without a public hearing, pursuant to the procedures set forth in M.S. § 429; or

(2) *Thirty-five percent petition.* By a petition signed by the owners of not less than 35% of the frontage of the real property abutting on the streets named as the location of the improvement, when the property owners are willing to pay the entire cost of the improvement. Upon receipt of a petition of 35% of the owners of abutting frontage, the City Council must determine that it has been signed by 35% of the owners. After making this determination, a feasibility report shall be undertaken and a public hearing shall be scheduled to consider the project, pursuant to the procedures set forth in M.S. § 429; or

(3) *Sixty-seven percent petition.* By a petition signed by the owners of not less than 67% of the lots or parcels abutting on the streets named as the location of the improvement. Upon receipt of a petition of 67% of the owners, the City Council must determine that it has been signed by 67% of the owners. After making this determination, a feasibility report shall be undertaken and a public hearing shall be scheduled to consider the project. If an improvement is ordered, benefitting properties shall be assessed pursuant to the procedures set forth in M.S. § 429; or

(4) *By the initiative of the City Council.* If the City Council determines to order an improvement, a feasibility report, as set forth in c. below, shall be undertaken and a public hearing shall be scheduled to consider the project. A simple majority vote of the City Council is needed to start the proceedings. If an improvement is ordered, benefitting properties shall be assessed pursuant to the procedures set forth in M.S. § 429.

The city's practice over at least the last six years has been to incorporate water main improvements with a major street improvement project and not assess the abutting property owners. If the policy or practice of watermain improvements is adjusted, an update to this code section is recommended.

<u>Option 17 - Delay City Initiated Watermain Infrastructure Projects</u>

Edgewood Road, Grant Lorenz Road and Noble Road reclamations in the current CIP scheduled for 2028, 2029, & 2031 are City initiated watermain infrastructure projects. These could be pushed back, and the next improvements would only be mill & overlays. The water portion of these projects total $2,099,390. This will have a minimal impact on the overall shortfalls within the Water Fund however, as they were proposed to be funded with bond issuances to complete the projects.

<u>Option 18 – Reduce or Eliminate Water Utility Indirect Costs</u>

Indirect costs in the water utility includes paying for the time and resources spent on the fund by Finance, Administrative, and Communication staff.

The options to consider would include:

- Reduce indirect costs in the water utility fund by a prescribed amount. This option would save variable amounts of funds in the water utility fund.

- Eliminate all indirect costs in the water utility fund. This option would save the water utility fund $1,180,474 through 2035. This would equate to approximately 1.55% levy increase which is applied to each parcel within the City based on market value and classification rate.

Both options would include the need to cover the indirect costs through an increase in general fund spending. The general fund is supported by the overall tax levy and covered by all property tax payers throughout the City.

Option 19 – Annually Levy to Supplement the Water Fund Shortfall

The current trajectory shortfall of $4,496,756 by 2035 being supplemented by the property tax levy would be applied to each parcel within the City based market value and classification rate. This would equate to approximately 5.92% levy increase.

Action Requested

The following motions are suggested to guide discussion and provide direction regarding the options above. Based on the direction provided by Council, staff will then bring back to formal policies or program description for consideration at later dates, whether it be during the budget process or as council meeting agenda items.

1. Motion to pursue / not pursue Option 1 - Improve Public Perception
2. Motion to pursue / not pursue Option 2 – Implement Organized Connection Program
3. Motion to pursue / not pursue Option 3 – Implement Water Availability Fee
4. Motion to pursue / not pursue Option 4 – Implement Infrastructure Fee
5. Motion to pursue / not pursue Option 5 – Modify the Water Usage Rate Structure
6. Motion to pursue / not pursue Option 6 – Allow Assessment of Complete Water Connection Costs
7. Motion to pursue / not pursue Option 7 – Require New Subdivisions to Connect
8. Motion to pursue / not pursue Option 8 – Require Connection Upon Sale of Home
9. Motion to pursue / not pursue Option 9 – Require Connection Upon New Home Build or Complete Reconstruct
10. Motion to pursue / not pursue Option 10 – Require Connection Following a Watermain Project
11. Motion to pursue / not pursue Option 11 – Increase the Water Connection Fee
12. Motion to pursue / not pursue Option 12 – Improve Water Treatment
13. Motion to pursue / not pursue Option 13 – Require Connection Upon Large Home Renovation
14. Motion to pursue / not pursue Option 14 – Require Connection to Existing Watermain
15. Motion to pursue / not pursue Option 15 – Amend City Code for Service Ownership
16. Motion to pursue / not pursue Option 16 – Utility Assessments
17. Motion to pursue / not pursue Option 17 - Delay City Initiated Watermain Infrastructure Projects
18. Motion to pursue / not pursue Option 18 – Reduce or Eliminate Water Utility Indirect Costs
19. Motion to pursue / not pursue Option 19 – Annually Levy to Supplement the Water Fund Shortfall

A majority vote by the Council is required.

City of Shorewood

June 9, 2025
City Council Meeting

City of Shorewood
June 9, 2025
City Council Meeting

1. Convene City Council Regular Meeting
   A. Pledge of Allegiance
   B. Roll Call
   C. Review and Adopt Agenda

City of Shorewood
June 9, 2025
City Council Meeting

2. Consent Agenda
   A. City Council Work Session Minutes of May 27, 2025
   B. City Council Regular Meeting Minutes of May 27, 2025
   C. Verified Claims List
   D. Accept Resignation of Administrative Assistant and Approve Recruitment
   E. Cannabis Business Registration Authority Resolution

City of Shorewood
June 9, 2025
City Council Meeting

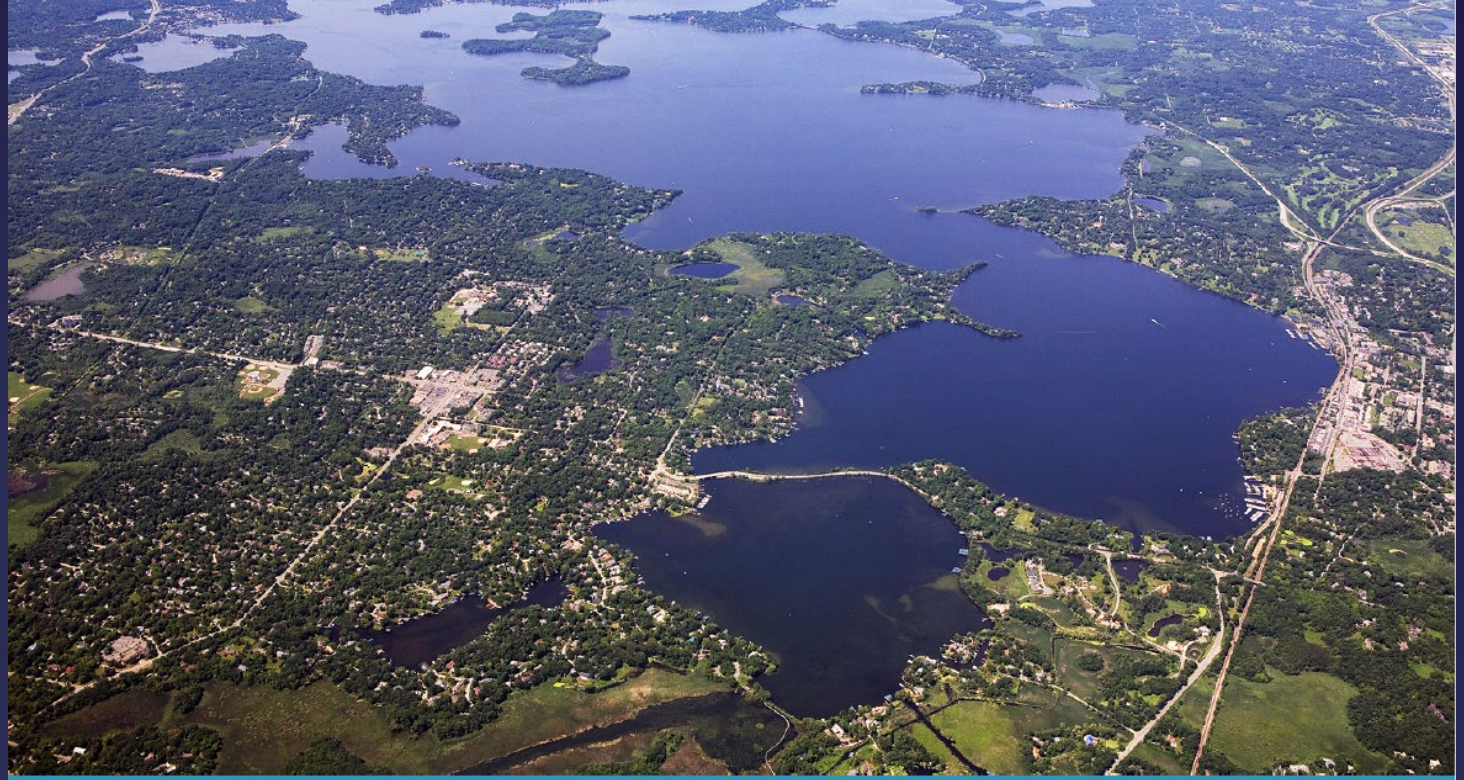
3. Matters from the Floor

   No Council action will be taken.

City of Shorewood
June 9, 2025
City Council Meeting

4. Reports and Presentations

   A. Deborah Zorn, Lake Minnetonka Conservation District



Lake Minnetonka Conservation District (LMCD)

To preserve and enhance the "Lake Minnetonka experience"

June 9, 2025

Presented by Deborah Zorn
LMCD Board Member for City of Shorewood

OVERVIEW

I. About Lake Minnetonka
II. Note from Interim Executive Director & Strategic Plan
III. Current Topics
- Summer Rules Brochure
- Rental Watercraft License
- PILOT - Nighttime Bow Fishing (April 24-June 30)

IV. City Council discussion topics
- 2026 Budget & Levy
- AIS
- Wakeboarding regulations
- LMCD regulations & city ordinances

DID YOU KNOW?

Lake Minnetonka is known for its:

- 125 miles of shoreline
- 14,043 acres of surface area—the ninth-largest lake in Minnesota
- 42 bays/named bodies of water
- Deepest bay of 113 feet (Crystal Bay)
- 30-foot mean water depth
- Water depth of less than 15 feet for 39 percent of the lake
- Vibrant community, including 14 cities in 2 counties surrounding the lake
- Sacred Indigenous areas, featured in Dakota legends
- Dakota name of "Minn-ni-tanka," meaning "Big Water"
- Location within the Minnehaha Creek Watershed



- Abundance of nature, including regional parks, islands and trails
- Numerous sightings of "Lou," a legendary sturgeon in excess of 10 feet in length (per local folklore)
- First known "electric-lit" inland steamboat in the U.S. (1881)

Visit the LMCD.org website and join us on Facebook and Twitter for more information about Lake Minnetonka.

WHO WE ARE AND WHAT WE DO

For more than 50 years, the Lake Minnetonka Conservation District (LMCD) has been managing the use of Lake Minnetonka in its mission to preserve and enhance the "Lake Minnetonka experience." The LMCD is a regional governmental agency that brings together 14 different cities, two counties, and many state and local agencies to protect, preserve and enhance Lake Minnetonka's economy and vitality. Since 1967, LMCD has worked to adopt rules, provide resources and funding, and create educational programs.

A NOTE FROM OUR INTERIM EXECUTIVE DIRECTOR

Greetings!

We're looking forward to another safe, fun summer on Lake Minnetonka that will hopefully provide many beautiful days to enjoy this great community asset.

I'm honored to continue on as the interim executive director for the Lake Minnetonka Conservation District (LMCD). Our LMCD board of directors and staff are committed to preserving and protecting Lake Minnetonka so it remains one of Minnesota's top natural resources and recreational lakes.

Rental watercraft code changes

In August 2024, the LMCD Board adopted new rules for rental watercraft on the lake.

- Rental watercraft operators now need to obtain a license from LMCD. License approval requires completing an inspection conducted by Hennepin County Water Patrol. After successfully completing the inspection, watercraft owners will receive the official LMCD rental watercraft sticker.
- Any operators that plan to use launches around the lake also need to provide permission from the respective public agencies.
- There is a $25 per watercraft fee required with the license application.

Additional information is available on our website at lmcd.org. Please reach out to our staff or your local board member if you have questions.

Here's to a safe and enjoyable summer!

JIM BRIMEYER
INTERIM EXECUTIVE DIRECTOR



STRATEGIC PLAN

In 2023, the LMCD restructured its Strategic Plan, resulting in the following four pillars:

- Docks, Applications, Licenses, Surface Water Management
- Lake Use Safety
- Lake Protection
- Operational Effectiveness

As a result, the LMCD continues to see great strides in lake management, lake safety and lake protection.

CURRENT TOPICS

- Summer Rules Brochure
- Rental Watercraft License
- PILOT - Nighttime Bow Fishing (April 24-June 30)

RENTAL WATERCRAFT LICENSE REQUIREMENTS

On August 28th, 2024 the LMCD Board passed a ordinance adoption new Rental Watercraft Licensing requirements that went into effect on January 1st, 2025.

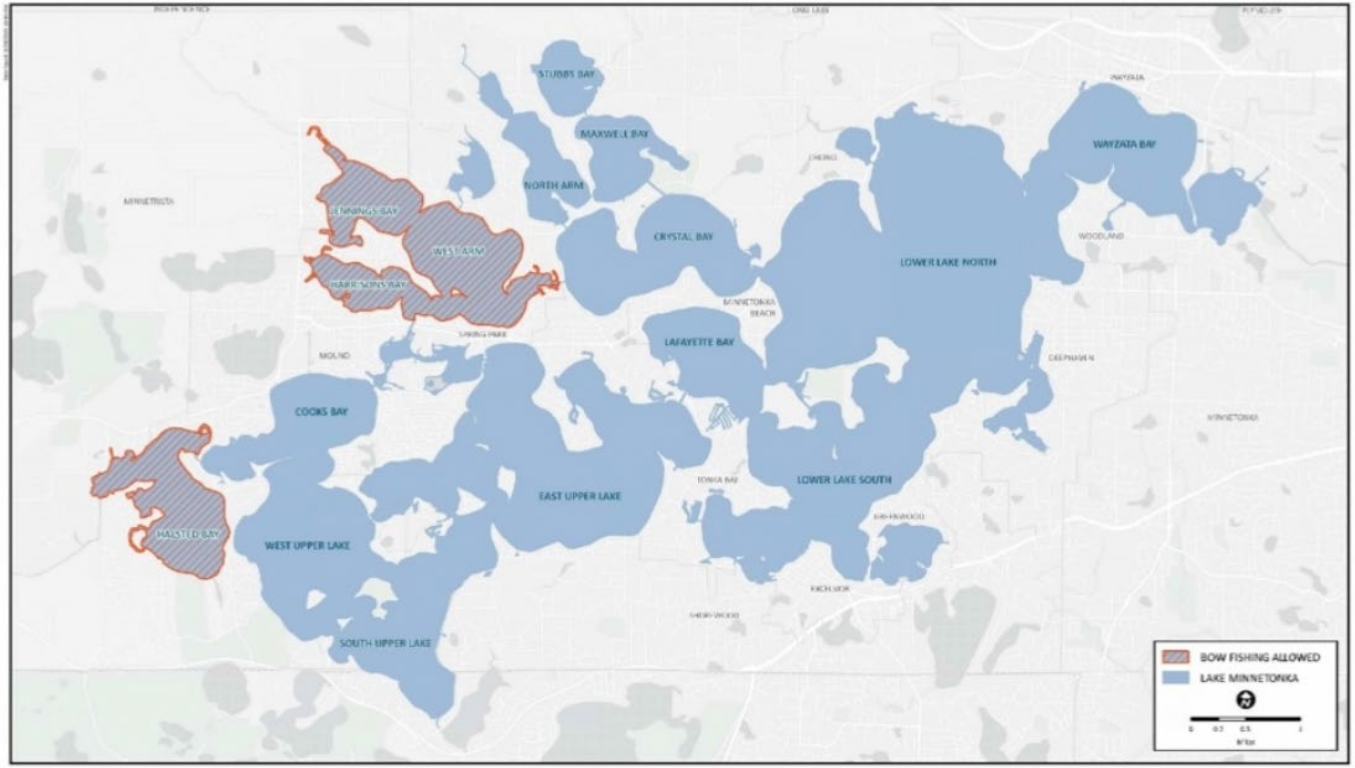
This ordinance requires all watercrafts, both restricted and non-restricted, that are rented on Lake Minnetonka to be inspected by Hennepin County Water Patrol and restricted watercraft to obtain a license through the Lake Minnetonka Conservation District (LMCD). It also requires that prior to renting watercrafts, watercraft owners need to obtain the official LMCD Rental Watercraft Sticker that will be given out alongside Hennepin County Water Patrol's sticker upon completion of inspection.

NIGHTTIME BOW FISHING SPECIAL EVENT PERMIT

A Special Event Permit has been approved by the LMCD Board which will allow Nighttime Bow Fishing on four bays of Lake Minnetonka for a limited event period of **April 24, 2025 through June 30, 2025**.

A Special Event Permit must be carried by each participant. Users can bow fish on the four bays from one half hour after sunset until 1am:

- Harrisons Bay
- West Arm
- Jennings
- Halstead Bay



NIGHTTIME BOW FISHING AREAS | HARRISONS, JENNINGS, WEST ARM, AND HALSTEAD BAY | APRIL **24- JUNE 30, 2025**

LAKE MINNETONKA CONSERVATION DISTRICT

CITY COUNCIL DISCUSSION TOPICS

- 2026 Budget & Levy
- AIS
- Wakeboarding regulations
- LMCD regulations & city ordinances

LAKE MINNETONKA CONSERVATION DISTRICT
2026 BUDGET AND LEVY
(Preliminary DRAFT 04/30/2025)

City	2020 U.S. Census Population Data	2024 Estimated Market Value	2024 Net Tax Capacity	% of Total Net Tax Capacity (Note 1)	Share of Total Levy in 2020	Share of Total Levy in 2021	Share of Total Levy in 2022	Share of Total Levy from 2023 - 2025	**Share of Total Levy in 2026**	**Change in Total Levy from 2025**	**% Change from 2025**
DEEPHAVEN	3,703	$ 2,164,727,100	$ 24,316,900	5.4%	$25,798	$25,561	$20,032	$17,200	**$25,318**	$8,118	47.20%
EXCELSIOR	2,224	$ 898,042,200	$ 10,615,481	2.4%	$10,996	$11,555	$9,330	$7,938	**$11,053**	$3,115	39.24%
GREENWOOD	695	$ 575,973,000	$ 6,922,943	1.5%	$7,077	$7,335	$5,781	$4,830	**$7,208**	$2,378	49.23%
MINNETONKA	51,005	$ 13,593,922,600	$ 161,793,644	36.0%	$73,700	$75,000	$60,000	$51,000	**$75,000**	$24,000	47.06%
MTKA BEACH	524	$ 575,228,100	$ 6,726,583	1.5%	$7,009	$7,028	$5,700	$4,708	**$7,004**	$2,296	48.77%
MINNETRISTA	9,007	$ 3,068,665,400	$ 33,093,364	7.4%	$31,279	$31,819	$25,530	$22,343	**$34,456**	$12,113	54.21%
MOUND	8,670	$ 2,248,689,900	$ 24,531,151	5.5%	$23,620	$24,147	$20,012	$16,825	**$25,541**	$8,716	51.80%
ORONO	7,959	$ 5,012,008,500	$ 57,972,639	12.9%	$58,846	$59,500	$48,073	$40,802	**$60,360**	$19,558	47.93%
SHOREWOOD	7,465	$ 2,886,247,600	$ 31,987,967	7.1%	$33,119	$32,985	$26,258	$22,262	**$33,305**	$11,043	49.60%
SPRING PARK	1,594	$ 451,155,800	$ 5,552,020	1.2%	$6,007	$6,013	$4,926	$4,045	**$5,781**	$1,736	42.92%
TONKA BAY	1,697	$ 1,038,219,800	$ 11,304,578	2.5%	$11,422	$11,319	$8,979	$7,795	**$11,770**	$3,975	50.99%
VICTORIA	11,928	$ 2,595,453,300	$ 27,877,817	6.2%	$27,066	$29,463	$23,162	$20,267	**$29,026**	$8,759	43.22%
WAYZATA	4,252	$ 3,324,088,600	$ 41,381,494	9.2%	$46,201	$47,215	$37,380	$30,920	**$43,085**	$12,165	39.34%
WOODLAND	437	$ 520,684,800	$ 5,853,664	1.3%	$6,359	$6,059	$4,837	$4,065	**$6,095**	$2,030	49.94%
	111,160	$ 38,953,106,700	$ 449,930,245	100.0%	$368,500*	$375,000*	$300,000	$255,000	**$375,000**	$120,000	47.25%

Maximum Levy Per MN statute 103B.635 (Total Taxable Market Value * 0.00242%): **$942,665**

*** means Share of AIS Levy included in total**

(Note 1) Per MN statute 103B.631, no city may pay more than 20% of the total levy. The City of Minnetonka would pay a constant 20% of any amounts to be levied

Remaining cities factor for determining levy amounts is computed as: (City Net Tax Capacity / (Total Net Tax Capacity - Minnetonka Net Tax Capacity)) * 80%)* New Total Levy

Total Net Tax Capacity	449,930,245
less Minnetonka Net Tax Capacity	(161,793,644)
Net Tax Capacity for remaining 13 cities	288,136,601

STRATEGY BEHIND LEVY % CHANGE

- In 2020, disbanded AIS Harvesting Program and sold all equipment resulting in surplus of funds entering our reserves.
- At that time, auditors advised best practice on reserve fund balances remain between 30% and 50% of annual operating expenses. Thus, LMCD reduced the levy in 2022 to $300,000 to begin responsible spend down of excess reserves and to bring our fund balance within the recommended range.
- 2023–2025, the levy was further reduced and held steady at $255,000 to continue alignment of reserve balance with the target of 35%.
- By the end of 2025, reserve fund balance will fall within the desired 30–50% range. Specifically, $130,000 in reserves in 2025 to bring the balance below 40%, followed by a drawdown of $60,000 in 2026 to achieve our target of 35%.

STRATEGY BEHIND LEVY % CHANGE, cont'd

- In 2026, the levy will increase to $375,000 to offset operating expenses, specifically the reinstatement of a full-time Executive Director, replacing the current part-time interim contractor. This adjustment ensures we maintain strong leadership and organizational capacity moving forward.
- Though this is a significant increase from 2025, $375,000 is only 40% of the Maximum Levy Amount for the State of Minnesota ($942,665) Per MN statute 103B.635.
- Prior to the reduction, the levy was set at $375,000 in 2021. Thus, returning to this amount is a reinstatement rather than an unforeseen change.

AQUATIC INVASIVE SPECIES (AIS)

In 2020, the LMCD decided to end the harvesting program and work with partnering agencies that are better equipped to fund, coordinate and scientifically evaluate the most effective methods of management aquatic invasive species.

From 2021-23, LMCD awarded grants to local entities supporting their AIS treatment efforts.

At this time, the LMCD does not have any active budgetary programs to manage AIS. In recent years, the Save the Lake fund has funded a dedicated Water Patrol officer on the lake. With the county now taking over this additional officer, funds may allow grants for AIS studies and treatments.

The Save the Lake work group is working to determine how funds will be allocated in 2025 and beyond.

WAKEBOARDING REGULATION UPDATE

In 2023, the LMCD incorporated a new rule for all watercraft to maintain a minimum was with in 300ft of all shoreline and 150ft of all structures, parked watercraft, swimmer, etc.

The LMCD continues to work with Hennepin County Water Patrol to education the public through our website, public launches, summer rules, brochures and enforcements.

In 2024, Hennepin County Water Patrol made stops for both educational and enforcement purposes and will continue to make stops in the future if a watercraft is found to in violation.

We continue to see improvements around the lake and will address further research as it provided to us.

NEW WATERCRAFT SPEED LIMIT NOW IN EFFECT

The LMCD has a new rule that places a 5-miles-per-hour speed limit on all boats within 300 feet from the shore. This is an increase from the previous 150-foot distance.

The rule requiring a 150-foot distance from docks, anchored boats, swimmers or scuba divers' warning flags throughout the lake has not changed.

The LMCD board approved this updated rule last summer after hosting a listening session, engaging community members and conducting research.

You can learn more about the new rule at LMCD.org/safety/safety-boat-generated-wakes.



LMCD ORDINANCES & CITY ORDINANCES

- In 2019, there was a change in LMCD authority at the legislature removing LMCD's ability to regulate above the 929.4 ordinary high watermark. Thus, any activity on land such as boat storage.

- Since then, LMCD has changed the way Licensees are expected to comply.
  - It is the Licensees responsibility to comply with any relevant regulations of all LMCD, Federal, State, County and Municipal rules and regulations. Violations may result in revocation of these approvals.

City of Shorewood
June 9, 2025
City Council Meeting

7. Engineering/Public Works

A. Water Infrastructure

The Issue

- Water fund projected deficit $4.5M by 2035
- Water system not fully utilized
- Sustainability of fund
- Lack of a strategy

Overview

- History of the System and Policies
- Community input
- Current System
- Water Quality
- Financial Status of Water Fund
- Options
- Direction

History

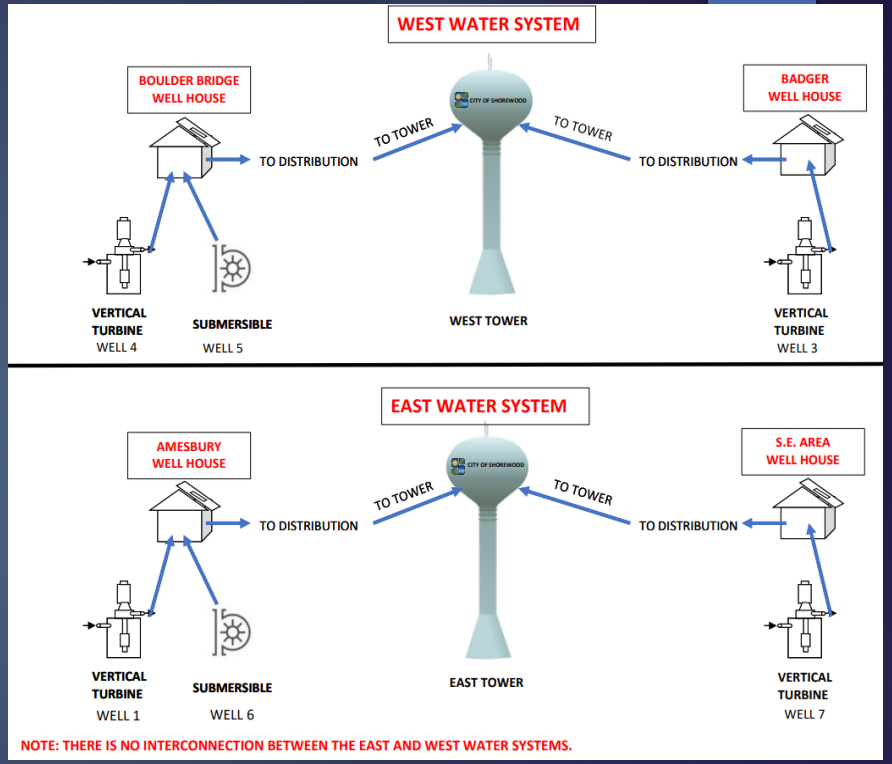
- Local area wells in 1970s and 1980s
- 1980's Development and expansion
- 1991 Community survey
- 1996 – 20 year build out plan
  - Access Charge increased to $10,000
- 2010 "No Assessments" proposed - Failed
- 2015 Star Lane and Star Circle – Last project assessed

Surveys

- 1991
- 2011
- 2025
- Mill St
- Availability and Cost are barriers to connect

Current System

- Separated Systems
- Six Wells
- 280 – 640 ft deep
- 1568 properties served
- 531 properties available

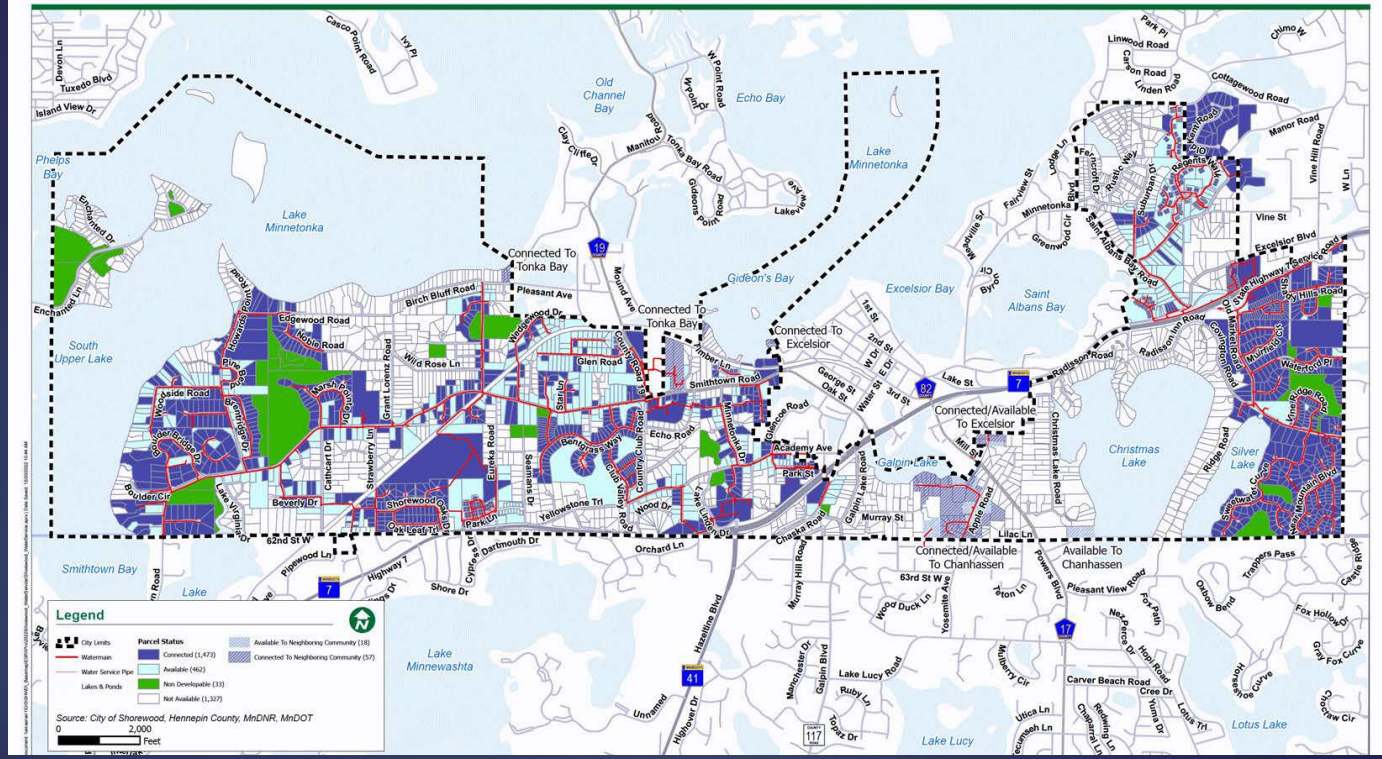


Water Services

City of Shorewood, MN

December 2022

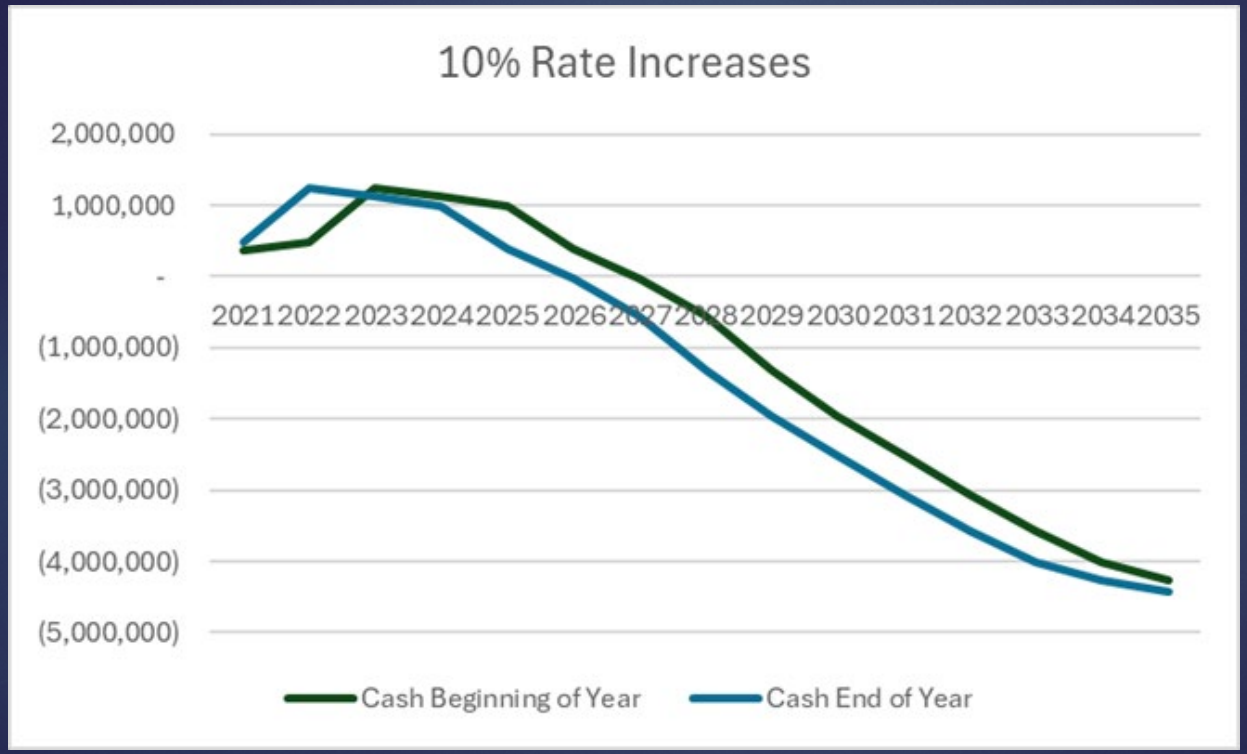
BOLTON & MENK

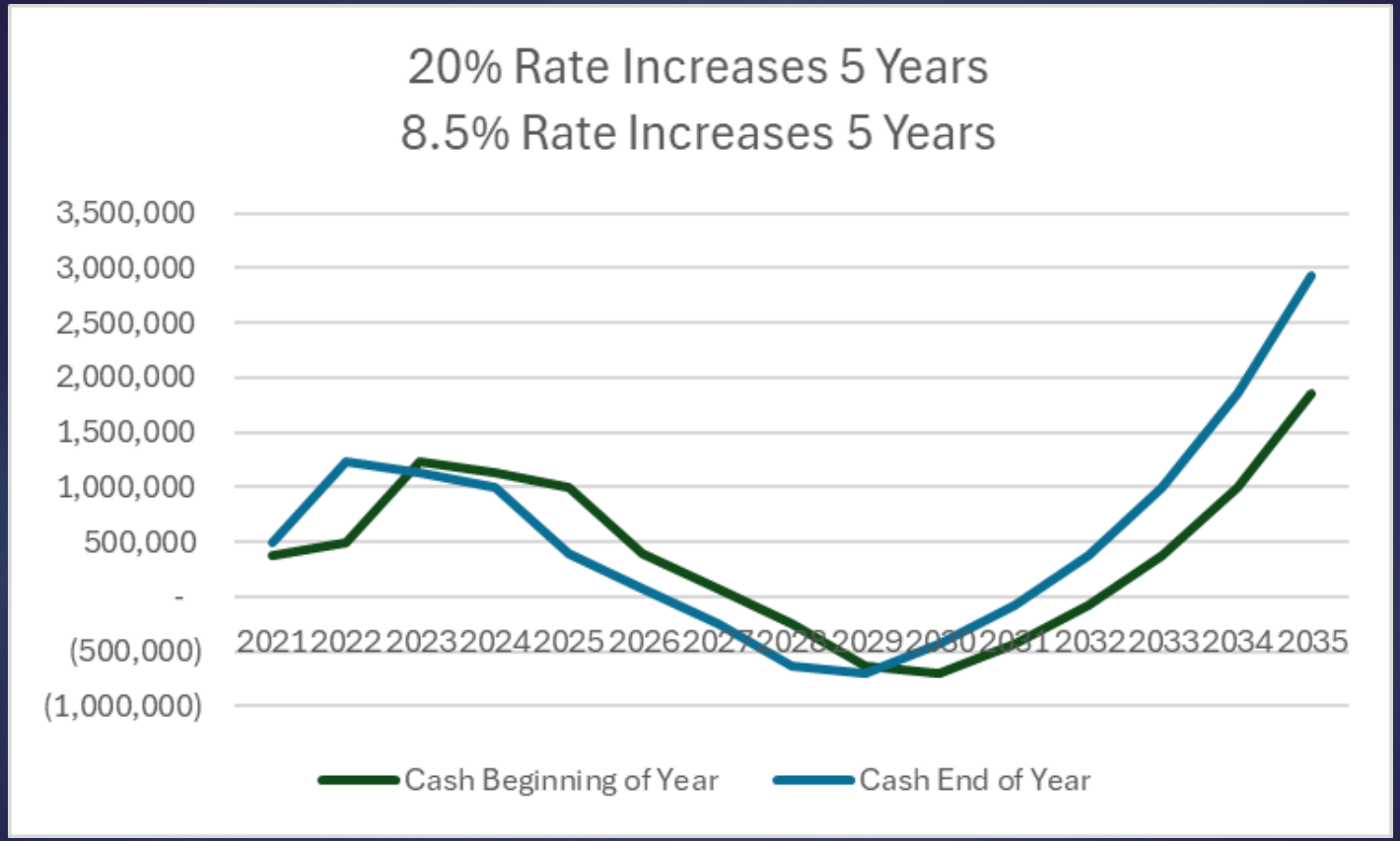


Water Quality

- Primary contaminates (Lead, Copper, Arsenic) under actionable levels
- Iron content higher than desired
  - Reduced via operational adjustments and filtration
- Private Well Data from Rental Licensing
  - 98.% had detectable contaminate levels
  - 11.4% exceed standards

Financial


10% Rate Increases
2,000,000
1,000,000
-
(1,000,000)
(2,000,000)
(3,000,000)
(4,000,000)
(5,000,000)
2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033 2034 2035
Cash Beginning of Year
Cash End of Year


20% Rate Increases 5 Years
8.5% Rate Increases 5 Years
3,500,000
3,000,000
2,500,000
2,000,000
1,500,000
1,000,000
500,000
-
(500,000)
(1,000,000)
2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033 2034 2035
Cash Beginning of Year
Cash End of Year

Options

- 19 options presented
- What options should be pursued?
  - How to maximize current system?
  - Principles for expansion of system?
- Selected options will be further discussed
  - Budget process
  - Policy approval by Council

Options

- 1. Improve Public Perception
  - Enhance communications, provide data
- 2. Organized Connection
  - City lead project for voluntary connections
- 3. Availability Fee
  - Charge base fee to properties with water available, but not connected

Options

- 4. Infrastructure Fee
  - Fee to all other properties w/o water available
  - Supports Nearby hydrants, ISO rating, public facilities with water
- 5. Modify Rate Structure
  - Add tier and promote conservation
- 6. Assess Complete Water Connections
  - Assess access charge and cost to connect to building

Options

- 7. Require new Subdivisions to Connect
  - Discussed in January and April
  - Best practice
- 8. Point of Sale Connection
  - If water is available, require connection at sale
  - 85 connections missed in 2019-2025
- 9. New Build Connection
  - If water is available, require connection
  - 13 connections missed in 2021 - 2024

Options

- 10. Require Connection w/ Watermain Project
  - Best practice
- 11. Increase connection fee
  - $10K fee since 1996
  - Apply CPI = $20,777 in 2025
- 12. Improve Water Treatment (reduce Iron)
  - Operational adjustments and maintenance practices
  - Explore treatment options at key wells

Options

- 13. Connect upon large renovation
  - Similar to Point of Sale or New Build
  - Must define criteria
- 14. Require Connection to existing Main
  - 531 properties have water available but not connected
- 15. Amend Service Line Ownership
  - Reduce costs to water fund
- 16. Utility Assessments
  - Additional funding; Pros / Cons
  - Review code/policy

Options

- 17. Delay CIP Projects
  - Minimal impact to water fund
- 18. Indirect Costs
  - Allocate staff time allocated to general fund
- 19. Property Tax Levy to Supplement Water Fund
  - Fund water fund deficits with property tax levy

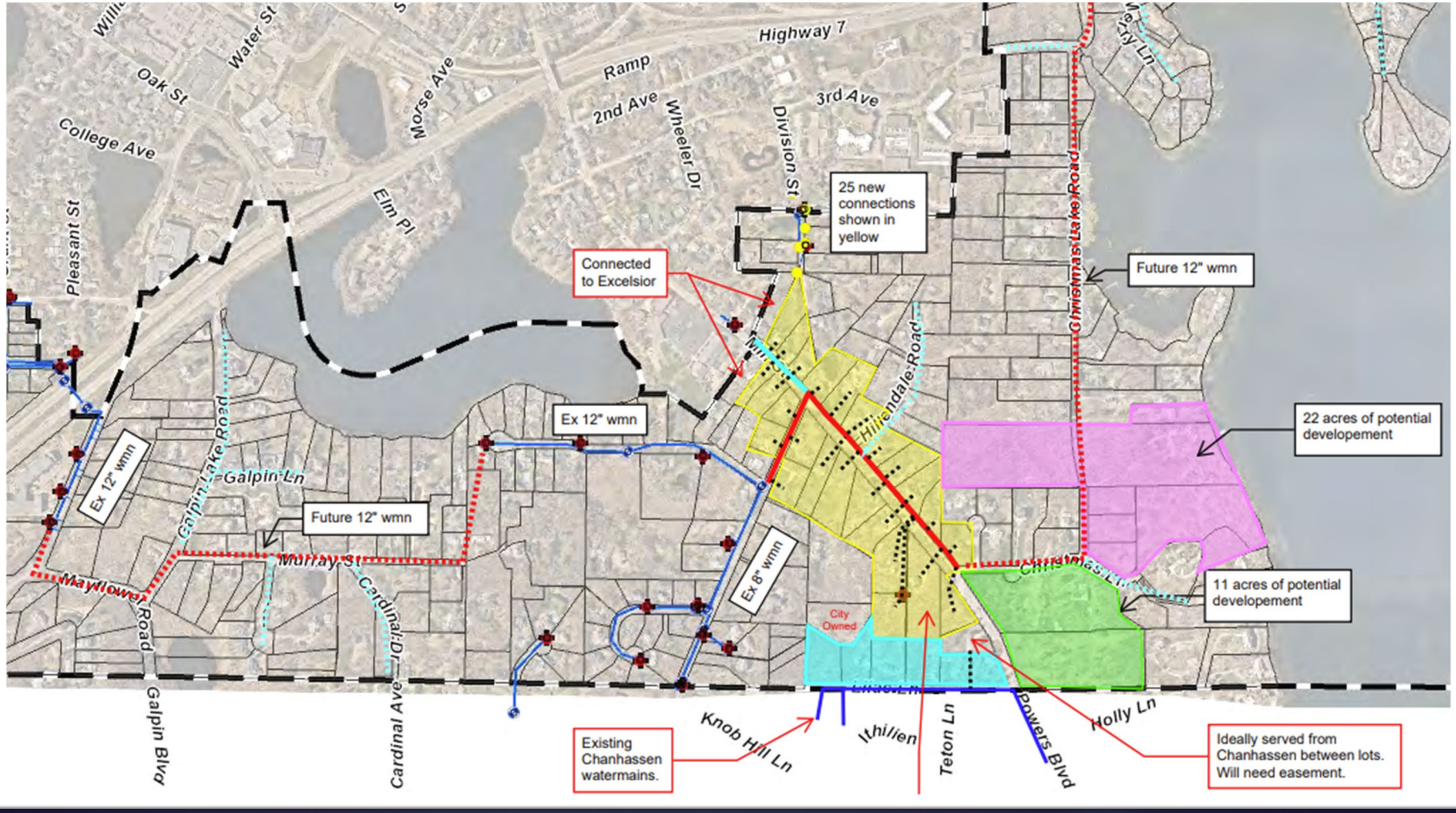
Direction

- Should the existing system be fully utilized?
  - If so, how to achieve and by when?
- Should system be expanded?
  - If so, what might trigger expansion?
  - How might expansion be financed?
  - What requirements or policies should be included?
- Selected options will be further discussed at:
  - Budget process
  - Policy approval by Council

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7. Engineering/Public Works

B. Mill Street Trail Watermain Improvement Project, City Project 24-07


Highway 7
Ramp
2nd Ave
3rd Ave
Wheeler Dr
Division St
Morse Ave
Water St
Oak St
College Ave
Pleasant St
Elm Pl
25 new connections shown in yellow
Connected to Excelsior
Future 12" wmn
Christmas Lake Road
Hillendale Road
22 acres of potential developement
11 acres of potential developement
Ex 12" wmn
Galpin Lake Road
Galpin Ln
Future 12" wmn
Murray St
Mayflower Road
Cardinal Ave
Ex 8" wmn
City Owned
Galpin Blvd
Knob Hill Ln
Teton Ln
Powers Blvd
Holly Ln
Existing Chanhassen watermains.
Ideally served from Chanhassen between lots. Will need easement.

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8. General/New Business

A. HVAC (Chiller) Replacement at Public Safety Building

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9. Staff and Council Reports

A. Staff

B. Mayor and City Council

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10. Adjourn