

PUBLIC WORKS & UTILITIES COMMITTEE

13-0268R

RESOLUTION ORDERING THE CONSTRUCTION OF APPROXIMATELY 250 FEET OF SANITARY SEWER IN LAWN STREET BEGINNING AT NORTH BOUNDARY AVENUE AND EXTENDING EASTERLY AT AN ESTIMATED COST OF \$64,500.

CITY PROPOSAL:

RESOLVED, that by Resolution of Intent 13-0042R and Amending Resolution of Intent 13-0092R the council did request the administration to prepare plans and specifications for the construction of approximately 250 feet of sanitary sewer in Lawn Street beginning at North Boundary Avenue and extending easterly.

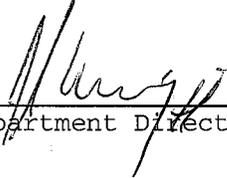
FURTHER RESOLVED, that said work be done by contract and that the estimated total cost of said improvement, as estimated by the city engineer, is \$64,500, with \$52,000 payable from Sanitary Sewer Fund 530, Department 500 (Public Works & Utilities), Division 1905 (Capital), Object 5535 (Non-Capital Improvements), city project 1151; and of these costs, \$52,000 will be assessed to benefitting properties. The remaining \$12,500 will be payable from Water Fund 510, Department 500 (Public Works & Utilities), Division 1905 (Capital), Object 5535 (Non-Capital Improvements).

FURTHER RESOLVED, that assessments shall be levied upon lands benefitting per the preliminary assessment roll and may be paid in 15 annual installments at the municipal bond index fund rate plus 1.50 per cent.

FURTHER RESOLVED, that the council order in subject project in accordance with the provisions of Section 61 of the City Charter, and that said improvement

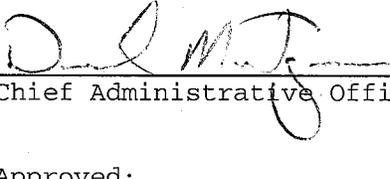
be hereby ordered.

Approved:



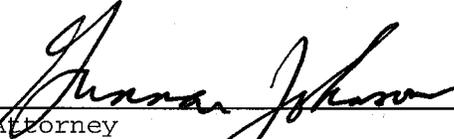
Department Director

Approved for presentation to council:



Chief Administrative Officer

Approved as to form:



Attorney

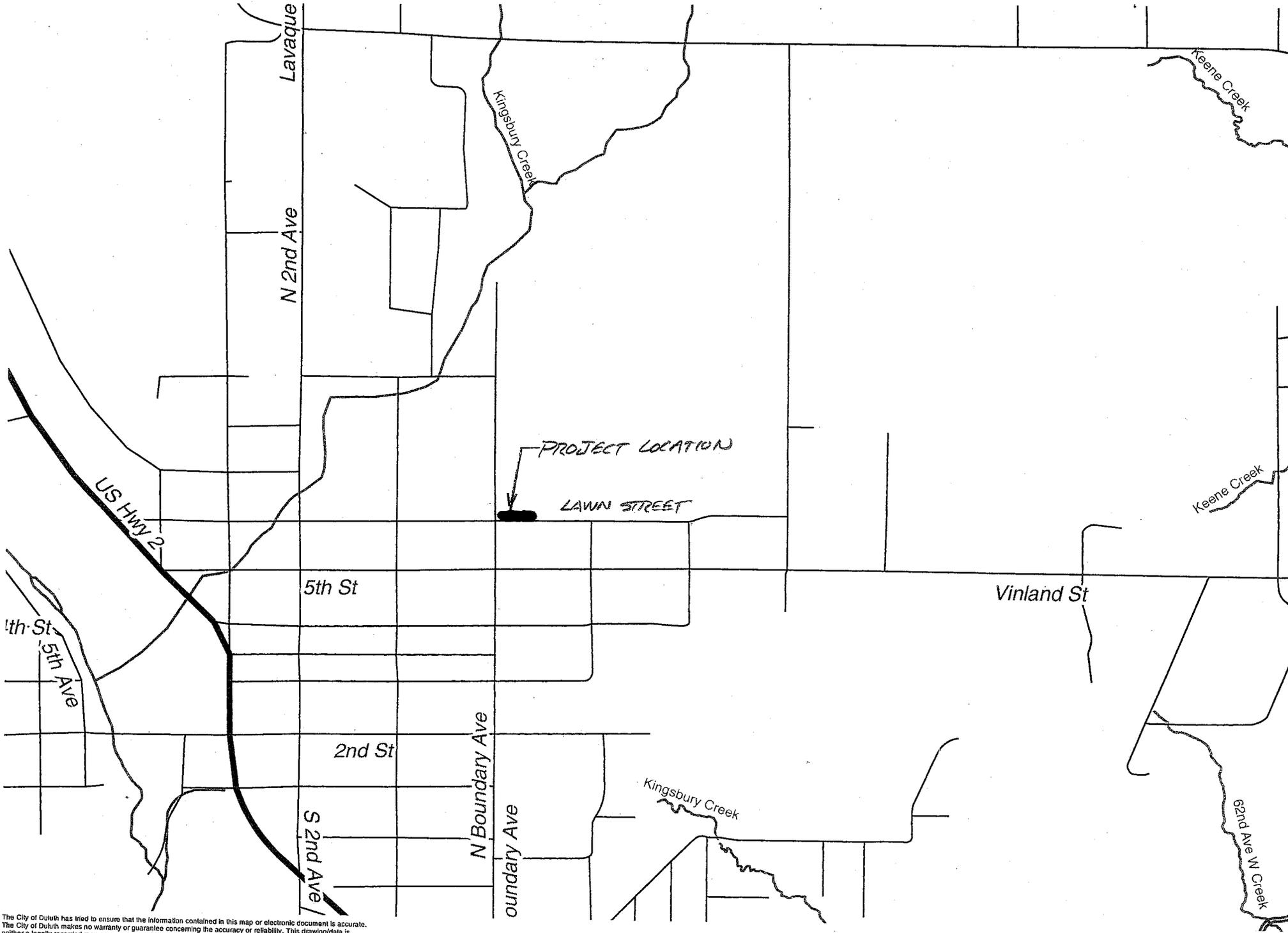
Approved:



Auditor

ENG MJG:jh 5/15/2013

STATEMENT OF PURPOSE: This resolution orders the construction of sanitary sewer to serve 9221, 9229, 9231, 9237 and 9239 Lawn Street. Subject project was initiated by action of the city council due to an illegal and defective shared private service (Resolution of Intent 13-0042R and Amending Resolution of Intent 13-0092R). City project no. 1151.



The City of Duluth has tried to ensure that the information contained in this map or electronic document is accurate. The City of Duluth makes no warranty or guarantee concerning the accuracy or reliability. This drawing/data is neither a legally recorded map nor a survey and is not intended to be used as one. The drawing/data 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 Duluth shall not be liable for errors contained within this data provided or for any damages in connection with the use of this information contained within.

City of Duluth Utilities Map



MEMORANDUM

TO: City Council Members

CC: Special Assessment Board

FROM: Dave Montgomery
730-5039

DATE: May 15, 2013

RE: Lawn Street Assessment Public Hearing

Construction of 250 feet of sanitary sewer to serve 9221, 9229, 9231, 9237 and 9239 Lawn Street is necessary due to an illegal and defective shared private sewer service line.

On May 14, 2013 the Special Assessment Board held a public hearing pursuant to Section 61 of the Duluth City Charter, and hereby reports to the City Council the Board's findings and recommendations.

During said public hearing, the assessment for construction of approximately 250 feet of sanitary sewer was set at \$10,400.00 per lot. The estimated total project cost is \$64,500.00 of which \$52,000.00 will be assessed to the benefiting properties.

Minutes from the Special Assessment Board public hearing and Assessment Report are attached for further information.

Plans and specifications are available for review at the office of the City Engineer.



City of Duluth
DEPARTMENT OF PUBLIC WORKS/UTILITIES
Engineering Division
211 City Hall • Duluth, MN 55802
(218) 730-5200 Fax: (218) 730-5907

TO: Dave Montgomery
CC: SAB
FROM: Mark Guisfredi
730-5076
DATE: May 14, 2013
RE: **Lawn Street Sanitary Sewer Extension
Public Hearing Information – May 14, 2013**

BACKGROUND

Inspection by the City of Duluth Public Works and Utilities Operations personnel discovered that 9221, 9229, and 9231 Lawn Street are on a shared private sanitary sewer service line that failed. On May 25, 2011 the homeowners were notified to separate and connect directly to a public main. Two adjacent houses 9237 and 9239 are also on a shared private sanitary sewer service. Their line has not failed. Their effort to collectively construct a public main privately failed, thus initiating the petition process. A Resolution of Intent was initiated by the City Council due to the failure of a shared private service. It was amending by adding 9237 and 9239 to the list of properties benefited. The amending resolution was approved on February 25, 2013. In addition these homes appear to be served from small private water lines rather than the public water main in the street for which they have already been assessed. The total estimated project cost is \$64,500, with \$52,000 being assessed to the benefiting properties and \$12,500 being funded from the water fund..

REASON FOR BOARD DISCUSSION

Hold Public Hearing. The estimated assessable project cost is \$52,000.00. The assessments are based on a per lot basis.

<u>House No.</u>	<u>Owner</u>	<u>Estimated Assessment</u>
9221 Lawn Street	John Dardis	\$10,400.00
9229 Lawn Street	Timothy Nelson	\$10,400.00
9231 Lawn Street	Katheryn Cartwright	\$10,400.00
9237 Lawn Street	Duane Valure	\$10,400.00
9239 Lawn Street	Dennis Kachelmeyer	\$10,400.00

ACTION RECOMMENDATION

Order in construction of public sewer in Lawn Street.



City of Duluth

DEPARTMENT OF PUBLIC WORKS/UTILITIES
Engineering Division
211 City Hall • Duluth MN 55802
(218) 730-5200 Fax: (218) 730-5907

ASSESSMENT REPORT

Date: May 14, 2013

Project Number: 1151

Project Name: Lawn Street Sanitary Sewer Extension

City Project Engineer: Mark Guisfredi

Estimate of Costs

- | | |
|--|-------------|
| • Construction cost: | \$58,390.00 |
| • Design & Construction Engineering and | \$5,000.00 |
| • Interest | \$496.25 |
| • Administrative charge (\$122.75/parcel): | \$613.75 |

Estimated Total Cost: \$64,500.00

Recommended estimated non-assessable cost \$12,500.00

Recommended estimated assessable cost \$52,000.00

Recommended estimate cost per lot basis \$10,400.00

Property specially benefited: The sewer extension will benefit the following properties:

<u>Address</u>	<u>Owner</u>	<u>Estimated Assessment</u>
9221 Lawn Street	John Dardis	\$10,400.00
9229 Lawn Street	Timothy Nelson	\$10,400.00
9231 Lawn Street	Katheryn Cartwright	\$10,400.00
9237 Lawn Street	Duane Valure	\$10,400.00
9239 Lawn Street	Dennis Kachelmeyer	\$10,400.00

Interest for annual payments: The interest rate will be set on the date that the city council orders in the project, and will be based on the Municipal Bond Index Fund Rate plus 1.5%. The annual interest rate is currently somewhere between 4% and 6%. The city will bill each property owner in 15 annual installments, and any missed annual payment would be added to the following year's real estate taxes.

See attached Plans.

**MINUTES OF THE SPECIAL ASSESSMENT BOARD
PUBLIC HEARING
May 14, 2013, 2:00 PM, Room 106a**

MEMBERS PRESENT: Cindy Voigt, City Engineer; Keith Hamre, Community Development Manager; Peg Spehar, CFO.

ALSO PRESENT: Eric Shaffer, Engineering; Linda Brophy, City Assessor's Office; Bob Asleson, City Attorney's Office.

PERSONS PRESENT FOR AGENDA ITEMS: Kathy Cartwright, 9231 Lawn Street; Tim Nelson, 9229 Lawn Street.

Keith Hamre called the hearing to order at 2:03 PM.

TABLED ITEMS:

None.

OLD BUSINESS:

None.

NEW BUSINESS

1. Public Hearing for the Lawn Street Sanitary Sewer Extension, city project no. 1151

Eric Shaffer gave the background on this project. He explained that there were five homes on two separate private shared services on Lawn Street. One has been repaired previously and is failing again, and the other has not failed yet but should be separated and replaced. He said that this has been going on for a few years and that the homeowners in the past had tried to get bids privately to separate and replace the services and connect to public sanitary sewer, but had not been successful. The city is now moving ahead with the assessment process. He added that there is a public water main in Lawn Street, and that the properties in question have been assessed but have never been connected to it, and that the plans are to connect the properties to the water main while the sewer work is taking place. The additional water work will be paid for by the water fund.

Tim Nelson of 9229 Lawn Street said that he has been doing research since the city first indicated that it intended to go ahead with building the sewer and assessing the properties, and that he can find nothing saying that the five properties actually own the private shared lines. He said there is no documentation as to who put the lines in, that he can go back about 15 years and then the paper trail ends.

Eric told Mr. Nelson that city records say that the properties never paid for the benefit of a public sanitary sewer, and that regardless of who owns the sewer lines now, the city will install and assess according to policy. He added that the ownership of the pipe is immaterial, that since the line has failed, code says it has to be made airtight, which means replacing the line. Also, state plumbing code no

longer allows shared services. Mr. Nelson wanted to know why this was not disclosed when he purchased the house in 1999. Jim Benning replied that this type of thing is rarely disclosed.

Kathy Cartwright of 9231 Lawn Street inquired as to whether this was just a slip-up from many years ago. Eric said that the city does maintain accurate records of pipe installed and of assessments paid by address, and that the records show that none of the five properties have ever been assessed for sanitary sewer. Ms. Cartwright asked who put in the private sewer line. Keith Hamre said there are a number of similar private lines all over the city, and Jim Benning added that once the pipe is installed and there is proof of assessments paid, the city will maintain the sewer line without argument.

Ms. Cartwright then asked about the assessment procedure and Keith replied that if the board voted to recommend the project to the city council, an ordering-in resolution would go before the council at the May 28 meeting. Bob Asleson added that the ordering-in resolution says that the council authorizes the city to let the project, and that this process was established so that property owners have the ability to speak in favor of or against the project.

Mr. Nelson reiterated that he would still like to see proof that the property owners "own" the current sewer lines. Bob said the city can prove that it doesn't own it. He said that the city's easement over the road gives it rights to put utilities in under the road, but that the city owns those utilities only if it installs them; it does not own them by virtue of them being in the ground.

Keith Hamre then closed the hearing, and Jim Benning moved to recommend the project to the city council. Cindy Voigt seconded. The motion passed unanimously.

Keith said that the ordering-in resolution would be on the May 28 city council agenda, and that the property owners could comment at the meeting if they so desired. Ms. Cartwright inquired if the project would be completed this year, and Eric Shaffer said yes, it would.

Hearing was adjourned at 2:20 PM.

INFORMATION ONLY:

None.

Next regular meeting: Tuesday, June 11 in Room 106A at 2:00 PM.

Respectfully submitted,

David Montgomery
Chair, Special Assessment Board

Jeanne Horn
SAB Secretary