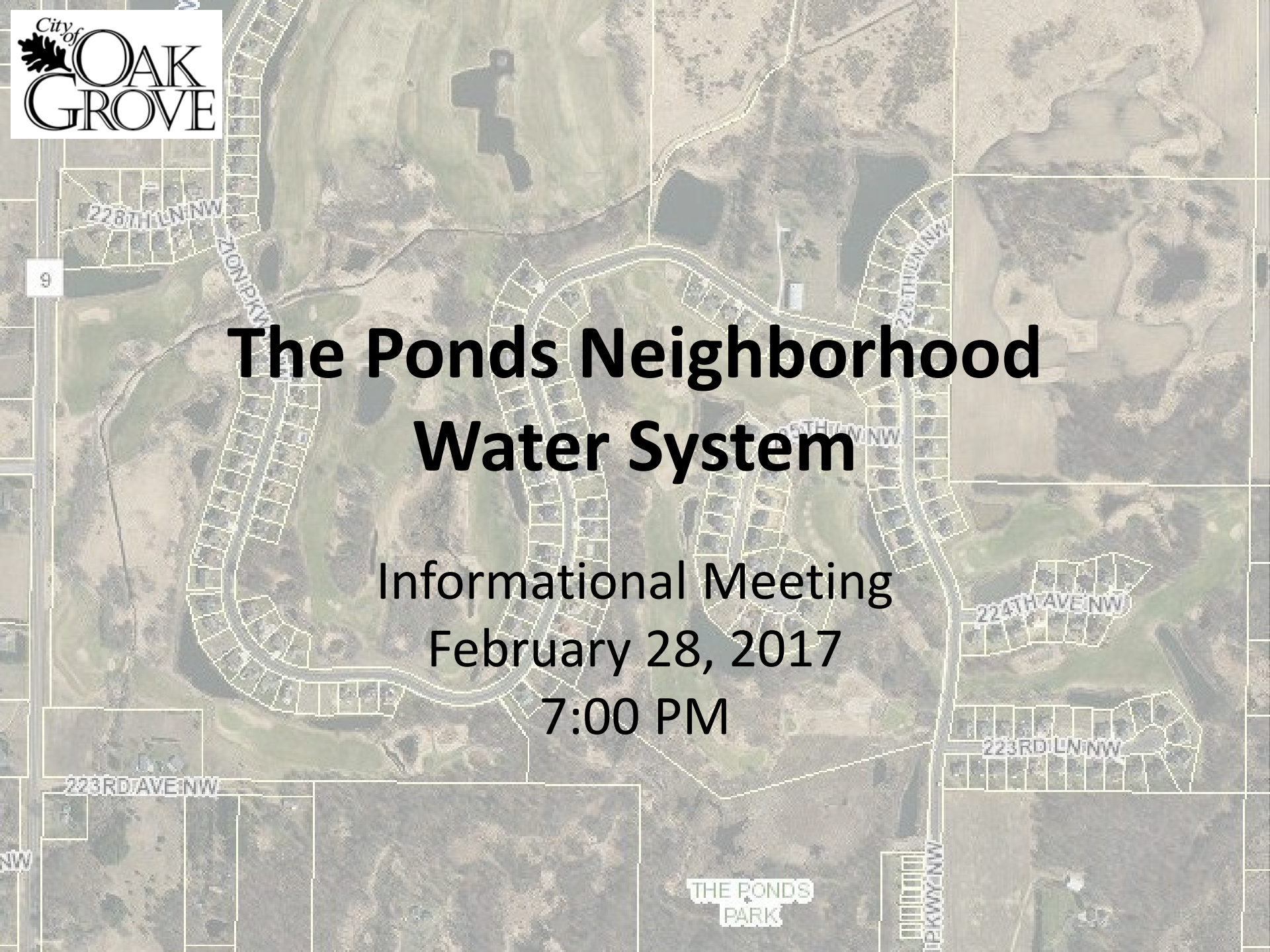




# The Ponds Neighborhood Water System

Informational Meeting  
February 28, 2017  
7:00 PM

THE PONDS  
PARK



# Detachment/Annexation

- **1999**- Developer makes application to the City of Oak Grove to develop 412 acres into a residential/golf course community. The City of Oak Grove denied the application.
- The Developer filed petitions with the State seeking detachment from Oak Grove and annex it into St. Francis. St. Francis supported, and Oak Grove opposed. Parties met several times in 1999 to resolve the issue including court action.
- **2000**- Parties reached a mediated settlement.
  - Developer withdrew petitions for detachment and annexation
  - Oak Grove approved concept plan not more than 247 dwelling units either single family or townhomes, no multifamily. An 18-hole golf course with clubhouse. A community wastewater treatment system. Re-guided, the property to Single Family Residential
- **2001-2002**- The City of Oak Grove approved The Ponds development with a condition that project be served by a communal water system. The City of Oak Grove reached out to the City of St. Francis to begin negotiations for public water service.

# Water Service & Purchase Agreement

- **2002**- The City of Oak Grove and the City of St. Francis entered into an agreement for water. The initial term was for five years, renewed for 25 years (2027) total.
- **2006**- Before initial 5-year term was up, Oak Grove requested the base fee eliminated, 2% surcharge on usage rate eliminated. The City of St. Francis agreed only to cut base rate by 50%.
- **2006**- The City of Oak Grove explored options for providing its own water supply and concluded it was prohibitively expensive.

# Water Rates

- 2015- Mayor Korin sent a letter to the St. Francis Mayor urging them to find a more reasonable solution.
- 2015- St. Francis approved double digit rate increases.
  - 20% effective December 1, 2015
  - 20% effective December 1, 2016

# 2016 Fee Schedule

## Fee Schedule as of 1/1/16-11/30/16

	Residential St. Francis	Residential Oak Grove - Lake George	Residential Oak Grove - The Ponds	Commercial Oak Grove - Lake George
<b>Water</b>				
Monthly Base Fee	16.50	25.20	16.42	1,310.40
State Test Fee	0.53	0.53	0.53	27.56
Water Usage per 1,000 gallons				
Tiers:				
0-14,999	5.10	4.80	5.20	4.80
15,000-29,999	5.34	4.80	5.45	4.80
30,000-44,999	6.18	4.80	6.30	4.80
>45,000	7.38	4.80	7.53	4.80

## Water Monthly Bill based on Usage

1,000 gallons	22.13	30.53	22.15	1,342.76
5,000 gallons	42.53	49.73	42.95	1,361.96
10,000 gallons	68.03	73.73	68.95	1,385.96
25,000 gallons	146.93	145.73	149.45	1,457.96
50,000 gallons	303.23	265.73	308.85	1,577.96
100,000 gallons	672.23	505.73	685.35	1,817.96

# 2017 Fee Schedule

## Fee Schedule as of 12/1/16

	Residential St. Francis	Residential Oak Grove - Lake George	Residential Oak Grove - The Ponds	Commercial Oak Grove - Lake George
<b>Water</b>				
Monthly Base Fee	19.80	25.20	16.42	1,310.40
State Test Fee	0.53	0.53	0.53	27.56
Water Usage per 1,000 gallons				
Tiers:				
0-14,999	6.12	4.80	6.24	4.80
15,000-29,999	6.41	4.80	6.54	4.80
30,000-44,999	7.42	4.80	7.57	4.80
>45,000	8.86	4.80	9.04	4.80

## Water Monthly Bill based on Usage

1,000 gallons	26.45	30.53	23.19	1,342.76
5,000 gallons	50.93	49.73	48.15	1,361.96
10,000 gallons	81.53	73.73	79.35	1,385.96
25,000 gallons	176.23	145.73	175.95	1,457.96
50,000 gallons	363.88	265.73	367.40	1,577.96
100,000 gallons	806.88	505.73	819.40	1,817.96

# Water Charges in Surrounding Cities – Based on 2016 Rates

<b>Larger Municipalities</b>		<b>Estimated Bill by Usage (Gallons)</b>					
Gallons Used		5,000	10,000	15,000	20,000	25,000	30,000
Andover		\$ 16.32	\$ 27.82	\$ 39.32	\$ 47.42	\$ 60.92	\$ 74.42
Anoka		\$ 13.60	\$ 20.95	\$ 28.45	\$ 35.60	\$ 43.70	\$ 52.02
Blaine		\$ 10.80	\$ 17.21	\$ 24.36	\$ 34.81	\$ 41.96	\$ 49.11
Coon Rapids		\$ 26.00	\$ 36.00	\$ 46.00	\$ 59.05	\$ 71.30	\$ 83.55
Ramsey		\$ 12.60	\$ 12.60	\$ 15.21	\$ 25.66	\$ 38.79	\$ 52.24
<b>Smaller Municipalities</b>		<b>Estimated Bill by Usage (Gallons)</b>					
Gallons Used		5,000	10,000	15,000	20,000	25,000	30,000
Oak Grove (Lake George)		\$ 49.20	\$ 73.20	\$ 97.20	\$ 121.20	\$ 145.20	\$ 169.20
Cambridge		\$ 33.85	\$ 57.50	\$ 81.15	\$ 105.35	\$ 131.75	\$ 158.15
East Bethel		\$ 80.67	\$ 160.03	\$ 251.63	\$ 343.23	\$ 434.83	\$ 526.43
Isanti		\$ 31.85	\$ 47.55	\$ 66.25	\$ 84.95	\$ 104.58	\$ 127.93
Pine City		\$ 63.00	\$ 118.50	\$ 176.00	\$ 233.50	\$ 291.00	\$ 348.50
St. Francis		\$ 42.00	\$ 67.50	\$ 93.24	\$ 119.94	\$ 146.64	\$ 174.18
St. Francis (effective 12/1/16)		\$ 50.40	\$ 81.00	\$ 111.89	\$ 143.93	\$ 175.97	\$ 209.02



# Water Service & Purchase Agreement

- July, 2016- Mayor Korin sent a letter to the City of St. Francis putting them on notice that we were considering our options for providing our own water service.
- October, 2016- Mayor Korin and the City Administrator met with the City of St. Francis Mayor and City Administrator.



# ST. FRANCIS WATER SYSTEM

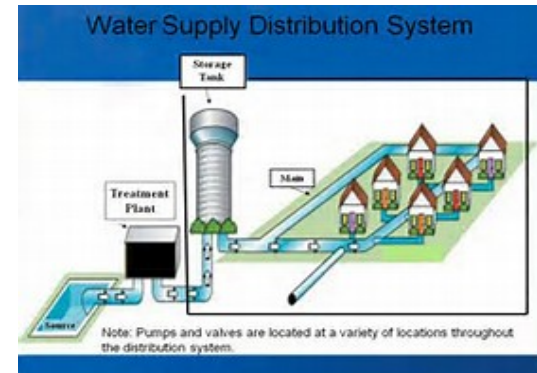
- St. Francis Water Treatment Plant
  - Design Capacity 4.3 million gpd
  - Maximum Capacity 5.3 million gpd
  - Average Day Use 0.6 million gpd
  - Peak Use 2.0 million gpd
- Oak Grove Users
  - Average Day Use 30,000 gallons (5% overall consumption)
- Current Connections
  - St. Francis 1,500
  - Oak Grove 200 (13% overall)
- System at Full Buildout
  - St. Francis 3,000-4,000 (Rough Approximation)
  - Oak Grove 225 (6% - 7% of Connections)



# OAK GROVE PONDS WATER SYSTEM

- Anticipated Project Costs (Limited Treatment)

– Water Supply	\$ 130,000
– Wellhouse	\$ 830,000
– <u>Water Tower</u>	<u>\$ 720,000</u>
– Total	\$1,680,000



- Anticipated Project Costs (Treatment)

– Water Supply	\$ 130,000
– Water Tower	\$ 720,000
– <u>Water Treatment Facility</u>	<u>\$1,880,000</u>
– Total	\$2,730,000

# AVERAGE ANNUAL OPERATION COMPARISON

- Capital Project Assumption
  - Assume 20-year Planning Period
  - Assume PFA 1.2% low interest loan
- Anticipated Project Costs (Limited Treatment)
  - Total \$1,680,000
  - Annual Saving in Operational Costs Required → \$95,000
- Anticipated Project Costs (Treatment)
  - Total \$2,730,000
  - Annual Saving in Operational Costs Required → \$154,000
- Monthly Costs for Average Household (40% - 60% increase)

# Moving Forward

- Staff Annually Review Water System Charges
- Options to Explore Prior Agreement Termination
  - Negotiate with City of St. Francis
  - Build Oak Grove Municipal System
- Agreement expires 2027 10 years out
- Termination Notice Required 1 year prior
- Plan, Design, and Construct New Facility 3 years

# Water Conservation Resources

- University of Minnesota Extension
  - Lawns and turfgrass management
  - <http://www.extension.umn.edu/garden/turfgrass/watering/>
- Minnesota Rural Water Association
  - <http://mrwa.com/waterconservation.html>