

THE CITY OF



OWATONNA

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DATE: March 10, 2021
TO: Mayor and City Council
FROM: Community Development Dept. – Greg Kruschke
SUBJECT: Utility Disconnection Agreement – ISD #761

Purpose:

Approve the agreement delaying the disconnection of water and sewer services from the mains to allow the construction of a new high school.

Background:

ISD 761 is in the process of gaining approvals for the new high school. One item they have requested is to leave the sanitary sewer and water services in place for the planned residential lots along the south side of 18th Street SE. Services were installed for 9 lots there and will not be used for the new high school due to sizing and location. The applicants wish to enter into the agreement and disconnect the services in the future per the agreement.

Previously when a property owner combined lots and it was clear the water and sewer services were not going to be used they were required to be disconnected at the mains. This involved digging into the street and added significant cost to the property owner.

City Staff met with OPU Staff late 2017 with the intent of trying to minimize the amount of times we were digging into the streets. We were able to develop this agreement, to be recorded against the property, to accomplish what every party was looking for. City Staff, OPU Staff, and City Attorney Walbran have all reviewed the agreement and feel it is a good solution.

Budget Impact:

There is no budget impact to the City other than staff time. All future responsibility is the property owners and the agreement lays out the process. The applicant also pays the \$46 recording fee.

Staff Recommendation:

Staff is recommending approval of this Utility Disconnection Agreement.

LETTER OF UNDERSTANDING

This Letter of Understanding is entered into between the City of Owatonna, hereinafter referred to as the City; Owatonna Public Utilities, hereinafter referred to as OPU; and Independent School District No. 761, owner of the subject property, hereinafter referred to as Owner, this ____ day of _____, 2021, with regard to the premises of the Owner, located at 1455 18th Street SE, Owatonna, Minnesota, and as legally described in the attached Exhibit A.

- 1) The Owner is requesting to combine multiple parcels into one resulting parcel. Each parcel has a water and sewer service that are stubbed into the lot meant for future construction that will not be used at this time.
- 2) The City requires that the sewer service be disconnected at the sewer main. The disconnection at the main is to prevent inflow and infiltration into the public sanitary sewer service resulting in overflow at the wastewater treatment facility.
- 3) OPU requires that the water service be disconnected at the water main. The disconnection at the main is to prevent a leaking water service resulting in unused resources and erosion damages to public street or private property.
- 4) The City also has a desire to minimize the amount of street openings that occur in order to protect and extend the life of the existing street network.
- 5) The Owner hereby acknowledges the inherent risk associated with leaving the water and sewer services connected to the respective public mains and the benefit accruing to its property by their removal and agrees that the Owner is fully responsible for the disconnection of the water and sewer services from their respective mains in the future.
- 6) The Owner agrees to disconnect the water and sewer service from the public main within 30 days of receiving notice from the City or OPU once an issue is discovered. If action is not taken the City will contract for the required work and all costs will be assessed to the Owner with an additional 20% oversight fee for completing the necessary work.
- 7) The Owner agrees that the service will be removed when the subject street has the pavement removed for any reason. This work will be performed by the City's contractor and will be billed directly to the Owner. Please note that this will include the excavation and service removal. Pavement removal and repaving will be included in the street project.
- 8) The City, OPU and Owner hereby declare that the above described premises are subject to the above conditions and which shall run with the land and part thereof and shall apply to and bind each and every successor in interest thereof.
- 9) In the event the City of Owatonna has to take enforcement action to enforce the terms of this agreement, in addition to any other remedies that may be available to it pursuant to the Owatonna Code of Ordinances or Minnesota Statutes, the City of Owatonna shall be entitled to recover the costs of enforcement including reasonable attorney fees.

OWNER: INDEPENDENT SCHOOL DISTRICT NO. 761

Dated: _____

By: _____

Its: _____

STATE OF MINNESOTA)
) ss.
COUNTY OF STEELE)

This instrument was acknowledged before me this _____ day of _____, 2021, by _____, its _____ of Independent School District No. 761, a Minnesota Municipal Corporation under the laws of the State of Minnesota, Owner of the subject property.

Signature of person taking acknowledgment

CITY OF OWATONNA

Dated: _____

By: _____

Thomas A. Kuntz
Its: Mayor

By: _____

Kris M. Busse
Its: City Administrator

STATE OF MINNESOTA)
) ss.
COUNTY OF STEELE)

The foregoing instrument was acknowledged before me this _____ day of _____, 2021 by Thomas A. Kuntz, Mayor and Kris M. Busse, City Administrator, of the City of Owatonna, a Municipal Corporation, a municipal corporation under the laws of the State of Minnesota.

Signature of person taking acknowledgment

OWATONNA PUBLIC UTILITIES

Dated: _____

By: _____
Roger Warehime
Its: General Manager

STATE OF MINNESOTA)
) ss.
COUNTY OF STEELE)

The foregoing instrument was acknowledged before me this ____ day of ____, 2021 by Roger Warehime, its General Manager, of Owatonna Public Utilities, a Municipal Corporation, a municipal corporation under the laws of the State of Minnesota.

Signature of person taking acknowledgment

Exhibit A

Lot 1, Block 1, Owatonna Public Schools Addition, Steele County, Minnesota