

Community Development Committee

For the Community Development Committee meeting of March 20, 2017

For the Metropolitan Council meeting of March 22, 2017

Subject: Future Reimbursement Consideration for Anoka County's Emergency Sewer and Water Project at Bunker Hills Regional Park

District(s), Member(s): District 9 – Edward Reynoso

Policy/Legal Reference: MN Statute §473.315 & 2040 Regional Parks Policy Plan Finance Strategy 6

Staff Prepared/Presented: Deb Streets Jensen, Senior Planner – Parks Finance, 651-602-1554

Division/Department: Community Development / Regional Parks and Natural Resources

Proposed Action

That the Metropolitan Council:

1. Consider reimbursing Anoka County up to \$250,000 from its share of a future Regional Parks Capital Improvement Program for costs incurred to connect the Bunker Hills Regional Park Visitor Center to city water and sewer, unless a state bond appropriation is enacted during the 2017 legislative session and Anoka County's share is sufficient to cover the cost of the project.
2. Inform Anoka County that the Council does not under any circumstances represent or guarantee that reimbursement will be granted, and expenditure of local funds never entitles a park agency to reimbursement.

Background

Bunker Hills Regional Park is located in Anoka County in the cities of Andover, Coon Rapids, and Blaine. The project area is at the Visitor Center, located in the north central portion of the park in Andover.

The 2016 Minnesota legislature adjourned without enacting a bonding bill. Regional Parks staff worked with the implementing agencies in the fall of 2016 to review and revise their bonding requests, and those updated requests are currently before the Legislature. Anoka County requested \$250,000 to fund work on the sewer and water connections at the Bunker Hills Visitor Center.

The Minnesota Department of Health recently notified the County that the well water at the Center exceeded acceptable levels for Trichloroethylene and Vinyl Chloride and cannot be used for potable water. The County is currently bringing in water for staff and park users at this location. Because the Activity Center has four rooms available to the public that could potentially serve nearly 300 guests at a time, the lack of drinking water presents a significant public health and logistics issue that must be addressed promptly.

Although the County had plans to update the Center's utilities with water and sewer connections to the City of Andover eventually, this issue makes the project more urgent. The County can also realize economies of scale if they connect to City's water and sewer lines at the same time.

The County is therefore presented with two funding scenarios:

1. If a bonding bill passes and they are appropriated sufficient funds to cover the project, Anoka County will not be eligible for future reimbursement consideration. If a bonding bill passes, the County will instead proceed with a normal grant funded through the Regional Parks Capital Improvement Program. However,

State bonds cannot pay for costs incurred prior to 60 days before the effective date of the appropriation. Because project work is starting shortly, the County has agreed to cover all costs incurred prior to the 60-day “lookback” period.

2. If a bonding bill does not pass this session, the County would move forward with the project and seek reimbursement from their share of a *future* Capital Improvement Program appropriation, using Council bonds. Covered costs in this scenario are restricted to those incurred after Council takes action on this item.

This business item addresses both scenarios by stipulating that no future reimbursement will be considered if the project can be funded through a bonding bill passed during the 2017 session.

Rationale

The request is within the Council’s granting authority as outlined in Minnesota Statute §473.315 and is consistent with Finance Strategy 6 of the *2040 Regional Parks Policy Plan*, which states:

The Council may reimburse regional park implementing agencies for the costs of . . . development projects undertaken before they can be financed through the Metropolitan Regional Parks Capital Improvement Program.

Reimbursement will be considered for development provided that:

- *The project in question is consistent in timing, scale, type, and cost with an approved master plan;*
- *All information required for the development grant is submitted to the Council prior to the regional park implementing agency undertaking the project; and*
- *The Council approves the project.*

Thrive Lens Analysis

This project supports the Stewardship outcome of *Thrive MSP 2040* by protecting public health and providing safe drinking water. It also supports the Thrive principle of Collaboration by working with the County to maximize their flexibility in addressing the problem while complying with applicable Council policy and guidance from Minnesota Management and Budget about the use of state bond funds. The use of bonding funds to reimburse costs incurred during the 60-day “lookback” period was vetted with the Council’s Finance staff.

Funding

Because of the two funding scenarios, the funding impact must be looked at from both angles:

1. If a bonding bill passes at a level that would fund this project at the County’s requested amount, the Council will match state bonds on a two-to-three basis. In this scenario, the project would receive \$150,000 from fiscal year 2018 state bonds and \$100,000 from Council bonds. If a bonding bill passes that does not fund this project at the County’s requested level, this amount would be reduced commensurately.
2. If a bonding bill does not pass in 2017, and if the County requests reimbursement during a future bonding cycle, Council bonds could fund up to \$250,000. Council bonds alone would provide funding, because state bonds cannot be used for reimbursements. The \$250,000 would be included as a part of, not an addition to, Anoka County’s share of the bonding cycle in which it is requested. This does not affect the Council’s overall two-to-three match, because funding sources for other projects are adjusted to maintain the overall ratio among all projects funded during that bonding cycle.

Known Support / Opposition

There is no known opposition.

Metropolitan Parks and Open Space Commission

Meeting date: March 7, 2017

For the Community Development Committee meeting of March 20, 2017

For the Metropolitan Council meeting of March 22, 2017 (SW)

Subject: Future Reimbursement Consideration for Anoka County's Emergency Sewer and Water Project at Bunker Hills Regional Park

District(s), Member(s): District E, Michael Kopp

Policy/Legal Reference: MN Statute §473.315 & 2040 Regional Parks Policy Plan Finance Strategy 6

Staff Prepared/Presented: Deb Streets Jensen, Senior Planner – Parks Finance, 651-602-1554

Division/Department: Community Development / Regional Parks and Natural Resources

Proposed Action

That the Metropolitan Council:

3. Consider reimbursing Anoka County up to \$250,000 from its share of a future Regional Parks Capital Improvement Program for costs incurred to connect the Bunker Hills Regional Park Visitor Center to city water and sewer, unless a state bond appropriation is enacted during the 2017 legislative session and Anoka County's share is sufficient to cover the cost of the project.
4. Inform Anoka County that the Council does not under any circumstances represent or guarantee that reimbursement will be granted, and expenditure of local funds never entitles a park agency to reimbursement.

Background

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The Minnesota Department of Health recently notified the County that the well water at the Center exceeded acceptable levels for Trichloroethylene and Vinyl Chloride and cannot be used for potable water. The County is currently bringing in water for staff and park users at this location. Because the Activity Center has four rooms available to the public that could potentially serve nearly 300 guests at a time, the lack of drinking water presents a significant public health and logistics issue that must be addressed promptly.

Although the County had plans to update the Center's utilities with water and sewer connections to the City of Andover eventually, this issue makes the project more urgent. The County can also realize economies of scale if they connect to City's water and sewer lines at the same time.

The County is therefore presented with two funding scenarios:

3. If a bonding bill passes and they are appropriated sufficient funds to cover the project, Anoka County will not be eligible for future reimbursement consideration. If a bonding bill passes, the County will instead proceed with a normal grant funded through the Regional Parks Capital Improvement Program. However, State bonds cannot pay for costs incurred prior to 60 days before the effective date of the appropriation. Because project work is starting shortly, the County has agreed to cover all costs incurred prior to the 60-day “lookback” period.
4. If a bonding bill does not pass this session, the County would move forward with the project and seek reimbursement from their share of a *future* Capital Improvement Program appropriation, using Council bonds. Covered costs in this scenario are restricted to those incurred after Council takes action on this item.

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This does not affect the Council's overall two-to-three match, because funding sources for other projects are adjusted to maintain the overall ratio among all projects funded during that bonding cycle.

Known Support / Opposition

There is no known opposition.



Anoka County

PARKS & COMMUNITY SERVICES DIVISION

Parks and Recreation

February 7, 2017

Parks and
Recreation Office
763-757-3920

Park
Maintenance
763-755-0067

Park Rangers
612-719-4875

Natural Resources
763-767-2896

Bunker Beach
Water Park
763-767-2895

Chomonix
Golf Course
651-482-8484

Wargo
Nature Center
651-429-8007

Deborah Streets Jensen

Metropolitan Council

390 Robert Street

St. Paul, MN 55101

Re: Bunker Hills Regional Parks Utility Work Reimbursement

Dear Deb:

As you are aware, Anoka County was recently informed by the Minnesota Department of Health that the well water supplied to the Bunker Hills Regional Park Activities Center exceeded allowable levels for Trichloroethylene and Vinyl Chloride and could not be used for potable water. The County is currently bringing in drinking water for use, but ultimately would like to connect to the City of Andover's water supply. The County has looked at options to correct the issue and feel the most feasible long-term solution to provide a steady clean drinking water supply is to connect to the City of Andover's water service.

Since time is of the essence with this project, the County has already had discussions with the City of Andover and the City is currently working to design and engineer a connection from the city's main water line to the County's property line. The County has also requested the City design, engineer, and provide a cost estimate for connecting to the city's sewer main line. The septic system supporting the Activities Center is functional, but old and in an area that has a high potential for surface to groundwater interaction, due to the sandy soils and high infiltration rates. Ultimately, the County would like to connect to the city's sanitary sewer line as well and if construction is already occurring for the water line, there are some economies of scale in constructing the sewer line as the same time.

Activities Center, Bunker Hills Regional Park ▲ 550 Bunker Lake Blvd NW ▲ Andover, MN 55304

Office: 763-757-3920 ▲ www.anokacounty.us ▲ www.anokacountyparks.com

Affirmative Action / Equal Opportunity Employer

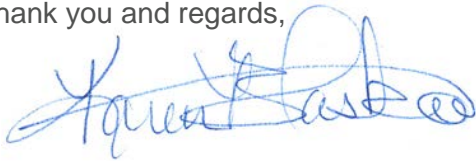
Therefore, this project proposes to construct water and sewer connections from the Bunker Hills Activities Center to the City of Andover's water and sewer lines, which is approximately 1,500 linear feet. The City of Andover will design, engineer, and construct the sewer and water service from its current location at Goldenrod Street and 137th Lane to the park's property line. From there the County will hire a consultant to design, engineering, and construction of the project, from the property line into the building. The estimated cost of construction for the entire project \$250,000.

As previously discussed, the project is consistent with the approved master plan for the park and therefore, the County is requesting that the Council approve future reimbursement consideration for the \$250,000 in costs related to this project.

The County believes this project to be of utmost importance and in the end will benefit park users by providing a consistent clean drinking water supply and a reliable sanitary sewer system.

Enclosed with this request are two maps to provide context to the project. Please review the information and let me know if you have any questions or need further information regarding this request. I can be reached at karen.blaska@co.anoka.mn.us or 763-767-2865.

Thank you and regards,



Karen Blaska, Park Planner

Cc: Jeff Perry, Resource and Planning Manager