

SUBJECT

BOARD RESOLUTION NO. 15-118

Pertaining to an Agency Agreement with Northern States Power Company, d.b.a. Xcel Energy, providing for reimbursement of costs to replace water facilities in St. Albans Street and Sherburne Avenue in Saint Paul.

BACKGROUND INFORMATION

Staff is seeking approval of an agreement that provides for reimbursement of NSP costs associated with replacement of water mains and services and associated restoration at an estimated cost of \$1,870,000. The agreement was negotiated by SPRWS staff and reviewed and approved as to form by the assistant city attorneys for HREEO and SPRWS.

See attached Additional Background, Location Map and Agreement.

RECOMMENDATION

Approval is recommended.

ADDITIONAL BACKGROUND

Agency Agreement with NSP for replacement of water facilities main in St. Albans Street and Sherburne Avenue in Saint Paul.

December 31, 2014

The project scope for SPRWS includes replacing 2,600 feet of water main in St. Albans Street from Grand Avenue to Sherburne Avenue, and 6,900 feet in Sherburne Avenue from St. Albans Street to Capital Boulevard. In general, the mains in St. Albans are being replaced to provide desired upsizing. The mains in Sherburne are being replaced to resolve known issues of poor flow and break history. Sixteen lead services will be replaced along these mains as well. All work will be performed by NSP's contractor.

NSP plans to replace natural gas facilities in 2015 as part of its East Metro Pipeline Replacement Project, which began in 2013 and is scheduled to last through 2016. NSP approached SPRWS staff in the summer of 2014 regarding this project. Both entities agreed that a joint replacement effort would be advantageous for the following reasons:

- Both entities have facilities in need of replacement and in close proximity to each other in the public right-of-way.
- The costs of excavation, restoration, permitting and inspection can be shared.
- Construction coordination can be streamlined as a result of a single contractor performing the work.
- Disruption to traffic and access for property owners and residents will be reduced as a result of performing the work of two utilities during one construction project instead of two separate projects.
- The risk of damage to the Board's aged facilities during the construction of NSP's facilities will be eliminated.

Similar to joint projects between SPRWS and Saint Paul Public Works, NSP has agreed to assume the cost of street pavement removal and replacement. SPRWS will be responsible for the cost to replace curb and gutter, sidewalk, street lighting, and other infrastructure that are displaced specifically because of water facility replacement outside of gas main construction limits. The cost for this work, to be paid by NSP and reimbursed by the Board, is estimated to be \$1,700,000. The Board will also reimburse NSP for administrative, testing, and inspection costs in an amount not to exceed 10% of the total construction cost, estimated to be \$170,000. The total amount reimbursable to NSP by the Board is therefore estimated to be \$1,870,000.