

Oak Grove awards sewer project bid

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by Kelly Johnson

Staff writer

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Monday night the council awarded the bid to Ellingson Drainage Companies for the construction of the forcemain route around Lake George.

Ellingson Drainage Companies was the lowest of the bidders, which ranged from \$366,815.88 to \$540,000.

City Engineer Brian Miller said some \$30,000 separated Ellingson Drainage Companies' bid from the second lowest bid.

Ellingson Drainage Companies is based in southern Minnesota and is not a company the city has worked with before, according to Miller.

However, Miller said he checked the company's references and "had a good report."

Miller also went over the bid numbers with a company representative to make sure they are adequate to do the job.

"We don't anticipate any problems," Miller told the council Monday. "I think they have adequate prices in those unit prices to get the job done."

Ellingson Drainage Companies is a directional boring contractor, which is some 40 percent of the work required on the project. Other work will be subcontracted out, Miller said.

Council members also unanimously approved submitting an application to the Public Facilities Authority to provide a low interest loan to fund the sewer system replacement project.

The anticipated loan amount is \$606,374 and is based on the engineer's cost estimates.

Miller said contingencies are built into the estimated budget and he feels "that dollar amount is very conservative."

The city had hoped to receive federal stimulus dollars to help fund the project, however it received word last week that was not going to happen.

In August, council members must decide what properties along the forcemain route will be required to connect to the sewer system.

“You don’t have to make that decision tonight,” Miller told the council after providing information on proposed criteria limiting new connections to under 50 properties, capacity of the existing treatment facility.

In his report to the council, Miller said that by allowing existing homes on lots less than one acre to connect to the system, there will be approximately 47 or 48 new connections that can be assessed by paying for the project.

Council members need to make a decision on who will be required to connect to the system in the future prior to the assessment hearing on the project, set for sometime in September.

Oak Grove is required to update the northeast sewer system, which does not meet updated nitrogen discharge regulation limits.

The Minnesota Pollution Control Agency has required the city to meet the new limits by July 2010.

Oak Grove will be fined \$500 a day for each day it does not meet the requirement.

In 2008, council members agreed to pipe waste from the existing northeast sewer treatment system to the existing west Lake George treatment system, which has capacity available.

The most cost-effective option was pumping the waste along the southern portion of the lake to the west Lake George system rather than building a new system in the northeast or bringing the pipe along the lake’s northern border.

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