

HF 315: City of Dayton Water Tower

The City of Dayton has received an estimate from our City Engineer, Stantec, for approximately \$3.0 million to purchase property, design, bid and build a Water Tower that is 250,000 gallons.

A Water Tower is needed to serve the Historic Village area of Dayton where there is no current storage of water for these residents. If there were to be a power outage in this area, the residents would be without water until that power is restored. Additionally, with no storage being available, there is no ability to have adequate fire suppression within this area of Dayton as well. There are currently fire hydrants within the Historic Village but are only able to supply fire suppression for 30 seconds if the current wells are up and running. The Water Tower will provide consistent pressure to residents and reduce the construction and operational costs of the future Wellhead Treatment Plant scheduled for this area (noted in HF 314).

With all the above information, the city needs this Water Tower for multiple purposes including life safety and basic human rights with access to water (even during power events). One funding mechanism to complete this project would be a large increase in water rates to residents on the system. If we implement an increase across all of our water users, it would increase by \$12 on each user's water bill every two months. That would be an increase of approximately 16% of the current water bills for the majority of residents.

This represents a considerable increase for our residents who are already concerned about Dayton's water rates compared to neighboring Cities that have established water systems and many more accounts to spread the cost over. The only other option is to finance the Water Tower for a longer period of time and possibly run into an issue when bonding for additional water items (wellhead treatment plants) at the same time based on current growth of the City and paying larger interest rates to offset that longer bond term.

Funding from the State of MN would assist Dayton in completion of this much needed project. It would help all of the new incoming residents by not having to raise rates so high that residents are frustrated and move out of the city after just moving here. It also helps with funding of other projects like additional wells and additional infrastructure in the ground to serve all the new residents within the City of Dayton.

Our residents need life safety measures in place and the ability to access water at any time. The City of Dayton is aware of this and needs the assistance of Capital Funding from the State so we can achieve this without burdening our current residents with more financial stress on top of having to continue to deal with the mental strain of knowing that fire suppression and access to water could be significantly difficult to obtain in the event of an emergency.

We ask for your assistance in helping out the City of Dayton and its residents,

City of Dayton Staff