

City of Minnetonka Beach Needs \$6.6M for Critical Water Infrastructure



The Most Basic Service

is providing clean and safe drinking water



Sense Of Urgency

- Current plant was built in 1958
- Inspections have told us the plant is in need of costly repair
- Threat to providing safe drinking water
- 2 ½ years to design and replace
- Inflation

Right Fiscal Choice Is To Build

- Eliminated repairing and outsourcing
- New Plant Design Plan
 - Meets current health standards
 - Emphasis on functionality
 - No frills – bathroom removed
- Will provide safe water for the next 60+ years

Debt Service Will Be Staggering

- Only 230 homes
- No commercial or industrial tax revenue
- City's 2023 budget is \$1.4M
- New plant's debt service is \$530,000 annually for 20 years
- Resident impact – approx. \$2,300 per year

We Ask The House Capital Investment Committee To Support HF 1087

City of the Village of Minnetonka Beach

To: House Capital Investment Committee

Re: House File 1087 (submitted by Representative Andrew Myers)

Minnetonka Beach's water treatment plant is compromised

Originally constructed in 1958, most of the components of our City water treatment plant are either not operational, do not comply with current health/safety codes, or have exceeded their life expectancy. A 2018 MN Department of Health inspection reported 10 pages of plant deficiencies, many of them safety related. The photos and information featured in the plant flyer provide compelling evidence of the need for a replacement water treatment plant. Inspectors report that the plant is in the second worst condition in the state, only one exceeds with dirt floors.

The need is urgent

Recent and more frequent repairs have brought growing concern about the plant's continued ability to provide residents with safe drinking water. Our level of concern is so high that we have already begun the design process for a new plant. The design in process is one that is basic, modest and functional and meets current health standards.

The community has already invested a great deal

Our current water-related debt burden is \$5.35M. In the past 10 years, the City has issued the following bonds to upgrade the water system ourselves:

- 2021 - \$250,000 bond for watermain replacement;
- 2020 - \$1.2M bond for a replacement water tower after safety inspections showed interior/exterior (tank) corrosion;
- 2019 - \$2.5M bond for watermain replacement;
- 2012 - \$1.4M bond for watermain replacement.

Our small community needs your support

The cost of a replacement plant is \$6.6M, including design. Minnetonka Beach is a fully residential community of only 230 households and no businesses. On top of our current water-related debt burden of \$5.35M, we have plans to bond for another \$27.1M over the next decade to replace street and storm sewers and to replace our remaining 85-year-old watermains that have exceeded their life span. The current City annual budget is \$1.4M with \$300,000 earmarked for bond debt service payments. With the addition of the water treatment plant, the annual water related debt service is estimated to be \$830,000, which is \$3,600 per household. This additional debt burden would significantly impact our taxpayers.

In conclusion, Minnetonka Beach is a small community of 230 households. We desperately need State assistance to fund a new water treatment plant that will ensure the health and safety of our water supply.

Thank you for your consideration.

House Representative Andrew Myers, 2.27.2023

"For almost 10 years, I lived and served on the City Council and Planning Commission in Minnetonka Beach. I have firsthand knowledge of the challenges related to the water treatment plant. Previous Mayor Jaci Lindstrom and new Mayor Joe Pagano have worked hard to address this problem, so that the residents can have clean, accessible, and safe drinking water. For that very reason, I was excited to chief authored HF1087 to provide the needed funding of a new water treatment plant. I hope to work with all interested parties and across the aisle to accomplish this solution for Your Backyard."

Senator Kelly Morrison, 2.21.23

"The bonding bills for critical water infrastructure needs in Minnetonka Beach is particularly urgent, and I am advocating for their inclusion in a bonding bill this year."