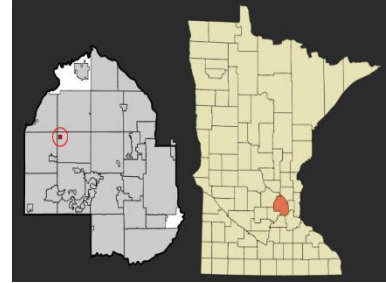




Legislative Priorities City of Loretto Hennepin County 2025 Proposed Bill



HF2787 - \$2,700,000 – Water and Sewer Infrastructure – Design, Engineer, and Construct the replacement of water mains, water valves, wastewater and storm water, including street reconstruction.

Project Summary: The city completed a capital improvement plan in 2019, and this project was identified as high priority. It replaces aging infrastructure, estimated to be from the 1950s or earlier, including water, sanitary sewer, storm sewer utility replacements and associated street reconstruction. This project is planned for 2026 construction and is phase 2 of the Hennepin County Road 19 watermain replacement project. Phase 1 was completed in 2024 with local bonding of \$890,000. In 2023, over 200,000 gallons of water were used to fight two large structure fires within the city which overburdened the system. The city has had numerous watermain breaks along this line in recent years, most recently as April 4th, 2025. Including phase 1 and 2, the local cost share would be 25%.

Why State Bonding: Local funding for drinking water, storm water, sanitary sewer, and street infrastructure projects has reached its maximum capacity. Since 2021, \$3.4 million has been allocated through bonding and debt levies while operating within a general fund budget less than \$1 million. Our bonded indebtedness has reached 23% of the total levy per year for the next 15 years. 2024 Net tax capacity is 57.07%. State funding is essential to bridge these gaps and ensure equitable infrastructure development. This collaborative approach ensures that small communities, regardless of their financial constraints, can meet their infrastructure needs and continue to serve our residents without putting undue burden on them.