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Capital Investment

Bill: HF616

Water and sanitary infrastructure improvement direct appropriations

## **Agenda:**

### **1. Sanitary Pond Improvements**

- a. Applied to the Public Facility Authority PPL & IUP
- b. Ranked in un-fundable range at 57.2 on IUP & 57 on PPL
- c. Facility Plan has been submitted to the MPCA
- d. Current sanitary ponds have been analyzed and are known to be leaking causing potential contamination and pollution at the nearby Bluebird Creek.
- e. Existing system is designed to treat 37,000 gal/day and average flows have sustained 41,000 gal/day with wet seasons peaking over double at 78,000 gal/day.

### **2. Water Tower Improvements**

- a. Applied to the Public Facility Authority PPL & IUP
- b. Ranked in un-fundable range at 323 on IUP & PPL
- c. City receives water from Lincoln Pipestone Rural Water
- d. City pressure is regulated from the water provider pumps and can be unreliable.
- e. The water provider is requiring the city to have a storage tower to maintain consistent city pressure and have a fire suppression system in place.
- f. The city completed a project in 2017 that constructed the yard piping around the proposed tower location.

### **3. Funding**

- a. The City is currently in the process of finalizing funding for the city infrastructure improvements project that involves water distribution and sanitary collection replacement.
- b. The water distribution project is ranked as a fundable carryover on the PPL at 693
- c. The sanitary collection project is ranked as un-fundable on the PPL at 57.1 and the city plans to re-apply in the next cycle to complete both projects concurrently.
- d. After completing these projects, the city base utility fees will be a combined \$162/month per connection based on a 30 year loan and will max out the city's affordability and is above the state affordability guidelines of 2.6% of MHI. The state guidelines set affordability at 1.2% of MHI for drinking water and 1.4% of MHI for wastewater for a combined rate of 2.6% of MHI.
- e. At \$69,000, the City's Median Household Income is too high to be eligible for Rural Development.



