

**House File 5304: A bill for an act relating to capital investment;  
Appropriating money for underground storage tanks in the City of Kennedy.  
Requested Funding: \$500,000**

**Description:** In January of 2017, the water tower in Kennedy froze making it non-functional and unrepairable. We were able to bypass our water tower to continue providing water to residents with a direct feed supply but lost our ability to keep a water reserve for the city. This operating mode was meant for maintenance to the water tower but remains our current system, even after 7 years.

After four years of working with our original vendor planning the replacement of the water tower, the decision was made to change vendors. We paid \$130,000 to them for preliminary engineering services. We have now moved forward with our new vendor. Due to the excessive cost of replacing the water tower, plans are to add a booster station and repair our underground storage tanks. They will become our water reserve.

**Project Status: Currently in Final Design Phase**

**FUNDING SUMMARY**

<b>TOTAL ESTIMATED PROJECT COSTS</b>	<b>\$ 2,466,200.00</b>
Small Cities Grant	\$ 600,000.00
WIF Grant	\$ 350,000.00
RD Grant*	\$ 783,000.00
<b>TOTAL GRANT FUNDING</b>	<b>\$ 1,733,000.00</b>
RD Loan*	\$ 322,000.00
Applicant Contribution (non-loan)*	\$ 411,200.00
<b>CITY OF KENNEDY TOTAL COST</b>	<b>\$ 733,200.00</b>

\*Subject to change

Kennedy is a rural town in the far northwest corner of Minnesota, just over 20 miles from the Canadian border. Kennedy is made up of 103 homes. The median household income is roughly \$60,000. Many of the residents are retired and on a fixed income. We have aging sewer infrastructure that we anticipate will require extensive repairs soon as well. Kennedy is already operating on a very limited budget, and we fear an additional tax levy will be too much of a burden for our residents.

Without water reserves, the city will lose water if there is a break along the 18-mile water line directly feeding Kennedy with water. Access to safe, affordable, and reliable water is a basic human right. It is also essential for fire protection. If our fire department were to draw water from our fire hydrants they would risk collapsing the water line to Kennedy. Without functioning hydrants, we are limited to 5,000 gallons of water we have stored in our trucks and water brought by Mutual Aid of other Fire Departments. 5,000 gallons of water gives approximately 6 to 10 minutes of fire suppression. The nearest Mutual Aid takes approximately 20 minutes before they arrive on scene. The unfortunate reality is that the structure would likely be a complete loss before Mutual Aid arrived. Not having water reserves for the City of Kennedy is a public safety issue.