

WWTP Legislative Testimony

Kris Busse, City Administrator & Kyle Skov, Public Works Director

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House Capital Investment Committee meeting

Committee Chair: Rep. Fue Lee (59A) Minneapolis

Vice Chair: Rep. Mary Murphy (03B) Hermantown

[HF3608](#)

Good morning Chair Lee, Vice Chair Murphy, Committee Members

I am Kris Busse, City Administrator for the City of Owatonna. Here with me is Kyle Skov, our Public Works Director. Thank you for providing an opportunity for us to speak to you about House File 3608, authored by Representative John Petersburg.

According to 2020 Census Bureau data, Owatonna has had a steady growth record over the past 30 years. A 2020 Housing Needs Study states that Owatonna, the population center of Steele County, is forecasted to add 650 households between 2020 and 2030. The Study also found the ten largest employers in Steele County are located in Owatonna.

Capital infrastructure investments are needed to position Owatonna to continue meeting the needs of its residents and businesses. The plant has been operating at its capacity for the past several years. Growth in the community is driving the need to expand the plant's operating capacity. We are requesting \$22 million in state bonding funds to help cover the cost of an expansion of our Wastewater Treatment Plant. The project is estimated at \$50 million.

The original plan for the current plant, which became operational in 1987, anticipated the need for a future expansion to support growth. Our plant has been recognized annually with operational awards from the Minnesota Pollution Control Agency.

The expansion project was initiated in 2017 and estimated at \$37 million at that time. Due to MPCA delays in permitting, the project timeline has been drawn out resulting in estimated costs increasing to \$50 million. These increases are based on inflation due to labor and material shortages, while the design for the plant remains largely unchanged.

The plant expansion will utilize captured methane, clean it and funnel it into the City's natural gas distribution system as part of our partnership with Owatonna Public Utilities to expand renewable energy sources.

Owatonna is one of just a few major discharge points in the Cannon River watershed. The technology used in the new plant will help ensure no additional degradation of the regional watershed, despite the 80 percent capacity increase. This positions the community for future growth without further watershed degradation.

To prepare for the plant's expansion, we began implementing incremental rate increases ten years ago so we could continue to meet the financial needs of the plant's operations while maintaining affordability for residents and businesses. In addition to covering more than \$3 million in project planning costs already, the City has also set aside \$10 million in reserve funds for this expansion project. We also plan to leverage \$8 million in grant funds to help cover the cost.

Thank you, again, for allowing the City of Owatonna to present this project for consideration. Kyle and I are available to answer any questions you may have.

Additional Resources:

[Purpose and Scope of Study \(owatonna.gov\)](http://owatonna.gov)