



Water Treatment Plant and Infrastructure Updates Project

The project consists of a new Water Treatment Plant, an additional supply Well (Well #5), South Terrace area will now be a looping system, upgrading underground infrastructure at the intersections of North Avenue and 3rd Street; and South Avenue and 3rd Street.

The total cost for this project is \$5,872,881.00, funding from MN Public Facilities Authority will be as follows:

Grant from the Water Infrastructure Fund - **\$3,697,782**
Loan from the Drinking Water State Revolving Fund -**\$2,175,099**
(30-year term @ 1% interest)

The annual debt payment for the loan will be \$86,000 except 2019 which will have a debt payment amount of \$47,000.

How will the City pay for this project?

Most of the money to pay for this project will come from the water fund and the revenue will come from various sources.

- Retirement of debt in 2024 & 2026
- Sale of water to Twin Lakes Township (after hook-up – possibly Fall of 2020)
- Increase of water rates (per thousand gallons)

0 - 5,000 gallons	\$1.00 increase
5,001 – 20,000 gallons	\$1.25 increase
20,001 gallons and up	\$1.50 increase

Example: 5,000 gallons of water usage per month

$$5,000/1,000 = 5$$

$$5 \times \$1.00 \text{ increase} = \$5.00 \text{ increase in water bill per month.}$$