

Wastewater Regionalization with Owatonna



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engineers + planners + land surveyors

Public Information Meeting

November 1, 2023

Presenter: Brandon Theobald, P.E.

Outline

- ▶ Background
- ▶ Proposed Project
- ▶ Costs and Rates
- ▶ Schedule
- ▶ Questions and Answers



Background - Plant

- ▶ Current Wastewater Plant
 - ▶ Initially constructed in 1969
 - ▶ At the end of its useful life
 - ▶ Needs equipment replaced
 - ▶ Limited capacity for growth
 - ▶ Located in a floodplain
 - ▶ Difficult to find Licensed Operator
 - ▶ Past discharges of untreated wastewater

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MPCA fines Medford, orders city to fix problems at wastewater plant

By ANNIE GRANLUND annie.granlund@apgsomn.com Mar 24, 2021 Updated May 31, 2021



A "makeshift" bar screen was put in place more than five years ago at the Medford wastewater treatment plant when the facility's grinder stopped working. The Minnesota Pollution Control Agency has directed the city to make immediate corrective action at the plant following an investigation into two overflow events in 2020. The city will be replacing the bar screen with a fine screen in the upcoming weeks. (File photo/southernminn.com)

Background - Solutions

- ▶ City Council reviewed possible wastewater solutions
 - ▶ Replace equipment in existing plant
 - ▶ Unable to accommodate growth
 - ▶ New plant
 - ▶ Most expensive
 - ▶ Regionalize with another community
 - ▶ Least expensive and provides growth
 - ▶ Council determined wastewater regionalization was the best option
 - ▶ Directed staff to proceed and pursue funding

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Medford officials discover treatment plant in disrepair following state investigation

By ANNIE GRANLUND annie.granlund@appsomn.com Mar 10, 2021 Updated Apr 15, 2022



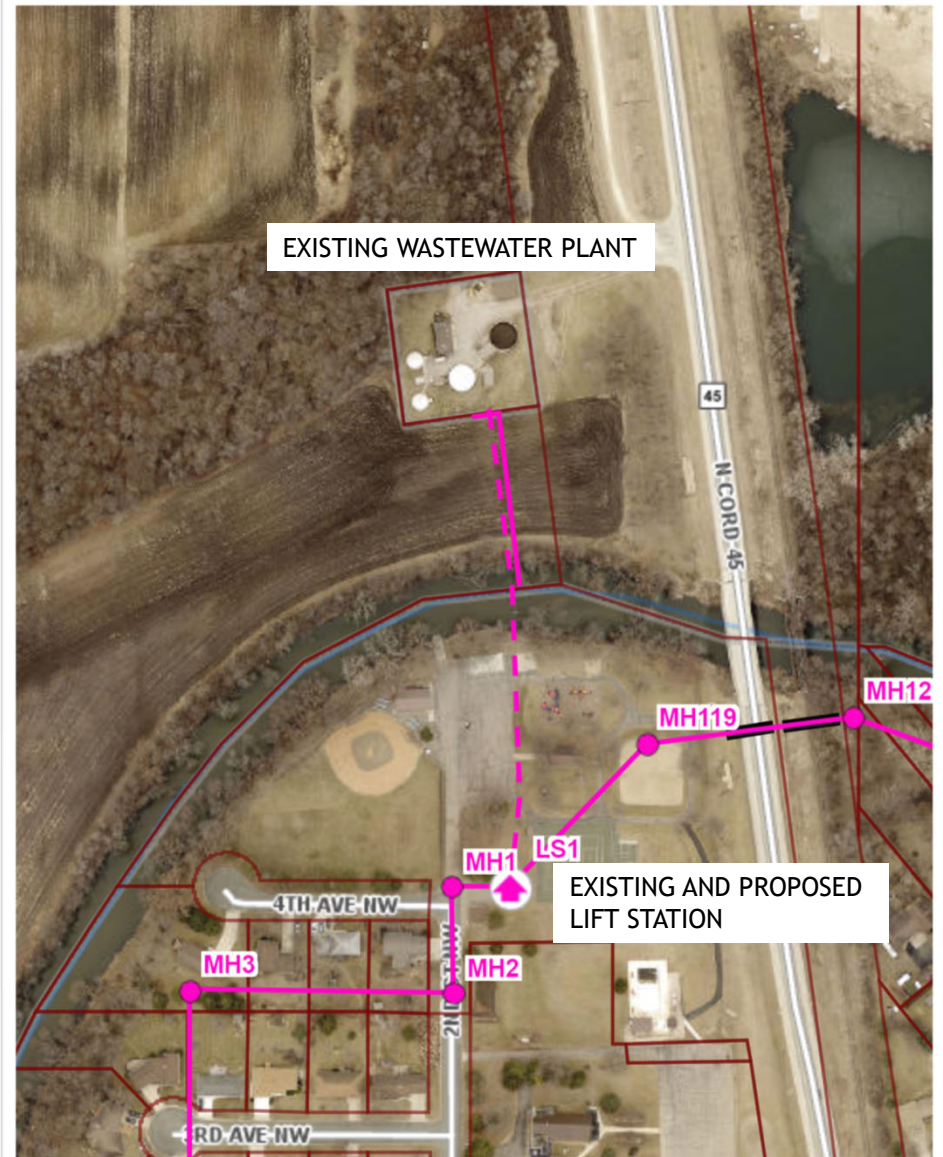
Former Medford Councilor Marie Sexton said she knew there were struggles occurring at the city's wastewater treatment plant, but that the council was never told of the severity of the problems — including the 2020 spills. (Annie Granlund/southernminn.com)

Annie Harman

Proposed Project

- ▶ Replace lift station
- ▶ Forcemain to Owatonna
 - ▶ 2nd St. and County Road 45
- ▶ Decommission existing plant
- ▶ Agreement with Owatonna
 - ▶ Not completed
 - ▶ Connection fee
 - ▶ Pay to treat
 - ▶ Future growth
- ▶ City to maintain collection system

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Costs and Rates

- ▶ Total Estimated Project Costs
 - ▶ Construction Costs - \$6,100,000
 - ▶ Connection Charge - \$3,900,000 (TBD)
 - ▶ Engineering, Legal and Administrative - \$1,000,000
 - ▶ Total - \$11,000,000
- ▶ State Bonding Bill
 - ▶ **\$4,500,000 secured** from last session to offset costs
 - ▶ Owatonna also received funding for upgrading their plant as part of regionalization

Owatonna + Medford Wastewater Treatment Regionalization



Objective

Provide regionalized wastewater treatment for the Cities of Owatonna and Medford.



Owatonna Wastewater Treatment Facility

Owatonna Needs

- » Treatment Facility at the end of its life despite many upgrades
- » Limits capacity for growth
- » Extended permitting time and additional costs
- » #5 on Public Facilities Authority Project Priority List



Medford Wastewater Treatment Facility

Medford Needs

- » Treatment Facility at the end of its life
- » Limited capacity for growth
- » Wastewater Facility in floodplain
- » Past discharges of untreated wastewater to Straight River
- » MPCA fines and corrective action

From the Headlines: Medford Wastewater Facility - A Facility in Disrepair and a Community Trying to Correct It

MPCA fines Medford, orders city to fix problems at wastewater plant

By ANNE SHANLIND www.grantandjournal.com Mar 14, 2022 10:58 AM CDT



Trending Now

- 1 Teen charged in alleged station robbery
- 2 Roberts Lake gets another Airbik, but county ordinance is quiet

Medford officials discover treatment plant in disrepair following state investigation

By ANNE SHANLIND www.grantandjournal.com Mar 14, 2022 10:58 AM CDT



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Better Together!

By combining the resources of the Cities of Owatonna and Medford, state funding will maximize the use of tax dollars:

- » Economies of scale
- » Lower cost per gallon for treatment
- » Better performance and reliability
- » Greater staff efficiencies and reduced permitting, sampling, and testing efforts

This regional wastewater treatment solution can serve as a model for other statewide collaborative efforts to leverage community resources to meet long-term financial and growth needs.

Benefits of Funding the Project

- » Upgrading the Wastewater Facility in Owatonna will meet current and future capacity needs and serve Medford
- » Eliminates a future Bonding Bill request from the City of Medford for a standalone Wastewater Facility estimated to cost \$18M

Sewer Rates

- » Owatonna
 - » Incremental rate increases over last 10 years
 - » Additional increase of 70% without bonding bill
- » Medford
 - » Current - \$63/month for average residential user
 - » Standalone Wastewater Treatment Facility without regionalizing - \$180/month
 - » Regionalize with Bonding Bill - \$100/Month

The Bonding Bill will allow the City to set the sewer rates at the federally-recognized affordable rate of 1.5% of the median household income.

Project Costs

Owatonna		Medford	
Construction	\$62M	Construction/Connection	\$10M
Engineering, Legal, Admin	\$8M	Engineering, Legal, Admin	\$1M
Total Project	\$70M	Total Project	\$11M

Proposed Funding Breakout

Owatonna		Medford	
City	\$40M	City	\$6.5M
PSIG Grant/Other Funding	\$8M	Bonding Bill (41% of Project)	\$4.5M
Bonding Bill (31% of Project)	\$22M		

Costs and Sewer Rates

▶ Sewer Rates for Average User

- ▶ Current - \$63/month
- ▶ Projected if City constructs a new wastewater plant- \$180/month
- ▶ Projected with planned regionalization and current funding- \$100/month
 - ▶ City is pursuing other funding possibilities

Schedule

- | | |
|---|--------------|
| ▶ Study to Determine if Regionalization was the Best Option | Complete |
| ▶ Secure Bonding Bill Funding of the Project | Complete |
| ▶ Pursue Additional Funding | Ongoing |
| ▶ Engineering and Design | Ongoing |
| ▶ Submit Facility Plan for Funding | Spring 2024 |
| ▶ Finalize Funding | Fall 2024 |
| ▶ Construct Project | 2025 Season* |
| ▶ * Funding may push construction to 2026 | |



<https://clients.whks.com/medford-mn/>
Questions?

Thank you!

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