

# 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

## 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.

## 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 ANNIE GRANLUND annie.granlund@jagsomn.com Mar 24, 2021 Updated May 31, 2021



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

**Medford officials discover treatment plant in disrepair following state investigation**

By ANNIE GRANLUND annie.granlund@jagsomn.com Mar 10, 2021 Updated Mar 13, 2021



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## Project Costs

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

## 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		