



7550 Sunwood Drive NW • Ramsey, MN 55303

City Hall: 763.427.1410 • Fax: 763.427.5543

www.cityoframsey.com

CITY OF RAMSEY – WATER TREATMENT PLANT

Purpose

The City of Ramsey, at the recommendation of the Minnesota Department of Health, has identified a need to construct a Water Treatment Plant. The facility would provide safe drinking water to the public by removing unsafe levels of manganese from the water supply. Since 2019, the city has made efforts to reduce the risks to the public but these efforts are not sustainable as a permanent solution. Given the public health aspect, the City is requesting proposals to construct the facility beginning in April 2023. The construction timeframe is estimated at two years, with full operations planned for Fall of 2025.

Financial Impact

- Current engineer's estimate of total project cost is approximately \$48 million. Over the last two years the project costs have increased due to supply chain issues.
 - Initial estimate was \$32 million and was the basis of the financial planning.
 - **Current local dedicated funding is approximately \$29 million** (cash on hand).
 - This represents available funds for both construction costs and early operation costs.
 - Due to increased project costs, local bonding would require future utility rate increases estimated at 8-10% year over year.
- 2023 Legislative Session requesting \$20 million in State Bonding and sales and use tax exemption (HF1177 & SF1197).
 - Higher request from previous year directly related to increased project costs.

History

- 2019 – Minnesota Department of Health detected manganese concentrations above the recommended health guide in several of Ramsey's wells. Since then:
 - Staff mailed notice to 5,600 Ramsey households (public water users).
 - Held public meeting to address public's concerns and discuss local plan to address the safety concern.
 - Began utilizing select wells with lowest concentrations of manganese.
 - Utilize wells with higher levels only when water usage demand requires it.
 - Published ongoing information and steps being completed to address the safety concern.
 - Includes monthly testing results.
 - Water Treatment Plant design progress and project status.
 - Hired professional firms to conduct pilot test and prepare feasibility study for a Water Treatment Plant.
 - 2022 Legislative Session requested \$10 million in State Bonding (HF4732 & SF4440).
 - Early 2023, final plans and specifications for a Water Treatment Plant were completed. The project was advertised for bid late January 2023, with bid opening in March.

*It is our mission to work together to responsibly grow our community,
and to provide quality, cost-effective, and efficient government services.*

Funding Alternatives

- Project is included on MDH Project Priority List and PFA Intended Use Plan as a priority project for PFA low interest loan funding.
 - It does not score high, likeliness of obtaining PFA funding is minimal.

Local Infrastructure Commitments

- 2015-2016 constructed \$3.8 million Fire Station
 - 100% locally funded
- 2021 constructed \$16 million Public Works Facility
 - 100% locally funded
- Planned \$38 million investment in pavement management improvements from 2023-2032
 - 100% locally funded
- \$4 million local funding commitment for Highway 10 improvements 2024-2025
 - Additional local infrastructure improvements surrounding the project to extend water and sewer services.