



# Mound Water Treatment Background

- 2018 EPA “Health-Based Value” (HBV) for Manganese (Mn)
  - HBV = 300 ug/L for Adults, 100 ug/L for Infants (<12-months)
  - Not a Primary Drinking Water Standard under SDWA and GPA
  - No “Notification Level” or “Action Level” required
- 2018 MN Dept of Health (MDH) “supports” EPA HBV for Mn
- 2020 MDH began asking for Mn tests (*Abrupt, un-anticipated regulatory change*)
  - ~470ug/L and 700ug/L Wells 8 and 3 respectively in Mound’s Well’s
- 2021(March) Sent Public notice, “Do Not Drink” per MDH
- 2021(March 9<sup>th</sup>) Commissioned Feasibility Study
- 2021 (June 22<sup>nd</sup>) Study completed

## Mound Sample Results

Sample Location	Mn (µg/L) 12/7/20	Mn (µg/L) 12/14/20	Average Mn (µg/L)
Well #3 Entry Point	672	724	698
Well #8 Entry Point	451	496	473.5

µg/L = micrograms per liter



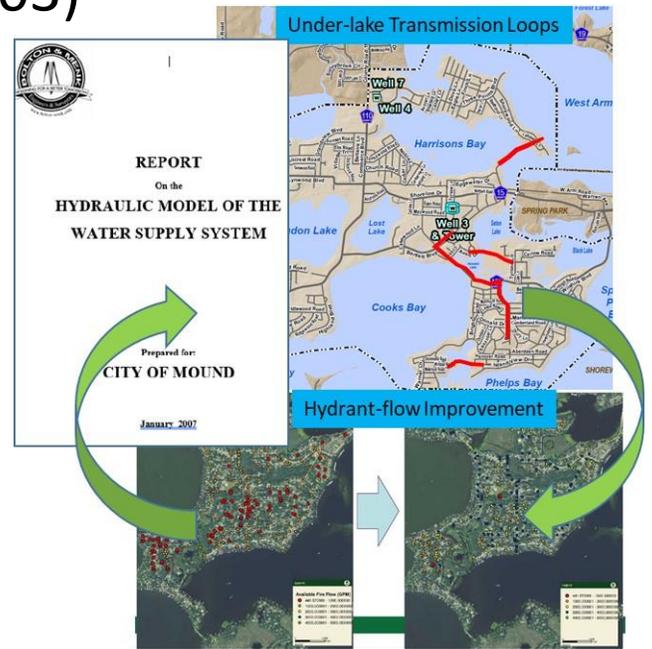
# Proposed Solution

- Filtration plant adjacent to Well 8 (20 years old) on Evergreen Rd
- Develop new well at site adjacent to Evergreen treatment facility
- Upsize interconnect mains between Tower 3 and Tower 8
- Close active Well 3 (80 years old) and inactive Wells 4 and 7
- Additional \$325K annual operating cost



# Financial Perspective (since 2003)

- \$80+M invested in community-wide infrastructure renewal (\$38M outstd.)
  - Roads, Water, Sewer, Storm Sewer, Grading, Brownfield
- \$19M+ invested in water system; 2007 Study (\$12M outstanding)
  - Sources & Storage
  - Fire Protection and hydrant flow
  - Reliability and redundancy
  - Incidental to street repairs
- \$52M Current Debt, \$12M+ to Water Fund
- “Highest-few” rates in State
  - Average water bill = \$500 – 600/Yr
  - All services = \$1,200- \$1,400/Yr



# Critical Life-Safety Investments

Mound is a fully developed, 110-year-old city on its 3<sup>rd</sup> generation of infrastructure

- Property tax and utility rate increases and inflation far outpace income growth
  - 97% of parcels are single family residential ... no “volume users”
  - 20% are lakeshore... pay 50% of tax levy... Ave EMV \$997K
  - 80% are inland... pays other 50% of levy... Ave EMV \$300K
  - 28% of single-family are rentals... 36% “rent-overburdened” → → 1:10 residents
- 70% current water revenues to debt service, 30% to operating costs
  - Cumulative fund deficit of \$4.5M as of 6/30/22 grows to \$8.6M in 2031
- 10-year CIP of \$28M for 2022 – 2031 (not including Manganese removal/treatment)
- Water Treatment Project adds \$2.6M/Yr debt service + \$325K/Yr O&M cost
  - Exceeds current rate revenue
  - **\$800 - \$1,000/yr increase per home → → >150% increase over 2022**
  - Unfathomable rate increase... Unforeseeable... Beyond city ability and Control

# Request for State Financial Assistance

- Requesting financial assistance to cover the full cost of the project
  - \$36M to design, construct, furnish, equip new treatment plant, well, water mains
  - Restores drinkable, clean water to 9,800 residents!