



Stantec Consulting Services Inc.
733 Marquette Avenue, Suite 1000
Minneapolis MN 55402-2314

March 7, 2023

Project/File: 173450018

Rachel Carlson
Committee Administrator
Capital Investment Committee

Dear Rachel Carlson,

Reference: SF 2535 - Ogilvie Wastewater Treatment Facility

The City of Ogilvie's existing wastewater treatment facility (WWTF) needs major improvements to continue to operate reliably and safely in compliance with its wastewater discharge permit. The City has operated the existing facility in a cost-effective manner for many decades. The original facility was built in 1954, with an update in 1989.

The City's treated wastewater is discharged to the Groundhouse River, a tributary to the Snake River, which ultimately connects to the St. Croix River east of Pine City, MN.

The existing WWTF components range in age from 34-69 years old, and much of the equipment is beyond its original design life. In addition, the existing treatment process is not suitable for reliable compliance with the City's new mercury and phosphorus limits. The proposed project will provide the following benefits:

- Higher quality of treatment to help meet more strict discharge limit
- Security and safety improvements (improved fall protection and new site fencing)
- Provide up to date technology, especially for remote monitoring and alarms
- Replace aging infrastructure in poor condition

Stantec has provided planning and design support to the City on this project since 2015. Plans and specifications have been prepared, and we are prepared to advertise for bid in mid-March. The City is eager to complete this project that has been discussed for over eight years to update an important piece of the City's infrastructure and help do its part to maintain the high water quality of the State's rivers and streams.

Ogilvie's population is 458 and the City has a median household income (MHI) of \$50,125, **\$27,000 less than the state's MHI**. With the city's very low MHI and small population, USDA Rural Development (the lead funder) determined the city can only afford to take on a \$255,000 loan. Due to the high grant need, it took three years to pull all of the funding partners together and design commenced. The financing package includes:

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Small Cities Development Program (MN Department of Employment & Economic Development)	\$600,000
Water Infrastructure Fund grant (MN Public Facilities Authority)	\$1,116,000
U. S. Army Corp of Engineers	\$2,870,000
USDA Rural Development Grant	\$285,000
USDA Rural Development Loan	\$255,000
Total	\$5,126,000

As the design neared completion, and with two years of inflation, the cost estimate of the improvement is now at \$8.6 million – leaving a funding gap of \$3.5 million.

This gap needs to be filled immediately as the City needs to go to bid in the spring of 2023. Every month that goes by brings potential for additional cost increases and challenges for the City of complying with its new wastewater discharge permit.

We appreciate your consideration and support of the City of Ogilvie and this important project.

Sincerely,

STANTEC CONSULTING SERVICES INC.



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Attachment: None