

PUBLIC HEARING – PROJECT SUMMARY
Phase 1A - Wastewater System and Associated Watermain Improvements
Oronoco, MN
Post Construction Bid Opening - October 2021

- I. **Proposed Improved Area:** Areas to be served by the Phase 1A wastewater system and watermain improvements are summarized below. The attached Project Location Map illustrates the Phase 1A improvement area and identifies which parcels are proposed to receive sanitary sewer and / or municipal water service as part of the project.
- ***Downtown Oronoco (east of TH 52):*** Including properties adjacent to portions of 5th Street NW, 5th Street NE, 4th Street NW, 4th Street NE, 2nd Street NW, 2nd Street NE, 1st Street NE, 1st Street NW, West Center Street, East Center Street, 1st Street SW, 1st Street SE, River Street SW, 2nd Street SW, 2nd Street SE, 3rd Street SW, 3rd Street SE, 4th Street SW, 4th Street SE, 5th Street SW, 5th Street SE, 6th Street SE, 7th Street SE, 2nd Avenue NW, 1st Avenue NW, Minnesota Avenue North, Minnesota Avenue South, 1st Avenue NE, 1st Avenue SE, 1st Avenue SW, 1st Avenue NW, 2nd Avenue NE, 2nd Avenue SE and 2nd Avenue SW.
 - ***River Park Subdivisions:*** Including properties adjacent to portions of 5th Street SE, 6th Street SE, River Park Place SE, Eagle View Lane SE, River Park Road SE, River Park Road, River Park Lane SE, Forest View Lane SE, and Timberline Drive SE.
 - ***Cedar Woodlands I & II Subdivisions:*** Including properties adjacent to portions of Woodlands Lane SE, Cedar Drive SE, Cedar Point Road SE, Cedar Point Lane SE, Norman Lane SE.
 - ***Oronoco Crossings Subdivision:*** Including properties adjacent to portions of Lake Shady Avenue South and Energy Lane SW.
 - ***Riverwood Hills 1-4 Subdivisions:*** Including properties adjacent to portions of Valley View Road SW, Valley View Lane SW, Valley View Drive SW, Sunny View Lane SW, Riverwood Drive SW, Shady Oak Lane SW, Riverwood Lane SW, Istas Lane SW, Chenoa Lane SW, Alona Lane SW, 12th Street SW, and 3rd Avenue SW.
 - ***Woodsvew 3rd Subdivision:*** Including select properties adjacent to Forest Lane SW and Treetop Lane SW.
 - ***Woodsvew Subdivision:*** Including select properties adjacent to portions of 7th Street SW between Lake Shady Avenue and 4th Avenue SW.
 - ***Stolps Cove Subdivision:*** Including properties adjacent to 1st Place SW.
 - ***NW Oronoco (west of TH 52):*** Including properties adjacent to portions of 1st Street NW, West Center Street between 12th Lane SW and Lake Shady Avenue North, and 9th Avenue NW.
 - ***Oronoco Estate Mobile Home Community:*** Located at the northeast quadrant of the TH 52 / 85th Street NW intersection.
- II. **Proposed Wastewater System Improvements** are intended to provide the Phase 1A project area with a municipal wastewater collection, conveyance, and treatment systems. The wastewater system is proposed to be expanded in the future to serve the remaining developed parcels in Oronoco City limits as part of Phase 1B which is tentatively planned for ~2030 and Phase 1C - future development anticipated over the next 20-years. Wastewater system improvements can be broken down into the following three categories.

- **Lateral Sanitary Sewer Facilities** include construction of lateral gravity sanitary sewer pipe (8-inch diameter and smaller) and low-pressure sewers with individual grinder stations and small diameter forcemain pipe. These two types of lateral sewer systems (gravity and low-pressure sewer) will each serve different parts of the City based upon the topography in a given area and work together to convey sewage from individual homes / businesses to the trunk sewer system.
- **Trunk Sanitary Sewer Facilities** include the construction of components of the sanitary sewer collection system that intercept and convey sewage collected by the lateral sewer. Components of the proposed trunk sewer system include a combination of gravity trunk sewer pipe and six pump stations & associated forcemain pipe that together will convey all of Oronoco's wastewater to a central pump station to be located in River Park. The River Park pump station will pump all wastewater to the proposed WWTF via a forcemain pipe along Minnesota Avenue S.
- **Wastewater Treatment Facility (WWTF)** is to be located approximately 1/4 mile east of TH 52 and 1/2 mile north of 85th Street NW. The WWTF will have an average wet weather design flow of 0.638 MGD and will discharge effluent into the Middle Fork Zumbro River downstream of Oronoco. The WWTF will be a state of the art treatment facility producing high quality effluent and generally consists of the following treatment units: fine screen, grit removal, pre-equalization tank, activated sludge treatment with biological nutrient removal and backup chemical nutrient removal, post-equalization tank, effluent filters, ultraviolet disinfection, effluent pumping with outfall and other process equipment. Biosolids are proposed to be treated and managed in aerated digester / sludge holding tanks, followed by land application on permitted agricultural property during the spring and / or fall. The MPCA has issued an NPDES / SDS permit for the proposed Oronoco WWTF after review of extensive environmental documentation, analysis and preliminary design information.

III. **Proposed Water Distribution Improvements** are intended to provide water to parcels that are also being served by the proposed sanitary sewer system and parcels that are adjacent to the proposed watermain that is required to be constructed as part of the water system improvements. The proposed water distribution will provide potable water and fire protection to all properties served by the proposed Phase 1A improvements. The water distribution system is planned to be expanded in the future to serve the remaining developed parcels in Oronoco City limits as part of Phase 1B, which is tentatively planned for ~2030. Water distribution system improvements generally consist of trunk and lateral watermain improvements.

- **Lateral Water Improvements** includes construction of lateral watermains (6 & 8-inch diameter) that extend from the trunk watermains and distribute water within smaller developed areas; construction of water service pipes (1 to 2 inch diameter) that extend from the watermain to the property line of each parcel to be served; and construction of fire hydrants, valves and fittings associated with the lateral watermains.
- **Trunk Water Improvements** includes construction of trunk watermains (8, 10 & 12-inch diameter) that interconnect the existing municipal wells, storage reservoir, and larger population centers along with associated fire hydrants, valves and fittings.

IV. **Proposed Restoration of Streets, Driveways and Boulevards impacted by sewer and water system construction:** Proposed sewer and watermain improvements will be constructed within boulevard areas and installed using trenchless technology where practical; however, significant street reconstruction is planned in conjunction with traditional pipe trench excavation and installation activities. All roadways and driveways disturbed by construction will be reconstructed to match pre-construction conditions. Lawns and

boulevards will be reestablished using hydro-seed and hydro-mulch. All costs associated with restoration of streets, driveways and boulevards is included in the proposed sewer project costs and associated fees to be assessed.

V. Estimated Project Costs Based Upon Bid Construction Costs Separated by Element:

	Oronoco WWTF	Oronoco Estates (OE)	Oronoco Utility/Street				Water	Total
			Trunk Sewer	Lateral Sewer	Total Project (Wastewater) Est. Grant Funding			
	(\$M)	(\$M)	(\$M)	(\$M)	(\$M)	(\$M)	(\$M)	
Project Cost	23.735	3.216	8.424	7.847	43.221	2.973	46.194	
Grant Funding	17.524	2.374	6.219	5.794	31.911	2.116	34.027	
Total Local Share Cost	6.211	0.841	2.204	2.054	11.311	0.857	12.167	

Note: Costs reported in millions of dollars (\$M). \$0.731M in Project Costs and Grant Funding for Predesign Costs are included in this tabulation at the request of PFA.

The total estimated project cost is \$46.194M. Project cost includes bid construction costs, engineering, property acquisition, legal services, construction engineering services and a 2.5 percent construction contingency or \$0.95M. The local share totaling \$12.167M represents the City of Oronoco cost share of the project which is approximately 26.3 percent of the total project costs. The local share will be financed via low interest loan through the Public Facility Authority (PFA) over a 20- or 30-year term at an interest rate typically between 1 and 3 percent. The City of Oronoco will assess fees for the proposed improvements to existing and future benefitting properties (including Oronoco Estates) to fund the repayment of the local share loan. Utility rates and tax revenue may also be used to fund the local share if needed.

Note: The estimated project cost increased by \$4.0M from what was estimated in the Fall of 2020 and presented at the March 22, 2021 Public Improvement Hearing. The increase in project cost was largely the result of higher than estimated bid construction costs which exceeded the engineers estimate by 12.6%. Recent increases in construction costs have been common amongst similar types of projects due to sharp material and equipment cost increases, labor shortages and difficulties procuring select materials. The increase in bid construction / project costs resulted in an increase in the Total Local Share Costs to be assessed to property owners. The total local share cost was previously estimated at \$8.159M and is now estimated at \$12.167M. Grant funding for the project has not changed from previous estimates. The City is conducting a second public hearing on October 12, 2021 to be transparent and update the public on the impact that the ongoing pandemic has had on project costs and fees to be assessed to benefiting property owners.

Wastewater system fees to be assessed to benefiting properties are based upon the Equivalent Residential Units (ERU) calculated for a given parcel. The number of ERU assigned to different types of properties is summarized as follows; additional information is available within the project Feasibility Report that is available for review through the City's website.

- All single-family residential property = 1.0 ERU
- Multi-family residential parcels = 0.8 ERU per unit. (For example, a Twin home will be 2 units x 0.8 = 1.6 ERU).

- All non-residential units are calculated based upon the ratio of an average winter month metered water use to a typical residential water use of 5,000 gallons per month. (For example, if the average water use is 7,000 gallons / 5,000 gallons = 1.4 ERU)
- Undeveloped lots will be considered 1.0 ERU. Fees will be reevaluated if more than one lot or unit is developed on a given parcel.
- Parcels with over 1.0 ERU will not be charged for lateral sewer beyond the initial 1.0 ERU fee.

VI. Summary of Wastewater System ERU for each Phase of the Project

Estimated Equivalent Residential Unit (ERU)	
Total Phase 1A	510 (494*)
Total Phase 1B	226
Total Phase 1C	1070
Total ERU	1806

*Lateral sewer ERU count includes only the first 1.0 ERU/Parcel.

Note: Table excludes an estimated 190 ERU from Oronoco Estates Mobile Home Community as their cost share is calculated separately.

VII. Fees to be Assessed to Benefiting Property Owners:

Proposed Wastewater System Fee Assessment

Sewer Fees to be Assessed	Est. Local Share of Project Costs (\$M)	Estimated Number of ERU to be charged	Calculated Assessment per ERU (\$)
WWTF - Plant Investment Fee = (PIF)	6.211	1806	\$3,439
Trunk Sewer - Sewer Availability Charge = (SAC)	2.204	1806	\$1,221
Lateral Sewer Connection Charge = (LCC)	2.054	494	\$4,157
Total Estimated Wastewater System Fee Assessment for 1 ERU			\$8,817
Monthly Wastewater Cost for 1 ERU over 20-year term at 2% interest			\$44.93

Proposed Lateral Watermain Service Fee Assessment

Water Fees to be Assessed	Est. Local Share of Project Costs (\$M)	Estimated Number of ERU to be charged	Calculated Assessment per ERU (\$)
Lateral Watermain Connection Charge = (WCC)	0.86	124.6	\$6,875
Total Estimated Water System Fee Assessment for 1 ERU			\$6,875
Monthly Water Cost for 1 ERU over 20-year term at 2% interest			\$35.04

The fees to be assessed to benefiting property owners are estimates based a current construction and project cost numbers. Final fee assessments will be recalculated based upon final construction costs. The City reserves the right, when actually levying

assessments, to modify or depart from this methodology to the extent the City deems appropriate.

Note regarding lateral Watermain Fees:

- (1) Estimated Water System project costs and ERU values are based upon current project cost estimate with bid construction costs. ERU values are based on the current count of properties and ERU to be served by the water project.

A reasonable estimate of the total amount of the proposed Phase 1A wastewater system and associated watermain improvement project costs to be assessed to benefiting Phase 1A property owners within the City of Oronoco is \$5.35M and \$0.86M for Oronoco Estates amounting to a total of \$6.21M. This represents approximately 13.4 percent of the \$46.19M project costs of the improvements.

Future Phases 1B and 1C are proposed to be charged \$6.0M in future PIF and SAC fees to fund the remaining Phase 1A project cost loan debit service. This represents approximately 13.0 percent of the project costs of the improvements. Phase 1B fees will be charged in the future in conjunction with future lateral sewer improvements. Phase 1C fees will be charged in conjunction with all future development.

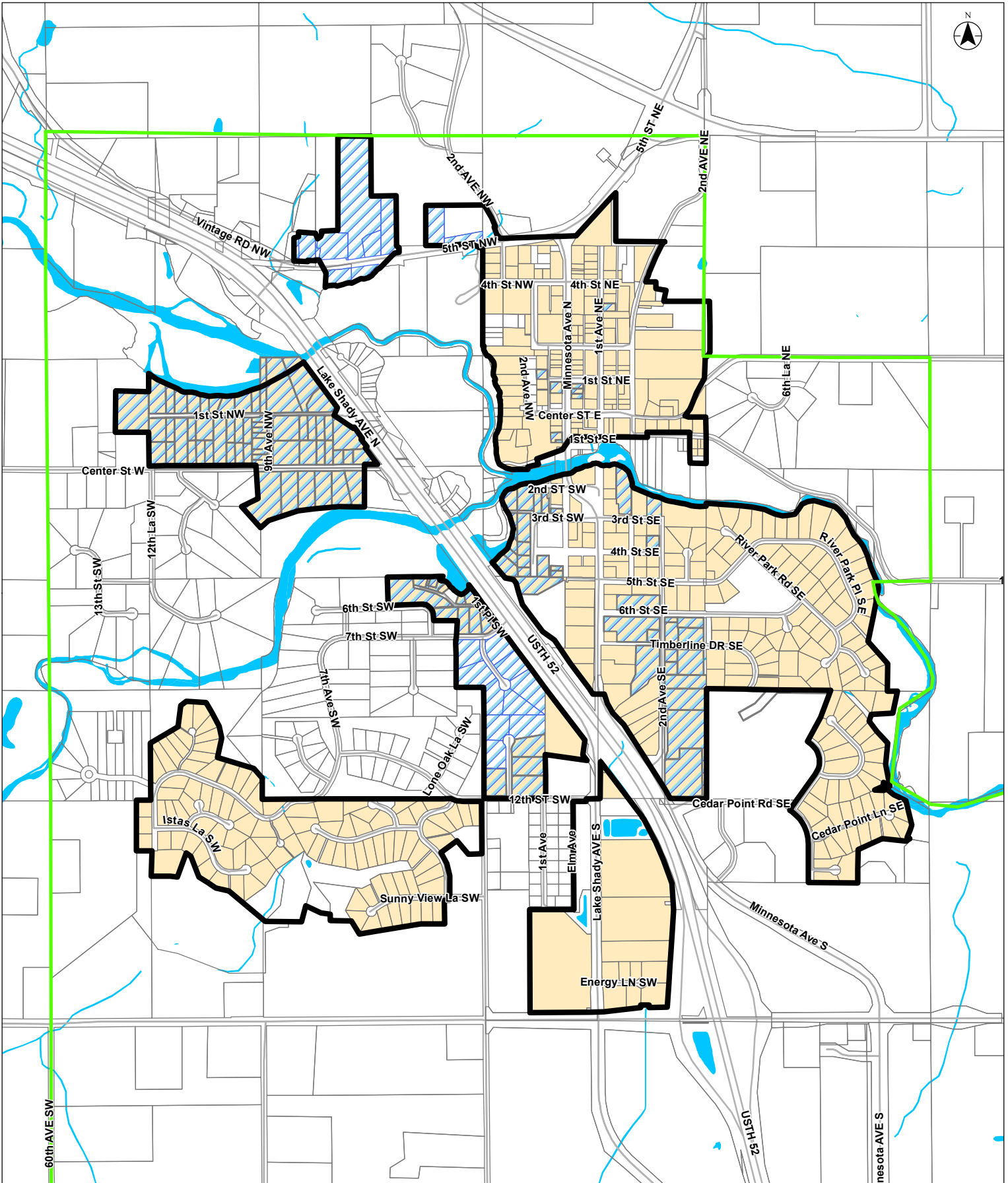
In total, \$12.2M in fee revenue will be generated to fund “The Local Share” of the project costs which will be financed through the low interest loan over a 20 or 30-year period. The \$12.2M local share represents approximately 26.3 percent of the \$46.19M project costs of the improvements.

VIII. Proposed Project Schedule:

Public Hearing on Project No. 1	March 22, 2021
Project Public Open House with City Engineer & Staff	March 23, 2021
Project Design, Permit & Easement Acquisition	March – July 2021
Project Construction Bid Opening	August / Sept 2021
Public Hearing on Project No. 2	October 12, 2021
Tentative Project Award	October 20, 2021
Execute Construction Contracts and Begin Work	November 2021
Substantial Completion – System Operational	October 2023
Assessment Hearing (Date To be determined)	October 2022 or 2023
First Payment of Assessment Due in County Property Tax	6 months after Assessment Hearing

IX. Want Additional Information?

Please visit the City of Oronoco website under the “Community” heading – “Wastewater Project” or the following link: <https://www.oronoco.com/index.asp?SEC=9FF06188-BB72-456D-8865-7A0EE2DCC317> to find additional information regarding the project including a Frequently Asked Questions (FAQ) document with helpful questions and answers related to the project. You can also contact City Engineer Joe Palen directly at Stantec Phone (507) 529-6036; Email: joseph.palen@stantec.com with your questions and concerns.

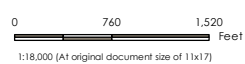


- Sanitary Sewer Service
- Water Service
- Sanitary Sewer & Water Service
- Parcels
- Phase 1A (2021 - 2023 Construction)
- Oronoco Ultimate Service Areas



Figure No. 13a
January 2021

Parcels to Receive Sanitary Sewer and / or Water Service in Phase 1A



Revised: 2021-01-27 By: dimerickson
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