# Wastewater Project Update December 2023

The city's Wastewater Regionalization project that began in 2022 is nearing completion. Here's a look at the **history of wastewater** in Foley and why the city chose to begin this project.

### Wastewater Project History

- Over the past 20+ years, water/sewer rates in Foley were not being raised enough on an annual basis to provide needed revenue for capital improvement projects or expansion (e.g. pipe infrastructure, equipment...etc...).
- In 2016, the city's current wastewater treatment pond system was determined to be at capacity and not able to meet standards. The State of Minnesota then required the city to proceed with a facility plan in order to continue to service our existing community as well as allow for potential growth.
- The state also determined that the city's water/sewer rates were too low and required the city to increase its rates to help fund a wastewater expansion project. It was decided in the planning stage that rather than increasing the rates all at once, the sewer rates would increase over time so residents could adjust to the higher rate.
- Water quality standards are set by the state (not local officials) and are often based on guidance from the Federal Environmental Protection Authority (EPA). Every five years the City of Foley must



- A facility plan was conducted by Short Elliott Hendrickson (SEH), peer reviewed by AE2S, and approved by the MPCA in 2019. The plan examined and compared all options, including on-site treatment and regionalization. Foley has a significant exposure to a sulfate limit that would have added \$10-\$20 million on top of regular, on-site treatment costs. This would have cost residents more than the regionalization project. Both the peer review and the MPCA concluded that regionalization was the preferred alternative.
- The Wastewater Regionalization project is being funded through sewer fees—not property taxes.
- Not upgrading would have resulted in **system failures and significant fines** by the state.

### Growth in Foley and why it's a good thing

The city has been **unable to add businesses or housing since its current pond system reached capacity in 2016.** This seven year gap in growth has constrained city budgets and made it increasingly difficult to maintain infrastructure or add amenities that residents have said they would like to see. Once completed, **the regionalization project will allow Foley to grow.** The expected increased tax base and water/sewer revenue will help to spread out the costs needed to maintain city services as well as provide additional funds for future capital improvement projects.

#### Safe and Reliable

A well-maintained water/sewer infrastructure is important to the health and safety of city residents as well as to the future growth of Foley. As state standards change, we must upgrade our infrastructure to meet the new clean water standards. The city is also working diligently to ensure that water/sewer services are reliable while still controlling costs.

Questions? Please call us! City Hall: 320-968-7260

## **On-Site Wastewater Treatment vs. Regionalization**

On-Site Wastewater Treatment	Regionalization Pipe to St. Cloud
Local Control	Regional Group - 7 Cities Work Together
Lower Capital Cost	Higher Initial Capital Cost
*without sulfate limit	*no sulfate concern
Shorter Life Expectancy	Longer Life Expectancy
*20-year facility – subject to 5-year MPCA per-	50-60 years Forcemain (Pipe) Life (67% of project)
mitting *facilities can be forced to	25-30 years on pumps, valves, etc (33% of project)
upgrade prior to reaching 20 years based on	*Foley is not required to go through permit
water quality standards	process with MPCA (handled by St. Cloud)
Requires additional 1.00 FTE of Staff to	No additional staffing needed
Operate	
*Needs Class A license – hard to find,	
expensive and permanent increase to payroll	
Lower Utility Costs	Higher Utility Costs (Pumping)
Local Control Over Future Capital Expenses	Less Control Over Future Capital Expenses
Less adaptive to future growth - industry	Easily adapts to future growth/industry
	*St. Cloud treatment capabilities better
No PSIG \$7 million grant (less overall state	PSIG \$7 million from the State of Minnesota
grant funding)	
Fither option would allow the city to grow - adding more residents and husinesses -	

Either option would allow the city to grow – adding more residents and businesses – thereby increasing the tax base and water/sewer revenue to help spread out the costs needed to maintain city services and for capital improvements.

#### **Other Considerations**

- Every potential waterway Foley could discharge to locally is impaired, making permit limits even stricter and increasing the cost of on-site treatment.
- The sulfate limit, and now new phosphate limits, are moving forward due to requirements of the EPA and MPCA (State of Minnesota). Foley would have been required to spend millions more to treat for these on-site.

#### Total Cost of Regional Wastewater Project - \$28.3 million

- Received \$15 million in grant funding (\$8 million direct appropriation, \$7 million PSIG - eligible because of regionalization)
- Issuing \$13.3 million in sewer debt payable over 30 years