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MEMORANDUM

TO: Silver Lake City Council

FROM: John Rodeberg, PE (MN) and Jordan Van Oort, PE (MN)

DATE: September 18, 2020

RE: USDA-RD Project Team Update
SEH No. SILAK 152875 14.00

The Preliminary Engineering Report (PER) and Environmental Review (ER) are nearing submittal. These reports address expected infrastructure needs of the community in the long-term, and may include work beyond what will eventually be determined to be feasible or needed in the short or middle term. As noted by USDA-Rural Development, improvements must be noted in the PER/ER to be considered for funding and inclusion in improvements projects.

After submittal of the reports to USDA-RD the financial and funding alternatives are analyzed (including potential grants) and recommendations for initial project scope are developed. Meetings will be held with Doug Grndberg of USDA-RD and Shannon Sweeney of David Drown Associates. It is expected that this work would occur in early 2021, with design in later 2021 and construction in 2022.

Delays in the reports were based on the following issues and decisions:

- The MPCA indicated that the **Wastewater Treatment Facility (WWTF)** was in potential violation due to lack of capacity for high flows, and also noted some operational issues needing to be addressed.
 - The City and SEH completed additional operational and condition assessments of the facility. The capacity issues were determined to be focused on the need to address I/I (Infiltration/Inflow) in the sanitary sewer main lines as well as services, and only fairly minor updates were needed at the WWTF if the capacity issues could be addressed.
 - This required a significant review of the condition of the lines, and a determination of the extent of the needed infrastructure project improvements related to the street and utility portion of the overall project. In order to get to the target of 80% capacity of the wastewater ponds, virtually all of the communities I/I issues needed to be addressed, including the replacement of virtually every clay or concrete sewer main in town by either open cut or CIPP lining. It was also noted that a large issue is the condition of sewer services for each home, many of which have been identified as being concrete field tile in poor condition with high I/I. These are proposed to be replaced or lined up to the face of the building/house.
- **Infrastructure Improvements** include a combination of the above sanitary sewer system improvements, improvements to the storm sewer system as noted in previous reports, addressing undersized water main and completing needed street improvements. This work would include storm sewer/sump service extensions to most lots. A detailed analysis of construction options was completed, including lining or complete reconstruction. This review indicated that the open cutting

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option was the most beneficial for the community, but it also noted that the cost to complete this work would be substantially more than originally anticipated. The extent of the need to address these items is the driver in the estimated cost increases of the overall project.

- **Water Tower and Water Treatment** options were reviewed in detail. Although there was an original focus on replacing the existing, historic water tower it was determined that the tower should be preserved but not utilized as part of the water system. A review of options led to a proposal to construct a silo-type water storage structure near the proposed Water Treatment Facility, proposed to be located near the primary well on the north side of the Auditorium, as noted in the Water Treatment Facility Report completed previously.
- It was determined by the State that a **Cultural Resources/Archeological review** was required in order to address potential visual impacts to the WPA Auditorium, as well as the originally expected review of impacts due to the Infrastructure Improvements. No impacts were identified as part of the Infrastructure Improvements, however SHPO has required additional architectural review of visual impacts due to improvements near the WPA-era Auditorium. This work is in process.

Project Cost Overview

The noted costs below are based upon updated estimates for all proposed portions of the project. As shown, the overall project cost estimate has not changed since April.

Costs noted as “Eligible” below indicate that both grants and long-term loans are likely available through USDA-RD. These amounts will be reviewed in more detail as part of the PER review process, based on affordability and available funding from various sources.

Silver Lake USDA-RD Project Cost Estimates

<i>Item</i>	<i>Initial</i>	<i>Early 2020</i>	<i>April 2020</i>	<i>Current</i>
Infrastructure*	\$4,000,000	\$14,000,000	\$21,100,000	\$ 21,310,000
Lift Stations	\$1,250,000	\$ 1,250,000	\$ 1,250,000	\$ 1,015,000
Water Tower	\$1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,350,000
Water Treatment	\$3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 2,370,000
Wastewater Improvements	\$ 250,000	\$ 750,000	\$ 750,000	\$ 715,000
Total Estimate Project Cost	\$9,500,000	\$20,000,000	\$27,100,000	\$ 26,760,000

* Includes sanitary sewer, water main, storm sewer, street and other general improvements

POTENTIAL PROJECTED FUNDING BREAKDOWN

USDA-RD Wastewater Eligible	\$11,966,000
USDA-RD Water Eligible	\$ 9,731,000
USDA-RD Storm Water Eligible	\$ 1,333,000
City Cost (Non-eligible)	\$ 3,730,000
Total	\$26,760,000