

**CITY OF NISSWA
AGENDA –SPECIAL CITY COUNCIL MEETING
MONDAY, SEPTEMBER 9, 2019 – 5:30 PM
NISSWA CITY HALL**

- A.** Call to Order
- B.** Closed Session pursuant to MN Statutes 13D.05 subd. 3(C) – Consideration of Offer for Property Purchase (Council Action-Motion)
- C.** Waste Water Treatment Expansion Discussion
 - 1. Timeline for Decision Making (Jenny)
 - 2. Current Year Flow Data (Mark/Tom)
 - 3. Estimated Connections in the Next 20 Years (Tom)
 - 4. Facility Plan Chart plus Options B and C (Mark)
 - 5. Sewer Cashflow Analysis (Jenny)
- D.** Council Discussion and Direction on Final Size of Facility Plan to Submit to the PFA (Council Action-Motion)
- E.** Adjourn

Special City Council Meeting
September 9, 2019

Timeline for City of Nisswa Waste Water Treatment Plant Expansion

August 27, 2019	PFA issues 2020 Project Priority List Report
August 27, 2019	City of Nisswa receives notification of preliminary approval for its 2019 Waste Water Treatment Facility Expansion Project from the MPCA, which is then forwarded to the PFA
September 4, 2019	City of Nisswa receives confirmation from the PFA that its project will be included in Part B: New Projects in the Fundable Range
September 9, 2019	Special Council meeting on the Waste Water Treatment Facility
September 20, 2019	Deadline for the City to notify the PFA of any amendments to the submitted Facility Plan (i.e. any increase to the project scope needs to be submitted by this date)
October 2019 – January 2020	Plans and Specs are completed and bid documents are prepared
February 2020	Bid process is completed and project is awarded
May 2020	Construction for the Waste Water Treatment Plant expansion project begins

Platted Connections and/or Increased Flow in the Next 20 years

Update 8/13/2019

1) Cty. 18 McQuinn development	45-60 ERCs	
a. Update- Pine trail homes east of County 18	18 ERCs	60 ERCs
2) G. V. Hotel and Rec Center	32 ERCs	
3) Remaining G.V. Cottages and Central Pines	20 ERCs	
4) Fallen Woods Development	27 ERCs	
5) Typical Annual Connections (7 per year)	120 ERCs	
a. Update- this is more likely to be 12-15 per year.	240-300ERCs	
6) Nisswa Lakes Estates (Johnson Development)	10 ERCs	
7) Elementary School Expansion	?????	
8) New Grand View Development off of Lower Roy Lk. Rd.	45-60 ERCs	
9) Babinski Retirement Community	60 ERCs	
10) Grand View Retirement Community	100ERCs	
11) Grand View Staff Apartments	60 ERCs	
12) Grand View New Restaurants	???	
13) Grand View Work Class Housing	???	
14) Grand View New Maint and Laundry	???	

Minimum Total Expected Connections over the Next 20 years 254- 269 ERC

Additional ERCs added since February 28th 183-258

Additional ERCs added since May 15th 264 ERCs

**Updated Minimum Total Expected Connections over the Next
20 years.**

(August Update)

701-791

**Since Feb 28 this is a 166%-206% increase in expected ERCs
before plans and specs have been produced!**

A 400 ERC plant upsized this much would be 664-820 ERCS

City of Nisswa – September 9, 2019 Council Meeting

Parameter	Existing NP DES/SDS Permit	Facility Plan (A)	Option B	Option C
Total Yearly Flow (Gallons)	45,723,000	65,500,000	75,000,000	85,000,000
Average Wet Weather Flow	111,000 gpd	165,000 gpd	185,000 gpd	205,000 gpd
Summer AWWF	195,000 gpd	250,000 gpd	305,000 gpd	370,000 gpd
Irrigation Area (36" Application Rate)	47 Acres	67 Acres (20 new acres)	77 Acres (30 new acres)	87 Acres (41 new acres)
ERC's (130 gpd)	960	1,380	1,580	1,790
New Cell Size (Gallons)	--	400' x 600' 15,600,000	450' x 650' 19,700,000	450' x 800' 24,700,000
New ERC's (130 gpd)	--	420	620	830
Design/Construction	--	\$3,930,000	\$4,900,000	\$5,900,000
Property Acquisition	--	--	\$300,000	\$600,000
Project Cost	--	\$3,930,000	\$5,200,00	\$6,500,000

City.

Assumptions:	
ERC Growth	0.00%
Operating Expense	4.00%
Interest Rate	0.20%

Sewer Enterprise Fund Revenue Adjustments					
12/31/1900	4.00%	1/1/2019	3.00%	1/1/2023	4.00%
12/31/1901	3.00%	1/1/2020	9.50%	1/1/2024	4.00%
12/31/1902	0.00%	1/1/2021	9.50%	1/1/2025	n/a
12/31/1903	3.00%	1/1/2022	4.00%	1/1/2026	n/a

	Audited Financial Statements					Budget	Projected Financial Performance:					
	12-31-2014	12-31-2015	12-31-2016	12-31-2017	12-31-2018		12-31-2019	12-31-2020	12-31-2021	12-31-2022	12-31-2023	12-31-2024
SEWER RATES:												
No. of ERC Equivalents	1	735.61	746.99	721.99	722.59	750.59	750.59	775.59	795.59	815.59	835.59	847.59
Grand View ERCs	2	132.01	132.01	132.01	132.01	132.01	143.41	143.41	143.41	143.41	143.41	143.41
Total ERCs	3	867.62	879.00	854.00	854.60	882.60	894.00	919.00	939.00	959.00	979.00	991.00
ERC \$\$ Rate per Quarter	4	\$130.24	\$135.45	\$139.51	\$139.51	\$143.70	\$148.01	\$162.07	\$177.47	\$184.57	\$191.95	\$199.63
Ave \$\$ per ERC	5	\$137.35	\$144.04	\$141.46	\$139.67	\$143.33	\$147.63	\$161.65	\$177.01	\$184.09	\$191.45	\$199.11
No. of Connections	6	-	-	-	-	28	15	25	20	20	20	12
\$\$ per Connection	7	\$7,100.00	\$7,500.00	\$7,500.00	\$7,500.00	\$8,000.00	\$8,500.00	\$10,000.00	\$10,300.00	\$10,609.00	\$10,927.00	\$11,254.00
Operating Revenue												
User Charges	8	\$476,657	\$506,451	\$483,222	\$477,447	\$506,004	\$527,916	\$594,233	\$664,846	\$706,167	\$749,730	\$789,276
Connection Fees - Old Connections	9	3,788	468	0	0	0	0	0	0	0	0	0
New Connections	10			17,500	56,000	296,625	127,500	250,000	206,000	212,180	218,540	135,048
Delinquent Sewer Charges	11	14,389	6,136	0	0	8,385	0	0	0	0	0	0
Miscellaneous	12	0	0	0	0	27,902	0	0	0	0	0	0
Total Operating Revenues	13	\$494,833	\$513,055	\$500,722	\$533,447	\$838,916	\$655,416	\$844,233	\$870,846	\$918,347	\$968,270	\$924,324
Operating Expenses												
Personal Services	14	\$103,393	\$118,972	\$122,335	\$115,325	\$138,472	\$144,963	\$150,762	\$156,792	\$163,064	\$169,586	\$176,370
Contractual Services	15	68,701	0	0	0	0	0	60,000	60,000	60,000	60,000	62,400
Utilities	16	33,693	0	0	0	0	37,992	39,512	41,092	42,736	44,445	46,223
Repairs and Maintenance	17	26,149	163,394	28,143	61,428	71,583	33,810	35,162	36,569	38,032	39,553	41,135
Other Supplies and Expenses	18	5,303	66,236	68,476	77,904	75,555	33,960	35,318	36,731	38,200	39,728	41,318
Insurance	19	7,848	0	0	0	0	8,191	8,519	8,859	9,214	9,582	9,966
Other	20	0	0	344	184	100	6,403	6,403	6,403	6,403	6,403	6,403
Reserved	21	0	0	0	0	0	0	0	0	0	0	0
Total Operating Expenses	22	\$245,087	\$348,602	\$219,298	\$254,841	\$285,710	\$265,319	\$335,676	\$346,447	\$357,648	\$369,298	\$383,814
Net Operating Income (Loss)	23	\$249,746	\$164,453	\$281,424	\$278,606	\$553,206	\$390,097	\$508,558	\$524,399	\$560,699	\$598,972	\$540,511
Other Income (Expense)												
Miscellaneous	24	\$0	\$23,554	\$3,133	\$33	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Income	25	1,121	895	2,140	2,553	2,519	2,042	2,226	1,031	759	898	1,109
Total Other Income (Expenses)	26	\$1,121	\$24,449	\$5,273	\$2,586	\$2,519	\$2,042	\$2,226	\$1,031	\$759	\$898	\$1,109
Net Revenue for Debt Service	27	\$250,867	\$188,902	\$286,697	\$281,192	\$555,725	\$392,139	\$510,783	\$525,430	\$561,458	\$599,870	\$541,620

Assumptions:	
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		Audited Financial Statements					Budget	Projected Financial Performance:					
		12-31-2014	12-31-2015	12-31-2016	12-31-2017	12-31-2018		12-31-2019	12-31-2020	12-31-2021	12-31-2022	12-31-2023	12-31-2024
Net Revenue for Debt Service	28	\$250,867	\$188,902	\$286,697	\$281,192	\$555,725	\$392,139	\$510,783	\$525,430	\$561,458	\$599,870	\$541,620	
G.O. Sewer Revenue Bonds													
G.O. Sewer Revenue Bonds, 2012	29	\$94,200	\$93,825	\$93,338	\$92,850	\$92,025	\$96,200	\$95,000	\$93,800	\$92,360	\$95,920	\$94,135	
MN PFA Sewer Revenue Bonds, 2020	30	0	0	0	0	0	0	24,656	229,175	231,625	229,000	231,375	
Total Debt Service	31	\$94,200	\$93,825	\$93,338	\$92,850	\$92,025	\$96,200	\$119,656	\$322,975	\$323,985	\$324,920	\$325,512	
Fiscal Agent fees	32	0	0	0	0	0	0	0	0	0	0	0	
Net Debt Service	33	\$94,200	\$93,825	\$93,338	\$92,850	\$92,025	\$96,200	\$119,656	\$322,975	\$323,985	\$324,920	\$325,512	
Debt Coverage Ratio	34	2.66	2.01	3.07	3.03	6.04	4.08	4.27	1.63	1.73	1.85	1.66	
Debt Coverage after Abatement	35	2.66	2.01	3.07	3.03	6.04	4.08	4.27	1.63	1.73	1.85	1.66	
Net Cashflow After Debt	36	\$156,667	\$95,077	\$193,360	\$188,342	\$463,700	\$295,939	\$391,127	\$202,455	\$237,473	\$274,950	\$216,108	
Capital Outlays	37	0	(112,480)	(59,064)	(64,696)	(86,799)	(145,770)	(3,494,833)	(1,688,167)	(71,500)	(121,500)	(121,500)	
Operating Transfers In/(Out)	38	(79,000)	(79,000)	(79,000)	(79,000)	(79,000)	(58,149)	(93,729)	50,000	(96,509)	(47,983)	(49,516)	
Transfers In/(Out) - Restricted	39	(557)	(559)	(560)	(561)	(562)	51,220	21,500	71,500	0	0	0	
Bond Proceeds	40	0	0	0	0	0	0	2,600,000	1,300,000	0	0	0	
Other Cash Adjustments	41	8,430	56,997	(29,400)	6,263	(1,069)	0	0	0	0	0	0	
Annual Surplus/ (Deficit)	42	\$85,540	(\$39,965)	\$25,336	\$50,348	\$296,270	\$143,240	(\$575,935)	(\$64,212)	\$69,464	\$105,467	\$45,092	
Beginning Unrestricted Cash	43	\$321,740	\$407,280	\$367,315	\$392,651	\$442,999	\$739,269	\$882,509	\$306,573	\$242,362	\$311,826	\$417,293	
Ending Unrestricted Cash	44	\$407,280	\$367,315	\$392,651	\$442,999	\$739,269	\$882,509	\$306,573	\$242,362	\$311,826	\$417,293	\$462,385	
Unrestricted cash % of O&M	45	166.18%	105.37%	179.05%	173.83%	258.75%	332.62%	91.33%	69.96%	87.19%	113.00%	120.47%	
Restricted or Designated Funds													
Collection Improvement Fund (Restricted)	46	\$279,298	\$279,857	\$280,417	\$280,978	\$281,540	\$230,320	\$208,820	\$137,320	\$137,320	\$137,320	\$137,320	
Vehicle Fund (Designated)	47	\$56,000	\$84,000	\$112,000	\$140,000	\$168,000	\$166,486	\$200,552	\$150,552	\$187,398	\$175,718	\$165,571	
Lift Station Fund (Designated)	48	\$102,000	\$153,000	\$204,000	\$255,000	\$306,000	\$365,663	\$425,326	\$425,326	\$484,989	\$544,652	\$604,315	
Capital Outlay Projects (Expenditures)													
							Vehicles	34,270	0	50,000	0	50,000	50,000
							Improvements	30,000	0	50,000	50,000	50,000	50,000
							Other Equipment	21,500	21,500	21,500	21,500	21,500	21,500
							Lift Station Improvements	0	0	0	0	0	0
							Treatment Plant Project @ \$3.9M	60,000	2,540,000	1,300,000	0	0	0
							Repairs @ \$1M	0	733,333	266,667	0	0	0
							Property Acquisition	0	200,000	0	0	0	0
							Miscellaneous	0	0	0	0	0	0
							Total	145,770	3,494,833	1,688,167	71,500	121,500	121,500
Designated Set Asides													
							Vehicles	32,756	34,066	0	36,846	38,320	39,853
							Lift Station Replacement	59,663	59,663	0	59,663	59,663	59,663
							Collection Improvement Fund	280	0	0	71,500	71,500	71,500
							Total	92,699	93,729	0	168,009	169,483	171,016