



**CITY OF LAFAYETTE**  
**791 Main Ave. – PO Box 375**  
**Lafayette, MN 56054 (507) 228-8241**

The City of Lafayette is an equal opportunity provider

Rep. Jeff Brand (DFL) District: 18A

**Vice Chair** Workforce Development Finance and Policy, Taxes

Transportation Finance and Policy, Environment and Natural Resources Finance and Policy

**Minnesota District 18A**

Room 3109, MN Senate Building  
95 University Avenue West  
St Paul, MN 55155

**RE: House Capitol Investment Hearing Wednesday, April 24<sup>th</sup> at 1:00 pm.**

▪ The City of Lafayette is working to resolve elevated chloride levels currently above the Minnesota Pollution Control Agency (MPCA) standard, which is 230 mg/L for chronic levels and 860 mg/L for acute levels, at the City's wastewater treatment plant. A significant source of chlorides at the wastewater treatment plant is the waste brine from individual ion exchange water softeners at homes and businesses. Removal of chlorides at the wastewater treatment plant is not economically feasible as the only available treatment is reverse osmosis (RO) and would be quite expensive for the removal of the high chloride levels from the wastewater. Due to that, a common and preferred method to achieve chloride level compliance at the wastewater treatment plant is to reduce the quantity of chlorides entering the sanitary sewer by softening the drinking water supply and eliminating the need for individual homeowners and businesses to soften their water with ion exchange water softeners.

▪ Additionally, recent testing showed there are elevated disinfection byproducts (DBPs) above the maximum contaminant levels (MCLs) in the City's water distribution system, which are formed by the chemical reactions between chlorination of the City's water supply and the organic matter, measured as total organic carbon (TOC), naturally occurring in the City's water supply. A notice of violation was issued to the city from the MDH.

This project will allow the city to resolve both issue's they are facing.

**Wastewater Treatment**

On 31 January 2024 the City of Lafayette received our draft MPCA permit. Chloride 230mg/l, 341 mg/l Daily maximum.

The city has been engaged with the MPCA and has another meeting set for April 29, 2024 to discuss compliance options for the draft permit. The city has until May 30<sup>th</sup> for submittal of their final comments / plan.

**Lafayette Demographics**

- ▶ Population 504
- ▶ 195 Residential Users
- ▶ 36 Commercial Users

**Lafayette Current Rate structures**

- ▶ Monthly Water Average Bill \$63.40-Monthly Sewer Average Bill \$ 58.80
- ▶ Combined Water / Sewer Monthly bill \$122.20



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***Water Facility Operational Expenses (2023 Operations)***

- ▶ Operations \$135,833.10
- ▶ Capital Outlays \$285,181.09 RO (Temp Bond + Capital)
- ▶ RD Bond Payment \$43,314.16 (2011-2012) Infrastructure Project. Replaced all watermains and sewer mains.
- ▶ Ear marked Future Maintenance \$3,980.68
- ▶ Total Operational Expenses \$203,127.94
- ▶ Total Operational Income \$203,127.94

***Funding opportunities and request***

- ▶ Final Engineer Design and Estimate is **\$2,688,287. 00** Addition of a RO facility attached directly to our existing WTP.
- ▶ EPA (CDS) Grant - \$1,000,000.00 Construction **Approved, Sponsored by Senator Amy Klobuchar and Senator Tina Smith.**
- ▶ State Bonding Request - \$1,300,000.00 Engineering and Construction
- ▶ PFA / City - \$388,287.00 (\$1,688,287.00) without the state bonding request) Engineering and Construction
- ▶ Total Funds - \$2,688,287.00

***CDS EPA Cost share waiver***

- ▶ The City of Lafayette applied for a cost share waiver due to the current utility rates being over the 2.0 % of the household median income per EPA guidelines. Waiver was approved on January 31, 2024.

***City of Lafayette Current Project Activities***

The City of Lafayette project is on the PFA PPL listing and on the IUP. PFA application, , found calculation error, submitted draft waiting for PFA approval on calculation corrections.

EPA working on Historical preservation packet, submitted to the State Historical Preservation office on 18 April 2024. Estimated 30-day turnaround time.

***Projected Time lines***

2024—Secure, finalize affordable funding option

2025—February Bid project, award bid, start construction

2026—December Construction complete.

2027—Start up, Optimization of RO Facility, start on water softener removal campaign, apply MPCA grant to help process. Monitor WWTF progress on reductions.

***Closing statement***

- ▶ Without support from the state bonding bill and leaving the City to fund \$1,300,000.00 would be \$5,627.71 per account. On a 20-year bond, water rates could go up as much as \$23.45 per month per account not counting interest.

The City of Lafayette has been working diligently for a cost-effective way to correct these issues. It is very critical that our request is included in the state bonding bill.

Thank you for your time and consideration on this request.

Sincerely,  
*Allan E. Fox*  
Allan E. Fox  
City of Lafayette  
Utility and Maintenance  
Superintendent