



**JOINT CITY COUNCIL
AGENDA REPORT
Proposal**

TO: Oak Grove Mayor & City Council
FROM: St. Francis Mayor & City Council
SUBJECT: Oak Grove Proposal
DATE: November 27th, 2018

Oak Grove Wastewater Proposal:

\$100,000 cash up front paid to the City of St. Francis for a SAC

\$50,000 Oak Grove pays cash to connect to the St. Francis system

<u>Description of Charge</u>	<u>Paid To</u>	<u>Amount</u>
Connection Fee (SAC)	St. Francis	\$100,000
Connect to S.F.	Contractor	\$50,000
Operation and Maintenance	Oak Grove	\$13.17
Debt Payment	Borrower	\$0
Monthly Base	St. Francis	\$20.82
Monthly Usage *4,000 gallons	St. Francis	\$32.64
Total Monthly Payment	Split among parties	\$66.63

*NOTE: In order to accommodate the Ponds Development into the St. Francis collection system, a gravity line will need to be upsized at an estimated **\$350,000**. The **\$100,000** needs to be collected to offset this improvement project.

Benefits to Oak Grove Connecting to St. Francis:

- 1) No costs for disposal of biosolids
- 2) No capacity restrictions such as connecting West Lake George (if needed) or providing commercial city sewer and water for future growth
- 3) No utility costs (gas and electric)
- 4) No future MPCA requirements to address
- 5) No class "A" or class "C" operator, staff and administration costs
- 6) No chemicals required
- 7) No daily, weekly, monthly and annual maintenance
- 8) No sample testing required
- 9) No lab supplies required
- 10) Use the stand-alone plant site for something else to benefit Oak Grove
- 11) Connect to St. Francis in 2019 – avoid MPCA and MPFA process out to 2020