MEMORANDUM

TO: Silver Lake City Council

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

DATE: November 16,2020

RE: USDA-RD Project Team Update

 SEH No. SILAK 152875  14.00

The Preliminary Engineering Report (PER) and Environmental Report (ER) were submitted to USDA-Rural Development Area Specialist Doug Grindberg last week for review and analysis. These reports address expected infrastructure needs of the community in the long-term, which will likely 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 reports are reviewed for completeness with USDA-RD expectations and requirements, and the financial and funding alternatives are analyzed (including potential grants) and recommendations for initial project scope are developed. Meetings will be held with Doug and Shannon Sweeney of David Drown Associates once this review is completed. It is expected that this work would occur in early 2021, with design later in 2021 and construction in 2022.

**PER:** The 202-page report reviews needs, alternatives and financial considerations in detail. See the next page for more detailed information from the report.

**ER:** The 260-page report reviews environmental considerations related to the proposed projects (land use, floodpains/wetlands, air, noise, waste generation, socio-economic, water quality, endangered species, potential mitigation needs, cultural resources, etc.). As discussed during the process, the project scope was revised to address requests by the Minnesota State Preservation Office (SHPO) to include an Archaeological survey to address potential historical artifacts that could be effected by the construction, as well as an **Area of Potential Effect (APE) cultural/architecture review** related to work at or near the historic Silver Lake Water Tower and the WPA-era Silver Lake Auditorium. This work was completed by **Duluth Archaeology** and the findings include in the ER and PER. Although there are no indications of any significant concerns, state and federal agencies will utilize this report to identify any issues that need to be addressed or mitigation that may need to be completed.

***Monday Afternoon:*** *Terry Lauwagie of USDA-RD notified SEH that they recommend the City consider dividing the improvements into about 4 projects over 8 years and are supportive of trying to get the projects funded and the City share reduced. Project scopes and priorities will need to be reviewed in more detail.*

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| Proposed Schedule |
| **Milestone** | **Date** |
| Public Hearing | June 4, 2020 |
| PER/ER Completion: submittal to USDA-RD | October 2020 |
| USDA-RD PER Review (4 months) | October-January, 2021 |
| USDA-RD Funding Obligation | February 2021 |
| Preliminary Engineering Design (3 months) | March-May 2021 |
| USDA-RD Engineering Review (2 months) | June-July 2021 |
| Final Engineering Design (5 months) | August-December 2021 |
| USDA-RD Legal Review | January 2022 |
| USDA-RD Legal/Engineering Approval (3 months) | January-March 2022 |
| Bidding | April 2022 |
| Award Project | May 2022 |
| Start Project | May 2022 |
| Substantially Complete Project | October 2023 |
| Final Completion | July 2024 |

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| **Preferred Alternatives Total Project Cost** |
| **Item** | **Water Storage Tank & Pump Station** | **Pressure Filter WTP** | **Streets, Distribution, Collection and Storm** | **Wastewater** | **Totals** |
| Construction Cost | $1,038,700  | $1,839,130  | $15,584,640  | $1,498,448  | $19,960,918  |
| Construction Contingency | $103,870  | $183,913  | $1,558,464  | $149,845  | $1,996,092  |
| **Estimated Total Construction Cost** | **$1,142,570**  | **$2,023,043**  | **$17,143,104**  | **$1,648,293**  | **$21,957,010**  |
| Land Acquisition | $0  | $0  | $10,000  | $25,000  | $35,000  |
| Engineering | $186,966  | $367,826  | $3,116,928  | $329,659  | $4,001,379  |
| Legal and Admin | $25,968  | $45,978  | $389,616  | $37,461  | $499,023  |
| Testing | $8,310  | $14,713  | $124,677  | $11,988  | $159,687  |
| **Non-Construction Cost Subtotal** | **$221,243**  | **$428,517**  | **$3,641,221**  | **$404,107**  | **$4,695,089**  |
| Interim Interest | $35,186  | $63,250  | $536,236  | $52,952  | $687,624  |
| **Estimated Total Capital Cost** | **$1,398,999**  | **$2,514,811**  | **$21,320,561**  | **$2,105,352**  | **$27,339,723**  |

***POTENTIAL PROJECTED FUNDING BREAKDOWN***

USDA-RD Wastewater Eligible $12.3M

USDA-RD Water Eligible $ 9.9M

USDA-RD Storm Water Eligible $ 1.4M

City Cost (Non-eligible) $ 3.7M *(new policy may reduce City Cost by $1M)*

**Total $27.3M**

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