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(Project was tabled on August 8, 2019, to be considered at a future meeting.)

MEMORANDUM

TO: Governor Doug Burgum
Members of the State Water Commission
FROM: Garland Erbele, P.E., Chief Engineer–Secretary *Garland Erbele*
SUBJECT: State Cost-Share - Water Supply – Minot SW Water Tower
DATE: July 29, 2019

The City of Minot (City) submitted a cost-share request for pre-construction and construction costs for a new 1,500,000-gallon elevated water tower to help meet water demands of the new Trinity Hospital to be completed in 2022, other continued growth, and future growth in the south west portion of the City. The tower directly benefits 10,000 customers and the annexed area is located approximately two miles south west of the intersection of Highway 52 and Highway 83 on 30th St SW.

The City serves 47,370 people and had an annual population growth rate of 2 percent since 2010. A "Do Nothing" alternative is insufficient in providing water for the City's future growth. The State Water Commission Life Cycle Cost Analysis only considered the alternative of an elevated storage tank because the City's design for water pressure zones is based on elevated storage and not ground storage. Tables from the analysis are attached.

The City's monthly minimum water rate is \$10.78 per month and \$5.09 per 1,000 gallons used. The local share of the project is programmed into the City's capital improvement plan and the rates will cover the bonding for this project. The City will complete plans and specifications for bidding in late 2019, bid and start construction in 2020, and complete final construction in summer 2021. The project's estimated total cost is \$4,758,334, with pre-construction costs of \$195,060, and construction costs of \$4,563,274. The recommendation at this time is to provide cost-share of 60 percent, which equates to \$2,855,000.

The project is in the 2019 Water Plan, is a moderate priority, and meets requirements of the Water Commission's cost-share policy for municipal water supply projects. Therefore, I recommend approval of this request from the City of Minot for state cost-share participation at 60 percent of eligible costs for the SW Water Tower Project at an amount not to exceed \$2,855,000. This approval is contingent on available funding for the 2019-2021 biennium.

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