

# Linn Valley Water Project Meeting

**April 20, 2019 at 10:00 am**

**Linn Valley Lakes Clubhouse (lower level)**

## **AGENDA**

- Linn Valley Water Project Overview
- Preliminary Engineering Report (PER)
- Public Input and Questions & Answers



*The Mayor and City Council invite all Linn Valley residents and property owners to attend.*



## Linn Valley Water Project Information

1. Linn Valley has a need for additional and a more consistent quality of potable water
2. Linn Valley has two sources and four methods of potable water supply/distribution
  - Local (City/POA) Water District
  - POA delivery to holding tank
  - RWD #1
  - Self-service hauling
3. Linn Valley has 20 year old Water Treatment Plant-no space to expand and costly
4. Linn Valley is currently under a negotiated Compliance Consent Order with Kansas Department of Health and Environment (KDHE) regarding the Total Organic Carbon (TOC) violations
5. Linn Valley does not have consistent water pressure or infrastructure for fire hydrants
6. Project timeline
  - Nov 2017-contract with BG Consultants to conduct PER
  - Jan 2018-BG gathering information from City and POA
  - April 2018-Community Meeting
  - May 2018-Compliance Consent Order signed between City and KDHE
  - Jun-Aug 2018-City and BG presentations of Linn Valley water needs and requests to potential suppliers
    - RWD#1
    - LaCygne
    - PWWSD #13
  - Aug-Dec 2018-Data gathering and analysis, contact with potential suppliers
  - Jan 2019-Written responses from potential suppliers received
  - Feb 2019-Met with State Agencies-USDA (funding) and KDHE (regulatory)
  - Mar 2019-City Executive meeting and a Joint City and POA Special Meeting
  - April 2019-Community Meeting

### Benefits of planned project

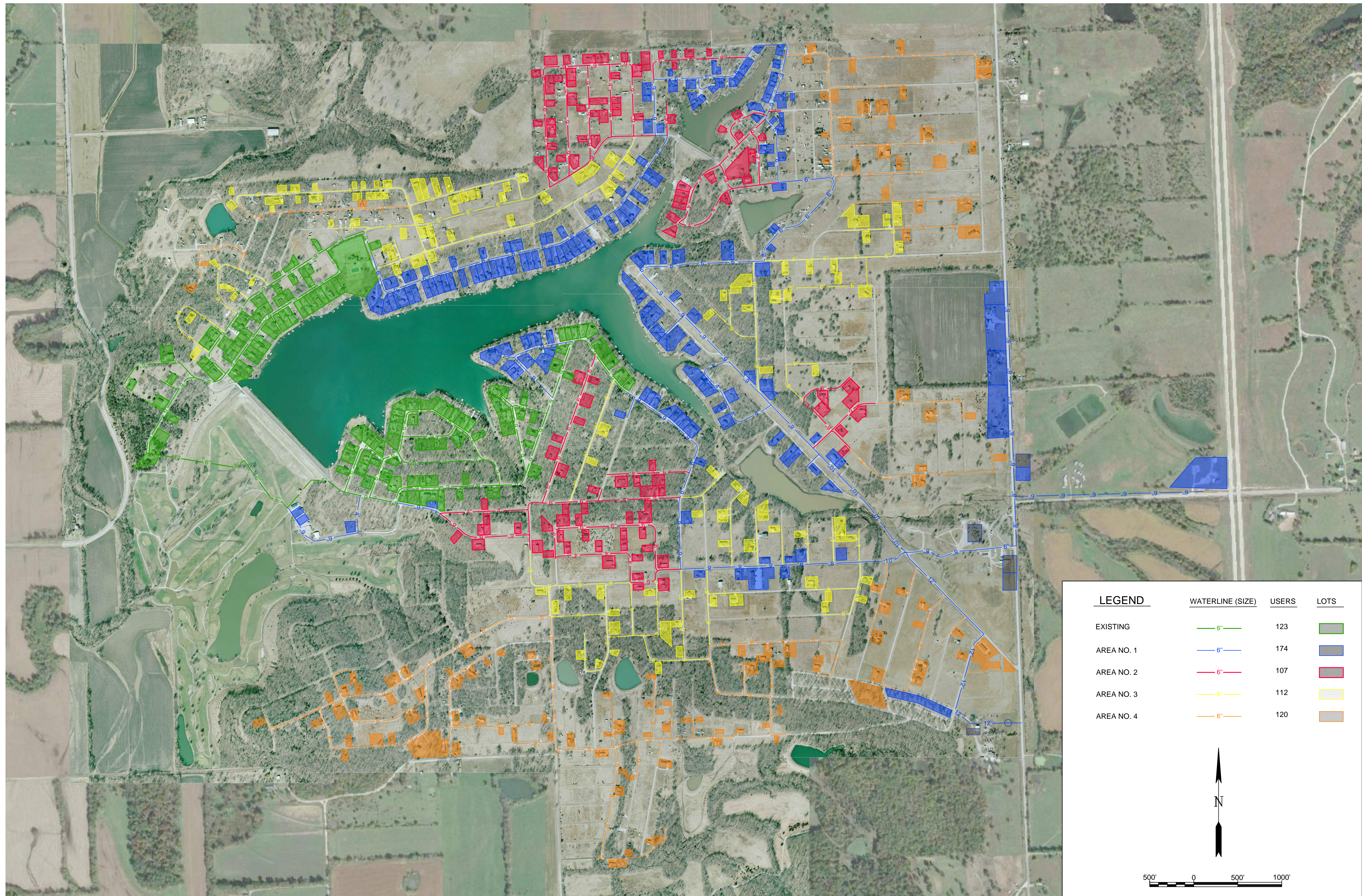
- Linn Valley determines future community water system vs a regulatory agency
- Consistency of service (pressure, volume and emergency flow availability)
- Pressurized fire hydrants
- Increased number of fire hydrants
- The cost will never get lower
- No guarantee of future grant money
- Local storage (water tower)-better able to control cost using primary provider
- Connection fee/meter fee waived (new residents/owners will have to pay)
- Potential of metered water to all LV property owners and residents
- Elimination of holding tank and water pump purchase and maintenance
- Potential of POA reallocation of resources
  - Decommissioning of local water treatment plant
  - Elimination of bulk water delivery
- Potential of increased property values compared to other recreational lake communities

**Linn Valley Water**

	Loan Only Scenario			
	Area 1 Regional Supply 250K GAL WT 88 Fire Hydrants	Area 1 & 2 Regional Supply 250K GAL WT 122 Fire Hydrants	Area 1,2, & 3 Regional Supply 250K GAL WT 173 Fire Hydrants	Area 1,2,3, & 4 Regional Supply 250K GAL WT 244 Fire Hydrants
Project Cost	\$ 7,643,366	\$ 9,756,677	\$ 12,523,058	\$ 15,904,458
Search Grant Costs	\$ -	\$ -	\$ -	\$ -
Existing Debt	\$ -	\$ -	\$ -	\$ -
Total Financing Required	\$ 7,643,366	\$ 9,756,677	\$ 12,523,058	\$ 15,904,458
CDBG Grant Dollars (Max)	\$ -	\$ -	\$ -	\$ -
USDA Grant	\$ -	\$ -	\$ -	\$ -
Loan Amount Financed	\$ 7,643,366	\$ 9,756,677	\$ 12,523,058	\$ 15,904,458
Annual Interest (%)	3.38	3.38	3.38	3.38
Terms of Loan	40	40	40	40
Term per Year	2.0	2.0	2.0	2.0
Terms	80.0	80.0	80.0	80.0
Loan Payment per Term	\$174,950.81	\$223,322.90	\$286,643.24	\$364,040.91
Annual Loan Payment	\$349,901.62	\$446,645.81	\$573,286.49	\$728,081.82
Water Purchase	\$85,000.00	\$85,000.00	\$85,000.00	\$85,000.00
O&M	\$103,000.00	\$103,000.00	\$103,000.00	\$103,000.00
Annual SLA	\$19,540.00	\$19,540.00	\$19,540.00	\$19,540.00
Total Annual Expenses	\$557,441.62	\$654,185.81	\$780,826.49	\$935,621.82
Number of Users	636	636	636	636
<b>Minimum Avg. Monthly Fee</b>	<b>\$ 73.04</b>	<b>\$ 85.72</b>	<b>\$ 102.31</b>	<b>\$ 122.59</b>

	Loan with 45% Grant Only Scenario			
	Area 1 Regional Supply 250K GAL WT 88 Fire Hydrants	Area 1 & 2 Regional Supply 250K GAL WT 122 Fire Hydrants	Area 1,2, & 3 Regional Supply 250K GAL WT 173 Fire Hydrants	Area 1,2,3, & 4 Regional Supply 250K GAL WT 244 Fire Hydrants
Project Cost	\$ 7,643,366	\$ 9,756,677	\$ 12,523,058	\$ 15,904,458
Search Grant Costs	\$ -	\$ -	\$ -	\$ -
Existing Debt	\$ -	\$ -	\$ -	\$ -
Total Financing Required	\$ 7,643,366	\$ 9,756,677	\$ 12,523,058	\$ 15,904,458
CDBG Grant Dollars (Max)	\$ -	\$ -	\$ -	\$ -
USDA Grant	\$ 3,439,514	\$ 4,390,505	\$ 5,635,376	\$ 7,157,006
Loan Amount Financed	\$ 4,203,851	\$ 5,366,172	\$ 6,887,682	\$ 8,747,452
Annual Interest (%)	3.38	3.38	3.38	3.38
Terms of Loan	40	40	40	40
Term per Year	2.0	2.0	2.0	2.0
Terms	80.0	80.0	80.0	80.0
Loan Payment per Term	\$96,222.95	\$122,827.60	\$157,653.78	\$200,222.50
Annual Loan Payment	\$192,445.89	\$245,655.19	\$315,307.57	\$400,445.00
Water Purchase	\$85,000.00	\$85,000.00	\$85,000.00	\$85,000.00
O&M	\$103,000.00	\$103,000.00	\$103,000.00	\$103,000.00
Annual SLA	\$19,540.00	\$19,540.00	\$19,540.00	\$19,540.00
Total Annual Expenses	\$399,985.89	\$453,195.19	\$522,847.57	\$607,985.00
Number of Users	636	636	636	636
<b>Minimum Avg. Monthly Fee</b>	<b>\$ 52.41</b>	<b>\$ 59.38</b>	<b>\$ 68.51</b>	<b>\$ 79.66</b>

Dodd-Frank: The Securities and Exchange Commission (SEC) has passed the Dodd-Frank Wall Street Reform and Consumer Protection Act, therefore, BG Consultants recommends and advises all clients and potential clients (counties/municipalities/improvement districts....etc.) that are considering infrastructure improvements to contract with and receive professional financial advice from a registered municipal financial advisor. BG Consultants and all related staff are not registered municipal financial advisors and all information provided concerning infrastructure projects and financing of improvements is general and typical information.



**LEGEND**

	WATERLINE (SIZE)	USERS	LOTS
EXISTING	6" (Green)	123	Green
AREA NO. 1	6" (Blue)	174	Blue
AREA NO. 2	6" (Red)	107	Red
AREA NO. 3	6" (Yellow)	112	Yellow
AREA NO. 4	6" (Orange)	120	Orange

500' 0 500' 1000'

N

NO.	REVISIONS	DATE	INITIALS

WATER DISTRIBUTION IMPROVEMENTS  
LINN VALLEY, KANSAS

DISTRIBUTION ALTERNATIVE 4

Engineer: PCO  
 Drafter: PCO  
 Check: PCO  
 Date: 5-21-2018  
 Project No. 17-1451L  
 Sht. No. Total Shts. XX