



MAYOR – Cindy Smith  
CLERK – Karen Siffring

LINN VALLEY  
22412 East 2400 Road  
Linn Valley, KS 66040

COUNCIL MEMBERS  
Jason Jenkins Lew Donelson  
Brenda Muncy John Weers  
Robert Suppenbach

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# Water Project History

- Nov 2021-Community Town Hall
- Oct 2021
  - Letter to Proceed for BG Consultants
  - Temporary funding options
  - Formal notification to RWD#1 to pursue a City owned/operated system
- Sept 2021-USD notification of project funding
- August 2021-Conference call with Kansas USDA Director requesting funding decision in current fiscal year
- May 2021-USDA funding packet accepted
- March 2021-Water Purchase Agreement signed with LaCygne
- Feb 2021-Calls with MAP and other agencies regarding expediting funding request
- June 2019-May 2021-Preparation and submission of funding request packet to USDA for funding, was delayed due to COVID and lack of agency timely responses
- May 2021-Publication of the PER
- April 2019-First City Town Hall-presented the “why” of project, the results of the PER, decision for LaCygne to be the primary water supplier, and intent to pursue USDA funding
- Mar 2019-Joint City and POA Special Meeting
- Mar 2019-City Council had Special meeting to discuss information from meeting in Topeka including discussion of cost benefit of pursuing PWWSD #13 to qualify for the loan forgiveness, determined in was less than \$2 per month and that was with project information, Council made decision to pursue LaCygne as Primary Water Supplier and RWD#1 as Backup and Augment
- Jun-Aug 2018-Presentation of Linn Valley water needs and requests to potential suppliers Rural Water District#1 (RWD), City of LaCygne, and Public Wholesale Water Supply District (PWWSD) #13
- April 2018-Joint City and POA Community to discuss PER and future water needs
- Jan 2018-BG gathering data from City and Linn Valley Lakes Property Owners Association (POA) for the PER
- Nov 2017-City contracted with BG Consultants (BG) to conduct Preliminary Engineering Report (PER) for drinking water in Linn Valley



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## Water Project Questions and Answers

**Q-What is the Water Project for Linn Valley?**

**A-**The Linn Valley Water Project is to provide access for metered drinking water to most residents and property owners within the City limits (inside LVL POA gates and outside gates). Undeveloped areas and homes established after April 2019 will have to be further analyzed for consideration with the current funding. This is a long-term project funded by USDA, with 7.2M in grants (City does not repay) and \$10.2M loan (1.75%).

**Q-Why is there a City Water Project?**

**A-**The current source(s) of drinking water is not sustainable. The local Water Treatment Plant is over 26 years old, the current infrastructure is over 30 years old with no upgrades and does not support functional fire hydrants (currently zero working fire hydrants in Linn Valley). This Project will replace the Water Treatment Plant that takes water from the main lake. The project also includes construction of a water tower. The water tower will provide better resiliency and security to the City. Additionally, the water tower will provide capacity for firefighting. Furthermore, the project includes a new water source. It was found to be more cost effective to use a new source than existing sources.

**Q-Will my LVL POA Assessments increase because of this project?**

**A-**No, this project, initiated by the City, is funded through the USDA and future users. The loan will be repaid utilizing water user rates.

**Q-What will my monthly cost be after the City is the Water Operator?**

**A-** The specific rate structure (service fee, water cost, etc.) has not been determined. The projected average monthly cost will be \$74.48. Please refer to the “Updated Funding Scenario” to show the projected project costs.

**Q-Will everyone be required to connect?**

**A-** All R-1 building lots, all residential homes on Multi-Purpose and Camping lots, and all full-time residents as defined in City Ordinance 178 will be required to connect. Part-time/week-end Property Owners with R-2 Camping or Multi-purpose lots will be able to continue using a holding tank.

**Q-Will my insurance rate go down with the addition of functional fire hydrants?**

**A-**This varies between insurance companies. Some residents have been told by their insurance company yes and others no. The access to water by the Linn Valley Fire Department will be beneficial in the overall Insurance Services Office (ISO) going down. Currently Linn Valley is at 9 of 10.

**Q-Where will Linn Valley water come from?**

**A-LaCygne.** Linn Valley entered into a contract to purchase water from LaCygne in March 2021.

**Q-Will LVL POA continue to be a water supplier?**

**A-**No. The local Water Treatment Plant will be decommissioned. All metered water will be supplied, owned, and operated by the City.



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**Q-Will RWD#1 continue to be a water supplier?**

**A-The City is in discussion with RWD#1 as a backup and/or alternate water supplier.**

**Q-When will I be connected to the City water system?**

**A-Connections will begin a minimum of 2 years from Nov 2021. As more details are known, additional Town Halls will be conducted, and information shared on the City Website and FB page.**

**Q-Can I reuse my meter I purchased from RWD#1 or the LVL POA?**

**A-No, the equipment will not be compatible. All new meters will be installed as a part of the project.**

**Q-Will the City reimburse me for the meter I purchased from RWD#1 or the LVL POA?**

**A-No. The intent of the City system is to replace all those meters and use USDA funds to reduce or cover the cost of meters to be replaced. These residents will be able to use the existing line from meter to their house.**

**Q-Will the City reimburse me for a recently installed water holding tank?**

**A-No, the City will not be reimbursing for water holding tanks. The intent is use USDA funds to minimize cost for residents and property owners to connect to the new water system.**

**Q-My house is on a building lot and I am currently using a holding tank. What costs can I expect since I am required to connect to the new system?**

**A-All Property Owners/Resident connecting to a metered system for the first time will have the expense of a meter. USDA funds will be used to reduce this cost. Each Property Owner/Resident will be responsible for the cost to run the line between the meter and the house.**

**Q-How much will the water meter cost?**

**A-The fee for a meter has not been set. Funding from the USDA will be used to purchase meters and make it as affordable as possible to enable maximum usage.**

**Q-I am on a holding tank. How much will the line from the meter to my house cost? Will that cost be covered by the City?**

**A-That cost is determined on an individual-basis and dependent on distance and amount of rock, to install the line. The cost will not be covered by the City. It is a minimum of 24 months for the first property owners to be connected to enable property owners to plan for the expense and one of many reasons why this information is being provided in advance.**

**Q-How long will the overall project last?**

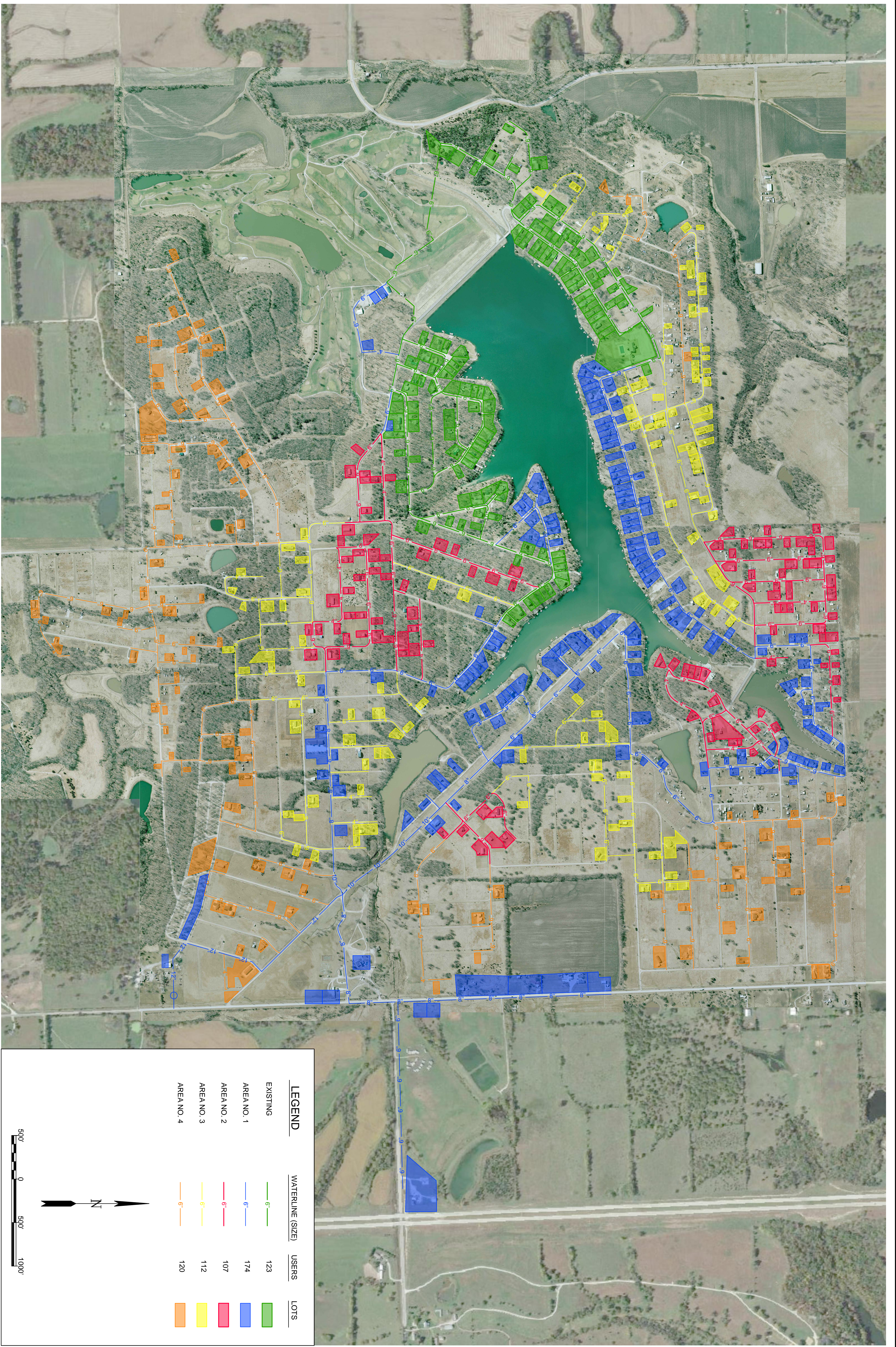
**A-Approximately 8-10 years, the City started in 2017 and current construction completion is 2025.**

**Table 1: Updated Funding Scenario**

	Meter Count Evaluation					
	KDHE Loan & CDBG Grant	USDA-RD Loan	USDA-RD Loan & 10% Grant	USDA-RD Loan & 20% Grant	USDA-RD Loan & 30% Grant	USDA-RD Loan & 45% Grant
Project Cost	\$ 18,817,786	\$ 18,817,786	\$ 18,817,786	\$ 18,817,786	\$ 18,817,786	\$ 18,817,786
Search Grant Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Existing Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Financing Required	\$ 18,817,786	\$ 18,817,786	\$ 18,817,786	\$ 18,817,786	\$ 18,817,786	\$ 18,817,786
SRF Loan Forgiveness	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
USDA Grant		\$ -	\$ 1,881,779	\$ 3,763,557	\$ 5,645,336	\$ 8,468,004
Loan Amount Financed	\$ 18,817,786	\$ 18,817,786	\$ 16,936,007	\$ 15,054,229	\$ 13,172,450	\$ 10,349,782
Annual Interest (%)	1.50	1.75	1.75	1.75	1.75	1.75
Terms of Loan	20	40	40	40	40	40
Term per Year	2.0	2.0	2.0	2.0	2.0	2.0
Terms	40.0	80.0	80.0	80.0	80.0	80.0
Loan Payment per Term	\$546,283.26	\$328,064.34	\$295,257.91	\$262,451.47	\$229,645.04	\$180,435.39
Annual Loan Payment	\$1,092,566.53	\$656,128.68	\$590,515.81	\$524,902.94	\$459,290.08	\$360,870.77
Water Purchase	\$85,000.00	\$85,000.00	\$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	\$103,000.00	\$103,000.00
Annual SLA	\$19,540.00	\$19,540.00	\$19,540.00	\$19,540.00	\$19,540.00	\$19,540.00
Total Annual Expenses	\$1,300,106.53	\$863,668.68	\$798,055.81	\$732,442.94	\$666,830.08	\$568,410.77
Number of Users	636	636	636	636	636	636
Minimum Avg. Monthly Fee	\$ 170.35	\$ 113.16	\$ 104.57	\$ 95.97	\$ 87.37	\$ 74.48

**Table 2: Original Funding Scenario**

	Meter Count Evaluation					
	KDHE Loan & CDBG Grant	USDA-RD Loan	USDA-RD Loan & 10% Grant	USDA-RD Loan & 20% Grant	USDA-RD Loan & 30% Grant	USDA-RD Loan & 45% Grant
Project Cost	\$ 15,904,458	\$ 15,904,458	\$ 15,904,458	\$ 15,904,458	\$ 15,904,458	\$ 15,904,458
Search Grant Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Existing Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Financing Required	\$ 15,904,458	\$ 15,904,458	\$ 15,904,458	\$ 15,904,458	\$ 15,904,458	\$ 15,904,458
SRF Loan Forgiveness	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
USDA Grant		\$ -	\$ 1,590,446	\$ 3,180,892	\$ 4,771,337	\$ 7,157,006
Loan Amount Financed	\$ 15,904,458	\$ 15,904,458	\$ 14,314,012	\$ 12,723,566	\$ 11,133,120	\$ 8,747,452
Annual Interest (%)	2.33	3.38	3.38	3.38	3.38	3.38
Terms of Loan	20	40	40	40	40	40
Term per Year	2.0	2.0	2.0	2.0	2.0	2.0
Terms	40.0	80.0	80.0	80.0	80.0	80.0
Loan Payment per Term	\$499,694.78	\$364,040.91	\$327,636.82	\$291,232.73	\$254,828.64	\$200,222.50
Annual Loan Payment	\$999,389.56	\$728,081.82	\$655,273.64	\$582,465.46	\$509,657.28	\$400,445.00
Water Purchase	\$85,000.00	\$85,000.00	\$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	\$103,000.00	\$103,000.00
Annual SLA	\$19,540.00	\$19,540.00	\$19,540.00	\$19,540.00	\$19,540.00	\$19,540.00
Total Annual Expenses	\$1,206,929.56	\$935,621.82	\$862,813.64	\$790,005.46	\$717,197.28	\$607,985.00
Number of Users	636	636	636	636	636	636
Minimum Avg. Monthly Fee	\$ 158.14	\$ 122.59	\$ 113.05	\$ 103.51	\$ 93.97	\$ 79.66



**LEGEND**

EXISTING	WATERLINE (SIZE)	USERS	LOTS
6"	6"	123	Green
6"	6"	174	Blue
6"	6"	107	Red
6"	6"	112	Yellow
6"	6"	120	Orange
12"	12"		Blue

500' 0 500' 1000'

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**WATER DISTRIBUTION IMPROVEMENTS  
LINN VALLEY, KANSAS**

**DISTRIBUTION ALTERNATIVE 4**

NO.	REVISIONS	DATE	INITIALS



Engineer: POC  
 Drafter: POC  
 Check: POC  
 Date: 5-17-2019  
 Project No. 17-1451L  
 Sht. No. XX  
 Total Shts. XX

## Target Schedule - Linn Valley Drinking Water Improvements

Month	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43			
Activity	October-21	November-21	December-21	January-22	February-22	March-22	April-22	May-22	June-22	July-22	August-22	September-22	October-22	November-22	December-22	January-23	February-23	March-23	April-23	May-23	June-23	July-23	August-23	September-23	October-23	November-23	December-23	January-24	February-24	March-24	April-24	May-24	June-24	July-24	August-24	September-24	October-24	November-24	December-24	January-25	February-25	March-25	April-25			
1	Notice to Proceed																																													
2	Topo Survey																																													
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