City of Linn Valley
22412 E. 2400 Road
Linn Valley, KS 66040
(913) 757-2926

Q-What is the Water Project for Linn Valley?

A-The Linn Valley Water Project is to provide access to 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 $7,000,000 in grants (City does not repay) and $10,200,000 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 as well as providing capacity for firefighting. Additionally, the project includes a new water source. It was found to be more cost effective to use a new source than existing sources.

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 structures on (R-2) multi-purpose and camping lots, and all full-time residents are required to connect. The full ordinance regarding connection is City Ordinance 245. Full-time residency is defined in City Ordinance 178.

Q-How much will the water meter cost?

A-The fee for a meter has not been set.

Q-How do I know if I am on the list of 636 meters referenced in the Preliminary Engineering Report (PER)?

A-There is a list referenced in the PER for planning as eligible for USDA funding. Funding from the USDA will be used to purchase meters and make it as affordable as possible to enable maximum usage. The goal is to exhaust the USDA funding for water meters for property owners. There is no published list.

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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 a 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 to use USDA funds to minimize the 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/Residents connecting to a metered system for the first time will need a new meter, USDA funds will be used to provide the meter or reduce the cost. Each Property Owner/Resident will be responsible for the cost to run the line between the meter and the house.

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

A-The transition if water customers to the city will be in late 2024 or early 2025. As more details are known, additional Townhalls will be conducted, and information shared on the City Website and Facebook page.

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.

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Q-Where will Linn Valley water come from?

A-LaCygne. Linn Valley signed 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.

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-How long will the overall project last?

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

Q-Will drinking water be available or sold outside of Linn Valley?

A-No. The drinking water will be available to service Linn Valley residents and property owners. The city will not be reselling water in accordance with the Water Purchase Agreement with LaCygne.

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

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

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 Fogiveness	$ -	$ -	$ -	$ -	$ -	$ -
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 Fogiveness	$ -	$ -	$ -	$ -	$ -	$ -
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

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Q-What is the Wastewater Project?

A- The Wastewater Project will install new and larger lagoons for the city, providing Linn Valley with a treatment facility sufficient for 20 years and expansion for an additional 20 years. The City's existing lagoons are undersized, lack capacity for our current population, and are in poor condition. All Linn Valley residents and property owners use these lagoons and will benefit from the expansion.

Q-What is the timeline for this project?

A-The design is in progress and the overall project estimated for completion in 2025 or early 2026.

Q-Has the city received funding for the project?

A-Yes. The total project cost is estimated at $7,800,000. The City received USDA funding with a 10% grant ($627,000) and 90% loan ($6,416,000) with the loan interest rate at 1.75%

Q-What is the estimated annual payment on the project?

A-The annual payment is estimated at $253,000 annually. In the best-case scenario, the project is complete by the end of 2025 and the first payment will be due in late 2026 or early 2027. There is approximately one year "grace" period.

Q-Is it possible to reduce the annual payment prior to the first payment?

A-Yes. The interest earned from the loan (loan was obtained at 1.75% and is earning 2.25% interest), leasing of the land prior to construction, money collected for the project payment through monthly bills (both low pressure system and hold & haul), and reduction of project costs. Additionally, new installations of wastewater pay an impact fee that will be used for this project.

Q-What are funding options and why did the city decide on a mil levy?

A-These are the options to repay the USDA loan:

User Fee-A monthly fee paid by all wastewater customers. Difficult to implement because over 50% of current water customers are on hold and haul. The city would have to hire additional personnel and implement new processes.

Assessment-An annual per lot assessment. Not viable as the community historically does not stay current, POA assessments as of Jun 2021 were at 48% compliance

Mil levy-A tax levy applied to real estate and collected by county. All property owners will contribute.

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Q-Are these the only funding options?

A-The City continues to research and listen to ideas for loan repayment plans that are feasible and legal. There have been suggestions of some plans that do not meet those qualifications.

Q-How much will this cost me when my taxes increase to pay for this project?

A-This information (below) is based on current information of total annual payment, 2022 mil levies, 2022 appraised value, and 2022 assessed value. All amounts are subject to change. A spreadsheet is posted on the city website and available for each resident or property owner to estimate their individual taxes. *Please note these numbers will change before first payment.

Appraised Value	Assessed Value	Estimated increase
$1,120	$134	$2.75 annual/.22 month
$9,210	$1,059	$22 annual/$1.81 month
$25,000	$2875	$59 annual/$4.92 month
$38,000	$4370	$90 annual/$7.48 month
$50,000	$5750	$118 annual/$9.84 month
$100,000	$11,500	$236 annual/$19.68 month
$150,000	$17,250	$354 annual/$29.52 month
$351,500	$40,423	$830 annual/$69.18 month
$500,000	$57,500	$1,181 annual/$98.40 month

Q-Does the mil levy apply to personal property such as boats, golf carts, etc.?

A-No, the mil levy will apply to real estate lots, homes, garages, sheds, etc.

Q-If lagoons are undersized and in poor condition why did the city lift the building moratorium?

A-The state official Jason Solomon from the Kansas Rural Water Association inspected the lagoons in April 2023. With the project timeline, Mr. Solomon is confident the city lagoons will support short-term growth until completion of the new lagoons.

Q-Why the immediate need for lagoon construction?

A-Growth. Our aging system was not designed for the rapid increase of population and full-time residency. The need for action today is simple. The lagoons are full. The city runs the risk of the state requiring action because of potential wastewater leaking and overflowing the current lagoons.

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Q-When did the state inform the city of the issue?

A-The earliest notification from the state was in January of 2006. At the request of a councilman, the State of Kansas evaluated the lagoon system and distributed a letter to the city and to the POA that the lagoon was at 2/3 of capacity of waste per day. Additionally, the state predicted rapid growth due to Highway 69 changing to a four lane and recommended hiring an engineer for a long-term wastewater solution. See letter dated January 23, 2006

Q-How many alternatives were considered for increasing the capacity for wastewater?

Alternative	Description	Notes
1	Expand existing lagoon	Ruled out during PER because does not meet the continuing growth of community
2	Discharging lagoon	Difficult to obtain permit from KDHE, also potential of wastewater into Linn Valley's lakes
3	Discharging lagoon with wetlands	Requires land purchase
4	Mechanical Wastewater Treatment Plant	Most costly alternative

A-There are four alternatives in the PER. Alternative three was selected because it had the most non-monetary considerations. First it meets the long-term planning for population growth, is not subject to regulatory change, will not require a permit, has less pollutant load in the lake, and is easy to operate.

Four non-monetary benefits were considered for Treatment Alternatives. The following table shows the considered non-monetary benefit and the applicability to each alternative.

Table 5: Treatment Alternative Non-Monetary Benefits.

Non-monetary Considerations	Alternative			
	1	2	3	4
Does not Require Property Purchase	X			X
Meets Long Term Planning Goals		X	X	X
Less Pollutant Load in Lake			X	
Is Simple to Operate	X	X	X	

Alternative 3 has the greatest non-monetary benefit. Alternative 1 is not feasible because it does not meet the City's long term goals and continuously discharges sewage. Alternative 2 is not feasible because it continuously discharges sewage. Alternative 4 is feasible but will have a higher pollutant loading into the lake since it is continuously discharging.

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Q-When did the council decide to take action to solve the capacity issue of existing lagoons?

A-In 2019, the Council requested a state evaluation of the condition of the lagoons. Based on their findings the Council hired BG Consultants to conduct a Preliminary Engineering Report (PER) which was completed September 2020. The PER was presented at a Townhall and posted on the city's website in November 2020.

Q-What if the city stopped providing access to the POA hold & haul dumping?

A-The city has received the suggestion to stop allowing the POA to dump into the lagoons. For numerous reasons that is not a viable option. First, it is the city's responsibility to provide infrastructure for the entire community, not just the property owners/residents on the low-pressure grinder pump system. Secondly, the cost for hold & haul customers would likely range between $300-$600 a month with an outside vendor. Prices for a hold & haul in the county range from $150-$300 for 1,000 gallons. That is more costly than an increase in taxes for the project.

Q-Can the city dredge the lagoons?

A-Yes. The lagoons were dredged in July 2021 for additional capacity. Continuous dredging deteriorates the lagoon lining and is only for short term mitigation.

Q-Will the lagoons be used by outside people or contractors?

A-No. The new lagoon system will only be for Linn Valley Residents and Property Owners.

Q-Does the city own property for the Wastewater Project?

A-The city purchased 139 acres of land north of the existing lagoons. In the revised estimate in Sept 2022 BG Consultant the lagoons will require 114 acres.

Q-Why did the city buy more land than the project required?

A-The owner was unwilling to separate the land into a smaller parcel. The city will be developing plans on how to maximize the additional land on behalf of the community

Q-Does the city have a financial consultant as suggested in the PER?

A-Yes, the city hired a financial consultant - McLiney and Company. Joey McLiney provides advice and services with options to finance the project, issuing general obligation bonds, and repayment of the USDA loan.

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Linn Valley Infrastructure Projects

Information	Water	Wastewater
Purpose	The Water Project for Linn Valley 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.	The Wastewater Project for Linn Valley is to install new and larger lagoons due to lack of size and capacity in addition to the poor condition. All Linn Valley residents and property owners use these lagoons.
Project Cost	$17.5M	$7.8M
USDA Grant received	$7.3M	$627K
USDA Loan received	$10.2M at 1.75% interest	$7.2M at 1.75% interest
USDA Repayment by City	User fees-the loan payment to USDA will be paid through monthly user fees.	Mil Levy-the loan payment to USDA will be paid with an increase in the city mil levy.
User Estimated cost	*Average* monthly cost is $74.48 per user, see updated funding scenario for additional information http://www.linnvalleyks.com/wp-content/uploads/2021/11/Water-Project-Town-Hall-11-06-2021-1.pdf	Is based on property value, use the spreadsheet on city website to estimate individual cost. Some examples from 2022 taxes. Appraised value / Assessed Value / Tax estimate Annual/month $50,000 / $5750 / $118/$9.84 $100,000 / $11,500 / $236 /$19.68 $150,000 / $17,250 / $354/$29.52
Additional cost	Property owner responsible for the water line from meter to house if there is not an existing line	None
Project timeline	The PER was initiated in 2016. Estimated completion is 2025.	The PER was initiated in 2019. Estimated completion is 2025.
Ask a question	http://www.linnvalleyks.com/ask-the-city/	http://www.linnvalleyks.com/ask-the-city/
Project Information	http://www.linnvalleyks.com/water-project/	http://www.linnvalleyks.com/wastewater-project/

Please note the user cost are estimates based on information as of 10/14/2023.