



MOUND COMPASS

A Quarterly Publication from the City of Mound

A Message from the Mayor



Water is one of the most essential services that cities provide. This special Water Edition of the Mound Compass is dedicated to helping our residents understand where we are, how we got here, and the

important decisions ahead regarding our water infrastructure.

In early 2021, the City Council was advised that routine testing conducted by the City of Mound and the Minnesota Department of Health showed that our drinking water testing showed elevated levels of manganese above the recommended advisory guidelines. Manganese is naturally occurring in Minnesota's soil and water, and while our bodies need small amounts, too much can be harmful—especially for infants. We also know many residents experience nuisance issues from high iron levels, including rust colored water at times. These challenges are not unique to Mound, but they do require long-term solutions.

The City Council and I have aggressively pursued state and federal funding to reduce the financial burden on residents. To date, we've secured \$12.3 million in external funding. These dollars have allowed us to begin critical infrastructure work without raising taxes or utility fees to pay for it.

For the past two years, we've undertaken those critical infrastructure projects during the construction season. Thank you for your understanding as we know the road construction has been frustrating, but is essential as water mains are located under the roads.

After years of advocacy, rising construction costs, and an unsuccessful attempt to secure additional state bonding dollars this year, the Council is now evaluating the most reliable path forward: funding the water treatment plant through water rates and franchise fees. While no one welcomes higher

utility bills, the reality is that untreated water already costs residents money—through bottled water, filtration and softening systems, appliance damage, and more.

The total water treatment project is estimated at \$42 million, including the already funded \$12 million infrastructure work. The remaining \$30 million for the plant would be covered by a Public Facilities Authority loan and grant. If the Council moves forward, the average household would see an additional \$2-3 per month on their water bill beyond the already necessary rate adjustments to eliminate long standing deficits in the water, sewer, and storm water funds.

The Council will move forward with a final decision on the water treatment plant this fall. Key Council dates are located within this newsletter and we encourage you to keep track of information and updates on the website and social media.

This is a generational investment one that will shape the future of water in Mound for decades. We have the opportunity to deliver clean, reliable water directly from the tap, protect our infrastructure, and dramatically improve Mound's water quality.

Together, we can ensure that everyone in our community continues to thrive with safe, high-quality drinking water.

Thank you for taking the time to read this special edition and for your continued support as we ensure that Mound remains a safe and attractive place to live, work, retire and raise a family.

– Mayor Jason Holt



Mayor Holt testifies at the Minnesota Legislature

Manganese and Water Quality in Mound

The City of Mound and the Minnesota Department of Health (MDH) routinely conduct water analysis testing to monitor water quality.

Recent testing indicated the City's drinking water supply complies with the Safe Drinking Water Act's primary drinking water standards.

However, the testing indicated elevated levels of manganese greater than the MDH recommended health advisory guideline levels.

Manganese occurs naturally in rocks and soil across Minnesota and is often found in Minnesota ground and surface water. Your body needs some manganese to stay healthy, but too much can be harmful.

For most communities, manganese is removed when groundwater is treated through a city's water treatment plant. Because Mound does not have a water treatment plant, water is fed from the groundwater source after receiving minimal treatment such as adding fluoride and other chemicals to make water safe to drink.

The best way to address this contaminant is through the construction of a water treatment plant which pulls water from the ground and removes contaminants before water is piped to residents and businesses.

You can learn more about steps you can take to address manganese at home by scanning this QR Code.



Why do some of my home fixtures have stains?



Water in Mound is high in iron and other minerals. High levels of iron can be a visual nuisance causing rust-colored laundry and clogged plumbing in your home pipes and appliances.

A water treatment plant addresses this issue by removing excess minerals like iron from the water before it enters your home's plumbing. Removing iron from water before it is distributed through the City's water main also helps extend the longevity of the City's infrastructure.

Securing External Funding for a Water Treatment Plant

Since 2023, the City Council has actively engaged with State and Federal legislators advocate for Mound's water treatment plant needs. To date the City has received \$12.3M from the following sources:

- \$10.3M from the State legislature in 2023
- \$959,752 from Congressionally Directed Spending from the Federal Government in 2024
- \$1,092,000 from the Commerce, Justice, Science; Energy and Water Development; and Interior and Environment Appropriations Act, 2026 (H.R. 6938)

In 2026, the City Council advocated for \$15M in State Bonding Bill dollars but was ultimately unsuccessful despite their hard work reaching out to legislators across the state.

Given escalating capital costs, the Council has decided that exploring funding the plant through water rates is the best solution to ensure that Mound has high-quality drinking water sooner rather than later.



Preliminary Rendering of the Water Treatment Plant

Readying Mound for a Water Treatment Plant



Construction season in Mound began with the 2026 Water Treatment Infrastructure Phase II project. This \$12 million dollar infrastructure project readies the City's water main and site area for

the construction of a water treatment plant. This project includes the replacement and up sizing of water transmission mains from the tower on Evergreen Road, heading east to Bartlett Boulevard and on of CSAH 110 up to Old Shoreline Drive. Funding for this project comes from previously secured state and federal Funds.

The project is scheduled to continue through the end of summer 2026 and is a key part ensuring Mound is ready for a water treatment plant.

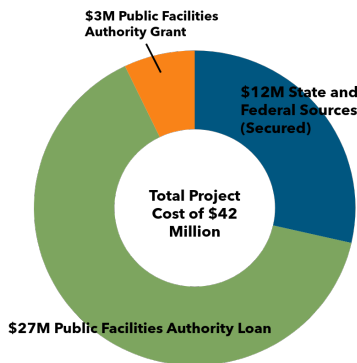
What Does a Water Treatment Plant Cost Water Users?

Construction of a water treatment facility would be the largest capital project the City of Mound has undertaken, and it stretches across the whole community. Careful and thoughtful design work has been completed to deliver this important project while also taking fiscal impacts into consideration.

The City Council and staff have worked to ensure that construction of the plant has as minimal of an impact as possible on water users and taxpayers. This has included applying for grants, lobbying to the legislature and working hard on reviewing many funding scenarios.

For many Mound water users, there is a daily cost to not treating the water. This includes the cost for water softening systems, purchasing bottled or filtered water, and costs from iron damage to appliances, clothes and more.

The cost to construct a water treatment plant is estimated at a total cost of \$42 million dollars. This includes the \$12 million dollar infrastructure preparation project being done this year, which is already fully funded. The remaining \$30 million will be paid for through a \$27 million loan from the Public Facilities Authority (PFA) and a \$3 million dollar grant from the PFA.



To pay the loan back, utility bills will increase annually from now until 2030.

All water users, not just Mound property taxpayers, will pay for the water treatment plant as tax-exempt

properties like churches, schools and non-profits still utilize Mound water.

Medium volume (14,000 gallon) water users can expect to see a \$7.75 dollar increase in their monthly water bill in 2027 regardless of if the City chooses to build a water treatment plant, due to a current deficit in the water fund.

Construction of a water treatment plant would cost approximately an additional \$2.08 per month. This cost is cheaper than the cost of a case of water or one bag of salt for a softening system - ultimately saving residents in the long run, while providing clean drinking water straight from your faucet.

The City Council will review and discuss these costs in October when setting the 2027 utility rates.

Why do my utility rates keep rising?

The City Council voted to freeze water, sewer and storm water rates from 2018 through 2022. Without increases in rates, these five years of artificially low rates created deficits in each of these funds. The water fund grew to a \$5.3 million deficit as of July 31, 2024. The City also had deficits in the sewer and storm water funds.

Having cash on hand in these funds is important as it allows the City to cover the continuous operation, maintenance, and expansion of the water, sewer, and storm water systems.

In 2023 and 2024, the City Council began to address this problem through a 3% increase to rates. They also underwent a Utility Rate Study and Financial Management Plan with financial consultant Ehlers, to understand how the City could better manage its finances.

The result is small increases to utility bills over the next decade to ensure that these funds are out of a deficit by 2030.

Should the City choose to not build a water treatment plant, utility rates will still increase to address the consequences of past financial decisions and Mound's water will remain untreated.

Water Treatment Plant Decision Timeline

August 25: Presentation of the final design and the request to bid the project will be presented to the City Council. Bidding the project means the City will receive quotes from construction companies to build the project.

September: The City will receive bids for the project. State Statute requires that the City accept the lowest bid for the project should the Council choose to move forward with the project.

October 13: The City Council will receive the bids and vote on whether or not to accept a bid to build the plant.

October 27: Staff will present an updated Utility Rate Study which will determine utility rates based on if the City Council has chose to move forward with a water treatment plant.

December 8: The City Council will adopt a budget and final tax levy for 2027. This includes the formal adoption of utility rates.



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City Hall Hours

October - April

Monday - Friday

8:00 a.m. - 4:30 p.m.

May - September

Monday - Thursday

7:30 a.m. - 4:30 p.m.

Friday

7:30 a.m. - 11:30 a.m.



Contact Us

General Information

952-472-0600

Planning & Building

952-472-0601

Police Department

952-249-4700

After Hours Dispatch

952-548-5321

Emergency

911

Public Works

952-472-0601

After Hours Dispatch

952-258-5321



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