



Utility Funds Capital Planning and Budgeting

May 12, 2026

Agenda



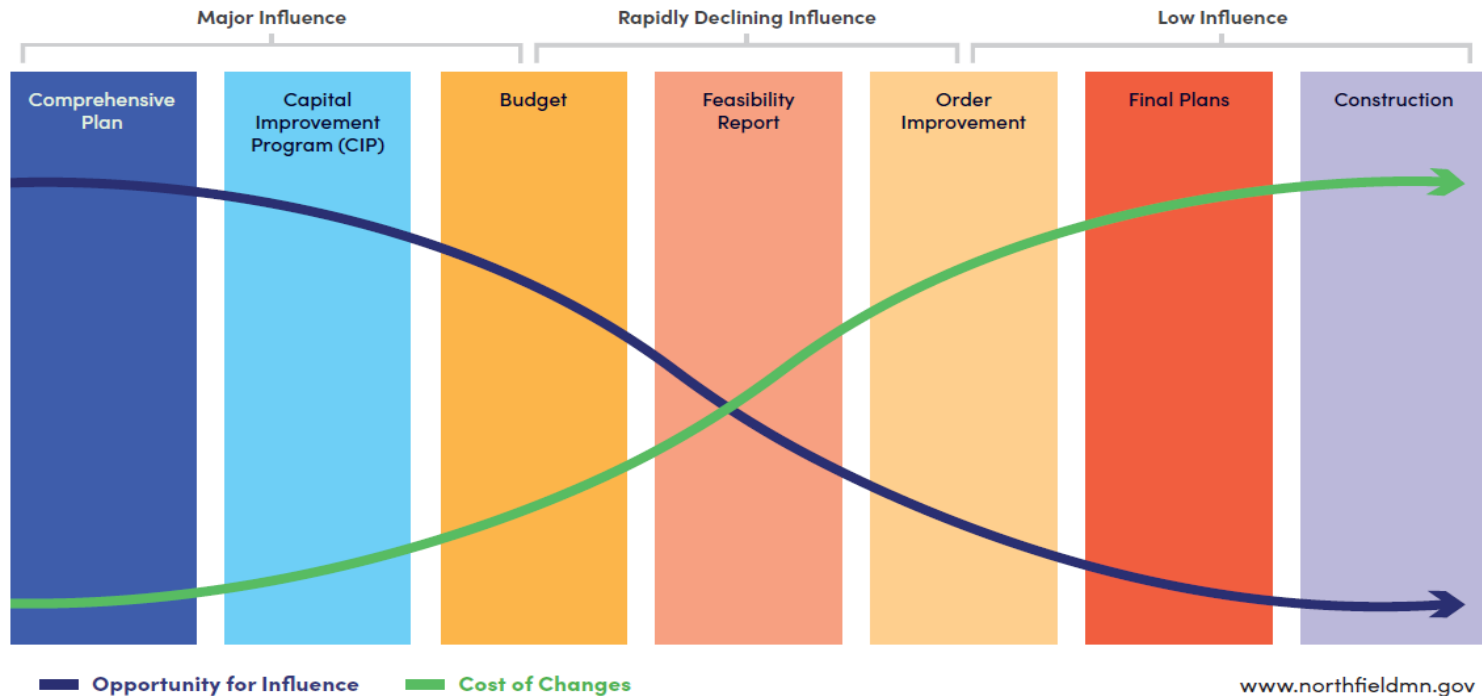
- Council Utility Policy Input on Budget/CIP
- Utility Funds Capital Planning
- Rate Study Recommendations
- Rates

Council Input



- Water Fund
 - Water Meters
 - Lead Service Lines
- Wastewater Fund
 - NW Area Trunk Sewer Final Design/Land Acquisition
- Storm Water Fund
 - Storm Water - Homes at Risk for Flooding
 - Design - Floodwall - West Riverwall Extension
- Garbage Fund
 - Compost Site- Emergency Exit (train blocking access)

Project Influence



Concept Rendering



Northwest Area Water Tower 2026-

 ENHANCED WATER
REDUNDANCY FOR NH+C

 SUPPORTS COMMUNITY
GROWTH

 BUILT FOR LONG-TERM
RELIABILITY

 SMART INVESTMENT IN
NORTHFIELD'S FUTURE



Meter Replacement



Items to consider for future years

- Gallons or cubic feet
- Leak detection options - resident monitoring/portal

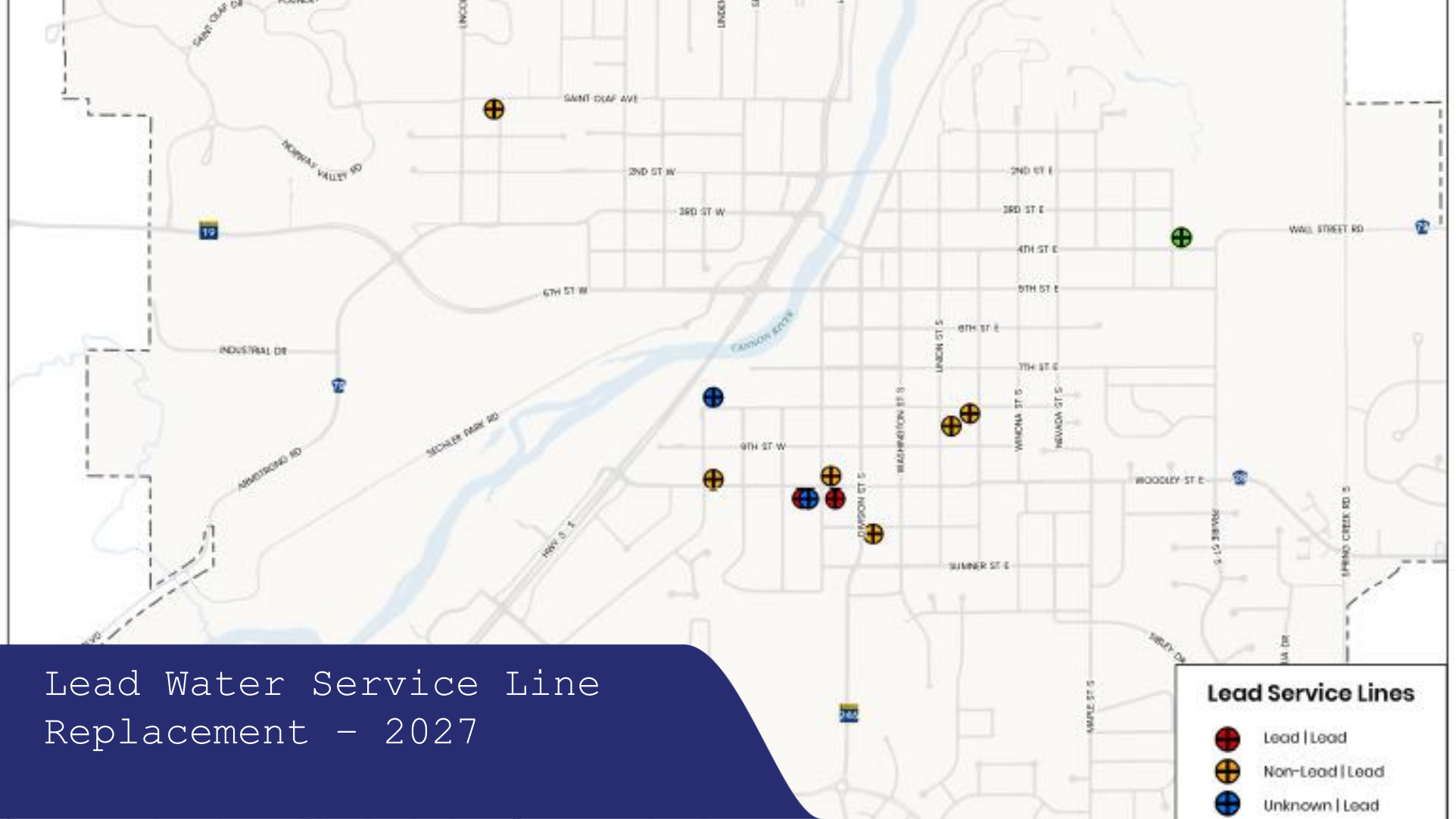


Part-Time Administrative Associate



- Part-Time Permanent Utilities Administrative Associate
 - Schedule water meter replacement appointments and maintain databases related to water meter replacement project
 - Communicate with public potential water leaks
 - Once have new water meters and collector system, we will have the ability to see leaks and communicate with residents. Currently, do not have staff capacity to proactively reach out to residents
 - Provide general utilities administrative functions
 - Currently provided by both Street and Parks Administrative

Lead Water Service Line Replacement - 2027



Lead Service Lines

- Lead | Lead
- Non-Lead | Lead
- Unknown | Lead

Lead Water Service Line Replacement – Policy Question



- Staff recommending replacement of all lead or galvanized (5 services) requiring replacement services not on TH 246 for 2027.
- Staff is determining if able to use excess funding from 2024 lead service line project for 2027 service replacement, if grant funding is not available, should staff pursue complete service line replacement at City cost? ~\$15,000 each service, \$75,000 – \$100,000 Project total

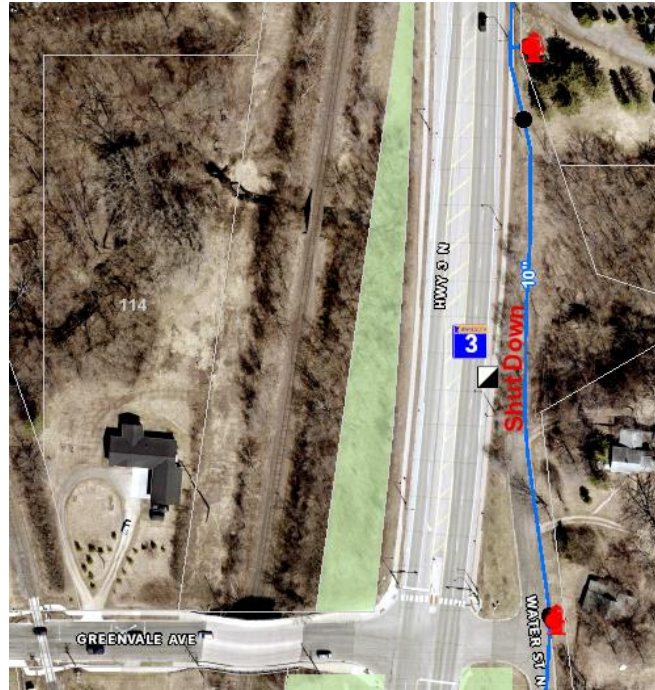
Well No. 03 Generator and MCC Replacement - 2027



Well No. 04 MCC & Generator Replacement - 2027



Highway 3 Watermain Repair/Replacement



2027 Sanitary Sewer Lining Project (Lincoln Parkway)



Northwest Area Trunk Sewer Extension



- 2026 30% Plans and Environmental Work Getting Complete
- 2027 Should project move into Final Design and then Land Acquisition.

Replacement of 2017 Ford F-150 2027



Skid Loader and Attachments 2027



Replacement of 2018 Ford F-250 and valve wrench



Replacement of 2017 Ford F-350 - 2027



Replacement of John Deere Mower – 2027

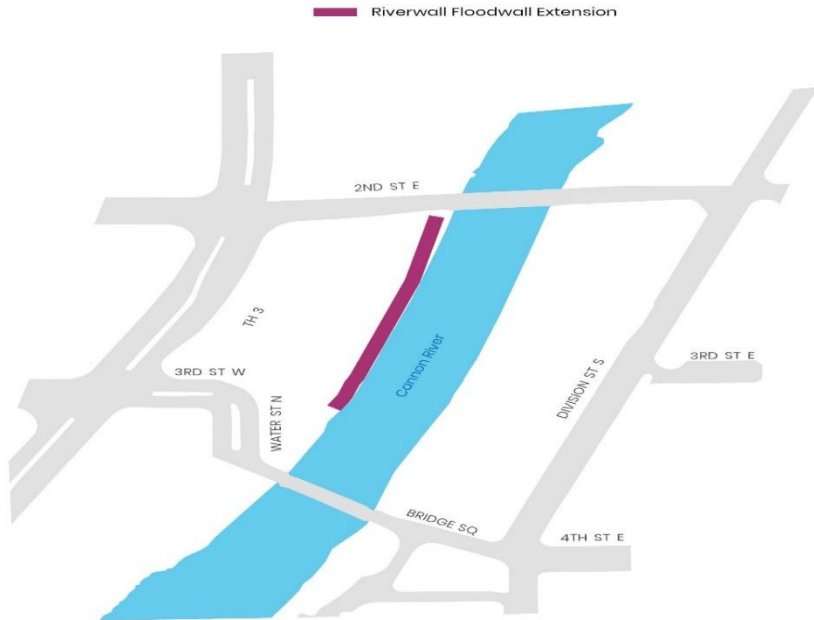


Replacement of 2018 Ford F-150 - 2028



CIP [Storm Projects]

West River Wall Floodwall Extension - 2027

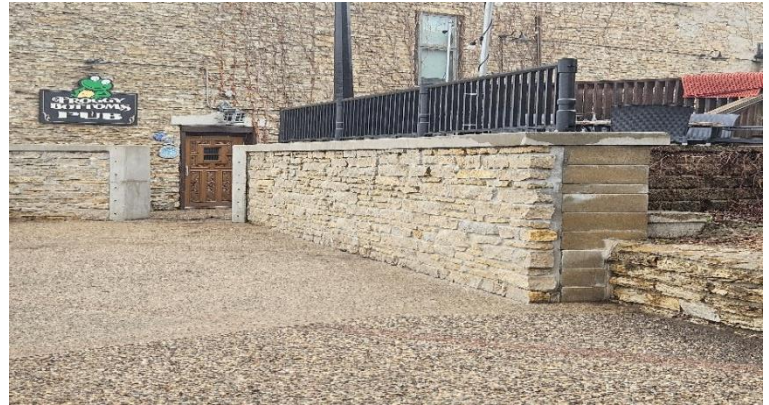


Project Area

- West Side River wall from Froggy Bottoms to the Second Street Bridge

Project Scope

- Interior River Wall Floodwall Extension



Note: City applied for Project Grant that in 2024 and 2026 and wasn't successful. Should City budget for

CIP [Storm Projects]

Flood Protection Project - 2028



City Council Direction - September 16, 2025

1. 1300 Parmeadow Drive

1. Does Council support pursuing a grant for acquisition and removal of the structure that is at-risk for flooding? - **Council Direction to pursue funding**

2. City will be pursuing grants, property appraisal ordered.

2. The other 4 properties (6 & 7 Lincoln Lane, 514 Sumner Street, 206 Plum Street)

1. This wouldn't be grant eligible, due to not in floodplain

2. City purchase and either modify, redevelop, or remove structure? - **Council direction to come back with additional options related to redevelop/different housing. Saff has reengaged with 3 of 4 property owners at this**

CIP [Storm Projects]

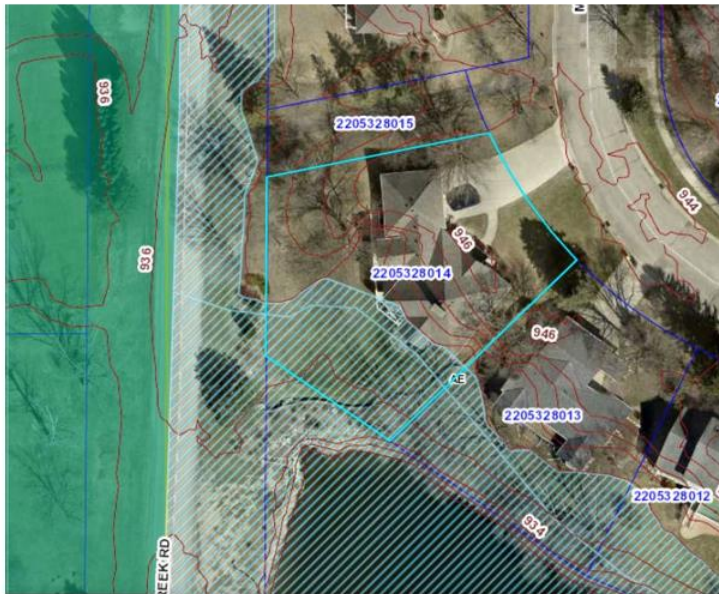
Flood Protection Project - 2028



Address	Cost	Improvement	Participation
7 Lincoln Lane	\$300,000	Walkout to Full Basement	Maybe willing to participate
6 Lincoln Lane	\$300,000	Walkout to Full Basement	Not willing to participate Property changed hands since initial meeting, maybe willing now
514 Sumner Street	\$217,500	Walkout to Lookout	Not willing to participate
206 Plum Street	\$217,500	Walkout to Lookout	Willing to participate initially/Waiting on reengagement meeting
1300 Parmeadow Drive	\$574,000 (Rice County EMV)	Acquisition	Willing to participate (Home Acquisition)
Total Cost	\$1,609,000		

CIP [Storm Projects]

Flood Protection Project - 2028
1300 Parmeadow Drive



- Issues/Restrictions
 - House intercepts FEMA AE flood zone
 - Water trapped by further flood berm extension
 - FEMA & MnDNR permitting required for any fill in floodplain or modification to the discharge



- Apply for grant to purchase property

CIP [Storm Projects]

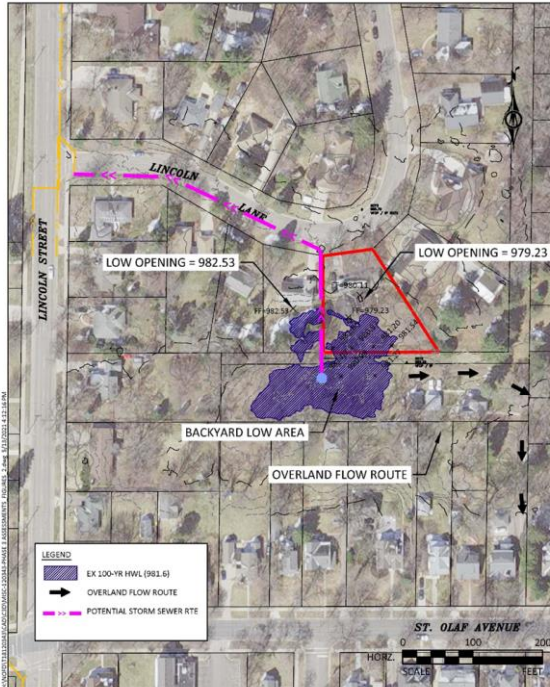
Flood Protection Project - 2028

7 Lincoln Lane



Neighborhood Drainage Assessments
Northfield, MN

FIGURE NFA-1: 6 & 7 LINCOLN LN
July 2020



- Recommended Improvement
 - Walkout to Full Basement Conversion
 - Increase freeboard by 4 feet
 - Estimated cost - \$300,000
- Future CIP Project
 - House Conversion Project



CIP [Storm Projects]

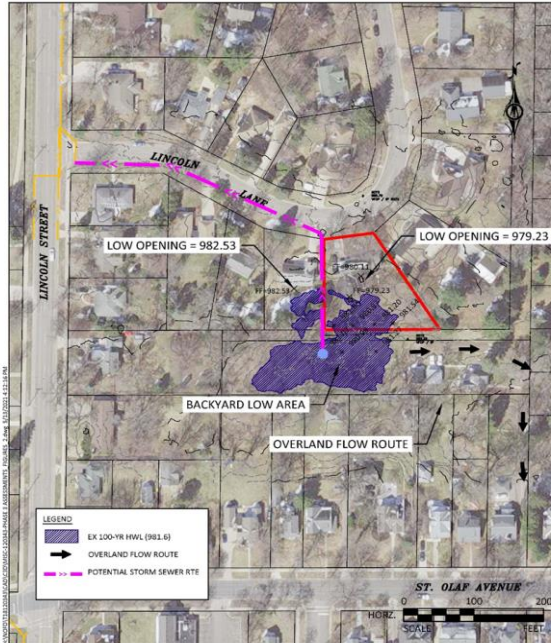
Flood Protection Project - 2028

6 Lincoln Lane



Neighborhood Drainage Assessments
Northfield, MN

FIGURE NFA-1: 6 & 7 LINCOLN LN
July 2020



- Recommended Improvement
 - Walkout to Full Basement Conversion
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 - Estimated cost - \$300,000
- Future CIP Project
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CIP [Storm Projects]

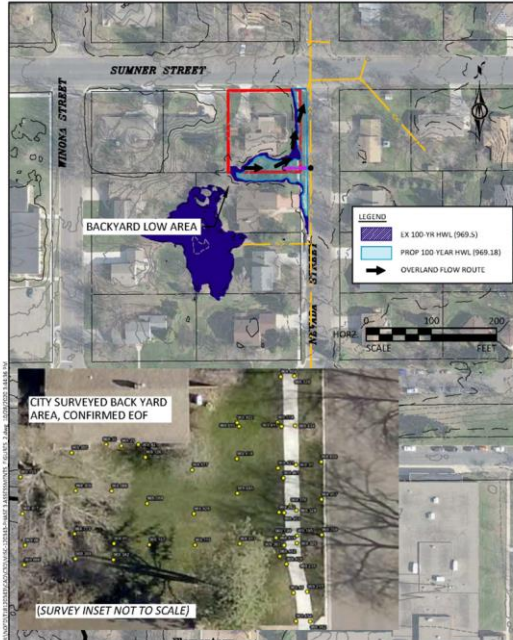
Flood Protection Project – 2028

514 Sumner Street



Neighborhood Drainage Assessments
Northfield, MN

FIGURE NFA-3: 514 SUMNER ST E
July 2020



- Recommended Improvement
 - Walkout to Lookout Conversion
 - Increase freeboard by 3.5 feet
 - Estimated cost – \$217,500
- Future CIP Project
 - House Conversion Project



CIP [Storm Projects]

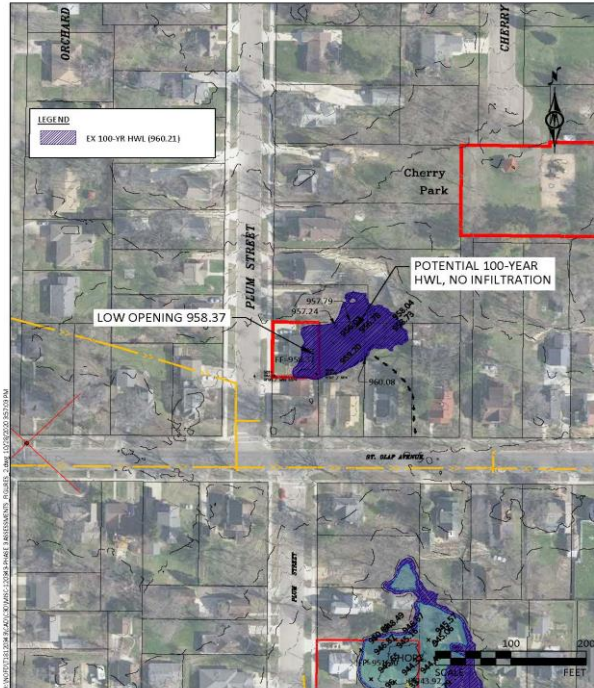
Flood Protection Project - 2028

206 Plum Street



206 Plum Street

Neighborhood Drainage Assessments **FIGURE NFA-14: 206 PLUM STREET**  ROLTOL & MENK
Northfield, MN July 2020



- Recommended Improvement
 - Walkout to Lookout Conversion
 - Grade property to keep water away from foundation
 - Increase freeboard by 3.5 feet
 - Estimated cost – \$217,500
- Future CIP Project
 - House Conversion Project

CIP [Storm Projects]

Hills #3, Cannon & Locust Pond Dredging -
2030



Project Area

- Hills of Spring Creek Pond #3
- Cannon Commercial Pond
- Locust Upper Pond
- Parmeadow Pond #1 Overflow Repair



CIP [Storm Projects]

Improving Surface Water Quality

2031 and beyond



Background

- Northfield authorized coverage by MPCA under MS4 General Permit
- Under this permit, the city received Wasteload Allocation (WLA) from the TMDLs prepared in Cannon River Watershed and Restoration Protection Strategies report
- Study intended to identify ways the City can further reduce storm water pollution and implement strategies to assist in meeting WLAs over next several decades
- Barr was hired to develop WLA Implementation Plan and adaptive tool to support future modeling scenarios and plan development

CIP [Storm Projects]

Improving Surface Water Quality
Northfield Wasteload Allocation (WLA)
2031 and beyond



WLA Implementation Plan

- Street sweeping—emphasizes pipesheds outside of downtown zone that currently lack stormwater treatment from structural BMPs - **Implemented**
- Street reclamation and overlay projects—implement structural BMPs in same pipesheds prioritized for street sweeping - **Implemented**
- Agricultural sources—credit structural BMPs implemented with future development - **Ongoing**
- Streambank and bed erosion—inventory and stabilize existing sources of erosion - **In process**
- Chemical treatment of Spring Creek flow—survey/verify existing TP load reduction; enhance TP load reduction with alum treatment (plant or aerial application) - **not explored yet**

CEP [Vehicle Replacement]

2017 Ford F150 Replacement - Stormwater



Replacement Vehicle

- Ford Maverick
 - All Wheel Drive
 - 2.5L Hybrid Engine



Garbage Fund Compost Site



Compost Site Emergency Exit

- Resident using the site can get trapped within the site when train blocks the driveway. This can be for extended periods of time due to railyard behind Post, and trains switching cars.
- 2024 Feasibility Memo prepared, 2024 approximate cost is \$800,000. The primary cost is for the box culvers to cross Heath Creek.
- Should this project move into design in 2027 and construction in 2028?

Rate Study Recommendations



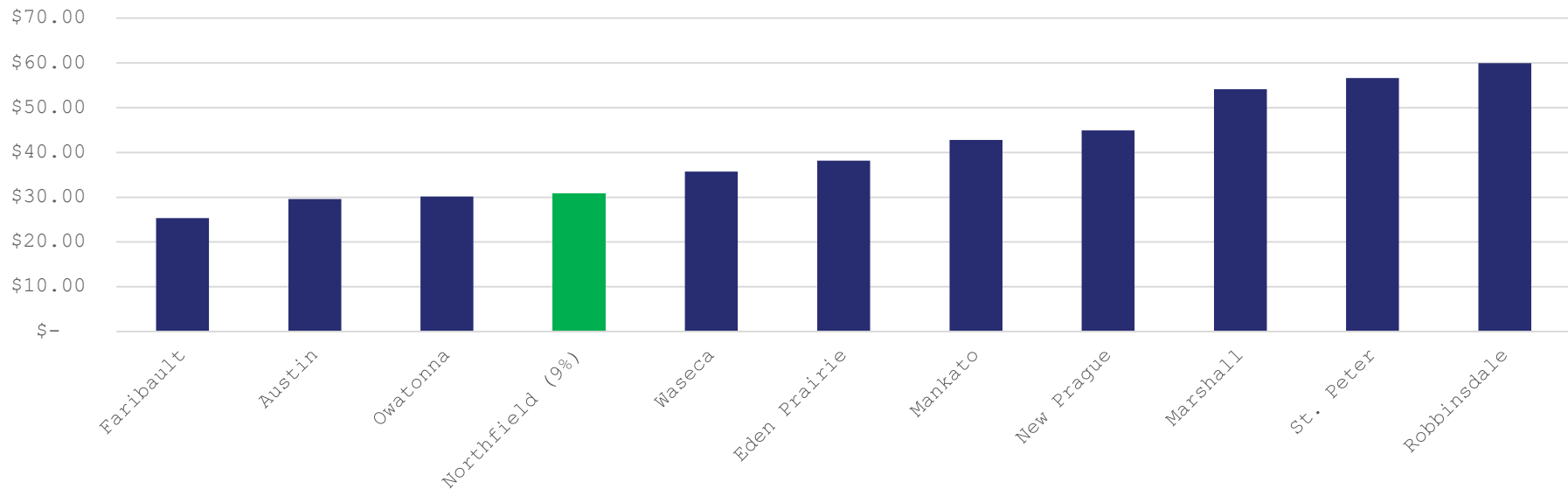
- 2025 Utility Rate Study Update
 - Projects Rates from 2026 - 2035
- Recommended Utility Rates 2027
 - Water - 9.0% through 2030
 - Wastewater - 3.0%
 - Stormwater - 5.0% through 2027, then 2%
 - Garbage - 6.5% through 2027, then 3%

Comparable Water Rates



Residential Water Rate Comparison

Projected 2027 Rates based on 589 cu. ft. consumption in month + 4%

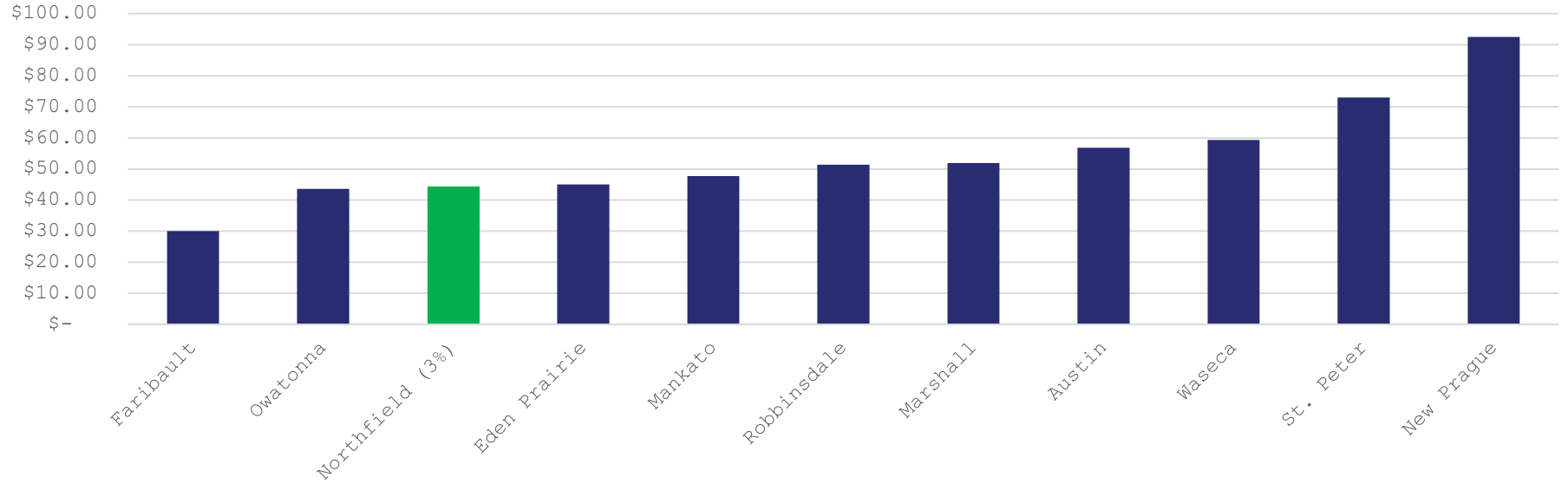


Comparable Wastewater Rates



Residential Wastewater Rate Comparison

Projected 2027 Rates based on 589 cu. ft. consumption in month + 4%

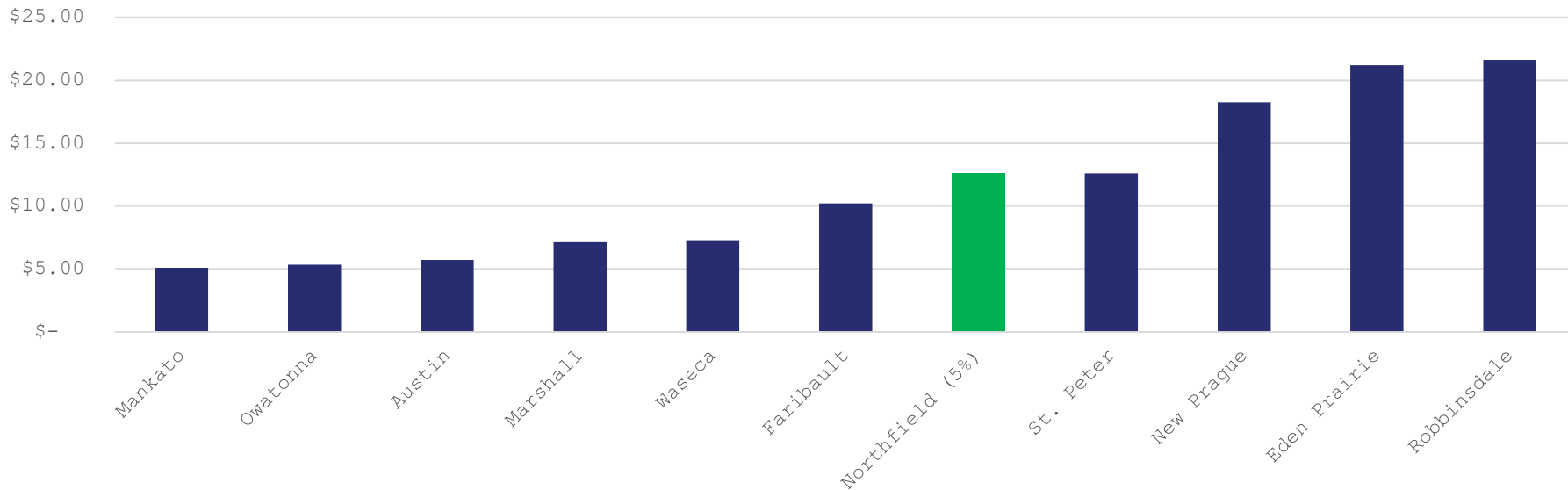


Comparable Stormwater Rates



Residential Stormwater Rate Comparison

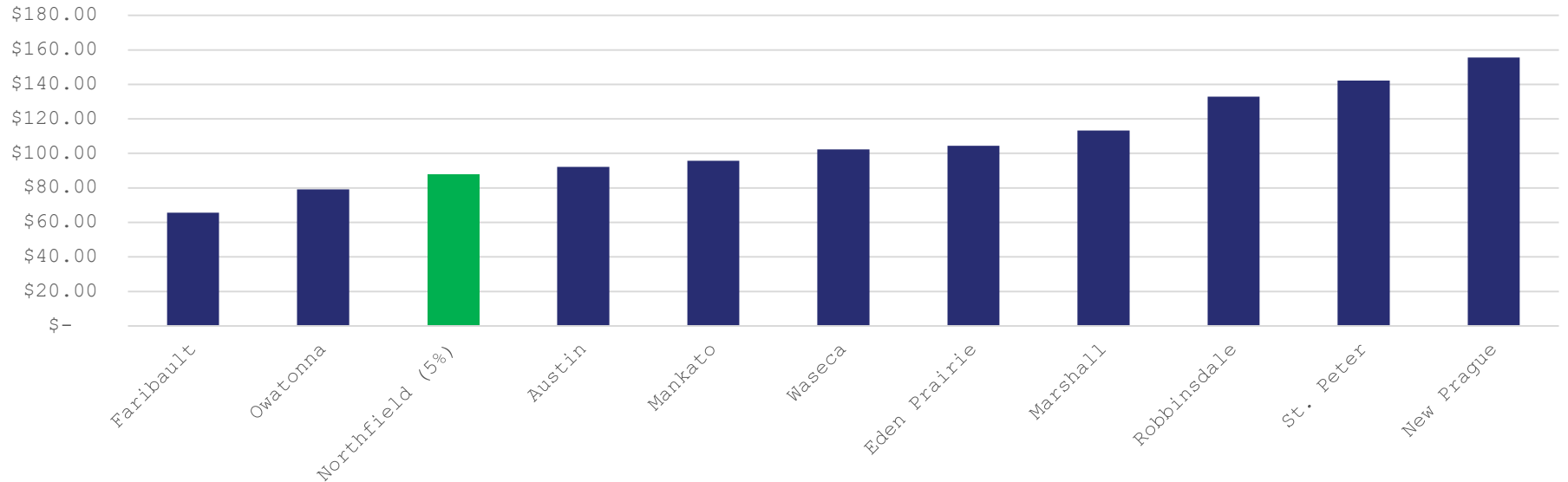
Projected 2027 Rates based on 589 cu. ft. consumption in month + 4%



Comparable Water, Wastewater & Stormwater Rates



Residential Water/Wastewater/Stormwater Rate Comparison
Projected 2027 Rates based on 589 cu. ft. consumption in month + 4%



Projected Residential Utility Bill based on Rate Study



Sample Bills - Residential								
Average Residential								
589 cubic feet								
0.33 acre lot								
	2025	2026	2027	2028	2029	2029	2029	2030
Water	\$ 25.97	\$ 28.31	\$ 30.85	\$ 33.63	\$ 36.66	\$ 39.96	\$ 41.16	\$ 41.16
Sewer	\$ 41.74	\$ 42.99	\$ 44.28	\$ 45.61	\$ 46.98	\$ 48.39	\$ 49.84	\$ 49.84
Garbage (35 gal)	\$ 12.55	\$ 13.30	\$ 13.77	\$ 14.25	\$ 14.75	\$ 15.27	\$ 15.80	\$ 15.80
Storm Water	\$ 11.41	\$ 11.98	\$ 12.58	\$ 12.83	\$ 13.09	\$ 13.35	\$ 13.62	\$ 13.62
	\$ 91.67	\$ 96.58	\$ 101.49	\$ 106.32	\$ 111.47	\$ 116.96	\$ 120.41	\$ 120.41

Council Discussion/Input



- Water Fund
 - Water Meters - Billing Unit (Currently Cubic Feet, could switch to Gallon)
 - Adding customer portal to meters to monitor for leaks
 - Lead Service Lines - 5 services - approximately \$100,000
- Wastewater Fund
 - NW Area Trunk Sewer Final Design/Land Acquisition
- Storm Water Fund
 - Storm Water - Homes at Risk for Flooding
 - Design - Floodwall - West Riverwall Extension
- Garbage Fund
 - Compost Site- Emergency Exit (train blocking access)

Council Discussion/Input



- Capital Improvement Plan projects questions/input
- Capital Equipment Plan questions/input
- Questions on proposed 2027 Rates

Next Steps



- Proposed adoption of Utility Rates September 22, 2026

Questions/Discussion