



SUPPORT S.F. 779/H.F. 490 Funding for ALASD Water Reclamation Facility (WRF)

Clean water is critical for the health of the communities & the natural environment in the Alexandria Lake Area. Improvements to **ALASD Water Reclamation Facility (WRF)** are needed to meet State of Minnesota permit requirements for nutrient reductions & protect water quality while protecting the regional economy to accommodate existing & continued growth.

Protect the sensitive waters of the Alexandria Lakes Area

OUR ASK

This \$85 million project will include advanced ultrafiltration technology to remove significant amounts of phosphorus and nitrogen, and to protect the Lake Winona-Agnes-Henry-Le Homme Dieu-Carlos chain of lakes and the Long Prairie River watershed. ALASD is requesting \$25 million, based on the total cost to upgrade WRF—which serves 3 cities and 8 townships. This \$25 million will fund Phase 1 of the overall project.

Environmental Protection

When nutrients such as phosphorus and nitrogen enter surface waters, it can lead to algae which is linked to fish kills and toxic algae blooms. The WRF upgrade will significantly reduce phosphorus and nitrogen to protect lake health and overall ecology.

Affordability Concerns

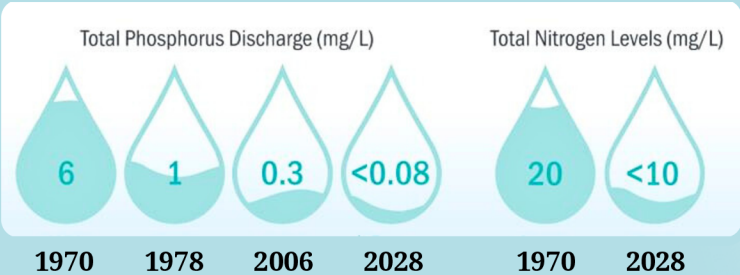
Estimated costs for this massive improvement project exceed \$85 million, with over half of this cost attributed to meeting stringent nutrient reduction requirements ALASD has increased user rates by 10-12% each year over the past four years, but additional funding is necessary to maintain affordability while meeting state standards.

Support Affordable & Multi-family Housing

Population growth in the Alexandria area has increased the need for more affordable and multi-family housing, which will require additional capacity in ALASD's infrastructure. ALASD serves a population of 28,000 that continues to grow and includes several environmental justice areas.

Regional Impacts

The advancements to the WRF will improve water quality, safeguarding the environment and supporting the regional economy. Protecting water quality preserves the region's property values while fostering growth for businesses, tourism, and industry.



Legislative support is essential to facilitate necessary infrastructure upgrades & protect the region's water resources for generations to come.

ALASD has been a state leader in reducing nutrients in Minnesota's waters. With this project, phosphorus and nitrogen will be among lowest in state.



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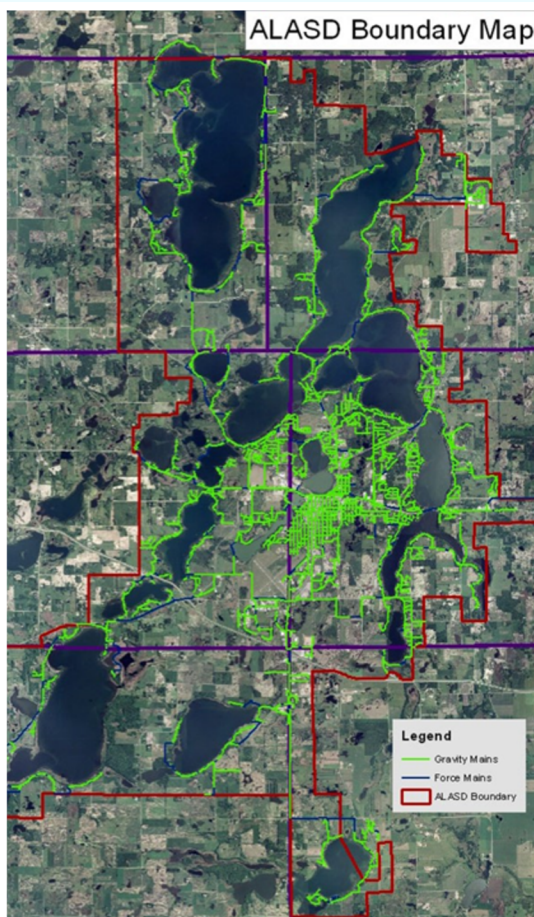
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PROJECT TIMELINE

- Facility Design is completed and submitted to the MPCA (February 2025).
- Phase 1 will include all pre-construction costs to date, and portions of the treatment process upgrades.
- Initial construction is scheduled to proceed in July of 2025.

FUNDING UPDATE

- \$25M will help to offset the overall debt service obligation of the SRF Loan (primary funding for the project).
- ALASD is anticipating placement on the 2026 IUP for Clean Water SRF Loan (currently in Category B-non-fundable-2025 IUP).
- ALASD anticipates funding through the Point Source Implementation Grant (PSIG); and Green Project Reserve (GRP) grant funding.
- Costs have escalated exponentially, \$85 million is a massive project for ALASD!
- Rate increases have averaged 10-12% over the last 4 years, anticipated increases of an additional 65% is required to keep pace with escalating costs.



ALASD provides collection system conveyance & treatment services

ALASD:

- City of Alexandria
- Alexandria Township
- Carlos Township
- Hudson Township
- Ida Township
- LaGrand Township
- Lake Mary Township

ALASD contract services:

- City of Nelson
- City of Forada
- Leaf Valley Township
- Miltona Township
- Carlos State Park
- Two state rest areas located along I-94

