

State funding makes water project a go

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ORONOCO -- The city of Oronoco has received \$2.8 million from the Minnesota Public Facilities Authority to finance the first phase of its municipal water system.

The funding, which came from the Drinking Water Revolving Fund, is a \$1.5 million loan at 1 percent interest over 20 years and \$1.3 million in principal forgiveness.

The city has no water and sewer system now. Some homes rely on individual wells and septic systems, and some share wells within subdivisions.

City clerk and treasurer Sandy Jessen said construction on the project started this week. Ellingson Drainage Inc. has been contracted to do the work with a goal of completing the work by Aug. 1.

The estimated cost of the project is \$2,818,496, which means the loan should cover most of the costs.

"The loan forgiveness should cut assessments in half," Jessen said.

Without the funding, assessments would have been \$6,216.43 per downtown parcel, but now the city is proposing an assessment of \$3,000 for properties downtown or adjacent to the trunk water main.

Parcels within the River Park, Cedar Woodlands 1-2 and Riverwood Hills 1-4 subdivisions will be assessed \$1,000 each.

Big Lake and Red Lake Falls, Minn., also received funds for drinking water and wastewater projects.

In a statement Thursday, Dan McElroy, chairman of the public facilities authority, said the three projects will further the state's efforts to improve water quality in Minnesota communities.

Of the \$20.6 million given to the three communities, \$7.2 million is stimulus funding from the American Recovery and Reinvestment Act.

The state has received \$107 million to help more than 40 communities improve wastewater, sanitary sewer and drinking water systems.

What happened: Oronoco has received \$2.8 million from the Minnesota Public Facilities Authority to fund the first phase of a municipal water system.

Why it matters: Because of the funding, property assessments for the project will be cut in half.

What's next: Construction began this week and should be done next August.