

# City Council Agenda Item Memo

**From:** Eric Witt, BMU W/WW & Engineering Manager

**Council Meeting:** May 7, 2024

**Subject:** Resolution 24-048: BMU Water System Upgrade Project – Additional ARPA Grant

**Presenter:** Eric Witt, BMU W/WW & Engineering Manager

## **Summary:**

This resolution will request additional American Recovery Plan Act (ARPA) grant funds for the Brookings Municipal Utility (BMU) water system upgrade project. The Utility Board has passed a similar resolution supporting this request. Requests to the State for additional ARPA grant fund consideration are due by May 24, 2024. BMU staff recommends approval.

## **Background:**

In April, 2022, the City of Brookings, by and through Brookings Municipal Utilities, was awarded a \$21,039,300 ARPA grant for the water system upgrade project. The project includes construction of a new Water Treatment Facility, Wellfield Expansion, and Water Distribution upgrades. Total project cost is budgeted at \$114.7M. State Revolving Fund (SRF) low-interest loan has been utilized for project financing.

In April, 2024, the South Dakota Department of Agriculture and Natural Resources Funding Program indicated un-spent ARPA funding has been appropriated. The City/BMU is eligible for up to an additional \$9,000,000 of ARPA funding since we have a previous ARPA grant and provide service to a regional area (including the consecutive water systems of City of Aurora, University Estates, and North Brookings Sanitary & Water District).

The Brookings Municipal Utility Board approved a similar resolution 14-24 supporting the request for additional ARPA funding at an April 30, 2024, meeting.

## **Item Details:**

The City of Brookings received a letter dated April 4, 2024, indicating the possibility of additional ARPA grant funding from the State of South Dakota. BMU requests the City Council approve the resolution to allow additional ARPA funds for the construction of the water plant.

## **Legal Consideration:**

The SD DANR Environmental Funding Program and First District Association of Local Government have reviewed and approved the resolution language. BMU Attorney Eric

Rasmussen has reviewed the BMU resolution. City Attorney Steve Britzman has reviewed the City Resolution.

**Financial Consideration:**

The additional grant funding will reduce the BMU Capital Improvement Plan (CIP) impact of the water system upgrade project. The impact to the water rate will not be determined until the next budget cycle.

**Options and Recommendation:**

The City Council has the following options:

1. Approve as presented
2. Amend
3. Deny
4. Move the item to a Study Session
5. Discuss / take no action / table

BMU Staff recommends approval.

**Supporting Documentation:**

City Resolution 24-048

BMU Resolution 14-24

City Letter of Support

SDDANR Funding Program letter 4/4/2024