## A \$41M Sheboygan drinking water project will raise water rates. Here's what to expect.

<u>Maya Hilty</u> Sheboygan Press



SHEBOYGAN - Construction will start this summer on a <u>Sheboygan Water Utility</u> project <u>several years in the works</u>: replacing one of the two intake pipelines that draw the city's water from Lake Michigan.

The approximately \$41 millionproject involves construction of a 6,500-foot water intake pipeline from Lake Michigan, a shore well to receive the lake water and a new pump station at 72 Park Ave., on the eastern edge of Vollrath Park.

Water rates are expected to increase by around 10% every few years to cover the debt incurred by the project, said Sheboygan Water Utility Superintendent Joe Trueblood.

The new pipeline will serve the area for about 100 years.

The Water Utility provides all of the water to the City of Sheboygan and sells water to Sheboygan Falls and Kohler.

## New project will prevent a crisis if century-old pipeline were to fail



The Sheboygan Water Utility operates two pipelines that draw water from Lake Michigan, including one installed more than a century ago, in 1909, and one installed about 60 years ago. These pipes draw water into a shore well built in 1887.

The oldest pipe and shore well still work, but have passed the typical 100-year service life of an intake system.

In addition, if one of the existing pipelines — which are 2.5 and 3 feet in diameter — were to fail, neither is alone large enough to meet the average daily demand of water. The new pipeline will be, Trueblood said.

The water treatment plant produces more than 15 million gallons of water per day on average and up to 27 million gallons of water per day in the summer, according to the Sheboygan Water Utility website.

The new pipeline, 5 feet in diameter, is designed to intake about 40 million gallons of water per day. That is the amount the <u>Wisconsin Public Service</u> <u>Commission</u> approved to meet 50-year demand of water in Sheboygan and outlying communities, Trueblood said.

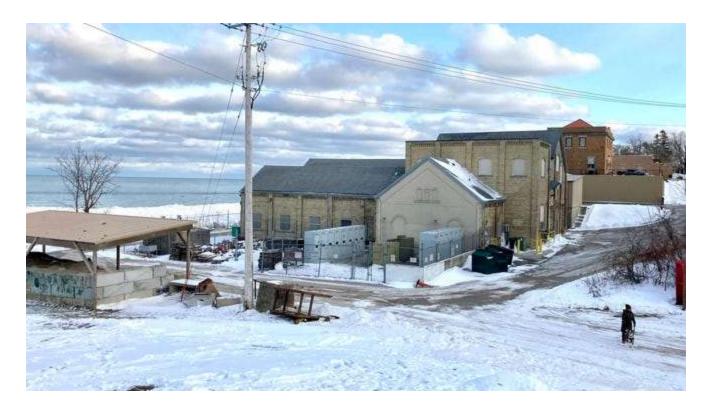
At more than three times the length of the existing 60-year-old pipeline, which will be kept in service as a backup, the new pipeline will also be less vulnerable to icing and river runoff events.

The oldest existing pipeline will be abandoned in place.

The old pump station will also be retired in a few years, Trueblood said.

The new pump station will be designed for high water levels because the current pump station motors are below historical high Lake Michigan water levels and at risk of flooding.

## Water rate increases will cover the debt incurred from about \$30 million in loans



CD Smith Construction, declared the lowest bidder for the project in January, estimated construction costs at a little more than \$41 million.

The Sheboygan Water Utility secured \$11.5 million in grant money that cover some of those expenses, Trueblood said.

The City of Sheboygan <u>allocated \$9.5 million of federal American Rescue Plan</u>
<u>Act funds</u> — a little less than half of the ARPA funds the city received — toward the project in October.

"They did that because our project benefits everybody in the community — anybody who uses water," Trueblood said.

<u>U.S. Sen. Tammy Baldwin</u> is also providing \$2 million of direct appropriations for the project after the Water Utility reached out to her office.

The remainder of costs, about \$30 million, will be funded by the <u>Wisconsin</u> <u>Department of Natural Resources Safe Drinking Water Loan Program</u>, which provides very low-interest, 30-year loans for public infrastructure drinking water projects.

The Water Utility will need about \$1 million per year of additional revenue to pay off the loan, Trueblood said.

That means water rates will need to increase every two to three years over the next several years because the Water Utility operates entirely off water revenues.

"We're trying to keep it at lower double-digit increases," he said. "Around 10% is our goal, so we would be looking at 10% increases every few years."

The construction itself should not impact residents much, he said.

The construction site is an isolated spot at the eastern edge of Vollrath Park, down by the lake. One disc golf hole will be removed, so the parks department is redesigning the disc golf course, Trueblood said.

There will still be access to Vollrath Bowl and the rest of the park.

Construction is expected to start in June and finish in fall 2024, according to the Water Utility website.