

**TO: MAYOR AND CITY COUNCIL**

**FROM: NEIL JENSEN, City Administrator**

**SUBJECT: American Rescue Act Stimulus Allocation and Water Tower Project**

**MEETING DATE: April 20, 2021**

### **BACKGROUND**

The City will receive approximately \$450,000 in stimulus dollars from the Federal Government in the next 2 years. Water and sewer projects are on the list of qualifying projects for use of the money. With this money it gives the City an opportunity to complete the water tower project next year (2022). There will be a bond for the water department that expires this year and will free up another \$372,000 in 2022. In total that will bring available \$822,000 to invest in the water tower and if there are dollars left over, we can look at the water reservoir on the hill which needs an upgrade also.

We will be bringing to council in the near future a quote to dive, clean and inspect the reservoir to get an idea of the cost to restore the concrete tank.

The Finance Committee reviewed the request to use the stimulus money on the tower project and reservoir if money is left over and they voted unanimously to move forward with the project.

If City Council approves of the project, staff will need to notify the occupants on the water tower so they have time to remove the equipment before the restore project begins.

### **STAFF RECOMMENDATION**

Because the stimulus money can be used on water and sewer projects, I believe this would be a great opportunity to complete a project that has been on the project list and unfunded for many years.

### **REQUESTED COUNCIL ACTION**

After discussion, please make a motion to approve the use of American Rescue Act stimulus money on the water tower project.