



**BOLTON
& MENK**

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MEMORANDUM

Date: February 11, 2026

To: Honorable Mayor Berghoff
Members of the City Council
City of Carlos

From: Jared Voge, City Engineer

Subject: Water Tower & LSL Project Priority List
City of Carlos
Project No.: 25X.137356.000

The Minnesota Public Facilities Authority (PFA) is accepting applications for the 2027 Project Priority List (PPL) until March 13, 2026. PFA works in conjunction with the Minnesota Department of Health (MDH) and the Minnesota Pollution Control Agency (MPCA) to offer low interest loans to finance water and wastewater improvements. PFA was utilized for the Water Treatment Facility and 2015 Street Improvements Projects.

In 2019, the City Council initiated discussions regarding the condition of the water tower and it's footings. At that time, quotes were obtained to repair the tower footings. Upon review of the quotes, council decided to forego the footing improvements and discussed the potential for a new water tower.

During 2024 and 2025, the city has been completing a lead service line (LSL) inventory. To date, 2 galvanized service lines have been discovered. Lead service line replacement funding is available for the removal of galvanized services.

The water tower replacement and lead service line replacement projects are candidates for financing and funding through the PFA. To start the funding process, PPL applications are required to be submitted so that they can be scored and ranked for potential funding and financing. If the applications score within the fundable range, as determined by PFA, they are eligible for funding and then the city can decide whether or not to move forward with the preparation of plans and specifications. The submission of a PPL request does not obligate the city to complete the projects associated with the request. Rather, a PPL request identifies whether the project can be financed or funded through PFA.

We recommend that should council desire to determine the funding eligibility for the water tower and LSL replacement projects, a motion authorizing staff to submit PPL applications for the water tower and LSL replacement projects be made and adopted.

If you have any questions, please call.

JV/kp