



CITY OF MUSCATINE PRESS RELEASE

215 Sycamore, Muscatine, Iowa 52761 • 563.264.1550

FOR IMMEDIATE RELEASE

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IMPROVING OUR ENVIRONMENT ONE SEWER AT A TIME

Local Option Sales Tax and separating the sewer system in Muscatine

MUSCATINE, Iowa – With the completion of Phase III of the West Hill Sewer Separation Project, 34 percent of the project stands complete and \$14.2 million spent over the first nine years. Two-thirds of the project has yet to be completed with the Environmental Protection Agency (EPA) consent order deadline of 2028 still in the distance. The \$14.2 million already spent is a shadow of the estimated \$32.1 million it will take to complete the final three phases.

So why has the city's tax rate and resident's sewer rate remained unchanged?

You can thank yourselves for that.

Beginning with the May 1994 referendum approved by the citizens of Muscatine, a one percent local option sales tax (LOST) has been used to pay for the sewer separation projects (there have been 32 projects that have been paid for through this tax). LOST was extended in August 1998 and again in 2004 for five years each with a 10-year extension passing in 2008.

With the current LOST ending on June 30, 2019, the City of Muscatine is asking voters to renew LOST for a 15-year term. The money generated from this extension will be used to fund project costs and debt service for the project which means that the city's tax rate will NOT be impacted by the project nor will the city's sewer rate.

Voters will go to the polls on Tuesday, March 6, 2018, to vote on the referendum.

For more information, contact: Kevin Jenison, Communication Manager,
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The local option sales tax is money collected through the buying power of Muscatine residents and visitors alike. Whenever certain products are purchased or a service used, the one percent tax on the cost of that sale is placed into the Muscatine County LOST fund from which it is distributed to the municipalities in the county that approved LOST based on a formula derived from tax levies and population. The City of Muscatine currently receives 50.57 percent of the fund on an annual basis.

“Separation projects were going on long before the use of local option sales tax was approved the first time,” Karmen Heim, senior environmental engineer with Stanley Consultants, said.

In fact, work to eliminate combined sewer overflows (CSOs) in the East Hill and West Hill areas of Muscatine have been underway since 1969. Most of the early work centered on the East Hill north of Mad Creek up to Clay Street.

“We had a lot of CSOs in town, at least 25, before I began working for the city,” Matt Chandler, sewer collection and drainage supervisor at the Department of Public Works, said. “When I first started we were down to a half dozen and now we are down to one.”

Since LOST was implemented, 32 projects have been funded in total or in part by LOST funds. Some of the major projects include Upper Orange/Oak Streets Sewer Separation (\$3.1 million), Southend Sewer Extension Phase 1 (\$3.6 million) and Phase 2 (\$4.9 million), Central Business District Sewer (\$2.5 million), Mad Creek Area (Oak Street) Sewer (\$3.5 million) and the Hershey Avenue Sewer Separation (\$8.4 million). Another \$9.3 million was spent on 25 smaller projects.

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All these projects and the \$14.2 million spent so far on West Hill have been paid for without having to borrow funds and incur interest; thus saving taxpayer money for other projects and keeping the sewer projects from influencing the tax and sewer rates.

The West Hill Sewer Separation Project is the largest and most expensive of the separation projects undertaken by the city and the last one to be completed as mandated by the EPA Consent Order signed by the City in 2007. That order established a 2028 deadline to complete the separations.

The EPA Consent Order was focused on the completion of the Hershey Avenue Sewer Separation and the West Hill Sewer Separation projects. More would have been mandated if it wasn't for the foresight of city leaders who had already been addressing CSOs. The last major project completed that was not in the Consent Order was the Mad Creek/Oak Street Sewer Separation project that was completed in 2009. The Hershey project that involved sewer separation and overflow at the Hershey Lift Station was completed during the 2011-2012 fiscal year.

A comprehensive long range plan to separate sewers in the West Hill Area tributary to the Papoose Creek outfall was completed by Stanley Consultants in 2010. The original four phase plan has now become six phases.

Phase IV was approved by the Muscatine City Council on February 15 with the contract awarded in April and work tentatively set to begin in May. The estimated \$2.1 million Phase 4A work will be done in 2018 and centered on 7th Street from Cedar to Locust.

While citizens cannot see underneath the surface of the streets, they can see the surface improvements including curb-to-curb replacement of the street and some sidewalks. This was a

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major benefit worked into the project and allows improving infrastructure without using Pavement Management Program funds or affecting sewer rates or the city tax rate.

“We have not had any issues with the sanitary sewer since we started using plastic pipe during the Sunset Park project,” Chandler said. “The old clay pipe worked well with most of the problems involving the joints where the city’s main line attached for individual services.”

LOST has provided several benefits in relation to the sewer separation projects. One benefit is that the City of Muscatine is meeting their goal of ending CSOs by upgrading the system with new sanitary sewer pipe while using the old pipe for storm water runoff. Another is that the city’s infrastructure is being improved and that helps drivers and pedestrians alike. The biggest benefit is, however, this is being done WITHOUT increasing the tax rate or sewer fees.

For more information, visit the City of Muscatine web site at www.muscatineiowa.gov or click [HERE](#) to go to the Local Option Sales Tax page.

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