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May 4, 2023

Co-Chair Senator Girod, Co-Chair Representative Holvey, and members of the Joint Subcommittee on Capital Construction

The City of Harrisburg would like to express our strong support for **HB 5030**, for Lottery Bond Authorization.

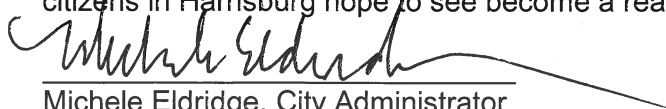
The City of Harrisburg has provided 3 different Capital Funding Requests to the Legislative Fiscal Office in 2023. The highest Capital Funding priority for the City is to obtain the funding needed to complete our Water Bond Project. This is a shovel-ready project, that has been out to bid twice in the last 3 years.

Harrisburg voters approved a \$7.5M bond in 2017. As of fall 2021, 40% to 45% of the project was estimated as complete, including almost 10,000 linear feet of water line that has already been replaced, plus \$1M in parts for the filtration plants in storage. \$5.3M in funds sit in our reserve accounts waiting to be spent. Project engineering and design work, for two water filtration plants, and 2 stainless steel reservoirs, which took 2 years to produce, is completed. After 2 bids (2021 & 2022), on the reservoirs & filtration plants, the project is now estimated as \$4.255M over our remaining bond funds already waiting in the bank. This project improves and repairs major aesthetic issues with the water system, replaces non-seismic equipped reservoirs, adds water treatment plants, and replaces more water lines. These projects are all crucial and inter-related to the overall requirements to fix the aesthetic quality of the water.

Our bids were estimated on current project dollars, within 3 months of our first bid, based on a nearby city with a similar size project; and our City Engineer even added 25% to the bids based on increased prices during the pandemic. We were still \$2.7M over budget, after the 2nd bid in 2022. Adding in another 25% to allow for some of the highest rates of inflation we've seen in years, increases our funding gap to approximately \$4,255,000. (A total of \$9,555,000 for estimated project costs, with City GO Bonds of \$5,300,000 in hand). The funding gap of \$4,255M represents almost a quarter of the City's operating budget of \$16.5M.

The City supports the Lottery Bond Authorization as addressed in HB 5030, as the use of these funds will help the City to meet the expectations of Harrisburg voters, when they authorized \$7.5M in funding to repair the aesthetic quality of Harrisburg water as of 6 years ago.

Thank you for this opportunity to provide testimony and for your support for a solution that citizens in Harrisburg hope to see become a reality.


Michele Eldridge, City Administrator
City of Harrisburg

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