

# Water Treatment Project Development

(Updated August 10<sup>th</sup> 2021)

- Jan 2017- Citizen Survey Results: Water Treatment Questions placed on survey:
  - The city should build a water treatment facility to improve water quality and safety. & If you agree, would you be willing to pay for this through increases in utility rates and/or taxes?
- March 2017- City Survey Results showed 49% agree, 25% disagree, 25% undecided. Of those who agree, 52% would pay through increased utility rates/taxes, 26% would not, and 21% stated other.
- May 2017- Goal Setting session with Bulat from Bi-State Reg Comm. Water treatment placed highest on goal setting. Cost was a concern, also water quality high iron a concern. Funding briefly discussed.
- June 2017- CIP prioritization of water treatment, brief and general funding discussions.
- Jan 2018-CIP adopted placing water treatment as top priority
- September 2018 COW Rate Study with Joe Finch IRWA, calculated spreadsheet with operation and maintenance estimates for new treatment and various funding options. Examined potential hike to rates/taxes increase and affordability. Council used spreadsheet to adjust anticipated loan amounts and resulting water rate increases.
- Dec 2018-Jan 2019 Council discussed CIP and goals. Continued water treatment discussion. Engineer provided updated estimated cost for water treatment to coincide with CIP. Council requested COW.
- March 2019 Water Treatment COW, McKenzie discussed the following:
  - Two locations identified-Shultz and DT vacant city property Main and First
  - Total Cost estimate provided (1,650,000.00), water tower cost not included
  - Engineering fee proposal for design and development provided (\$150,000)
  - SRF Loan application for design & development 0% interest
  - Bond Council and Financial Advisor information provided
  - Potential types of treatment and cost provided: gravity filter, pressure filter, reverse osmosis, Kathoros.
  - Part of Engineering fee would be testing water to determine best options
  - DNR testing compliance, growth, interest rates, maintenance costs, plant design, current (older part of town) infrastructure
    - More review included potential rate/tax increases requested
- April 2019 – Discussion of the inclusion of 1<sup>st</sup> Street Renovation into the water treatment process. Grant application to Trails submitted. (Obtained) helping to offset cost of placing a raw water main pipe along 1<sup>st</sup> St to connect wells to water treatment.
- April 2019 Newsletter mention of water treatment as a council goal & priority.

- April 2019-April 3<sup>rd</sup>'s edition of NSP included council prioritization and comments on treatment.
- May 2019- COW Engineer, Financial Advisor option discussed as first step toward obtaining SRF engineering loan and construction loan. Little to no chance of being rejected for grant. Low interest rates. Discussion also included 1<sup>st</sup> St grant monies that could be timed in congruence with water treatment to keep cost of raw water main down. Engineer provided the following process outline:
  - We would have to apply for a two page Planning and Design Loan which takes 30-60 days to get approved.
  - Once it's approved, we start the Design Phase – this involves a 0% loan for up to three years to cover engineering, legal and administrative costs. This would cover V&K's engineering fees.
  - V&K will perform sample tests on the City's water and get the water chemistry.
  - As part of the water study, they will determine which of the four treatments we talked about previously would be best for us and provide the City with the cost for each treatment as well as the maintenance cost for each treatment. We could then make an educated decision on which treatment we want to go with.
  - We will submit an Intended Use Plan Form along with the water study.
  - The DNR will review it and approve it and/or make comments.
    - Once approved, we will receive the Intended Use Plan.
    - Next, we can move forward with the Design Plan.
  - Then we would go out to bid for the project which usually takes one month.
    - We would then select a bid.
    - We would apply for the Construction Loan.
  - Once we receive final approval, they will roll the Construction Loan and the Planning & Design Loan into one loan.
  - Then every month we could apply for a distribution of that loan for the contractors. Once the contractor submits a bill we would apply for a distribution of that loan.
  - The Mayor asked McKenzie at what point in the process does the City start paying out anything on the whole project. McKenzie said we would start drawing interest shortly after the first distribution is made.
  - McKenzie said the design process takes approximately one year and the construction process is approximately 9-10 months taking the weather out of the equation. They would try to get the building up and enclosed so contractors could work during the winter months.
  - The Mayor asked when the liason gets involved in the project. McKenzie said she would get involved after the design loan is submitted. When you do an SRF loan they require you to have a financial advisor to help the City. V&K would tag team with that advisor and help us with the rates. They will be looked at after the design loan but before the final design.
- July 2019- COW- Engineer presented updated Rate Study spreadsheet including Rates and Tax estimates with varying funding sources and comparable rates to other water utilities. Debt Ratio discussed. Very few true comparable entities with similar tax bases and infrastructure. Council requested additional information.
- Sept 2019- Engineer provided brief recap, water softeners discussed. Council decided they would hold an information public meeting in which the Engineer would go over cost and payment and options. The meeting would be filmed, and related document would be made

available online. The Council would follow the public information meeting with a citizen survey and survey deadline. The Council would then re-evaluate at that point.

- Jan 2020- Council discussed including water tower repairs with water treatment funding if water treatment was going to take place in the next few years, If not it would be necessary to separate water tower repairs from water treatment and prepare a future budget accordingly.
- March 2020- Engineer discussed three possible treatments again, reviewed SRF LOAN AND INTEREST, Updated cost estimate of 2.2 mil provided –including engineer costs. New water tower cost estimate of 1 mil vs 200,000 for tower. McKenzie stated he would gather and provide council with options.
- May 2020- Engineer to provide Council with options. Cronise requested one more COW to recap prior to performing public meeting.
- June 2020-Engineer provided Council with presentation COW , Council requested revisions, will be brought to Council meeting June 9<sup>th</sup> to decide on public forum date with questionnaire following the forum.
- June 2020 – Council meeting, established tentative date of Aug 6<sup>th</sup> at civic center, to be recorded and a survey would need to be developed. Herrin provided input on questionnaire. Details of how the questionnaire to be discussed July’s meeting. COW needed.
- July 2020-October 2020 Meeting put on hold due to COVID. Mayor requesting hold until in person public forum is established.
- Oct 2020 COW- Council discussed water treatment as a goal priority and briefed on possible funding options, discussed next steps and timeline with correlation to 1<sup>st</sup> street grant. Council requested Veenstra and Kimm present a contract for water treatment and complete streets concept plans. Discussed establishing a deadline in order to ensure congruence with 1<sup>st</sup> St. grant funding and to assist with determining the location of the water treatment plant. Council set a goal for January public presentation.
- Nov 2020- Council meeting, Engineer presented the council with contract for complete streets to coincide with water treatment planning. Council tabled the topic to a COW.
- Nov 2020-survey went out for Lancer Park and received many comments on connectivity and water treatment/infrastructure upgrades instead of parks.
- Dec 2020 COW on Water Treatment & CIP Planning-Council discussed contract presented by Engineer for Water Treatment and CIP. Resident’s responses to Lancer Meadows indicated a lack of awareness on the progress Council was taking toward CIP and Water Treatment. Council discussed the urgency to move forward and timeline in which things would need to happen to avoid duplication of work. COW-Budget. The Council again touched upon the CIP and goals including water treatment for budget prep. Council Meeting-Council voted to approve the contract for Engineering Services for CIP.
- Jan 2021-Engineer and City Staff met to prioritize projects to present to Council.

- Jan 2021 COW- Engineer presented rough draft of CIP documents and Council provided input. – Included Water Treatment as top priority.
- Feb 2021-Engineer updated council on the next steps of CIP-Pricing and financial advisement.
- Feb 2021-Council Meeting, Financial Advisor Kuehl presented the council with financing options and an explanation of the process for CIP and water treatment planning, including bonding. Council tabled pending COW.
- Feb 2021-March 2021. Multiple meetings with financial advisor & staff & Mayor & finance chair and Engineer to review CIP plan and opinions.
- April 2021 Newsletter went out informing residents of CIP public forum. Included detail of water treatment projects and plans and stated the water improvements would require rate increase. Invited public.
- Press Release sent out regarding public forum information and article on CIP posted in NSP, included mention of water treatment and water rate increases.
- April 2021 COW Engineer and Financial Advisor presented the council with funding options and discussed in detail water treatment plant funding options including rate increases and bonding. Discussion of the cities standing compared to other cities. Impact to users, structure of increase. Alternatives.
- April 2021 Council Meeting, Council approved presenting the public with two versions of the CIP including funding options provided by Engineer and Kuehl.
- May 2021 Newsletter went out informing residents of a link online to watch the public forum and informing residents of future public hearing date.
- May 2021 Public Forum took place on the CIP including in depth discussion and explanation of rate increases.
- May 2021 COW Council review rate study, discussed different types of treatment options, funding options, impact, comparisons to other cities, discussed selling the water utility.
- May 2021 Council Meeting, Council approved holding a public hearing on proposed option 1 of the CIP included no tax increase but water rate increases.
- July 2021 Newsletter informed residents of CIP Public Hearing.
- July 2021 Public Hearing/Council Meeting, Council held public hearing on proposed CIP and voted to pass CIP-discussion of CIP included rate increases to water. Council reviewed and approved water rate increase ordinance for public hearing and first reading in Aug
- July 2021 NSP article on CIP published.
- Aug 2021 Newsletter informing residents of water rate proposal at Augusts meeting public hearing.
- Aug 2021- Council Meeting/Water Rate Increase Public Hearing. Residents voiced concerns or approval of rate increases. Citizens requested the council look into other options for water treatment.
- August 2021 –NSP 18THS Edition included rate comparisons and summary of concerns voiced in public hearing.