

A work session was held by the Truman City Council on August 13, 2018 at 5:35 p.m. The meeting was called to order by Mayor Brownlee.

Present: Councilors Ebert, Hendricksen, Mosloski, Nickerson
Absent: None

1. NERO ENGINEERING

Jennifer Svenes with Nero engineering presented a PowerPoint presentation relating to the proposed long-term planning for the water systems. In previous years the Public Utilities Commission has scored too low for grant funding, which allows for loan only funding opportunities. It is recommended that the City of Truman apply for the funding in the future to increase the chances of obtaining grant funding. Which in return the City of Truman would be required to take on the debt associated with additional funding needed for the proposed projects. Nero engineering has proposed four different options ranging between \$1.8 and \$3 million dollars. The immediate needs include interior and exterior coating of the water tower and safety improvements as well as repairs and or replacement of the filter at the water treatment plant. Within the proposed plans Nero engineering also includes decommissioning the downtown well (used for emergency only) and drilling a new well near the main well. Nero engineering also proposed addressing the chloride levels which may require a variance in the future. Options for reducing chloride at the water treatment plant include centralized softening - lime softening or RO softening which would reduce the need for home water softeners. Another option is connecting to an alternate water source such as Red Rock Rural Water System or City of Fairmont.

Cost Estimates

Replace existing iron filter: \$1,877,400

Pro - lowest cost

Con - Does not address chloride issues

Centralized softening: \$2,945,900

Pro - Addresses chloride issues

Con - Nero engineering is uncertain of the limits for other salty water parameters

Connect to Red Rock Rural Water: \$3,070,960

Pro - Eliminates long-term operation and maintenance costs associated with the water treatment plant

Con - Uncertain about the ability to meet chloride limits at this time

Connect to City of Fairmont: \$2,885,300

Pro - Addresses chloride issues and expected to address future salty water parameter limits

Con - Likely to have high user rates

2. COMMENTS AND QUESTIONS

Svenes highlighted that the Red Rock Rural Water option would most likely have fair rates and that Red Rock may be interested in obtaining the water tower as they have the resources to make needed repairs. Although, the City of Fairmont option may be the best long term option as they have the capability to correct additional water quality parameters that may occur in the future. This option may result in higher rates.

Ebert stated that by having the watertower and water storage the city has a low fire rating which results in lower insurance cost.

Monte Rohman - City Clerk questioned what repairs are needed at this time and what areas can be addressed in the future. The urgent repairs are the exterior and interior coating of the watertower, safety improvements and filter repair/replacement at the water treatment plant estimated cost of \$500,000.

Ebert questioned what type of effect these proposed plans would have on the city. The city currently has an AA- bond rating which is a high-quality rating and could be negatively affected with taking on a loan for the Public Utilities Commission.

Rohman also questioned the Public Utilities Commissions financial standing and how they plan to finance these repairs, as increasing the utility rates again would not benefit the citizens. In 2016, the council was advised by the Public Utilities Commission that an increase in utility rates would assist with paying for the needed repairs. To date, many of the needed repairs have not been addressed as the moneys from increased rates have been assigned to other budgetary items rather than repair needs.

Taylor Varpness from the Public Utilities Commission confirmed Rohmans statement. Varpness advised that the council was provided false information from a previous employee and that the rate increase is being used for wages. He provided an example of the wage increase from 2016 to currently being a difference of \$10.00HR; \$23.00HR in 2016 to \$33.00HR in 2018.

Nickerson addressed that salt usage throughout the city should be looked at as softeners may be set on a higher setting than needed resulting in the increased chloride levels.

Nero Engineering recommends that the Public Utilities Commission and the City continue with planning and preparing for the grant process for next year.

There will be a meeting held Tuesday, August 21, 2018 at the Public Utilities Commission to meet with Red Rock Rural Water.

3. ADJOURN

A motion was made by Brownlee, seconded by Ebert to adjourn. All yeas - carried. Time: 7:10 p.m.

Bethanie Ekstrom, City Administrator/Clerk-Treasurer