

**CITY COUNCIL SPECIAL PUBLIC INFORMATION MEETING
WATER SYSTEM IMPROVEMENT PROJECT
OCTOBER 12, 2017 – 7:00 P.M.
IONA COMMUNITY CENTER**

PRESENT: Mayor Brad Andersen, Council President Dan Gubler, Council Member Rob Geray, Council Member Dan Garren, Council Member Kathy McNamara, City Clerk Shara Roberts, Public Works Director Zech Prouse, Public Works Laborer Bryce Stucki, and Officer Dustin Mathie.

ABSENT: Chief of Police Karl Bowcutt.

VISITORS: Dana Andersen, Shane Williams, Deb Sorenson, Dee Johnson, Dennis & Linda McArthur, Rod & Susan Gardner, Reid Hymas, Pam Theriault, Mike Thompson, Bruce & Merodene Case, Dale & Janet Steele, Susan Moon, John Burnham, Dustin Haderlie, Devin Rowley, Brent Terry, Sally Price, Jacob Goss, Ron & Sue Ulbrich, Mike & Louise Bryan, Emily Downey, Darla Reed, and Steven Reed.

Discussion of Water System Improvement Project: Mayor Andersen expressed the purpose of the meeting is to discuss needed improvements to the City's water system.

Engineer Paul Scoresby explained that the City has been considering improvements to the City's water system since approximately 2004 when an engineer firm was hired to do an evaluation of the overall condition and performance of the system. In 2008 a second study was initiated, and a capital improvements plan was developed.

The City has done some of these improvements through the years using capital improvement funds out of the water fund. Two of the major improvements accomplished were recommissioning well #3 and rehabilitating the existing storage tank on the hill. Mayor Andersen noted smaller improvements which have also included the installation of a backup diesel generator and initiating a fire hydrant replacement program throughout the City. He explained previous engineering studies expressed concerns that the hydrants were so outdated there could be a potential difficulty connecting to them to access water in case of a fire emergency.

He further expressed in terms of capacity the water system is at times exceeding daily demand limits contained in the City's water rights. During the hot summer months all the wells are being used at full capacity and if one was to go down residents wouldn't be able to water their lawns as they have been accustomed to doing. The Council would have to potentially look at a mandatory watering schedule as other jurisdictions have had to implement. The City has reached a point where they have done what they can with the funds available, but now they are looking for approval for a revenue bond to resolve these concerns and set the City up for many more years of service.

Council President Gubler asked Engineer Paul Scoresby to discuss in more detail the scope of work the City Council is proposing.

Mr. Scoresby reviewed question #2 and question#3 in the informational handout, “Exhibit A” which outlines a breakdown of the scope of work. He explained this project would consist of constructing a new 1 million gallon storage tank and upgrading the transmission line to 16 inches. He also mentioned that the proposed project scope includes the construction of a new well and a generator that would improve redundancy in case one of the other wells goes down.

Ted Hendricks with East-Central Idaho Planning & Development Association (ECIPDA) next addressed the financing of the project. He explained his role is to analyze similar communities with similar projects and determine what the project will cost to considering current trends in constructions costs.

He reported the City of Iona qualifies for funding assistance in the form of a 30 year low interest 3% loan through the Department of Environmental Quality (DEQ). The citizens have the opportunity to vote during the revenue bond election which is scheduled for Tuesday, November 7th, 2017 to either authorize or disallow the City to borrow the money to fund this project. This would require a simple majority vote to pass.

He further explained if the bond passes, it would result in an estimated increase of \$19.00 per household in the monthly water bill. As more homes or users come into the community the rate could go down. The other thing that may impact the overall cost of the project depends is whether the construction bid comes in lower than they are anticipating.

Mr. Hendricks reported additional funding could become available through the Army Corp of Engineers. For example, the City of Driggs is in the middle of a similar water system improvement project and just received \$600,000 to go towards funding their project. If such additional funds are acquired, the monthly increase would likely go down.

Mayor Andersen explained that when the scope of work was considered, the cost was based upon a worst case scenario and didn't take into consideration any other additional funding that could lower the overall cost of the project and thereby decrease the monthly impact upon each resident's water bill.

Council Member Garren noted that over the course of the last few years the Council has discussed potential solutions to the City's water system problems and that the Water Committee at one point suggested water meters to curb consumption. He believes it's worth noting this project doesn't include water meters, and the reason the Council put together this particular scope of work was based on the water studies conducted and feedback received from a city wide survey conducted this last Spring. He further expressed this option appeared to be the most popular course of action based on the responses they received.

Mayor Andersen expressed the City has done what they were able to do within the yearly budget, but when it comes to the big tickets items such as the ones they are discussing tonight there is not enough funding to get the water system where it should be. He then opened up the meeting for questions and comments from the public.

Citizen Michael Thompson inquired how much backup would the generator provide in the case of a power outage. Mr. Scoresby explained the minimum requirement from the State is you have to have 8 hours of backup plus fire flow. The new tank would ensure the City would have all the fire flow needed.

Mr. Thompson also inquired how many homes the water system currently services. Director Prouse estimated the number of connections to be approximately 850. He further inquired how many homes would be able to be added to the system and asked if the proposed expansion would serve the City for another 20 years. Mr. Scoresby expressed in terms of storage capacity the City may have to add another well in roughly 30 years based on past and present growth rates. However, this project will set the City's water system up for quite some time.

Council President Gubler expressed when the City Council established the scope of work for this project they didn't look at it from an aspect of how long it would allow the City to grow, but rather from a point of fixing the problem which already exists in the system and to allow citizens to continue enjoying what they have. The major focus comes down to pump capacity because during the summer months during peak hour demand the City is exceeding the legal amount they are allowed to pump. The construction of a new storage tank will help alleviate this issue going forward.

Citizen Emily Downey expressed the Council has spent a lot of time putting together this project, and she is interested to know which members of the Council and Mayor support the passing of this bond.

Mayor Andersen responded they are unanimously behind moving forward with this project, and wouldn't have made decisions to pursue it further if they hadn't been in agreement. However, the citizens of this community will have the opportunity to make the final decision.

Council Member McNamara expressed she believes there are things that will come into play which will allow the City to pay off the loan faster and she hopes people will realize these are improvements that need to be accomplished and further expressed she was supportive of the bond.

Council Member Garren explained this project has been in the works since about 2004 and had the City elected to take care of it earlier the construction costs would have been lower than they are now. If the City elects to push this off for a few more years construction costs will continue to rise.

Council President Gubler reported about 4 years ago the City missed an opportunity for a 0% interest loan, but at the time there wasn't support for completing the project. As a result the City will pay 3% on top of the increased construction costs. He further expressed it's one of those situations where the sooner the project is completed the less it's going to cost in the overall scheme of things.

Citizen Jon Burnham expressed he would like to know a breakdown of the costs of each item under the scope of work. Specifically what is the estimated cost of the new storage tank. Council Member Geray responded it is estimated in the scope of work at approximately \$1,000,000. Mr. Burnham inquired what the approximate cost of the construction of the new well and generator is. Mr. Scoresby responded it is roughly estimated at \$500,000.

Mayor Andersen noted when the scope of work was designed they planned for a worst case scenario so they factored in costs for constructing under lava rock, under the railroad tracks, and canals so the numbers are estimated on the higher end.

Council President Gubler informed Mr. Burnham they would make this document available in the City office and on the City website which would help answer some of Mr. Burnham's questions.

Mr. Burnham shared concerns with the Council metaphorically they consider buying the fully loaded Chevy instead of a \$60,000 Cadillac, meaning he hopes the Council will take into consideration getting the project done without unnecessary frills to ultimately lower the cost of the revenue bond and the impact that will have on monthly water bills.

Council Member Geray explained the City Council is certainly not trying to buy the Cadillac of anything. They have always done business conservatively in each department and across the board when it comes to managing the City's budget and they are taking the same approach when it comes to this particular project. He further broke down the summary page of the scope of work for Mr. Burnham to help answer his concerns and questions.

Council President Gubler explained the only thing they have included in the scope of work as a "frill" so to speak is increasing the diameter of the transmission line to hopefully offset potential future growth. He further explained the cost to install a pipe in the ground is the same regardless of the size of pipe chosen. However, the City Council opted to pay for the larger diameter pipe of 16 inches instead of 10 inch pipe which currently exists. This will attach to the City's water system in three different locations and collectively add a lot more volume and pressure to the existing system.

Citizen Dennis McArthur expressed his gratitude to the City Council and the Mayor for scheduling this meeting to hear what the project consists of and what it will cost.

Citizen Ron Ulbrich inquired if the Council has considering only adding more pump capacity and the transmission line without building the tank.

Council President Gubler responded they did consider that option, but collectively they agreed the tank would provide better performance for fire flow in the future.

Council Member Geray further explained the project is also about reserve capacity and concerns with high demand times in the summer months where the City is exceeding its allotted cubic feet

per second (cfs). The new tank would allow the City's system to use that storage to supplement the consumption so they ultimately wouldn't be exceeding the allotted cfs, and would allow the City to be more compliant with state regulations.

Mayor Andersen explained the concept of senior water rights and junior water rights. The City's main well is a junior water right and was built after 1990 so if the City continues to exceed their allotted flow requirements the State could require the City to reduce the flow drawn from the main well. This project will also provide redundancy and more storage so the City doesn't exceed its peak hour demand limits.

Citizen Bruce Case expressed that an increase from \$30 a month to \$49 a month is a big pill to swallow for a lot of individuals in this community who are on fixed incomes. He further inquired if this was an all or nothing project, or if it could be done in stages as more revenues come in. In closing, he explained they have heard the worst case scenario but not information on a better case scenario if additional money was utilized such as city reserves or grant money.

Mayor Andersen expressed the City does try to consider individuals who are on a fixed income and they could potentially look at things on an individual basis. In regards to being an all or nothing project he explained these needed improvements have been identified for many years and outlined in these water planning studies. The City is already behind the 8 ball so to speak when it comes to their water system. He expressed they can no longer piece meal together these deficiencies.

Council President Gubler explained the Council will not know total project costs until the project is put out to bid and has considered whether there are other options to reduce costs. The Council is asking for the potential maximum with the hope there will reduced costs and additional funds to lower the overall cost of this project.

Citizen Bruce Case inquired how much the Council is willing to take from the city reserves to help fund this project. Council President Gubler explained to this date the Council has not yet had that discussion. Mayor Andersen further explained the Council would like to keep some money in reserves if there was an opportunity to purchase additional water rights, or if there was a major break in one of the transmission lines. He estimated the number could be in a range of \$200,000 to \$300,000 but they would need to discuss that further.

Mr. Hendricks explained the City is requesting authority to bond up to \$3,900,000, but they do not have to issue that amount. There are going to be things that potentially transpire to help save money on this project.

Citizen Reid Hymas inquired if there is any indication of how much reserve water would be available in the new tank.

Council Member Geray explained it is 1 million gallon tank but will depend entirely on consumption. During peak hour demand in the summer there may not make a lot of progress storing water until the draw on the system declines.

Mr. Hymas further inquired if the City has technology that indicates at all times how much water is available in the tank. Mayor Andersen explained the City updated to a SCADA system which provides data acquisition for the water system. Mr. Hymas expressed he moved here about 4 years ago and where he previously lived they paid about \$200 a month for water and it was undrinkable. He stated that he didn't mind the increase because he enjoys the water here and that it tastes good.

Council Member McNamara expressed this project is for the entire community to continue to enjoy the water service that is provided by the system and that she hopes the water system will continue working for years to come.

Citizen Dennis McArthur expressed his gratitude for previous councils who spent the money all those years ago for the system the citizens are able to enjoy now. In closing, he believes the City has an opportunity to improve this system now and for future generations.

Meeting adjourned 8:13 p.m.

COUNCIL APPROVED: November 21st, 2017

Brad Andersen, Mayor

ATTEST:

Shara Roberts, City Clerk