

Present: Mayor –	Joyce Hudson	Absent: Councilmember Jeff Kennedy
Council members	Duane Oliver	
	Tim Strauser	
	Jeff Whiting	
City Administrator	Bruce Clymer	
City Attorney	Mike Bacon	
City Clerk / Treasurer	Connie L. Dalrymple	

Press: *Gothenburg Times* - Beth Barrett

Also present: Shane Gruber, Russell Tripp, Bill Auld, Reed Miller & Travis Mason of Miller & Assoc.

Mayor Hudson opened the meeting and public hearing at 7:00 p.m. Advance notice and a copy of the agenda were given to the Council and members of the press. City Council meetings are conducted in accordance with the Open Meetings Act, a copy of which is available for public inspection on the north wall of the Council Chambers.

The purpose of the public hearing was to consider sewer improvement projects based upon findings of the sewer system study.

Reed Miller began by reminding Council that in 2009 we recognized there was more water flow at the waste treatment plant than should be the norm and Council authorized a study of the sewer system. In 2010 there was a two day rain event that brought 9.5 inches of rain and filled the sewer lines. Prior to that, the maximum flow into the plant was 1,670,000 gallons / day. During the rain event there was 2.3 million gallons / day going through the plant which equals an average of 633 gallons / day per person. The EPA considers more than 275 gallons / day per person to be excessive. Therefore the City requested bids to televise 31,000 feet of sewer line, mostly in the southern part of the community due to the ground water levels there. The result of the study and televising was 16 projects at a cost of multi-million dollars. The projects have been grouped into four areas to provide the most benefit for monetary expenditure.

Area I: Estimated cost \$371,800 - 4th Street east to Highway 47 then south to 2nd Street. Some of the existing lines can be lined to eliminate groundwater infiltration and some will be replaced.

Area II: Estimated cost \$51,800 - South of 4th Street between Avenue H (extended) and Cottonwood Dr. This pipe can also be lined from the manhole.

Area III: Estimated cost \$69,500 - Lining the existing 15 inch main on the County road north from approximately 6th Street to 10th Street.

Area IV: Option 1 estimated at \$1,078,300 is a new line from the waste plant north and a new third crossing under the UP railroad tracks.

Option 2 is estimated at 2,233,400 and includes Option 1 in addition to continuing north from Highway 30 along Ave K then west on 10th Street to Ave G. These areas involve removing and replace concrete.

The South side projects are considered a priority because of the ground water levels.

Administrator Clymer prepared some financial information on the cost of the repairs, bond rates and payments, state loans, and sewer use fees. The total cost of Areas I, II, and III is \$493,100 and is doable and will result in the most benefit for the money spent. Option one of Area IV is \$1.7 million and does qualify for a \$100,000 loan forgiveness and a 25% reduction in interest rates on a 20 year loan through the State of Nebraska. Scott Keene of Ameritas Corp. suggested we work with the State instead of bonding because we can lock in the interest rates and receive the loan forgiveness.

The waste treatment plant is 20 years old and the loan was paid off in December 2012. We are still paying on the UV equipment and some of the GIC 3rd Addition infrastructure costs. Historically, our sewer debt payments have averaged \$258,168 / year. Logically, if we do no projects, there is no debt and the user rates do not change. The sewer department is not financially self-sufficient, which reduces the City's cash balance and net assets. However, it

appears we could do Project 1 of Area IV and be ok with the current rate structure. Interest rates are low and now is a good time to consider a large project. He would propose a 2% rate increase on Option 2 to maintain cash flow because we are looking only at debt and using the same numbers for operation and maintenance costs for several years and that typically doesn't happen. All costs go up.

Council members agreed that no matter what we do, nothing will handle rain events similar to those of 2010. They also agreed that additional construction adds to the volume of water going to the waste plant. We could do Option 1 and see how much the water volume decreases at the waste plant. If it doesn't help, then we do the rest of Option 2 in Area IV. It's also true that future interest rates are unknown.

Reed Miller said we can decline any or all projects if the bids are too high or it's possible the Department of Environmental Quality could offer more funding. Part of our projects have been labeled *Green Projects* and he defined them as projects that cut flow by decreasing infiltration instead of building to handle more water flow. DEQ money will not be available until October or November so we could bid our projects in February 2014 and construct that summer. We could also delay construction a little to mesh with existing debt.

Administrator Clymer proposed the rate increase for January 2014 and reminded Council that the 2% only looks at the debt service and doesn't mean there would not be additional increases.

Reed told Council that he sets Gothenburg's waste plant up as an example and uses it as a design and tour model for other communities. Our plant is 20 years old but is in great shape and well maintained and it operates at an optimum level. He suggests we opt for add a third crossing to the plant to relieve the Cottonwood Dr. crossing if we determine over time that the natural effect of trains are part of the cause of the south area sewer line issues.

Shane Gruber said that due to the drought the last few years there has been no ground water but with recent rains he sees it again as water into the plant has gone from 400,000 gallons a day to 450,000 gallons / day.

Administrator Clymer would like to see us move forward with all projects and if the bids are too high, back out of Option 2 in Area IV. A 60 cent / month rate increase is minimal but if rates would have to increase \$3 or \$4 a month we should not do the projects.

All agreed and will rethink our options if bids are high.

Strauser moved, Whiting seconded, to close the public hearing at 7:38 p.m. Roll call vote: Yea – Oliver, Whiting, Strauser. Nay – none. Absent and not voting – Kennedy.

Reed Miller recommends we send the minutes and proposed rates to the Department of Environmental Quality to secure loan funds.

Strauser moved, Oliver seconded, to proceed with the funding application through DEQ to finance sewer improvements. Roll call vote: Yea – Whiting, Oliver, Strauser. Nay – none. Absent and not voting – Kennedy.

Oliver moved, Strauser seconded, approving the consent agenda that included:

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Roll call vote: Yea – Whiting, Strauser, Oliver. Nay - none. Absent and not voting – Kennedy.

Whiting moved, Strauser seconded, allowing payment of claims against the City, \$48,654.43; Public Works Division \$87,614.70; and the May 23 payroll of \$38,207.08. Roll Call vote: Yea – Oliver, Strauser, Whiting. Nay - none. Absent and not voting – Kennedy.

Community Comments:

- There was no quorum for the morning meeting at Lake Helen; however, Council met with representatives of DEQ, Game & Parks Commission, Travis Mason of Miller and Assoc. and Paul Brakhage. Travis provided drawings of the proposed Lake Helen renovation and is now awaiting final approval from Game & Parks Commission on an interlocal agreement, approval from the Environmental Protection Agency and the Dep't

of Natural Resources to begin. Bids are scheduled for August. Hopefully the permitting process will move smoothly so construction can begin this winter.

- Atty. Bacon said the GIC has acquired the property for the street to the former ethanol site. There has been no response on the storm sewer so they cannot go for bids yet. GIC is hoping to close the ditch and move the water to a holding pond 1.5 miles away.

Russell Tripp is working with the June 22 Christian Outreach program that Joe Wahlgren spoke to Council about earlier. It will be in the area of the northeast corner of 12th Street and Avenue I. Mr. Tripp would like to close 12th Street from Avenue I to Ave J and put the stage on the street close to Ave J and facing north. They would set up as early as possible on Saturday morning and hopefully be cleaned up and gone by midnight or 1:00 a.m.

Police Chief Randy Olson has discussed this proposal with Fire Chief Mark Ballmer and both are opposed to the request for safety reasons. The street is a main thoroughfare into and out of town and speed limits are higher coming from the east. He suggested using the vacant lot putting the stage on the north side facing south. The area can be accessed from the south side of the legion ball field.

Discussion was had and Mr. Tripp agreed to offer the options presented at their planning meeting on Wednesday.

Bill Auld is building a new home with a shop on 22nd Street and has requested a 3-phase electrical service for the shop area. He would like to bring it across the street underground from the wellness center.

Discussion was had and Oliver moved, Whiting seconded, approving a license-to-maintain a 3-phase power line under 22nd Street for Bill Auld. Roll call vote: Yea- Strauser, Whiting, Oliver. Nay – none. Absent and not voting – Kennedy.

The City purchased a 6KW generator from the Federal Surplus and would like to put it at the Senior Center since the Center has agreed to be a shelter in emergencies.

Whiting moved, Strauser seconded, authorizing signature of an interlocal agreement with the Senior Center for use of the City's generator for emergency shelter purposes. Roll call vote: Yea – Whiting, Strauser. Nay – none. Absent and not voting – Kennedy.

Whiting moved, Strauser seconded, authorizing signature of a professional services agreement with West Central NE Development District regarding the owner-occupied housing rehabilitation grant. Roll call vote: Yea – Oliver, Strauser, Whiting. Nay – none. Absent and not voting – Kennedy.

Strauser moved, Whiting seconded, to adjourn the meeting at 8:14 p.m. Roll call vote: Yea – Oliver, Whiting, Strauser. Nay - none. Absent and not voting – Kennedy. The next regular meeting will be June 18, 2013.

Joyce Hudson, Mayor

Connie L. Dalrymple, City Clerk