

Mayor Brian Johnson called the Special meeting of the City Council of the City of Lime Springs to order in the Community Center on February 15, 2023 at 6:00 pm.

Member(s) present: Jennifer Kalstabakken, Mary Bielefeld, Michael Levenson, Richard Cottrell

Member(s) absent: Jeff Burnikel

City Employees: Tyler Smith (Public Works), Jane Tibbals (City Clerk)

Visitor(s): Ed Greiman (Upper Iowa Beef), Greg Sindt (Bolton & Menk), Casey Sebastian (Iowa Rural Water), Jill Tibbals, Katie Sterk (Bolton & Menk)

PLEDGE OF ALLEGIANCE recited.

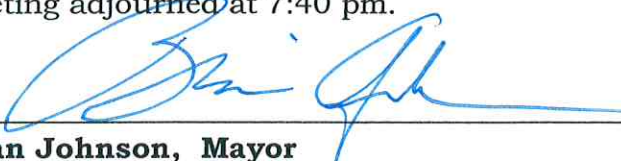
Agenda: Kalstabakken motioned to approve the agenda with Levenson 2nd. All 4 present voted yes.

Open Forum: none.

Upper Iowa Beef's potential expansion and possible impact on City's resources: City Council & Upper Iowa Beef's General Manager Ed Greiman had met last month and asked for a second meeting to introduce the City engineer Katie Sterk with UIB's engineer Greg Sindt to research ideas that may assist both City and UIB with wastewater management. Greg & Katie are employed by same engineering firm but work out of different offices and have different clients. UIB's potential expansion will greatly affect their wastewater treatment and may affect their water needs. The City has been in a disadvantaged status for their wastewater treatment plant by the DNR, but that is due to expire in 2028. Status may be extended, if there can be proof shown that there is a plan in place to maintain and or improve. Katie is working on the City's wastewater treatment's permit that is due to DNR every 3 years. Bolton & Menk had last presented the City with a facility plan in November 2020, which Council tabled. The discussion first went to the water need side, which was confirmed that the 2 City wells are adequate, will probably need additional pump action, but that can be an easier fix. The issue is the water storage. The current water tower does not store a day's worth of water needed for the current usage, which doesn't become a problem unless there is an emergency that comes up, such as fire or water main break. Possible solutions are a separate well just for UIB's needs, Casey brought up potential problems that if not used consistently then water quality or pressure may change. Underground storage was brought up, problem with that is have to keep pumping in and out – again in order to maintain water quality. Can't just have a water tank with water to save for future use, water gets stale if not agitated and chemical make-up of the water changes. Additional water tower or bigger water tower was suggested. Where should a second water tower be located? Possible solution of looping the water system where currently the water ends at UIB's plant. Looping would be less expensive than drilling a well and may help keep water flowing for UIB and Caseys' needs if there was an emergency. Katie will evaluate these potential solutions and come back with options and costs. Greg's role will be to evaluate UIB's requirement for water, current and future expansion. Looking at quality, pressure and quantity and supply this information to Katie. Ed mentioned that backflow pressure is at each tap and has to test for USDA, at times has to clean out the sand. Pressure sometimes has to be boosted back up to 60, with friction and softening may go down to 30's. Chloride levels was asked about, currently UIB softens their water prior to use. Greg asked about flow system for UIB's sprinkler system and Ed confirmed just had checked this for insurance requirements. Casey stated that IRW can check flow tests with Tyler at the nearby fire hydrants. Katie asked the City's question of how serious is UIB with a partnership with the City. Ed answered that he needs to or else build something himself. Along with that he also needs to look at all options, to see if this expansion even makes it cost effective for himself. The partnership may take many forms, cost sharing of the engineers' time may be an option. And yes, he did get 8.8 million from USDA, however he must spend the money before he is reimbursed any from them. Greg presented UIB wastewater as 3 options. Option 1 is UIB build a plant and direct discharge all themselves. Option 2 is UIB continue with wastewater there now as is and only anything from the expansion goes to the City with City's expanding. Option 3 is UIB discontinues wastewater operations and pretreats by removing oil, grease and solids and all their wastewater discharges to the City. Katie in the 2020 plan was created with the information as limited increase flow from the City's needs. Option 2's cost would be down the road, as

opposed to coming up with money right away. Option 3 would be the more expensive option. The City knows that something has to be done regardless of what UIB's needs are and this is good timing to look at bigger picture. Question was answered by Greg on how could a partnership between the 2 work as UIB wouldn't pay for the plant. However, thru a Debt Service plan, which may be similar to a Letter of Credit, the UIB pays a fixed amount monthly to assist with the payments and along with this there is a formal contract where the City would be the first in line in case UIB downsizes or closes for whatever reason. The City would be able to borrow money at a cheaper rate than UIB as a commercial business would. Example was given as City of Le Mars and Blue Bunny partnered together for their water needs. Ed stated that he had 4 years in order to schedule and complete the project before he would be able to be paid by USDA, the 4 year timeline starts when he signs the final documents , which he has not yet. Katie said that would be tight as normally with loan processes and construction, getting a new plant up and running would be 5 years. How flexible would these timelines be and could they tie together. Ed's long range plan is processing up to 800 a day, which includes wastewater. The earliest that Ed would like would be 3 years to get to that 800. Ed did say that extensions may be applied for with USDA, but no promises if they would grant them. The 8.8 million represents 20% of 40 some million for all of his projects that he wants to do. 17 million for final stage and 3 million for his first stage. So, a total of 20 million for just the wastewater side. Next question was what type of wastewater treatment are we looking at for any of the options. Katie answered that mechanical system would be the way to go, with a possibility of using the current lagoon for part. City would not be able to increase the current lagoon to handle City's need based upon size alone. Ed said that Step 1 is figuring out how much it is going to cost for engineering preliminary reports and who is going to pay for what. Then Katie reported Stage 1 is evaluate the water needs including storage, create a wastewater facility plan, look at cost per person for rate increases, and how to pay for it. Stage 2 is Ed to contact the Governor. Ed went on to say that his employees are asking for more apartments, closer housing and daycare. Ed said that his story to tell is UIB has 400 farmers selling cattle in Eastern Iowa. Along with this, how to push these projects forward, is it going to take a special project manager that does this as their main job. These types of projects may look at different places for funding, such as USDA. Different areas of USDA. SRF doesn't give grants but has loan forgiveness with City's disadvantaged status as a positive for getting approved. Dept of Commerce Economic Develop money was listed as a source. Katie also mentioned that the compliance schedule for current use would change as the wastewater need to be treated would reach the over 1 million gallons a day to process. City had talked before that this require the operating permit to change for operator. Casey boiled it down to what is the impact and affordability of the City. Summary is to review the Water, including storage, looping, water quality, water softener and well demand. Katie said that she would be able to get engineering costs for facility plan and cost of water evaluation for the March 7 meeting. Katie did say that water evaluation takes less time and resources. The facility plan would take 3 to 6 months to complete. SRF has a 3 year interest free loan which could be used to pay for the cost of planning, particularly engineering costs. Next SRF deadline is April 1. Cottrell asked the question if City could afford to do this and Katie answered that need to come up with the evaluations first and then look at options with the costs as well as ask the question, can City afford not to. The timing of partnering with UIB is also out there and the opportunity may not be present itself again. Ed also repeated he won't know if the plans are cost effective for him, until the numbers are known. Looking at cost sharing of engineering will be reviewed after the numbers are known. Ed volunteered he breaks down their water use by head and by task. Currently using 215 gallons per head for operation and 85 gallons per head for sanitation, so 300 gallons per head processed. The usage could go up if washed feet or small or large intestine. These options may be looked at in the future.

Leverson motioned to adjourn. Kalstabakken 2nd. All 4 present voted Yes.
Meeting adjourned at 7:40 pm.



Brian Johnson, Mayor



Jane Tibbals, City Clerk