

**City of Oronoco  
Special City Council Meeting  
Watermain Design  
October 29, 2020  
6:30 PM**

I. Call to Order

II. Roll Call

Mayor Ryland Eichhorst, Councilor Trish Shields, Councilor Carl Krause, Councilor Nancy Quimby, Councilor Lori Novak

III. Watermain Design

Mayor Ryland Eichhorst stated that we have one item on the agenda which is our Watermain design.

Joe Palen stated that he would like to take ten minutes and walk through this watermain design. Joe stated that there is a copy of the feasibility report. Joe stated that we have been working on this project for an exceptionally long time. We first started discussing this project and financial back in 2018. In May 2019 a report was prepared and explained how we would supply water services to the areas that currently do not have it, along with watermain and trenching, so we can put in both services at one time.

July 10, 2019, we talked with all the residents, who were personally sent a letter invitation about the watermain improvements and the costs of it. Joe explained that the finances for the City residents was discussed and how they could get low interest loans over a long period of time.

We have received large sums of money from the bonding bill to advance with this project. The bonding bill passed and does provide over \$24 million dollars towards this project. Joe feels it is important for us to move forward, as we have finished all the permitting processes, sewer construction plans at 70% and passed the bonding bill, in which our City will receive a significant amount of money towards this project.

Joe mentioned that we have not moved forward with the watermain design project. One of the things the Legislature asked was what is the City going to commit to for its cost.

Up until now, The City has not paid for anything, zero dollars.

Joe stated that there are several deadlines that we have to meet and we are going to have to move promptly so that we can utilize the funds that the City has been granted from the Legislature. We need to finish the watermain design so that Public Health Department can review our design and get this done. Joe stated that any more delays will just cost us more money. If we push this off another year, the project could inflate up to one million dollars. Joe mentioned that for our review, there is a watermain map where the proposed watermain is done in blue. He states it starts at the end of 4<sup>th</sup> street NW by the park and goes up along 5<sup>th</sup> avenue NW and snakes through the old lake bed by highway 52, to 1<sup>st</sup> street NW to 9<sup>th</sup> avenue NW and terminated on the west end of Center Street NW. A 12-inch main will extend south to Riverwood Hills NW and down Minnesota avenue N and will cross by Tilly's to go to Riverwood Hills.

We are providing watermain services to areas that it was not previously, providing fire hydrants for fighting fires. Councilor Trish Shields asked if there was a timeline to when this would be beneficial to the residents. Joe stated that there are several phases, and it will take time, but we have it all laid out.

Joe stated that there is a lot going into the design of the watermain and we need plan profile sheets, street restoration sheets, design the hydrant layout, drilling, the river crossing and that is what you are paying for in the watermain design. We need this watermain design document to turn over to the Health Department to be able to stay on track with the project and move forward.

Joe also stated that there would be more costs coming down the road and that those would be able to be bonded and budgeted for.

Joe state that the whole project is well over 2.5 million dollars and the City only need to finance the \$155,000.

Joe stated that the \$155,000 is for the water design portion of the project cost and it was included in the previous assessments and feasibility report. We need to figure out a way to temporally fund this \$155,000 from now until March 2021.

Councilor Carl Krause asked – what if our bids come in way high and out of range? Joe stated that there is usually about a 15% contingency for design changes and construction index changes. The project is a two-year time frame and there is inflation. About 5 million would be

the contingency that falls into that percentage. Joe stated that it may fall into our favor or maybe they won't, or they could stay close.

Mayor Ryland Eichhorst stated that when we look at costs, we have a lot of different things we can juggle, such as the WAC-N- SAC fees, CIP, User fees and more.

Joe Palen states – let's just say we have to cut out 3 million dollars out of this project to cut out the watermain, but it will just cost the City more in the long run.

Joe states that we will be talking a lot about wastewater over the next year and the Council has a lot of decisions to make. We will not lose control of this, the Council is still in control but, we can make adjustments along the way and still move forward.

Councilor Carl Krause motions to approve the watermain design for \$155,000.

Mayor Ryland Eichhorst stated that Mike Bubany advises us to use as much cash as possible for this project. Mayor Ryland Eichhorst proposes that we should take \$80,000 out of the Planning & Zoning Engineering Fund 100, Department 41910, account 42303 and remaining \$75,000 we would take from our Capital Outlay Project Fund 425, Department 43000, Account 4300 Capital Outlay. We are looking at three Stantec invoices over the next six months and pay these off.

Councilor Trish Shields asked where this General Fund is coming from. Mayor Ryland Eichhorst explains that it would come from our checking account. We have a large reimbursement coming back from PFA and in December we will have property tax money coming back to the City from the County.

Mayor Ryland Eichhorst stated that these dollars are not sitting on our savings account.

Councilor Trish Shields wants to know about the interest rates on this cash sitting around. WE can call the Pine Island bank and check on all of this. Councilor Trish Shields feel that it may be better to take it straight out of our checking account, pay for it and be done.

Councilor Carl Krause motions to make the approval the \$155,000 funding for the watermain design from the funds identified above, Councilor Trish Shields motions to second it.

All in Favor 5-0

Motion approved.

#### IV. Adjournment

Councilor Nancy Quimby motion to adjourn the meeting, Councilor Trish Shields seconds it.

All in Favor 5-0

Meeting adjourned 7:15 pm