



Frisco Line News

JAMES ORR, MAYOR

JERRY DIERKER
COMMISSIONER

MIKE BROWNSBERGER
COMMISSIONER

DENNIS PYLE
CITY ADMINISTRATOR

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Accounts Receivable
235-3544
Street/Sanitation
235-3495
Cemetery
235-3495
City Administrator
235-3355
City Clerk
235-3763

Golf Course
235-6076

Utilities Dept
235-3300

Municipal Airport
476-5112

Police
Non-emergency
235-4241

Municipal Court
235-4677

Building
Inspector
235-5306

Fire Non-
emergency
235-7799

Casino
Reservations
235-3763

Monett YMCA
235-8213

Waste Treatment Plant
235-7455

Human Resources
235-3763

Monett Vision 2030 - Water System Improvements

The City of Monett has embarked on a long-term planning process known as Vision 2030. This planning has been initiated in three areas: the City's waterworks system, Monett's aviation facilities, and the Central Business District/Downtown Revitalization. This edition of the Frisco Line News will address the proposed improvements to the water system. The source of all data cited is the Water System Comprehensive Plan/Engineering Report for the City of Monett, Missouri, prepared by Allgeier, Martin & Associates., Inc.

Water within the City of Monett is supplied by a total of eleven deep wells with approximately 50% of the water supplied by only two of these wells. These two wells, while able to produce large volumes of water, are subject to changes in water quality wherein the clarity of the water is reduced. Monett's water is chlorinated and fluoridated at the wellhead and then delivered directly from the wells into the City's storage and distribution system. Monett's water receives no additional treatment.

Monett's water distribution system is comprised of approximately 83 miles of water lines varying in size from 4 inches to 16 inches in diameter. There is adequate flow and pressure throughout the system. The City has annual water sales of 1.02 billion gallons. Industries account for 70% of all water sold in Monett with 21% going

to residential consumers and 9% to commercial accounts. Monett's large industrial base significantly affects the demand on our water system. Three industries account for 60% of the City's water sales.

With the continuing increase in population and future industrial demands upon the system, the ability of the City to meet our consumers' demand is compromised whenever one of the two primary wells is taken offline due to clarity issues. For this reason, the consulting engineers recommended that the City construct a water treatment plant to insure that the capacity of these two primary wells is actually available when needed. It is also recognized that southwest Missouri will continue to see decreased groundwater levels as demands increase on the area's deep aquifers, so it becomes vital that all available water from these wells be used for the City's drinking water needs. A new treatment facility would also allow the City to utilize a highly productive well that has not been placed in service due to water clarity issues. In 1994 the City acquired land in the northwest part of Monett suitable for construction of a water treatment plant at a location to which raw water can be delivered with a minimum of new water line construction.

Improvements being proposed besides the construction of a treatment plant for the three wells mentioned include

increasing the pump capacity at the airport well and constructing a transmission line from the airport to the City and connecting it to the waterworks system. This would not only supplement the water supply to the in-town system, it would also provide a redundant water supply to the airport and 80-acre industrial park located immediately east of the airport that is owned by the Monett Industrial Development Corporation. The engineer's recommendations also include the construction of several thousand feet of new water lines and booster pumps to improve system pressure.

The total cost of these improvements to our water system is estimated to be \$13.33 million in today's dollars. The financing of these costs is typically accomplished through the sale of revenue bonds. Payment of the debt is from the revenues generated by the fees charged by the City for water consumption. The State of Missouri has established a leveraged loan program for water improvements that provides loans for qualifying projects at an interest rate that is normally one-half the interest rate available through revenue bonds. At an assumed interest rate of 2.5% for a 20-year loan, the annual debt service cost to retire a \$13.33 million loan is \$855,000. When added to the estimated annual operations, maintenance and repair cost of a new water treatment plant, the total estimated increase in annual costs for the recommended improvements is \$1.255 million.

continued

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City of Monett

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For annual water sales of 1.02 billion gallons, the \$1.255 million annual cost equates to \$1.23 per thousand gallons of water sold to consumers.

How will this affect Monett's rates? The City Council's plan is to introduce rate increases on an incremental basis over the next three years to lessen the impact on consumers. Effective with your July utility bill, the water rates will increase \$2.00 for the first 2,000 gallons and then 40 cents for every 1,000 gallons used over 2,000. The average residential consumer using 5,000 gallons per month will see an increase of \$3.20. The Council's plan is to increase rates by 40 cents per 1,000 gallons effective July 2010 and 43 cents per 1,000 gallons effective July 2011. The revenues from these incremental rate increases will help us pay as we go toward the design and construction of the new plant and distribution lines.

How do Monett's rates compare with other cities? Using Monett's new rates that will be effective with next month's bill, the following represents what a residential consumer would pay for 5,000 gallons of water per month: Monett - \$18.45; Pierce City - \$18.95; Aurora - \$27.22; Marionville - \$27.22; Republic - \$26.65; Carthage - \$19.45; Joplin - \$30.93; Verona - \$27.22; Mt. Vernon - \$17.72; Springfield - \$16.58.

If you have questions concerning the City's plans for water system improvements, please feel free to call 417-235-3300 or 417-235-3355. The entire Water Study Engineering Report can be viewed online at www.cityofmonett.com.

TRI-STATE WATER RESOURCE COALITION

The City of Monett has been an active member of the Tri-State Water Resource Coalition since 2002. The Coalition is made up of cities, counties, industries, agricultural stakeholders, and other interested individuals ranging from Springfield, MO on the east to Pittsburg, KS and Miami, OK to the west and southwest. The goal of the Coalition is to insure that the region has adequate quantity and quality of water to meet the future needs of all consumers. The Coalition has scheduled a press conference for July 7, 2009, to present the findings of the S.W. Missouri reservoir site study. Look for more details on their proposal in a future edition of the Frisco Line News.

POWER WHOLESALE CONTRACT AND RATE COMPARISON

Monett City Utilities purchases its wholesale power through a contract with Empire District Electric Company. The City is then responsible for supplying electricity to consumers at distribution system voltages. The power generation and transmission industries have experienced significant changes in the last few years that will affect Monett's cost of purchasing power on the wholesale market. The City's current 20-year contract with EDE expires in 2009, and there have been ongoing discussions relating to potential suppliers. Long-term contracts in the wholesale power market are not standard in today's market unless purchasing equity shares in a new power plant, therefore, the City will likely have to rely on short-term contracts in the near future. The pool of potential suppliers is also restricted by transmission constraints that are caused by a lack of transmission facilities due to the existing power grid being at or near capacity for moving electricity from seller to buyer.

In a recent comparison with other cities and cooperatives in our area, Monett's City Utilities were the lowest cost electric utility. The survey included Empire District Electric (Aurora, Marionville, Pierce City, Verona, Neosho, Sarcoxie, Freistatt, Joplin, Webb City and Carl Junction); Ozark Rural Electric Cooperative; Barry Rural Electric Cooperative; and the cities of Mt. Vernon and Carthage. There will be more details reported in future newsletters, but our consumers can be assured that every effort will be made to negotiate the lowest possible wholesale rates and keep Monett's utilities affordable.