

Fine Screening Meeting #3 – Meeting Summary

12.20.2022

Attendance:

Advisory Council: Andrew Dunkley, Liz Seacrest for Anna Wishart, Brittney Albin, Chittaranjan Ray, David Cary, Donna Garden, Elizabeth Elliott, Eliot Bostar, Glenn Johnson, Holley Salmi, Jeanne McClure, Jerry Obrist, Katie Wilson, Kennon Meyer, Lori Seibel, Lynn Rex, Richard Meginnis, Sean Flowerday, Susan Seacrest, Todd Wiltgen, Trish Owen, Tut Kailech.

Absent: Marc LeBaron, Martha Shulski, Michon Morrow, Tom Beckius

City Staff: Erika Hill, Cyndy Roth, Jocelyn Golden, Steve Owen, Kim Morrow

Consultants: Andrew Hansen, Ben Day, Brian Chaffin, Haley Engstrom, Jamie Carson, Jeff Henson, Stacey Roach, Terry Cole Fairchild, Tessa Yackley, Anna White

Public: Jim Frohman

Summary:

10:30 AM – Start

1. Welcome – Susan Seacrest and Brian Chaffin
 - a. Comments on Public Open House Meeting: Council members reported that community members gave positive feedback on the meeting set up, proactivity of the City on such an important matter, and diligence of looking at all potential options. City representatives indicated interest in conducting another public meeting.
 - b. Rules of engagement for the meeting and levels of consensus were reviewed.
2. Today's Agenda and Schedule for Future Meeting – Brian Chaffin
 - a. December:
 - i. Discussion Criteria: Governance, Life Cycle Costs.
 - ii. Score Alternatives: Governance, Life Cycle Costs.

- b. January:
 - i. Final evaluation and recommendation.
- 3. Scoring refresher – Terry Cole Fairchild
- 4. Difference in Governance discussion from September meeting to December meeting.
 - a. September 20th the consultant team was asked by the Mayor's office to look at governance aspects of an MUD connection. Since then the City has had ongoing discussions with MUD, and the City law group conducted research into Joint Public Agencies and Interlocal Agreements. Consultant team met with Denver officials to learn about Denver's WISE project and its intergovernmental structure.
 - b. WISE Denver Project Example discussion
 - i. Water Infrastructure and Supply Efficiency (WISE) involved Denver, Aurora, and South Metro water utilities. The project impacted 2 million people. It required a substantial amount of time to put together the numerous interconnected agreements, implementation, and operation of WISE.
- 5. Governance criteria were discussed and scored for remaining alternatives B-H – Brian Chaffin
 - a. Nested criteria considered with Governance
 - i. Regional
 - ii. Autonomous
 - iii. Complexity
 - b. Governance considerations for Feasible Alternatives – Brian Chaffin
 - i. Expand Existing Wellfield
 - 1. Regional Impacts: Opportunity to serve new development and growing communities in the I-80 corridor. Communities that could be served include Ashland, Greenwood, and Waverly with combined population of approximately 8,200 people.

2. Autonomy: Contractual relationship would be necessary if Lincoln elects to serve as a water supplier. Agreement to serve as a wholesale supplier would not result in a reduction in decision making independence for Lincoln.
 3. Complexity: Terms of a wholesale supply agreement would generally be straightforward. Lincoln would be under no obligation to enter into an agreement and could elect not to be a supplier.
- ii. Off-Channel Reservoir
1. Regional Impacts: Opportunity to serve new development and growing communities in the I-80 corridor. Communities that could be served include Ashland, Greenwood, and Waverly with combined population of approximately 8,200 people.
 2. Autonomy: Contractual relationship would be necessary if Lincoln elects to serve as a water supplier. Agreement to serve as a wholesale supplier would not result in a reduction in decision making independence for Lincoln.
 3. Complexity: Terms of a wholesale supply agreement would generally be straightforward. Lincoln would be under no obligation to enter into an agreement and could elect not to be a supplier.
- iii. MUD Interconnect
1. Regional Impacts: Assumes joint public agency supplier agreement between Lincoln and MUD. Would provide opportunity to serve as a wholesale supplier to new development and growing communities in the I-80 corridor. Ability to provide water service along transmission main alignment between interconnect and Ashland treatment plant. Communities that could be served include Ashland, Greenwood, and Waverly with combined population of approximately 8,200 people.

2. Autonomy: An agreement would be required to establish terms for the joint public agency. The joint public agency would serve as the wholesale supplier to MUD, LWS, and other customers. Wholesale supply agreements with neighboring communities would be through the joint public agency. LWS and MUD would share decision-making authority. LWS would retain autonomy for treatment and distribution.
 3. Complexity: Joint public agency agreement would be significantly more complex than a typical wholesale supply agreement.
- iv. Missouri River Surface Water Intake to Ashland
1. Regional Impacts: Opportunity to serve new development and growing communities in the I-80 corridor. Communities that could be served include Ashland, Greenwood, and Waverly with combined population of approximately 8,200 people.
 2. Autonomy: Contractual relationship would be necessary if Lincoln elects to serve as a water supplier. Agreement to serve as a wholesale supplier would not result in a reduction in decision-making independence.
 3. Complexity: Terms of a wholesale supply agreement would generally be straightforward. Lincoln would be under no obligation to enter into an agreement and could elect not to be a supplier.
- v. Missouri River Wellfield to Ashland
1. Regional Impacts: Opportunity to serve new development and growing communities in the I-80 corridor. Communities that could be served include Ashland, Greenwood, and Waverly with combined population of approximately 8,200 people.
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wholesale supplier would not result in a reduction in decision-making independence.

3. Complexity: Terms of a wholesale supply agreement would generally be straightforward. Lincoln would be under no obligation to enter into an agreement and could elect not to be a supplier.

vi. Missouri River Surface Water Intake to Lincoln

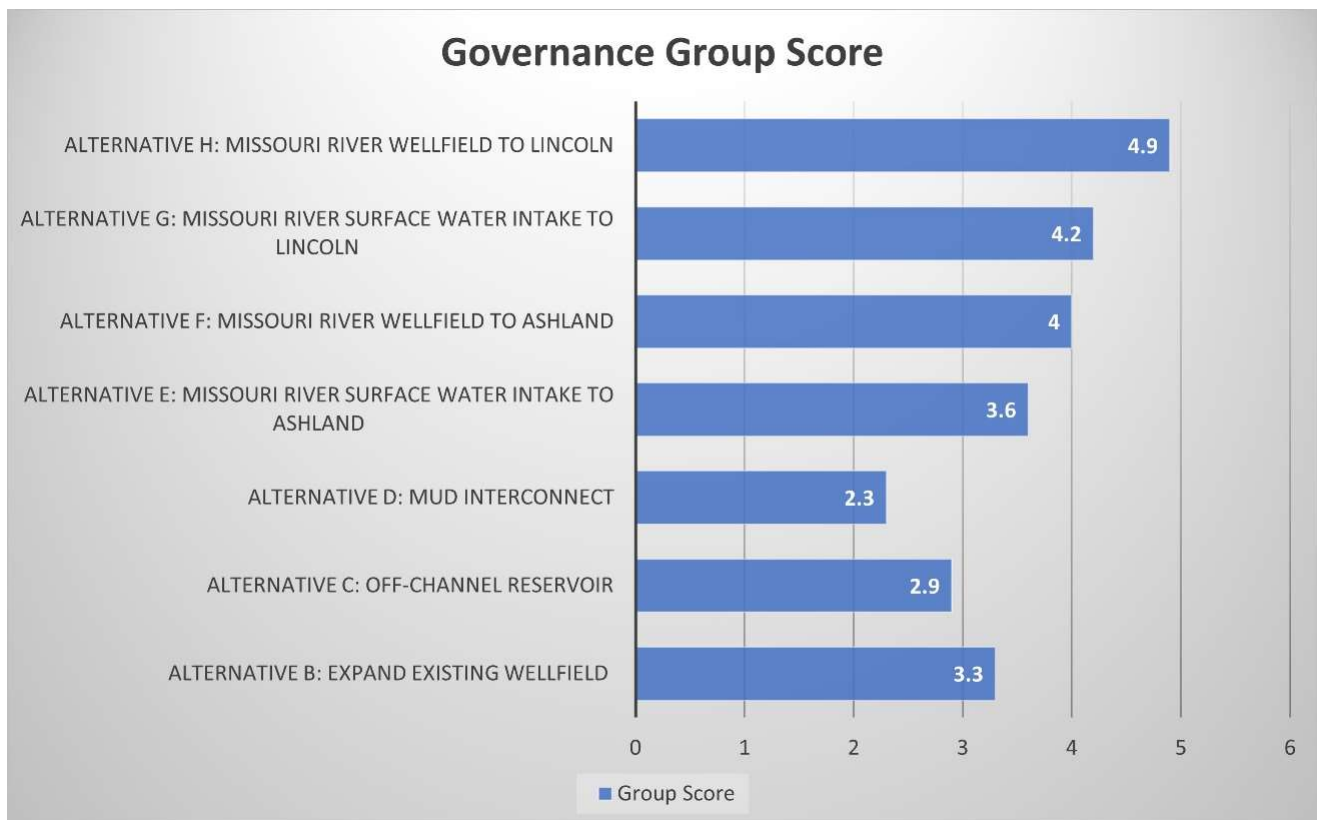
1. Regional Impacts: Allows for a larger geographic area to be potentially served. Would provide opportunities to serve communities along finished water transmission main as well those between Ashland and Lincoln. Communities that could be served include, but not limited to, Otoe, Avoca, Syracuse, Unadilla, Elmwood and Eagle, Ashland, Greenwood, and Waverly. Combined population is approximately 12,600 people.
2. Autonomy: A contractual relationship would be necessary only if Lincoln elects to serve as a water supplier. An agreement to serve as a wholesale supplier would not result in a reduction in decision-making independence.
3. Complexity: Terms of a wholesale supply agreement would generally be straightforward. Lincoln would be under no obligation to enter into an agreement and could elect not to be a supplier.

vii. Missouri River Wellfield to Lincoln

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c. Scoring Results



Break

6. Life Cycle Cost criteria were discussed and scored for remaining alternatives B-H – Andrew Hansen and Anna White
 - a. City of Lincoln Water Rate Model and Financial Metrics
 - i. The City's existing water rate model was utilized for the financial evaluation of each alternative. Capital costs, debt service and operating costs were projected for the baseline and each scenario where it is assumed project funding will be through bonding and a revenue increase. The cities existing financial metrics are met for each scenario, include minimum 180 days of unrestricted cash on hand and a minimum of 2.0 times debt service coverage.
 - ii. Basis of observations for beyond 2075 include analyses using professional judgment. Demand projections are conservative which could alter timing, regionalization may be more influential post 2075, and technology advancements and water conservation may provide opportunity for less water use.
 - iii. Supply beyond Year 2075 should consider a combination of upsizing facilities (primarily pipelines) and planning for future expansion. Example cost comparison for 30 MGD is in 2022 dollars.
 - iv. The cost per million gallons per day (MGD) is based on the 40 MGD for all alternatives
 - b. Nested criteria considered with Life Cycle Cost
 - i. Capital Costs
 - ii. Life Cycle Cost
 - iii. Cost per MGD
 - iv. Affordability

12:00 – 12:30 PM – Lunch

12:30 PM – Resume Meeting

c. Life Cycle Cost Impacts for Feasible Alternatives – Andrew Hansen and Jeff Henson

i. Expand Existing Wellfield

1. Capital Costs: \$510 million
2. Life Cycle Cost: The capital cost plus the operation and maintenance costs is \$710 million. This alternative is not capable of being expanded beyond 2075.
3. Cost per MGD: \$12.7 million per MGD
4. Affordability: Alternative passes the EPA median household income guideline of 2.5%.
5. Looking beyond 2075: Limiting factor is the reliability of the Platte River. Alternatives which place additional reliance on the Platte River are not sustainable.

ii. Off-Channel Reservoir

1. Capital Costs: \$920 million
2. Life Cycle Cost: The capital cost plus the operation and maintenance costs is \$1,140 million. This alternative is not capable being expanded beyond 2075.
3. Cost per MGD: \$23.0 million per MGD.
4. Affordability: Alternative passes the EPA median household income guideline of 2.5%.
5. Looking beyond 2075: Limiting factor in the reliability of the Platte River. Alternatives which place additional reliance on the Platte River are not sustainable.

iii. MUD Interconnect

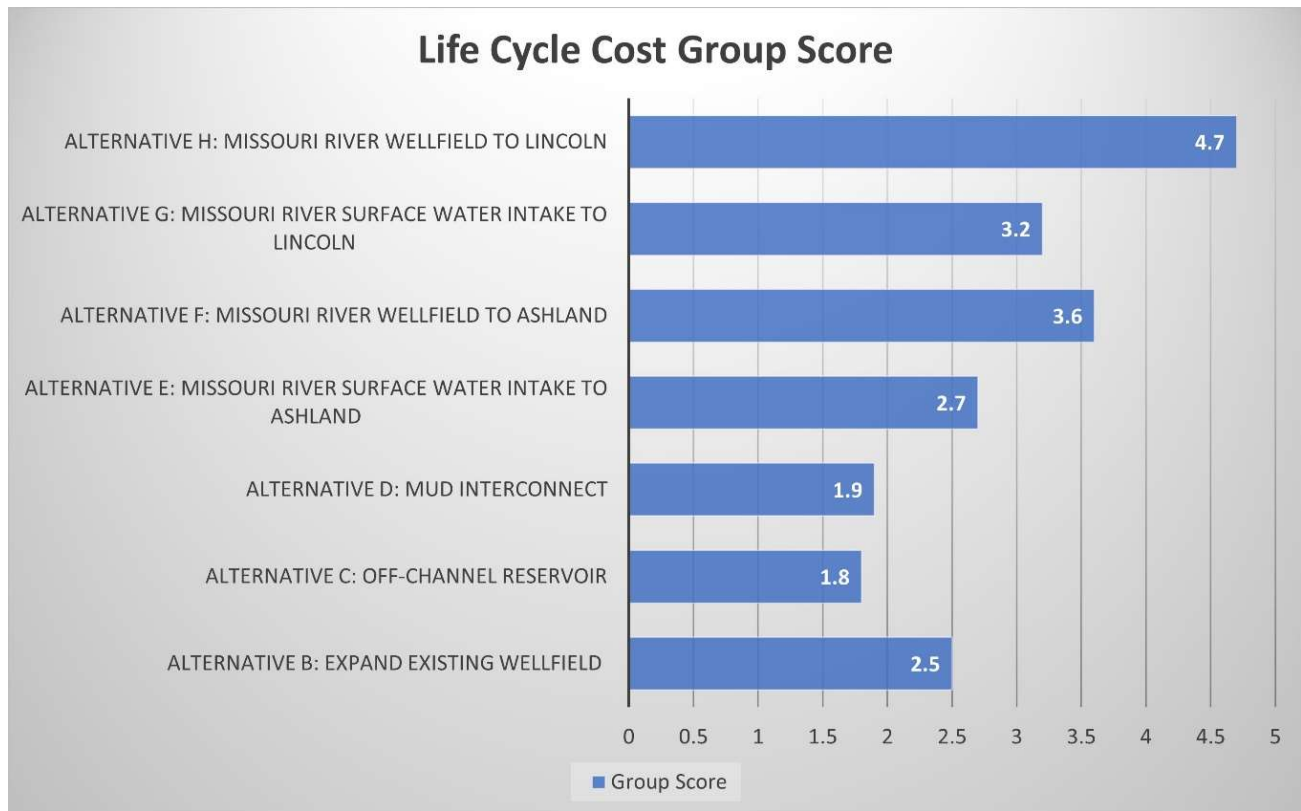
1. Capital Costs: \$830 million

2. Life Cycle Cost: The capital cost plus the operations and maintenance costs is \$1,390 million . This alternative is neutral to expansion beyond 2075.
 3. Cost per MGD: \$20.75 million per MGD
 4. Affordability: Alternative passes the EPA median household income guideline of 2.5%.
 5. Looking beyond 2075: To have sustainability, expansion beyond 2075 should be from the Missouri River. Increasing pipe size could have mutual benefit for MUD. Pipeline corridors can be reserved for future expansion since corridors are more obtrusive in urban developments.
- iv. Missouri River Surface Water Intake to Ashland
1. Capital Costs: \$870 million
 2. Life Cycle Cost: The capital cost plus the operations and maintenance costs is \$1,150 million. This alternative is capable of being expanded beyond 2075.
 3. Cost per MGD: \$21.7 million per MGD
 4. Affordability: Alternative passes the EPA median household income guideline of 2.5%.
 5. Looking beyond 2075: Ultimate capacity at Ashland is 210 MGD. Current facilities would be built-out by 2095; after that year a new treatment plant and additional conveyance to Lincoln will be required. Pipelines are located in rural areas and easier to expand.
- v. Missouri River Wellfield to Ashland
1. Capital Costs: \$830 million

2. Life Cycle Cost: The capital cost plus the operations and maintenance costs is \$1,100 million. This alternative is capable of being expanded beyond 2075.
 3. Cost per MGD: \$20.8 million per MGD.
 4. Affordability: Alternative passes the EPA median household income guideline of 2.5%.
 5. Looking beyond 2075: Ultimate capacity at Ashland is 210 MGD. Current facilities would be built out by 2095; after that year a new treatment plant and additional conveyance to Lincoln will be required. Pipelines are located in rural areas and easier to expand.
- vi. Missouri River Surface Water Intake to Lincoln
1. Capital Costs: \$1,050 million
 2. Life Cycle Cost: The capital cost plus the operations and maintenance costs is \$1,420 million . This alternative is capable of being expanded beyond 2075.
 3. Cost per MGD: \$28.2 million per MGD.
 4. Affordability: Alternative passes the EPA median household income guideline of 2.5%.
 5. Looking beyond 2075: Most robust relative to long-term supply needs. Pipeline corridors are located in rural areas and easier to expand.
- vii. Missouri River Wellfield to Lincoln
1. Capital Costs: \$1,030 million
 2. Life Cycle Cost: The capital cost plus the operations and maintenance costs is \$1,390 million. This alternative is capable of being expanded beyond 2075.
 3. Cost per MGD: \$25.7 million per MGD.

4. Affordability: Alternative passes the EPA median household income guideline of 2.5%.
5. Looking beyond 2075: Most robust relative to long-term supply needs. Pipeline corridors are located in rural areas and easier to expand.

d. Scoring Results



Break

7. January 16th Meeting – Discussed format and any Advisory Council needs.
8. Closing Thoughts and Look Ahead

2:40 PM – Adjourn