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TOP STORY

Osawatomie moves forward with water plant project

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The Osawatomie City Council has endorsed a Water Study Committee recommendation to design and construct a new water plant.

Doug Carder / Miami County Republic

OSAWATOMIE — A new water plant is on tap for the community.

The Osawatomie City Council on Jan. 13 unanimously passed a resolution to adopt a Water Study Committee's recommendations to construct a new water treatment plant and replace 75 percent of the community's water distribution lines in phases.

The multi-pronged approach is estimated to cost about \$36 million to \$38 million — 45 percent of which likely would be covered by grants, according to city officials. The cost is almost equally divided, with an estimated \$18 million to \$19 million to build the plant and another \$18 million to \$19 million to replace the distribution lines.

“It’s probably one of the biggest items the City Council and Osawatomie municipal city have (faced), most likely in about 40 years,” Deputy City Manager Bret Glendening told council members before the vote.

The council established a Water Study Committee in early 2021 to assess the best way to deal with the community’s aging water plant and leaky water distribution lines, some of which are more than a century old.

Committee Chair Mike Moon presented the committee’s recommendations to the City Council at its Dec. 9 meeting. Mayor Nick Hampson, council member Kenny Diehm, Glendening and some other community residents also were members of the water committee.

“The bottom line is the plant is on its last leg,” Glendening said.

After reviewing documentation about the water plant as well as touring some water plants in the area, the committee considered three options.

One option was for Osawatomie to get out of the water production business and purchase its water from the Public Utility Authority (PUA) which is Paola and Louisburg’s jointly owned plant on the Marais des Cygnes River east of Osawatomie, or buy its water from Rural Water District No. 2, which has a plant at Hillsdale Lake.

Another option was to undergo a massive rehabilitation project to shore up Osawatomie’s existing plant. The final option was for the city to build a new plant.

The committee decided it did not want to give up the city’s water rights on the Marais des Cygnes River. If the city ceased producing water, it would eventually lose its water rights to other entities either up or down river, city officials said.

The committee thought it was in the best interest for Osawatomie to maintain its capability to produce its own water. Osawatomie has two large wholesale customers, RWD No. 1 and RWD No. 3. Osawatomie State Hospital also receives its water from the city.

The city would be eligible to pay for 45 percent of the total project with grant monies, with the other 55 percent covered by a low-interest government loan, according to the city.

“Our cost to retire that debt over 40 years is just under \$57,000 a month,” Glendening said.

Glendening said the cost to buy water from PUA would be about four times that \$57,000 figure. He estimated the cost to purchase water from RWD No. 2 would be roughly twice that amount.

“I still have not been convinced that us building our own personal water plant is the direction to go,” council member Karen LaDuex said.

LaDuex asked if city staff had enough discussions with RWD No. 2 to figure out if it would be amenable to Osawatomie contributing to the further enlargement of the Hillsdale plant, which is under a multi-phased plan to increase its capacity from producing 6 million gallons per day to 12 million gallons per day.

Such an arrangement would mean RWD No. 2 would be treating water for the district’s other customers as well as Osawatomie, which would allow the city to concentrate on distribution, she said.

“I know we have to do something about our distribution lines — that’s a no brainer, and I know we have to ensure that we have potable drinking water for our citizens,” LaDuex said. “I understand those two parts. But aren’t we kind of jumping the gun to say we are going to design and construct a water treatment facility?”

She also asked about possibly entering into an agreement with RWD No. 2 that would enable the city to obtain water from the rural water district as well as continue to distribute water to the city’s wholesale customers and keep its water rights on the river.

Glendening said Rural Water District No. 3 is not interested in a scenario in which the city would buy water from RWD No. 2 and then turn around and sell it to RWD No. 3.

But Glendening said RWD No. 3 has expressed interest in a new Osawatomie plant.

“The Rural Water District No. 3 board has expressed interest in sharing the cost of this water treatment plant with us,” Glendening said. “We don’t know what those details would look like (at this juncture).”

Regardless of how the vote went, Glendening said the city is pursuing an interconnect with RWD No. 2 as an emergency backup source of water. Currently, the city has no backup source, he said.

The Water Study Committee noted that the cost of constructing an interconnect line with RWD No. 2 could be eligible for federal American Recovery Plan Act (ARPA) monies.

Council member Dan Macek said if the city joined in with RWD No. 2 it would absorb a portion of the water district's debt. Glendening said that debt cost would be built into RWD No. 2's rate.

"So we would be paying more for their water," Macek said. "Our water rate here would double. To me, the most important thing as to why we should build instead of just joining in is the duplicity of water source. They have Hillsdale. If something happens to Hillsdale, they would have us. If something happens to the Marais des Cygnes, we would have them through that interconnect."

Macek and Glendening said a new water plant with larger capacity could serve as an economic development tool because the city also controls the power grid through its electric utility — which some large companies might find attractive when evaluating Osawatomie as a location for their business.

Toward the end of the discussion, City Manager Mike Scanlon emphasized that Osawatomie does not have a secondary source of water.

"That's the first issue that has to be addressed," he said.

With the possibility of a 40-year low-interest loan from U.S. Department of Agriculture (USDA), ARPA funding and grants to cover up to 45 percent of the water project costs, Scanlon said a new water plant is obtainable.

"If this had been years ago, you would probably be looking at consolidation if there just wasn't the level of funding out there to even consider a water plant," Scanlon said. "At the end of the day, I think Miami County ends up with three water plants."

Scanlon and Glendening said it is important to make sure a new water plant has the capacity to grow over time.

Glendening said the city must look for ways to keep the costs down to residents to the largest extent possible and still retire the debt and put money away for capital improvements.

“We have to build capital, and that’s something that the city has struggled with for the last 25 or 30 years,” Glendening said. “We didn’t take into account any of the capital needs of the facilities that are producing our water or treating our sewer or generating our electricity. And, unfortunately, that’s the way it has been done in Osawatomie for a long time.”

Glendening said the city has to develop a mindset of looking into the future, something that he said City Manager Scanlon has done a good job of instilling in city staff and the community since he arrived in 2020.

“It’s not only tomorrow, next week, next month, next year — it’s five years, 10 years, 20 years down the road,” Glendening said. “Because it’s a lot easier to swallow than waiting until the thing is about ready to fall in on itself. I wasn’t looking forward to coming up here (to the podium) and saying I want to spend \$38 million.”

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