

MEMORANDUM

TO: Blair Mayor and City Council

From: CJ Heaton, Deputy City Administrator of Public Works

Date: 3/24/26

Re: Proposed Elevated Water Tower

As you are all aware, staff have been working on securing a site for the proposed new elevated water tower. Tonight, I'm happy to share that we have secured a site that will meet our needs, and from a developer who is interested in working with us. We also have Chris Koenig from HDR here to discuss the reasons why a tower is needed over additional ground storage or pumps, and Justin Novak with the Papio Missouri River NRD/Rural Water District to talk about the need and impacts of this project to the rural water customers, and Mike Rooks with Gateway Development to discuss how growth in Blair and in the surrounding communities will place more demand on the current system. We also have members of local fire departments available to share their concerns about the lack of a reliable water source in rural areas south of town and Ft Calhoun.

The site that we have selected is on top of the hill near the Cargill office building on Kellie Dr. This site is currently beginning the plating process for a single-family home development. The developer is willing to work with the city for a water tower location. In exchange for the water tower lot, the city will work with the developer to help offset some of the costs of the development. This site is close to the same elevation as the current water tower, allowing for the two towers to work in tandem. A new main will be installed from Hwy 75 along the hollow road bypass to the new tower, and a second line will connect to the lines on the Hwy 30 side. This will allow for more water storage for the city of Blair in areas where we anticipate seeing the most growth in the coming years. This is also a good location to provide water for the rural areas, Ft Calhoun, and the Blair Airport.

The anticipated cost for this project is 4 – 5 million dollars. It is our intent to look at restructuring rates once the tower is completed. Similar to how our current rates lean heavily on our industrial partners for plant improvements that directly impact them, the costs for the new tower will be primarily repaid through our rural water rates and the bulk water rates to our partner communities that have a direct impact from this new tower. This tower will also open up additional users that will help increase revenues to the water fund, both within city limits and outside of Blair.

Some have asked why we need the tower, or why it needs to be in or close to Blair. We need the water tower for additional storage for the city of Blair. We can currently produce up to 27 million gallons of water per day at WTP, but we only have about 4.5 million gallons of storage. In order to allow the WTP to function smoothly, additional storage capacity is needed to allow the draw to come from the storage pools, not the WTP. There is also a great value in using elevated storage for the gravity feed that they provide. If there is water in the tower and the

power fails, that water will still flow. No concerns if a storm knocks out power, open a tap and water will flow. There is a redundancy built into the system this way. We are in the process of adding back-up generators for our pump stations, but they can only keep up for so long and may not provide 100% of the flow as normal. Pumps can also only push water so far and with so much pressure. The cost for one pump station is about 2 million, so the cost to pump water to all of these locations would far outpace the cost of the tower. Lastly, we are seeing a trend in regional utilities in all types. For the rural water or Ft Calhoun to construct their own treatment plant or tower would be extremely cost-prohibitive. The city of Blair already provides water to Kennard, Rural Water, and Lakeland. We also have the interconnection line with MUD. This expansion of the system will make the entire community better.

Justin and Mike will speak more to this, but currently, the Rural Water System has a moratorium on new developments in the area. They simply do not have the water to provide to these areas. Ft Calhoun is also reaching the point where they cannot have proper fire protection for the community. This new tower will help satisfy those growing demands. We are also seeing a lot of demand at the Blair Airport and have a planned 12-inch water main along Hwy 133 to meet the demands at the airport for fire protection in the hangars. Once the new main is installed, more areas will be ripe for development along the 133 corridor. All of which will provide additional revenues for the City of Blair's water department.

Recommendation: Staff would like a motion from the council to support the project and authorize staff to move forward with design. Staff will come back to the council for approval to go out for bid when the time comes, and again before receiving any bids.

Fiscal Impact: Estimated costs are 4 – 5 million.