MEMO

To: Mayor and City Council

From: Mark Gaugh, City Manager

Date: June 4, 2012

Re: Manager's Report

Blue Ribbon Committee for Transportation – On May 21, the Missouri Department of Transportation held a meeting where area agencies could testify to the Transportation Blue Ribbon Committee. Issues discussed were the various needs of each municipality or entity, along with funding recommendations and discussion. Missouri has many more miles of roads to maintain than surrounding states, but the gas tax is among the lowest. Funding options, such as Transportation Development Districts, toll access for interstates and increased gasoline taxes were discussed. My part of the discussion involved a brief presentation to the Committee on Cameron's needs, mainly the intersection improvements needed at Bob Griffin Road and Highway 36. This need was also mentioned by MoDOT at the beginning of the meeting when they presented the needs of our northwest district as a whole. Mark Gargas also spoke as a citizen representative. With funds for highway improvements becoming scarce, the group's consensus was that Missouri's highway needs can be at least l./partially met with an increase in gasoline taxes, along with local funding such as special tax districts where applicable.

Employee Health Insurance Premium Increases – Next month, we are looking at an increase in premiums for health coverage of employees. Currently, the City pays all of the employee's premium cost and approximately 47% of family coverage. This issue was discussed with Council and it was decided to keep the increase budget-neutral. The employees will contribute 10% of employee coverage, and will pay the equivalent portion for family coverage. This will at least offset the increase in premiums that we are looking at for the Plan year.

Shaft Failure at Wastewater Plant- Recently, we had another failure with one of the oxidation ditch rotor shafts. This particular shaft was re-welded from a previous break, but experienced a second break, unrelated to the previous repair. The shaft material is more than likely fatigued to the point of needing replacement. Our recently approved wastewater plant improvements will make the shafts unnecessary, but will take a while to implement. In the interim, Alliance staff is going to set up temporary equipment to provide treatment. We can run on one oxidation ditch much of the time, depending on the time of year and the amount of rainfall we receive. We will keep a close eye on the process until more permanent repairs can be made.

Atrazine Litigation – The City has been involved with a class-action legal case over the past couple of years, in order to recover costs incurred for the reduction of atrazine in our water treatment process. A settlement agreement has been reached, and I think things can still change, however unlikely. We do not know the exact amount of money the City of Cameron will receive, but we think it will cover most of the cost of carbon treatment and other work the City has

performed. Atrazine was detected in the reservoir water, years ago. Fortunately, the City has been able to remove atrazine to levels below EPA limits. However, we believe that removing all contaminants, such as atrazine should be the goal. This is not always possible with available technology. I have attached a release by the American Water Works Association regarding the class-action suit. We will advise Council when we have an exact amount of cost recovery we will be eligible for under the settlement agreement. Our recovery amount can change, as testing results are still being submitted and the cutoff time will be in August of this year.