

Dear Resident.

We are well into the first quarter of 2017, and as time moves along, so do our water treatment improvement projects. This letter provides an update on our ongoing response to the 2015 discovery of 1,4-dioxane in the wells that supply Water Treatment Plant 1 (WTP1). As previously reported, the City initially responded to the discovery in April 2015 by switching the water supply to deeper, dioxane-free wells, and in July 2016, by switching the entire water distribution system to receive dioxane-free water from the city of Minneapolis. We anticipate delivering Minneapolis Water until the fall of 2018, at which time the building and dioxane treatment addition at WTP1 will be completed.

Accomplishments to Date

Before we could move forward with plans for expanding WTP1 to house the dioxane treatment equipment, several other projects were required to make ready the WTP1 site. They included building a water line connection to Minneapolis's water supply, treating and testing our distribution system to ensure a safe and smooth switchover of the water supply from New Brighton's deep wells to Minneapolis water, constructing a Distribution Control Station (DCS) building, and relocating all underground utilities onsite to facilitate the WTP1 expansion.

All these projects were necessary steps in the City's overall effort to address the discovery of dioxane. These accomplishments are all important milestones along the path of completing our goal of reopening WTP1, with all the treatment processes in place, by fall 2018.

What is Happening Now

The City has received bids for supplying an Advanced Oxidation Process (AOP) treatment system that uses ultraviolet (UV) light and hydrogen peroxide to remove dioxane. Bids are currently being evaluated using a process known as "best value contracting," a process that permits a contract to be awarded not just on price, but also on consideration of a bidder's demonstrated expertise, its experience on similar projects, and on other important factors. A committee of City staff soon will be evaluating bids and making a recommendation to the Council.

With separate procurement of the specialized AOP equipment nearly complete, the plans and specifications for the WTP1 addition and refurbishing will be finalized over the next few weeks. That construction project, which includes installation of the separately-procured AOP equipment, will be bid using standard construction contracting processes. The finished project will be

capable of treating 7.27 million gallons of potable water per day, while guaranteeing removal of dioxane to well below the Minnesota Department of Health's strictest drinking water standard.

Actual award of the AOP equipment procurement and WTP1 expansion construction contracts will occur in April or May 2017. At the time this letter is being written, the specific Council meeting dates and times have not yet been set, so please watch for updated information on the City's website for details in the event you would like to attend those meetings or view them online. Construction is scheduled to begin as soon as the contracts are awarded, likely by June. Construction is scheduled to be completed by fall of 2018.

The City also will be replacing its computer-based water system controls at WTP1. With the new controls, our Water Department personnel will have the ability to monitor each system component, whether onsite or remotely located, and continue to deliver water meeting the strictest health-based standards.

Under the City's litigation settlement agreement with the U.S. Department of Army, the activities undertaken in response to the dioxane discovery are funded by the Army. We continue to coordinate our activities with the Army, Minnesota Pollution Control Agency, U.S. Environmental Protection Agency, Minnesota Department of Health, and neighboring communities and other interested stakeholders.

We appreciate your continued support of our efforts. Please note that the City will provide periodic water updates on its webpage. You can visit www.newbrightonmn.gov for all of your City business.

Sincerely,

Dean R. Lotter

New Brighton City Manager