

The Sheldon City Council met in regular session on Wednesday, October 2, 2013 at 4:30 p.m. Mayor Katricia Meendering called the meeting to order. Roll call was taken. Present: Brad Hindt, Duane Seehusen, Ron Rensink, Greg Geels, and Dave Popkes. Also present: Todd Uhl, Lyle Bolkema, Micah Schreurs, Scott Wynja, and Arlene Budden.

There were no public comments.

A motion was made by Seehusen and seconded by Hindt to approve the consent agenda with the following items:

- a. City Council Minutes of September 18, 2013.
- b. Summary List of Claims.
- c. Sunday Sales Liquor License for Fraternal Order of Eagles.
- d. Student EMA Applicant Connor Klatt.
- e. SCDC Request for Halloween Activities.

Roll call was taken. Ayes, all. Motion carried.

Mayor Meendering opened the public hearing on the Deep Well Project. There were no oral or written comments. A motion was made by Hindt and seconded by Seehusen to close the hearing. Roll call was taken. Ayes, all. Motion carried. A motion was made by Rensink and seconded by Hindt to approve Resolution R13-4125, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHELDON, IOWA, APPROVING THE PLANS AND SPECIFICATIONS FOR THE 2013 WELL NO. 15 CONSTRUCTION PROJECT, SHELDON, IOWA. Roll call was taken. Ayes: Hindt, Seehusen, Rensink, Geels, and Popkes. Motion carried.

Engineer Dan Nebelsick, DGR Engineering Co., informed the Council that the City has received two bids on construction of the deep well, which came in higher than estimated. He also explained the different ways of drilling a well, taking into consideration efficiency and longevity. Councilman Rensink asked the reason for the under estimation of the project. Mr. Nebelsick stated that the dry environment lends to more demand, time frame for completion, and mobilization costs were factors that affected the bids. Councilman Geels asked if a longer time frame for completion would attract better bids, and if that was a possibility. Public Works Director Todd Uhl stated that completion of the new deep was critical in order to provide the community the quantity and quality of water they expect. He added that they do have new part for the current deep well if it should fail, but there would be a mandatory water restriction for a minimum of seventy-two hours up to possibly two weeks. The current well pumps at a capacity of all or nothing. The new parts for the current deep well and the new deep well will provide the capability of regulating the amount of water being pumped. After discussion, a motion was made by Rensink and seconded by Seehusen to approve Resolution R13-4126, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHELDON, IOWA ACCEPTING THE BID OF \$329,490.00 AND AWARDDING THE CONTRACT TO LAYNE CHRISTENSEN Co., FOR THE 2013 WELL NO. 15

CONSTRUCTION PROJECT, SHELDON, IOWA, funding the project with the 2013 Capital Loan Notes, and an internal loan from the City of Sheldon for the Alternate Bid Items that include Building and Controls, Contingencies and Engineering, which will be repaid to the Water Depreciation Fund with Tax Increment Financing Revenues (TIF) through Certified TIF Debt, for a total project cost of \$520,000. Roll call was taken. Ayes: Rensink, Geels, Popkes, Hindt, and Seehusen. Motion carried.

A motion was made by Hindt and seconded by Popkes to approve Pay Estimate #1 in the amount of \$96,878.10 to D.A. Davis Co., Inc., for the 2013 Sheldon Crossing Improvement Project. Roll call was taken. Ayes, all. Motion carried.

A motion was made by Seehusen and seconded by Popkes to approve Resolution R13-4127, A RESOLUTION APPROVING THE SALE OF LOT 1, BLOCK 5 OF SCHEMPER ADDITION IN THE CITY OF SHELDON, O'BRIEN COUNTY, IOWA. Roll call was taken. Ayes: Rensink, Seehusen, Hindt, Popkes and Geels. Motion carried.

City Manager Wynja gave an update on the Downtown Infrastructure Project. He stated the merchants are concerned about the project affecting the holiday season. He informed them that the general contractor is planning to bring in additional subcontractors to assist with the sidewalk construction. He still believes the project will be done by the completion date of November 1, 2013. City Manager Wynja added that he will continue to keep the community and the merchants informed on the status of the project. Councilman Rensink and Councilman Hindt both relayed frustrations with the work progress and work quality of the contractor. The work is substandard and this needs to be addressed before the project is accepted. City Manager Wynja will continue to monitor this to ensure that the project conforms to the plans and specifications as approved by the City Council. After discussion, a motion was made by Geels and seconded by Popkes to approve Pay Estimate #3 in the amount of \$96,518.43 to Rens Concrete Inc., for the 2013 Sheldon Downtown Infrastructure Project. Roll call was taken. Ayes, all. Motion carried.

City Manager Wynja gave the Council an update on the Lewis & Clark Regional Water Project. He stated that the City of Sheldon cannot abandon the project, but instead can ask to sell Sheldon's portion of the project (capacity of 1.3 Million gallons per day), for the capital cost of \$2,559,634.10. Sheldon would have to offer it first to the Iowa members, and then could open it up to all the other members. This would be repaid over ten (10) years at 6% interest. The negotiations must go through the Lewis & Clark Regional Water System.

The capital call is scheduled for a vote on October 24, 2013. Sheldon's portion of this would be approximately \$700,000. City Manager Wynja stated there would be no advantage to pull out of the project before the vote, as the City of Sheldon would still be liable for this amount. He believes the vote is very close between the ayes and nays. If it does pass, the funds would not be needed until around July, 2014. This would still give Sheldon the opportunity to request selling their capacity of water to the other members, if that is what the City decided to do.

City Manager Wynja also stated that Lewis & Clark had a very good meeting with the Iowa legislatures regarding the Regional Water Project, and they are very supportive of its completion. One option that is being discussed is a SRF Loan of \$50 Million from the State of Iowa at a 2% interest rate, to complete the Iowa portion of the project. The federal government would reimburse the principle amount. In the interim, the Council also directed City Manager Wynja and Public Works Director Todd Uhl to research and investigate other systems that might be available to provide water to the City of Sheldon.

Press comments-none.

Council comments-Councilman Rensink stated that he empathized with the downtown merchants and their concerns over the project. He added that a lot of work must be completed in the next two or three weeks, and then some hard decisions may need to be considered. If the project is delayed, City Attorney Schreurs may need to deal with the contractual issue.

Staff comments-none.

A motion was made by Rensink and seconded by Hindt to adjourn the meeting at 5:34 p.m. Roll call was taken. Ayes, all. Motion carried.

Arlene Budden, City Clerk/Treasurer/Finance Officer