**LEOLA CITY COUNCIL MEETING**

**March 19, 2018**

 **The Leola City Council met in the Council Room of the Municipal Building in special session on Monday, March 19th, 2018. Mayor Doug Yost called the meeting to order with the following Council Members present: Jackie Rau, Dana L. Leibel, Jessica Lipke, Michael Yost and Lindsey Bollinger, along with the Finance Officer Kappes. Absent: Richard Reis. Also present: Brett Schaible, Shane Moser, Rod Hoffman, Tyler Bollinger, Gayle and Steve Seibel, Jordan Hintz of Northeast Council of Governments, Julie & Vaughn Beck, City Attorney.**

 **Jordan Hintz of Northeast Council of Governments, conducted the SRF Public Hearing and discussed the following bullet points of the project:**

 **The need for the project: Due to the City of Leola experiencing a growing volume of water loss in their water system they are unable to accurately collect meter readings of water usage.**

 **Alternatives: The city has considered several alternatives as outlined in the facilities plan and facilities plan amendment completed by Helms and Associates. Doing nothing was considered as an alternative however doing nothing will not address the issues and is not considered a viable option.**

 **Project: The City is proposing to construct a new pump housing building, replace all of their water meters with electronic read meters and software and replace all of their 4” AC/DI and lines less than 2” to be replaced with 6” PVC piping plus adding 6” PVC loops to the system along with new valves and fire hydrants.**

 **Proposed Financing: The City of Leola is applying to the South Dakota Department of Environment**

 **and Natural Resources for grant, loan, principal forgiveness loan or a combination of each.**

 **Along with South Dakota DENR they will also be applying to CDBG for grant.**

 **The maximum amount of SRF loan to be borrowed; Up to $2,640,910.00**

**The revenue source pledged for repayment**; **Project Surcharge Revenue Bond. Discussion of general obligation bond, sales tax bond, and water revenue bond were also explained.**

 **Interest Rate and Term: The note will be for up to 2.00% at a term of 30 years.**

 **The effect of the proposed financing on user rates. If the funding is entirely loan the City would need to incorporate a surcharge of $43.50 per user per month based on 248 users. The surcharge rates will be determined after the funding package has been put in place. The project surcharge will be lower if DENR awards grant or principle forgiveness.**

 **A discussion on assessing the community housing need of rental property, housing units, drainage, park restoration and equipment, dredging and stocking of Lundquist Lake, Lining of the swimming pool and need of some type of medical clinic.**

 **Motion by Council Member Rau to move forward with the water improvement project application and including resolutions for the funding package. Council Member L. Bollinger seconded the motion. All present Council members voted in favor. Motion carried. Resolutions passed to authorize signatory on all documents pertaining to the funding application will be included in the funding application.**

**RESOLUTION 18-2**

 Authorizing Community Development Block Grant Application to Assist In Improvements to the Water System in Leola, South Dakota

WHEREAS, the City of Leola proposes to execute an application for $770,000.00 Community Development Block Grant funds to help construct the Water System in the City of Leola; and

WHEREAS, the City of Leola is eligible for Federal assistance for the proposed project; and

WHEREAS, with the submission of the Community Development Block Grant application, the City of Leola assures and certifies that all Community Development Block Grant program requirements will be fulfilled; and

WHEREAS, the City of Leola has held the required public hearing on Monday, March 19th, 2018 for the Community Development Block Grant; and

WHEREAS, the City of Leola is required to designate a certifying officer for the purpose of signing documents pertaining to this grant; and

WHEREAS, the City of Leola is required to designate an environmental certifying officer for the purpose of signing required environmental documents pertaining to this grant;

NOW, THEREFORE BE IT RESOLVED, that the Mayor of the City of Leola,

be authorized to execute the Community Development Block Grant application for the City of Leola; and

AND BE IT FURTHER RESOLVED, that the Mayor of the City of Leola, be

hereby designated as the City’s certifying officer for the purpose of signing correspondence, pay requests, and other required documents;

AND BE IT FURTHER RESOLVED, that the Mayor of the City of Leola, be

hereby designated as the City’s environmental certifying officer for the purpose of signing correspondence and other required documents and forms.

Signed this 19th day of March, 2018.

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 Doug Yost, Mayor

Attest:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Candice Kappes, Finance Officer

RESOLUTION NO. 18-3

RESOLUTION AUTHORIZING AN APPLICATION FOR FINANCIAL ASSISTANCE, AUTHORIZING THE EXECUTION AND SUBMITTAL OF THE APPLICATION, AND DESIGNATING AN AUTHORIZED REPRESENTATIVE TO CERTIFY AND SIGN PAYMENT REQUESTS.

 WHEREAS, the City of Leola has determined it is necessary to proceed with improvements to its Drinking Water System, including but not limited to water meter replacement, new pump housing building, and replacing water lines.

 WHEREAS, the City has determined that financial assistance will be necessary to undertake the Project and an application for financial assistance to the South Dakota Board of Water and Natural Resources (the “Board”) will be prepared; and

 WHEREAS, it is necessary to designate an authorized representative to execute and submit the Application on behalf of the City and to certify and sign payment requests in the event financial assistance is awarded for the Project,

 NOW THEREFORE BE IT RESOLVED by the City as follows:

 1. The City hereby approves the submission of an Application for financial assistance in an amount not to exceed $2,641,000.00 to the South Dakota Board of Water and Natural Resources for the Project.

 2. The Mayor is hereby authorized to execute the Application and submit it to the South Dakota Board of Water and Natural Resources, and to execute and deliver such other documents and perform all acts necessary to effectuate the Application for financial assistance.

 3. The Mayor is hereby designated as the authorized representative of the City to do all things on its behalf to certify and sign payment requests in the event financial assistance is awarded for the Project.

 Adopted at City of Leola, South Dakota, this 19th day of March 2018.

 APPROVED:

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Mayor

 City of Leola

(Seal)

Attest: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 City Finance Officer

 **Denise Brandner, Jacki Hoffman, Keenan Stoecker joined the meeting at 8:40 P.M.**

 **Mayor Doug Yost informed the Council that according to the state bid laws-SDCL 5-18A-5 the low bid should be accepted, or all bids rejected and rebid. He opened the floor for discussion and asked for no interruptions while others have the floor. Tyler Bollinger brought examples of the C900 pipe and the CL200 pipe and addressed that there was very little difference in the pipe no issue**

**attaching to either pipe. Council Member L. Bollinger addressed the Council that being one of the issue discussed was attaching to the existing pipe, the $25,000.00 difference and saving in the low bid, along with time spent on little expenditures the bids could have been tabled.**

 **Steve Siebel asked the mayor for permission to speak and Mayor Yost granted him permission. He asked if L. Bollinger could be involved in the discussion and City Attorney Vaughn Beck confirmed she could but would need to abstain from the voting.**

 **Council Member M. Yost made a motion to rescind the motion made at the March 8th meeting to accept the bid from Moser Construction and to accept the bid from Bollinger Construction. Motion failed due to the lack of a second. The Council discussed the difference in the amount of feet of pipe bid, that with no change orders if the amount of feet of pipe bid was an error Bollinger would have to absorb the loss. The only change order for the project would be if in order to hook to the existing pipe they would need to dig into highway 10 & 45.**

 **Steve Siebel asked if all bids be rejected and rebid.**

 **Council Member L. Bollinger moved to go into executive session at 9:23 P.M. with Attorney Vaughn Beck. Council Member M. Yost seconded the motion. All present Council Members voted in favor. Motion carried. Finance Officer Kappes and all others present left the Council Room. Council Member Reis joined executive session.**

 **The Council declared out of executive session at 9:40 P.M. with all Council Members present, Brett Schaible, Shane Moser, Rod Hoffman, Tyler Bollinger, Julie & Vaughn Beck, City Attorney. Mayor Doug Yost addressed Tyler Bollinger that he understood no change order would be allowed if he miss figured on his total bid amount it would be his loss and Bollinger said he did.**

 **M. Yost moved to rescind the motion made to accept Moser’s bid $90,404.49 and award the bid to Bollinger Construction for $66,170.05 on the materials and installing of the watermain expansion to Pudwill Lake Estates up to 2655 ft of pipe. Council Member L. Bollinger abstained for voting. Upon roll call vote remaining Council Member voted as follows: M. Yost-Yes, Reis-Yes, Leibel-Yes, Lipke-No, Rau -Yes. Motion carried.**

 **Mayor D. Yost read the letter received from Tyler Bollinger asking for Council Member Rau’s removal from the board due to violation of bid laws and conflict of interest by Council Member Rau. Attorney Beck stated there was no conflict of interest on the part of Council Member Rau due to whom the contractors buy their supplies and to move forward and so no action needed.**

 **Council Member L. Bollinger moved, with a second by Council Member M. Yost, to adjourn. All Council Member voted in favor. Motion carried.**

 **The Leola City Council will meet in regular session on Monday, April 2nd at 7:30 P.M. in the Council**

**Room of the Municipal Building.**

**ATTEST:**

 **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

 **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Doug Yost, Mayor of Leola**

**Candice Kappes, Finance Officer**

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