

A regular meeting of the City Council of the City of Iola was held on May 28, 2019, at 6:00 p.m., at the Allen Community College - Spencer Ambler Board Room, 1801 N Cottonwood in Iola, Kansas..

CALL MEETING TO ORDER

Mayor Wells called the meeting to order at 6:00 p.m.

Mayor Wells and Council Members Peters, Ford, Peterson, Myrick, Ballard, Franklin, and Martin were present. Also present were Administrator Fleming, Assistant Administrator Schinstock, and City Clerk Hutton. Absent were Council Member Mathew.

REVIEW & APPROVAL OF AGENDA

Motion made by Council Member Myrick and seconded by Council Member Martin to approve the agenda as presented. All in favor. Motion carried.

PUBLIC COMMENTS

Mayor Wells read the following statement:

Persons who wish to address the City Council regarding items on the agenda may do so as that agenda item is called. Persons who wish to address the City Council regarding items not on the agenda and that are under the jurisdiction of the City Council may do so at this time when called upon by the Mayor. Comments on personnel matters and matters pending in court or with other outside tribunals are not permitted. Speakers are limited to three minutes. Any presentation is for information purposes only. No action will be taken.

Following Mayor Wells reading of the aforementioned statement, he asked members of the audience if they wished to address the Council.

Donna Houser thanked the City Council for the good streets in Iola. She had been visiting other towns and their streets are full of potholes.

CONSENT AGENDA

- A. Minutes Approval**
 - **May 13, 2019**
- B. Appropriations Approval**
- C. Allen County Relay for Life - Request**

Motion made by Council Member Ballard to approve the consent agenda as presented. Motion seconded by Council Member Peters. All in favor. Motion carried.

RECOGNITION

A. Iola CITF/Pride - Community of Excellence Award - Barbara Anderson presented to the CITF/Pride group a three-year Community of Excellence status with the Kansas PRIDE Program for 2019-2021. This will allow the CITF/Pride group to be eligible for the Community Action competitive grant program and the Community of Promotion/Marketing Grants.

NEW BUSINESS

A. Used Generation -

1. Purchase of Used Generation - Administrator Fleming noted that the City has worked with different vendors to outline a project for the City of Iola. The project outlined the size and type of units (diesel, skid-mounted, and 4160-volt) and the potential placement of these units- Power Plant #2 at Bassett. The old generators at this location were removed in 2013, and the building still offers a great location where three to four 2-MW units could easily be housed. Additionally, the Bassett Substation is in close proximity, which provides an excellent and logical location to connect the generated power to the system.

Based on the generation project outline, David Schaefer with High Plain Power Systems, LLC has proposed two projects to meet Iola's needs. One project covers the purchase of two 2-MW Caterpillar generation units. This project would also include the ancillary equipment like the switchgear and catalyst reduction systems. The second project covers the installation of these units at Power Plant #2 at Bassett. Combined the two projects allow for the purchase and installation of two used generators, adding 4MW of capacity to the City of Iola profile. The switchgear and associated equipment would be sized to easily add a third-2MW unit at a later date. The project proposals and associated agreements follow the agenda summary.

The purchase of the used generators and associated equipment totals \$800,000. The installation project totals \$311,250. Together, both projects will cost \$1,111,250 which is roughly \$277,813 per MW. The Electric Utility has been saving towards the purchase of additional generation for a number of years. In the 2019 Electric CIP Budget, \$2,350,000 is allocated for Additional Generation.

Administrator Fleming asked the Council to give approval for the project pending City Attorney Johnson and Mr. Schaefer's contract approval.

Council Member Ballard asked if we would be able to buy a third unit at the quoted price.

Administrator Fleming stated that these two units are what is available currently. The City should be ready to buy if something comes available.

Council Member Myrick asked if the current employees would be able to run these units.

Administrator Fleming stated that Mike Phillips and Chuck Hefferen of the Power Plant are more than happy to learn how to run these generators.

Mayor Wells noted that these units will only be ran during high usage times, or in case of an emergency.

Administrator Fleming noted that the units have the performance data with it and have been load tested, but no physical inspection of the units has been conducted by City staff.

Council Member Peters noted that there is a long list of services that are not provided by the seller.

Administrator Fleming noted that staff is confident that several of the items are already on location. Electric Production and Electric Distribution staff have reviewed the project and are comfortable fulfilling the necessary tasks in-house.

Motion made by Council Member Ballard and seconded by Council Member Myrick to approve the Purchase Agreement with High Plains Power Systems, LLC for two 2-MW, used Caterpillar generators and associated equipment for \$800,000 and authorize the necessary signatures pending final approval of the City Attorney and the Seller. All in favor. Motion carried.

Installation of Used Generation -

Motion made by Council Member Ballard and seconded by Council Member Martin to approve the Equipment Installation Agreement with High Plains Power Systems, LLC to install the two 2-MW, used Caterpillar generators and associated equipment for \$311,250 and authorize the necessary signatures pending final approval of the City Attorney and the Seller. All in favor. Motion carried.

Motion made by Council Member Franklin and seconded by Council Member Ballard to suspend the rules and move agenda item 8E Special Use Permit-401 S Walnut above agenda

item 8 B Solar Field Project in order to accomodate the guests present. All in favor.
Motion carried.

E. Special Use Permit- 401 S Walnut - Code Enforcement Officer Gregg Hutton, stated that the Planning Commission met on May 15, 2019 and held a public hearing to review an application from Megan McKarnin and Haley Westerman. Submitted for consideration was an application requesting a special use permit to open a commercial daycare service and pre-school at 401 S Walnut. This location was most recently the site of Harvest Baptist Church.

The facility is currently zoned as R-3 Multi Family Residential. According to Use Table 16-509, of the Iola Municipal Code a commercial daycare is allowed in a R-3 Zone but requires a special use permit.

The Planning Commission voted to approve the request for a special use permit at this property.

Motion made by Council Member Ford and seconded by Council Member Peterson to approve the recommendation of the Planning Commission and approve the special use permit for the property at 401 S Walnut to allow a commercial daycare. All in favor.
Motion carried.

B. Solar Field Project- Administrator Fleming introduced EMG's Scott Shreve and Westar's Scott Davidson to the Council. Mr. Davidson commented that Westar had recently entered into a solar project agreement with Baldwin. Westar has visited with Baker University and Baldwin Business and Science Departments about working in partnership with Westar during the build process to see how the solar farm is built and to learn the business side of it.

Council Member Peters noted that the Baldwin project would add 1 MW of power to count towards the city's peak demand.

Mayor Wells noted that several years ago he did a class project that showed the country was heading toward renewable greener energy. Such as wind and solar. He noted that the coal plants will more than likely not be renewed as available energy sources. Therefore the City needs to move forward. With this Solar in our own backyard we will save money on transmission.

Council Member Myrick asked about the possibility of a natural disaster destroying the solar panels. Who will be responsible for the replacement.

Mr. Davidson stated that as long as Westar owns it. It would be covered on their insurance.

Mr. Shreve noted that it is a safe system. It is built to withstand weather.

Council Member Ballard asked how is the City going to pay for the solar farm.

Administrator Fleming stated that with savings on the generation the Council just voted on to purchase, the credit received from the refund from the Southwest Power Pool and with 7-9 years to save towards the purchase and the money saved by not purchasing capacity for the demand it could be done.

Council Member Ballard stated that we can't pay for the Water Plant payments but you think we can save funds for this purchase. Administrator Fleming stated that the Water Fund and the Electric Fund are different funds and are not intermingled.

Council Member Martin stated that staff has done their research. we need to trust them and the experts that are present. He stated either jump on it now at a lower cost or buy it later. This is an investment for our town, kids and grandkids.

Mayor Wells stated that we are locking in the cost now, which seven years from now will be higher.

Council Member Ballard stated that the cost of \$28.94 is higher than we are purchasing power cheaper now. Mr. Shreve stated that at the present time natural gas prices are lower than they have been.

Council Member Ballard stated that the City said they would save money after the last flood? If we haven't done that how can we save the money needed to make this purchase. If we have to bond the money for 20 years at 3 ½% interest rate it would increase the cost by \$6-\$7.00.

Mayor Wells noted that this would diversify the City's portfolio. The City would have hydro, wind, and solar.

Council Member Ford stated that electric purchases were high last winter. Mr. Shreve noted that it was actually cheaper by the unit. The weather was colder, therefore more units were purchased by residents.

Council Member Myrick asked Administrator Fleming to clarify a prior statement about a savings of \$750,000 per year.

Administrator Fleming noted that he had mentioned the line of credit refund that was closer to \$1,000,000. This is a one time refund. The city will see a savings of approximately \$100,000 per year by changing over to a new purchase group with Westar.

Paul Zirjacks asked if the property the City was planning to build the Solar Farm on was the property West of Russell Stover's and did the city own it.

Administrator Fleming stated that was the property, the City owned it and would be using approximately 20 acres of the 80 acres available.

Administrator Fleming noted that the \$56,000 earmarked for the City cost would mostly be made up of labor and equipment usage.

Donna Houser stated that her daughter lives in Wichita and her electric bill was a lot higher than Donna's bill. She also liked the idea of Westar including college students in the process.

Council Member Myrick asked how long it would take to complete the project.

Mr. Shreve stated approximately six months once the project started.

Council Member Peterson stated she wants the end user to pay less than they are now.

Mr. Shreve stated that during peak times the city is paying more now. During these times this cost would be lower.

He reminded the group that electric rates are based on natural gas prices. As the city's Energy Consultant he blends what's in storage with the market to help keep the cost down.

Travis Baughn asked about cloudy days and the inability to produce solar power.

Mr. Shreve stated that some power would be generated but it would be decreased during cloudy days.

Council Member Franklin asked the Council "Who feels like they understand this project?" This is a \$6 to 7 million project that we are binding our future residents in.

These are set costs and I am just not comfortable making a decision for six to seven years in the future.

Mayor Wells stated we will be buying the energy in the future. It makes sense to lock in this cost and have the energy in our own backyard.

Administrator Fleming stated that the Mayor is correct we will be buying the energy whether or not we go with this project. Why not get it cheaper with this route.

Council Member Franklin stated that it is educated guess work. We have a fire department that is just costing us more money, the State Street project we need done and we can't save money for projects now. What will the school request from us.

Council Member Myrick asked if the power will be more expensive than this price at the time we purchase it.

Mr. Schreve stated that the City is going to spend \$3.5 million per year for generations. That cost is passed through to the customer.

Council Member Peterson stated it feels like a gamble.

Council Member Martin stated it is a risk not a gamble. We need to be careful with the words we use. We are not gambling with our customers and we are not putting them at risk. we are trying to make a sensible sound decision to save them money in the future and to offer green energy.

Council Member Ford Stated that she doesn't feel like has enough knowledge. She doesn't feel like she understands enough to make a decision.

Council Member Franklin asked why the department Head wasn't available for this big of a decision. Administrator Fleming noted that he had told Mike Phillips he didn't need to be at the meeting. He is well aware of the project and the learning curve it will take.

Motion made by Council Member Franklin and seconded by Council Member Ballard to table this item until September, following the budget. Voting in favor of the motion were Council Members Ballard and Franklin. Voting against the motion were Council Members Ford, Peterston, Myrick, Martin, and Peters. Motion failed.

Motion made by Council Member Ford and seconded by Council Member Martin to table this item until the next Council Meeting. Voting in favor of the motion were Council Members Ford, Martin, Peterson, Myrick, and Franklin. Voting against the Motion were Council Members Peters and Ballard. Motion passed.

Administrator Fleming noted that Council has to communicate with staff prior to the meeting if they need help understanding the agenda items.

C. Hydropower Allocation Agreement - Mr. Shreve noted that the city could enter into a Power Sales Contract directly with SPA. The renewal power could then be scheduled through Westar Energy, who already schedules power purchases and serves as the Market Participant for SEG.

Council Member Ford stated it sounds like the more tools we have in the shed the better.

Motion made by Council Member Franklin and seconded by Council Member Myrick to approve Resolution 2019-16 the Power Sales Contract with Southwestern Power Administration for a hydropower entitlement and authorize the necessary signatures. All in favor. Motion carried.

D. Allen County Rural Fire Department - Request - Travis Baughn from the Allen County Rural Fire Department is requesting the City waive the cost of utility connections at their new facility. With the support of Allen County, the Volunteer Fire Department will be building a new department facility at 1508 1400th Street (N. State Street).

The location is within the City of Iola service territory for Gas, Water, and Electric. They are requesting that the City waive all service connection fees associated with new Gas, Water, and Electric services.

Motion made by Council Member Ballard and seconded by Council Member Myrick to waive the service connection fees associated with new Gas, Water and Electric. All in favor. Motion carried.

F. Chip Seal Project - Road Oil Bid - Assistant Administrator Shinstock stated that staff has reviewed bid submittals from each vendor. Each proposal meets the specifications. Street/Alley Department currently has \$175,000 allotted for the chip seal program, which includes purchasing oil, crack seal material, asphalt hot mix, and misc. other material for the program.

Council Member Ballard asked why we chip seal the streets. He had spoken to the local asphalt company owner. He stated that it is a waste of money when the City chip seals the streets.

Assistant Administrator Shinstock stated that it has continually helped the roads within town. It is noticeable that the City has gone from a four-year rotation to a five-year rotation.

Motion made by Council Member Franklin and seconded by Council Member Martin to approve the purchase of approximately 43,000 gallons of RS-1P Emulsion Oil from Ergon Asphalt and Emulsion, Inc. Voting in favor of the motion were Council Members: Martin, Franklin, Peters, Ford, Peterson, and Myrick. Voting against the motion was Council Member Ballard. Motion passed by majority vote.

G. Farm City Days Summer Concert Series - Resolution - City Clerk Hutton stated that Farm City Days is requesting approval for the sale and consumption of alcohol at Riverside Park at 600 S State Street on July 13,2019, as part of their Farm City Days Summer Concert Series.

Motion made by Council Member Ford and seconded by Council Member Peters to approve Resolution 2019-15 allowing Farm City Days to sell alcohol for the special event concert on July 13, 2019, from 6:30 p.m. to 12:00 a.m. within the designated area at Riverside Park. All in favor. Motion carried.

Mayor Wells asked if next time items of this nature could be placed under the consent agenda.

COUNCIL & ADMINISTRATOR REPORTS

A. Council Member Franklin –

- Reminded the group that they should have decorum between the members. He knows he didn't do his best this evening.
- Inquired about the status of the Recreation Building. He had been approached about the City taking possession of Jefferson School and using it in place of the Recreation Building since it is out of the flood area.

B. Council Member Myrick–

- Appreciated the staff and the volunteers that helped during the flood episode.
- He attended LeHigh Roots Festival and noted that everything seemed to be going well.
- He is in favor of using Jefferson School as a Recreation Center.

C. Council Member Mathew –

- Absent

D. Mayor Wells–

- Appreciated Congressman Watkins offer for assistance during the flood episode.
- Would like to thank Administrator Fleming, Assistant Administrator Schinstock, all of the staff, and the County EOC Members for all of their assistance during the flood episode.
- Reminded everyone to stay safe and not drive through standing water.

E. Council Member Ballard –

- Asked where the employee study is.

- Administrator Fleming noted that WSU has gathered all of the data and are currently compiling a report.

F. Council Member Peterson--

- Noted that the City did great during the flood episode.
- She had been asked if the city could provide sandbags for individuals to fill and use as necessary during a flood event.

G. Council Member Ford--

- Congratulated Mayor Wells for obtaining his Doctorate Degree.
- Inquired about mosquito spraying.

H. Council Member Peters –

- Noted that the employees did a great job during the flood episode. The Street/Alley department were out during the weekend making sure road blockades were installed in the areas of high water.

I. Council Member Martin -

- Appreciated Administrator Fleming and the staff for keeping the communication open during the flood episode.

J. Administrator Fleming--

- Received a dividend check from EMC for \$78,683.28, which was well above the five-year average of \$69,672.16.
- Inquired if the Council is interested in a Trolley Ride at the June 10th meeting.
- Noted that EOC members and City Administrative staff visited with National Weather Service about the varying river crest estimates. They came to Iola and measured river width and current etc. to come up with a new rating for future river crest projections.
- Riverside Park still had standing water.
- Staff is planning on looking into a camera system that would help staff understand the level of the river at all times and hopefully it will cut down on traffic if the live video is available to the public.
- Paul Zirjacks asked why the water plant was in danger of being shut down since it is built so much higher than the highway. Administrator Fleming noted that at the project river levels the water plant would likely get flood water into its clarifiers and buildings. Also, flood waters would be over the highway, and staff would need to be able to safely access the water plant to turn the power off prior to flood waters getting in the building.
- Staff is reviewing the Recreation Center since this last event and will report back to the council with some findings.

DATE / TIME OF NEXT MEETING

City Council Meeting 6:00 p.m. on Monday, June 10, 2019
City Council Meeting 6:00 p.m. on Monday, June 24, 2019

8:00 pm. Motion made by Council Member Myrick and seconded by Council Member Ford to adjourn the meeting. All in favor. Motion carried.

Approved by the City Council of the City of Iola, Kansas this 10th day of June, 2019.

Mayor ~~Wells~~



City Clerk, Roxanne Hutton

