

CITY OF JANESVILLE
Special City Council Proceedings
April 20, 2015

The Janesville City Council met in special session on Monday, April 20, 2015 in the Council Chambers of City Hall at approximately 7:00 p.m. with Mayor Carroll in the Chair and Council Members, Reid, Stapleton, Bettis and McAllister present. Absent was Council Member Watson. Also present were City Attorney, Gary Boveia, City Clerk, Chris Murley, Public Works Director, Becky Wrage, Mark Durbahn with AECOM, Maggie Burger with Speer Financial, and Steve Nadel with Ahlers & Cooney.

Motion by Council Member McAllister and seconded by Council Member Bettis approving to adopt the agenda as presented. Motion carried.

The Council met to discuss the City's Water and Wastewater (Lift Station) Improvement Projects.

The following is a summary of the discussion: 1. COST COMPARISON. As close as possible, there should be a comparison of the cost to the City if it would enter into a contract as proposed by Central Iowa Water Association (CIWA) as opposed to constructing improvements following standard bidding procedures and continued sole operation by the City of its water system. Maggie Burger would assist in calculating those comparisons. 2. IMPLICATIONS OF AN EXCLUSIVE CONTRACT WITH CIWA. Over a forty-year span of time, under the contract as proposed by CIWA, the City would lose control over operational costs. CIWA would have the power to spread the cost of its overall operation beyond the cost associated directly with the City of Janesville. CIWA could potentially assign the contract to a third party, which is inefficient or has operational costs outside the control of the City. Further, desired expansion of the City's water system would require an agreement and participation of CIWA and/or any successor. In short, the city's options could be potentially limited. A loss of control would occur. 3. STATE LAW BIDDING REQUIREMENTS. If CIWA constructs the improvements, owns them and charges a connection fee to the City of \$600,000, with the understanding the City would then own the improvements at some later point in time, 40 – 45 years, can the City avoid the competitive bidding requirements under Chapter 26 of the Iowa Code? Steve Nadel indicated further research and advice would be necessary from Ahlers & Cooney's litigation department.

Following discussion, no formal action was taken by the City Council, however the general consensus was the City Council desired to explore entering into a separate water usage agreement with CIWA limited to the City purchasing water. There would be no contract with CIWA with regard to the installation of improvements within the City. That water usage contract would be for limited periods, monthly, semiannually or annually, subject to modification or termination on an ongoing basis. Construction of water main improvements would be undertaken by the City utilizing conventional financing in the form of general obligation bonds, special assessments or revenue financing with the City owning the total water system with retained control of the system, expansion or modification and cost of operation. Council Member McAllister intends to speak with representatives of CIWA with regard to a water usage contract as above described. In terms of CIWA constructing improvements for the City, they would have the option of bidding on the project per the City Engineers plans and specifications and pursuant to competitive bidding procedures under Chapter 26 of the Iowa Code along with other bidders.

Council Member Reid and Public Works Director Wrage will set up meetings with prospective contractors who are interested in doing the city's seal coating and street surface repairs this summer. During each meeting, the vendors will examine the proposed streets and work to be performed.

Each vendor will receive a copy of the plans and specifications outlining the work to be performed, when the works must be commenced and completed by, and the penalty for each working day beyond the date of completion. Tentative plans include a bid acceptance deadline of Friday, May 29, 2015 with the bid opening on Monday, June 1, 2015. The contract will be awarded to the lowest bidder that the City Council deems in the best interests of the City.

Motion by Council Member Stapleton and seconded by Council Member Reid approving to adjourn. Motion carried. Meeting closed at approximately 9:58 p.m.

ATTEST: _____ MAYOR: _____