

**MORAVIA CITY COUNCIL
SPECIAL MEETING
TUESDAY, AUGUST 31, 2021**

A special meeting of the Moravia City Council was called to order by Mayor Roy Miller at 4:30 PM on Tuesday, August 31, 2021, at Moravia City Hall. In addition to Mayor Miller, those present were Councilpersons Sheila Kirby, John Baty, Ron Deal, Ken Martin, and Gary Ehrle. Sharla Stogdill, Mitch Main, Bill Cortesio, Diane Deal, Carol Martin, Marty Hatfield, Sam Kirby, Irene Brooks, Stephen Pedrick, Melanie Cowan, Christy Ehrle, Bill Benjamin, and Marcia Benjamin were also present. The meeting opened with a prayer by Gary Ehrle and the Pledge of Allegiance. Mayor Miller welcomed the public.

Motion by Baty and seconded by Kirby to approve the agenda. Roll Call Vote: Kirby-Aye, Ehrle-Aye, Baty-Aye, Deal-Aye, Martin-Aye. Motion carried.

Comments from the public – Marcia Benjamin stated the Betterment Committee is finishing up getting surveys from residents with twenty left to receive.

Motion by Martin and seconded by Deal at 4:34 PM to open the public hearing for the community development block grant application to Iowa Economic Development Authority to assist in funding the proposed Phase I improvement that includes sewer liner, grouting, point repairs, grout sealing laterals, and manhole casting replacements. Roll Call Vote: Martin-Aye, Ehrle-Aye, Baty-Aye, Kirby-Aye, Deal-Aye. Motion carried.

The following information was read by Mayor Miller:

1. How was the need for this project identified?

The City of Moravia received a new National Pollution Discharge Elimination System (NPDES) permit for their wastewater treatment lagoon in June 2014. The new permit has more stringent treatment requirements than the prior permit. The treatment requirements of the new permit are not achievable without making extensive treatment system improvements. The June 2014 permit included a compliance schedule requiring the lagoon improvements to be operational and meeting the new requirements by October 1, 2018. In 2015, the City hired French-Reneker-Associates, Inc., to complete a preliminary engineering report for the proposed wastewater treatment improvements. The results of the 2015 report indicated the wastewater treatment improvements were not affordable. The City was awarded “disadvantaged community” status on July 20, 2015. The NPDES compliance schedule was then amended to give the City more time to raise sewer rates and make improvements in the collection system prior to embarking on the large wastewater treatment plant project. The current compliance schedule, as amended, includes the completion of the lagoon improvements to meet the new permit limits by December 1, 2026.

2. How the project will be funded and the sources of funds:

- a. It is recommended that a mix of Community Development Block Grant (CDBG) and State Revolving Fund (SRF) low-interest loans be used as a source of financing. The final cost will depend upon the amount of grant funds received, the terms of any loan, and the actual cost of construction.

<u>Phase 1 - SRF 50% Loan, 50% Grant</u>	
<i>(20-year loan financing, 2.0% interest, 10% loan “coverage”)</i>	
Project Cost	\$597,000
CDBG	<u>\$300,000</u>
SRF Loan	\$297,000
Annual Debt Payment (A/P, 2.0%, 20 yr) = 0.0612	\$ 18,177
10% Coverage	\$ 1,800
O&M of System	\$113,993
Existing SRF Loan (2003 Construction)	<u>\$ 29,330</u>
Total Annual Cost	\$163,300

Average Monthly Sewer Bill Per User to Pay for Improvements (assumes 328 users):
 $\$163,300/12 \text{ Mos.}/328 \text{ Users} = \$41.49/\text{month}/\text{user}$
 $\$41.49 \times 12/\$45,357 = 0.011 = 1.1\% \text{ of MHI}$

3. Date the CDBG will be submitted:
 - a. Due October 1, 2021
4. Requested amount of federal funds:
 - a. Moravia population: 636 (less than 1000 = max \$300,000) \$300,000
5. Estimated portion of federal funds that will benefit LMI persons:
 - a. Moravia LMI based on the Income Survey: 76%
 - b. Activity will benefit all the residents of a primarily residential area where at least 51 percent of the residents are low- and moderate-income persons
 - c. \$300,000
6. Where the proposed activities will be conducted:
 - a. South of Moravia and throughout the current sewer mains
7. Plans to minimize displacement of persons or businesses resulting of funded projects:
 - a. NA; project is located on an already existing sites/areas. Phase 1 of the collection system improvements is a combination of sewer lining, grouting, point repairs and manhole repairs.
8. Plans to assist persons actually displaced:
 - a. NA; project is located on an already existing sites/locations. Phase 1 of the collection system improvements is a combination of sewer lining, grouting, point repairs and manhole repairs.
9. The nature of the proposed activities:
 - a. The primary objective should be to rehabilitate all of the sewers and manholes within the collection system. To be affordable, we recommend a phased approach to the improvements. Phase 1 corrects 14 Grade 4 or 5 defects and corrects 36 Grade 2 or 3 defects. Phase 1 includes work in the northwest part of town and on the interceptor sewer main to the lagoons. This work includes work on 4,024 linear feet of sewer main, with 1,677 linear feet of sewer main lining, 2,347 linear feet of sewer main grouting, 12 point repairs, grouting of 34 sewer lateral connections, and various repairs on 15 manholes.
 - b. All construction activities will take place within the boundaries of already disturbed land and within current sewer main and locations.
10. General description of accomplishments to date:
 - a. Engineer procurement: 2015 – French-Reneker-Associates
 - b. Preliminary Engineering Report Completed: May 2021
 - c. SRF Loan Application Submitted: June 2021
 - d. SRF Loan Application Received: June 2021
11. Summary of expenditures to date:
 - a. Engineering -- \$29,750
 - b. Sewer Videos -- \$20,261.12
 - c. Grant Writing -- \$2,553.50
 - d. Legal Fees -- \$3,500
 - e. Lagoon Surveying, Sampling & Testing -- \$5,250

TOTAL = \$61,314.62
12. General Description of remaining work: CDBG for sewer/wastewater will be submitted October 1. Once grant has been received, project will move forward with construction bid, etc.
13. CDBG submission date was moved from July 1 to October 1 due to engineering report finalization.
14. Community Development and Housing Assessment
 - a. Community development and housing needs of Low-to-Moderate-Income Persons
 - i. Increase and rehabilitate the city's housing, particularly at an affordable cost for those with LMI and seniors in need of assistance for sustainable living conditions.
 - ii. Stimulate new construction and rehab of affordable housing in the city limits

- iii. Create a plan for infrastructure improvements
 - iv. Plan / Provide public infrastructure improvements with affordable taxes and utility rates
 - v. Provide public services at reduced rates and rent subsidies for person's with LMI.
- b. Other community development and housing needs
 - i. Increase and rehabilitate the city's housing and create new housing market opportunities
 - ii. Increase opportunities for the growth of economic development
 - iii. Improve the City's infrastructure
 - iv. Enhance public safety and security
 - c. Planned or Potential Activities to address housing and community needs
 - i. Applying to CDBG Water/Sewer in October 2021 for Wastewater Treatment Improvements to the City of Moravia's Wastewater Treatment Plant
 - ii. Prepare a plan for infrastructure improvements. This includes storm water, street and curb-gutter.
 - iii. Seek public assistance for housing development and rehabilitation.
 - iv. Encourage continued development of the city's retail, commercial and industrial tax base
15. Environmental Assessment
- a. Will be completed at the end of September by the State Revolving Fund/DNR
16. Provide the names and addresses of the person's authorized to receive and respond to citizen's questions and comments and answer any technical questions:
- a. Roy Miller – Mayor – 309 West North Street, Moravia, IA, 641-895-1695

After completion of reading the information, Mayor Miller asked the public for questions or comments. Mitch Main stated infiltration at the lagoon after we received 2 ½ inches of rain this week was 227,000 gallons and is only in the 40,000 to 43,000 gallon range in dry weather, emphasizing that these are very important repairs. Mayor Miller and Clerk Stogdill stated no questions or comments had been received at City Hall. Motion by Baty and seconded by Martin to close the public hearing at 4:47 PM. Roll Call Vote: Martin-Aye, Ehrle-Aye, Baty-Aye, Kirby-Aye, Deal-Aye. Motion carried.

Resolution #18-2021 to approve the submission of a Community Development Block Grant (CDBG) application for a sanitary wastewater system improvements project; and to authorize the mayor and city clerk to execute and sign said application and all related materials was offered by Council member John Baty. Motion by Baty and seconded by Kirby to approve and adopt Resolution #18-2021. Roll Call Vote: Martin-Aye, Ehrle-Aye, Baty-Aye, Kirby-Aye, Deal-Aye. Resolution approved and adopted.

Bill Cortesio and Melanie Cowan from Ultra 7 Development addressed the City Council about housing in Moravia. There is a big demand for homes in this area and jobs are not filled because there is no housing. Moravia's location in the county with access to other towns in all directions and a solid school system make it a great place to live. Duplexes and rentals for teachers was also discussed. Members of Ultra 7 Development want to build a subdivision in Moravia. Water, sewer, streets, and wi-fi are key needs. A TIF district would need to be established. Concern about increasing the population and the size of the lagoon was discussed as well as concerns about high-speed internet. The Council appointed Ron Deal as the liaison with Ultra 7 Development.

The closing of Lake Avenue was discussed again by the Council. Concerns about keeping the service alley open and where to start and stop the closing of the street were discussed. Pearl Street and Cummins Street will not be affected. A property owner adjacent to the street needs to be contacted to see if they are interested in obtaining their half of the street. Lake Avenue will be put on the agenda for the September 14 agenda and the mayor or a member of the council will talk to Tim Pettibone.

Council Discussion Items – Councilman Ehrle discussed the staffing shortage the city has with only Mitch Main and Shaun Wubben working now. The cemetery expansion is on hold due to the staff shortage. Council agreed by consensus that mowing and trimming is a priority and want to run an ad to hire for a temporary position. Councilman Baty stated the pole for the speaker system for Fall Festival is now set and he will be installing the lines.

Mayor Info and Discussion Items – Mayor Miller received quotes for replacing the handicap ramp at the library with an aluminum ramp. The quotes range from \$8,508.72 to \$14,000. Councilman Baty said he had a possible resource to get the aluminum if Bill Benjamin and Ron Deal could design a ramp. The city received an invoice from Chariton Valley Planning and Development for \$665 and agreed by consensus to not pay the invoice.

Motion by Baty and seconded by Kirby to adjourn at 5:51 PM. All Ayes. Motion carried.

/s/ Roy Miller, Mayor

Attest:

/s/ Sharla Stogdill, City Clerk/Treasurer