

**MEETING MINUTES  
CITY OF HECTOR  
SPECIAL MEETING – 7:00 P.M.  
HECTOR COMMUNITY CENTER**

**MARCH 29, 2016**

PRESENT: Mayor Steven Squibb, Ralph Bergsma, Doug Best, and Penny Kandt.

ABSENT: Councilor Jeff Heerdt

STAFF PRESENT: Kathy Blackwell, Jerome Schueller, and Clifton Allen.

ALSO PRESENT: Mike Jacoby, Allen Kirgiss, Penny Macik, Marlys Hagstrom, Marty Lawson and Kevin Friesen.

PROJECTS – Mayor Steve Squibb, Engineer Clifton Allen and Kevin Friesen with Rural Development gave background information on the projects and overages, as well as what needs to be decided now. At this point, the City Council needs to decide whether to go ahead with the entire city wide rehab project or make some reductions to the scope of the project. Rural Development will fund the entire project at 25% grant and 75% loan. The group discussed what the water and sewer rates would need to be to fund the entire project. To fund the entire project the monthly water EDU (equivalent dwelling unit) rate would need to be \$55.94 and the sewer EDU rate would need to be \$57.52. Considerations on making reductions to the project were also discussed; including paying the contractor a restocking fee on items that have been already ordered, missing out on grant funds, paying for the work at a later date at a higher cost, and that the work has been identified as needing to be done.

RATES – The group reviewed water and sewer rates in area cities and Kevin provided information on the different circumstances in the different cities. Mayor Squibb shared a rate structure that he had worked on that increases both the base rates and the usage rates. The Council agreed that water and sewer rates should have been increased over the last several years and that now a large increase in rates will be difficult for residents. Mayor Squibb suggested that the Council implement increases in water and sewer rates in increments over the next 12-18 months.

MOTION by Doug Best, seconded by Penny Kandt and carried to authorize Rural Development to secure the funds for the entire Hector project and prepare agreements to be executed in April. The Council accepted Clif Allen's recommendation to consider a change order eliminating some work and replacing it with other work. The three areas considered for elimination include the sewer in the alley between Dupont and Colfax, lining the sewer in Main Street South, and the sewer in the backyards between 6<sup>th</sup> and 7<sup>th</sup> Street West. The work being considered for addition is the sewer in the alley behind Main Street South. Clif also emphasized the fact that he will continue to stay conservative with change orders to limit additional costs.

WATER TOWER – Penny Macik inquired about the cost to reduce the height of the water tower and why the city should be responsible to pay that cost.

MOTION by Doug Best and seconded by Ralph Bergsma to adjourn the meeting at 8:13 p.m.

  
Kathy L. Blackwell, City Clerk