

COUNCIL PROCEEDINGS  
JANUARY 25, 2023

Charles City city council met in a planning session on January 25, 2023 at 5:30 p.m. in council chambers. Mayor Dean Andrews presided and the following council members were present: Keith Starr, Patrick Lumley, DeLaine Freeseman, Phoebe Pittman and Phillip Knighten. Also present were city administrator Steve Diers and city engineer John Fallis.

Mayor Andrews commented that he attended a mural meeting at the arts center tonight and learned that on February 3 from 5:00 to 7:00 p.m., there will be an art opening celebrating Black History Month.

A set of traffic signals at the corner of S. Main and Gilbert Street were severely damaged by a vehicle, so need to be replaced. We have a temporary signal there now. There is a 26 week lead time to get the replacement, so we would like to get this ordered now. The quote we have received from K and W Electric is \$40,400. It will cost extra to run the lines and those quotes are \$2500 if we can use the existing conduit and \$7,000 if we need to bore. We don't know who clipped this light but we are assuming it was a semi. Councilmember Freeseman commented that with the increasing age of our Main Street bridge, maybe we should consider limiting truck traffic on Main Street. The traffic signal purchase will be on the next regular agenda for council action.

The 2022 lime sludge residual removal project is complete and ready for acceptance. Kamm Excavating was the contractor for this project and removed 5,032 tons of sludge. The original contract was for 5000 tons, so there was an overage on the contract of \$528 for a total cost of \$93,028. The remaining payment of \$4,651.40 is for the retainage. It was stated that Kamm is starting to have trouble finding farmers to take the lime sludge that is removed, so we may need to do something different the next time the lagoons are cleaned out.

Representatives from Summit Carbon Solutions were present to discuss their proposed carbon pipeline project. Kylie Lange, pipeline project manager, gave information on why this project is needed and the basic scope of the project. This project is a carbon capture underground sequestration, which will partner with 32 ethanol plants across 5 states. CO<sub>2</sub> will be captured at the plant where it is currently being emitted into the atmosphere and moved underground via pipeline. It is approximately a 2000 mile system which ends up in North Dakota where it will be permanently stored in underground rock storage. This project will enable ethanol plants to meet the carbon regulations and move into the low carbon fuel markets. This will allow them to sell at premium and remain competitive and in operation. A map of Floyd County was shown with the proposed route. They plan for four valves in Floyd County, which are placed near higher population areas and rivers. These would shut down the pipeline in an emergency situation. Right now, the properties located on either side of the certified site, which is owned by Charles City ADC, have been secured for this pipeline to cross. They have had to change the path a few times to accommodate requests from the landowners. They follow Federal guidelines for this system but usually go above those. For example, Federal rules state the pipeline needs to be at least 3 feet underground, they are going 4 feet for safety reasons. Each landowner can dictate the depth of the pipe. Councilmember Lumley asked for more detail on safety and valve/weld failure issues. Lange stated that the pipe is tested with water prior to putting in the ground. Then, every 5 years they test the pipes. Regulations state that each valve needs to be inspected in person at least once a month. Also, they will fly the line every two weeks to be sure no digging or building is being done near the pipeline. In addition, 24 hour leak detection will be in place. Councilmember Lumley asked about evacuation policies. CO<sub>2</sub> becomes a gas if it leaks out and will go up, not down. Currently, this is being released into the atmosphere and if there is a shutdown, it will get switched back to releasing into the atmosphere until the pipeline is fixed. So there should be no environmental impact. These easements are only for CO<sub>2</sub>, no other product. A parking lot can be built over this pipeline, just like the natural gas pipeline. They would put this pipeline in 1 foot deeper here to allow for parking lot construction. They had offered to ADC to move this path to the south side of the property but ADC thought it would be better to keep it close to the natural gas pipeline to keep from limiting any future development on this property. There was a recent incident in Mississippi with a buried pipeline that burst. It was stated that pipeline was carrying another substance in addition to the CO<sub>2</sub> and the pipe here would only have CO<sub>2</sub>. Councilmember Freeseman asked if they did not secure an easement from ADC, what would the next step be? Reply was that they

would consult with the Iowa Utilities Board and do whatever they were allowed to do. Council consensus was to consult with city attorney Slotter on what our options are and where we go from here.

Budget for FY24 was reviewed. The current estimated ending fund balance for General fund is calculated using one full time fire chief and one full time firefighter expenses and we are showing a thirty six thousand surplus. The updated levy sheet was distributed, taking into account the changes discussed at the last budget meeting. The proposed levy is now \$16.36, which is an increase of \$.16 from the current levy. Outside agency requests were reviewed. While all agreed that all these agencies are good, but we maybe should not fund them, especially given the latest statements coming from the state auditor. The arts center and museum do add quality of life to our citizens and make our community better. Crisis Intervention provides a much needed service to our citizens. Since the museum request is for a specific event, council consensus was that there are other funding sources available, such as hotel/motel funding, for that. We already maintain and help with major issues at the art center, such as the stairs and storm water, so maybe we could not fund their request. Since we do not have any type of shelter here, Crisis Intervention helps to fill in those gaps with their services. Much discussion on just not funding any outside agency requests from now on to be sure we are in compliance with the state auditor recommendations. Consensus was to fund Crisis Intervention at \$2000 and do not fund the museum or art center request. These numbers will be plugged into the budget for further review. We will have to an agreement with Crisis Intervention, similar to what was done last year, to comply with the state requirements. Some discussion on cable funding and what duties could be done by the Chamber since the school tech position has been eliminated. Tomorrow night's budget meeting will require some decisions on items previously discussed. City administrator Diers commented that there is a bill deliberated at the state that would correct residential rollback figures for an error. If it passes, it would decrease our taxable valuations and thereby decrease our funding. We will keep an eye on this piece of legislation.

There being no further business, meeting was adjourned.

Dean Andrews, Mayor

Attest:

Trudy O'Donnell, City Clerk