



MINUTES

City Council Regular Meeting

6:30 PM – Monday, January 22, 2018

Council Chambers, City Hall – 500 E Main St

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor Logan called the meeting of the Othello City Council to order at 6:32 and led a silent invocation and the Pledge of Allegiance.

ROLL CALL

Councilmembers Present:

Eugene Bain
Genna Dorow
Corey Everett
Larry McCourtie
John Lallas
Mark Snyder

Councilmembers Absent:

Angel Garza

MOVED BY GENNA DOROW, SECONDED BY EUGENE BAIN, COUNCIL
EXCUSE ABSENT COUNCILMEMBER ANGEL GARZA. CARRIED.

ADMINISTRATIVE STAFF PRESENT

Shawn Logan, Mayor
Wade Farris, City Administrator
Rebecca P. Ozuna, City Clerk
Spencer Williams, Finance Officer

CITIZEN INPUT

Ruth Sawyer, 1210 E. Hamlet Street, mentioned that she has been dealing with the public library and city hall which have bounced her around with regards to the situation about the roof leaking in multiple places at the public library and there is also a lot of ice. Mrs. Sawyer mentioned that she has been in communication with Mr. Clements from Public Works which has she stated have gone and fix some of it, however since last Friday there is still leaking, and the soffit looks like it is rotting. Mrs. Sawyer commented that this situation is causing a public hazard of ice on the sidewalk and the soffit being the way it is is allowing wasp to nest in the roof.

City Administrator Wade Farris commented that he is aware that Terry Clements has been working with the library staff on this situation and have done a couple repairs on the roof. Mr. Farris asked if

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the new leak has been brought to the attention of public works and Mrs. Sawyer replied that she emailed them stating that she is still seeing leaks and was there this past Friday which there were still leaks and took pictures. Mr. Farris stated that he will talk to Terry about the new leak, the soffit and mentioned that Terry has discussed the possibility of putting a new roof in the budget for next year. Mayor Logan asked how it can be solved and was answered a carpenter would need to remove the rotted wood however once you open something up it can lead to more being discovered.

Councilmember Lallas inquired if the city will contact a roofing company to look at it to see how extensive the damage is and see what needs to be done. Mr. Farris stated that might be the next possible move and Terry has gotten some estimates and has been in contact with dome roofers as to what it would take to replace the whole thing.

Bob Sawyer, 1210 E. Hamlet, commented that he has lived in his home for 10 years and his property taxes have doubled in the 10 years and he just feels that instead of always raising property taxes on homeowners an increase on City sales tax would be more appropriate. They don't have any kids and wants the kids to have better school and want to see the city grow and instead of putting it on the homeowners there should be a City sales tax to help share it with those who don't have homes and have children in the schools. Councilmember Lallas inquired if Mr. Sawyer was referring to the school bond that is scheduled to come out and Mr. Sawyer replied yes.

Councilmember Lallas stated that everyone has the right to vote and they can vote no and hopefully there are enough people that do as he has expressed his concerns. There was discussion about the bond and the increase of taxes that could happen if passed. Mr. Sawyer mentioned that he is aware that there have some expenses on school improvements, new school and well issues that have been expensive however he thinks that as a City Council they should look on how to cut expenses. The stripping of the towers was discussed as to why it was done, the price and maintenance.

APPROVAL OF AGENDA

Council carried a motion to approve the agenda. M/S McCourtie/Lallas

CONSENT AGENDA

- A. Approval of City Council Minutes of January 8, 2018
- B. Approval of 2017 Account Payable Checks
- C. Approval of 2018 Account Payable Checks
- D. Appointment of Kevin Gilbert to the Planning Commission

Accounts Payable was audited and certified by the Auditing Officer, as required by RCW 42.24.080; and those expense reimbursement claims certified and as required by RCW 42.24.090, have been recorded on a listing that has been reviewed by the Council audit committee and is available to the Council.

2017 Accounts Payable Check No. 49169 to No. 49199 in the amount of \$213,836.49.
2017 Accounts Payable Manual Check No. 5414 to No. 5416 in the amount of \$10,383.20
2018 Accounts Payable Check No. 49200 to No. 49240 in the amount of \$44,901.08.

2018 Accounts Payable Manual Check No. 5417 to No. 5417 in the amount of \$0.00.

Council carried a motion to approve the Consent Agenda, as presented. M/S Snyder/Dorow.

CURRENT BUSINESS

PUBLIC HEARING FOR CITY OF OTHELLO USDA RURAL DEVELOPMENT APPLICATION FOR WELL #3

Mayor Logan opened the public hearing at 6:43p.m. Jesse Cowger, City Engineer from Varela & Associates, explained that the matter before council is the financing for the Well #3 replacement and the urgency of Well #3 has caused the city to move forward rapidly and at the same time handle the cash flow side of it because the water reserve and water fund currently do not have enough funds to cash flow the whole re-drilling process. Mr. Cowger stated that the USDA RD application is for a loan to be able to finance the cost of the process and they have been working with Rural Development (RD) in making sure the City's process for moving forward with re-drilling meets their requirements and can move forward. Mr. Cowger commented that the current government shut down has put a little bit of a wrench in the works in that USDA is a federal program and so they are currently furloughed till the federal log jam gets cleared. Basically, the big picture presented to council was that cash flow wise some outside financing was necessary and that's what this program is going to provide so that the water fund doesn't have to borrow internally from the sewer fund or other utility fund.

Mayor Logan asked if the RD application was a stop cap funding measure and was answered No that it is a long-term loan and the City can certainly pay it off faster if they choose to. Councilmember Lallas asked the interest rate of the loan and was responded that it has some factors that determine the rate however they assume it will be about 2%.

Mayor Logan asked for comments in support of the rate proposals. There was none.

Mayor Logan asked for comments neutral to the rate proposals. There was none.

Mayor Logan asked for comments in opposition to the rate proposals. There was none.

Mayor Logan closed the public testimony at 6:48p.m

Anna Twohig provided information that USDA RD has a grant/loan program that provides funding to develop essential facilities in rural areas for communities with populations no more than 10,000.

Essential facilities include:

- Drinking water sourcing, treatment, storage and distribution
- Sewer collection, transmission, treatment and disposal
- Solid waste collection, disposal and closure
- Storm water collection, transmission and disposal
- Public facilities, community support services, public safety services

Ms. Twohig also mentioned that RD offers grants and loans; some projects may not qualify for grants. The percentage of grant offered is determined after RD reviews the City's affordability for financing the project itself and compares the City's utility and rates to similar systems. The City is

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seeking \$1.8M in financing through RD to cover the estimated cost of the Well #3 replacement and if the project comes out under budget then the package will be adjusted.

Councilmember Lallas asked when the option of going through with the USDA-RD was determined since he was under the impression that the City was also thinking of going through the interfund loan. City Administrator Wade Farris commented he is not sure when the decision was made, and they looked at the costs of doing an interfund loan, paybacks and the practicality of doing it which really make since. The Council and staff discussed the rates of interfund loan, the year payments for both options, and the interest rate for the RD loan. Mr. Cowger clarified that some of the logic behind this decision was because the financial resources can be tied up from another utility and the city has some other things working in parallel to this project.

City Finance Officer Spencer Williams confirmed that the interfund loan would be for 3 year and at a higher interest rate of about 3%. He mentioned that the yearly payments that interfund loan would have to make would be about \$600,000 and he doesn't believe the water fund can afford it.

Councilmember Lallas inquired if the previous loan on the tank rehabilitation work done prior to him being on council has been paid off and was answered it should be paid off within a year.

Councilmember Lallas mentioned that he is just asking questions because he is on the Water committee and was not aware of this information or that this decision had been made. Mr. Cowger replied that they had a committee meeting Tuesday before last and were provided information on the RD application and apparently it was clear that the City had decided to move forward with the RD application. Councilmember Lallas asked what the yearly payment would be for the loan and was answered if it was a 10 year loan it could be \$180,000 a year so the longer the loan the lower the payment.

Councilmember Bain commented that they also have a chance to get a grant for the same project as explained by Ms. Twohig which was corrected by Mr. Cowger stating that at this point with this project the odds of RD awarding grant on it are very low and the potential for grant is more on other larger projects closer to 5-10 million dollars. Discussion was held as to when the monies would be available, the flexibility of the loan, and the possibility of an inter fund loan prior to receiving the monies from RD. Mayor Logan recapped the public hearing.

Mayor Logan closed the public hearing at 7:00pm

RESOLUTION AUTHORIZING SUBMITTAL OF USDA-RD APPLICATION FOR WELL #3

Council carried a motion to APPROVE RESOLUTION 2018 AUTHORIZING SUBMISSION OF THE USDA RD APPLICATION. M/S Dorow/Snyder

**VARELA & ASSOCIATES CONTRACT AMENDMENT FOR NON-POTABLE WATER UTILITY SETUP,
PLANNING AND PRELIMINARY ENGINEERING**

Jesse Cowger, City Engineer from Valera & Associates, stated that the City of Othello has been developing a non-potable water system to be used for residential, commercial and municipal irrigation. The goal of this system is to reduce the City's reliance on water from the Wanapum Basalt

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aquifer. Mr. Cowger stated that the amendment before the City Council covers the initial effort of setting up a new utility for the City which includes several meetings with the Public Work Committee in setting policy, discussing modifications to the OMC, rate structure alternatives, service areas, level of services, design criteria along with other issues that might arise. Another area included with the scope of work is the south basin pump station design, located off 14th Avenue, which will serve the Sagestone 8 project as well as CBHA.

Councilmember Lallas brought up that in order qualify for any grant funding for this particular type of non-potable water source it needs to be engineered out to show them what we are planning to do which this is more an investment in creating the non-potable water source. Mr. Cowger stated that there really isn't much grant funding sources for this. It was asked if this is for both the south and north side of town and was answered it is only for the south side.

Council carried a motion to approve Varela & Associates Contract Amendment No. 2018-001 to set up Non-Potable Water System Utility and complete the initial design of that is referenced as the "South Basin" distribution system and preliminary design of the necessary pump station needed to serve the South Basin. M/S Lallas/Dorow

VARELA & ASSOCIATES CONTRACT AMENDMENT FOR LOCAL ROAD SAFETY PLAN CONSULTANT AGREEMENT

Jesse Cowger, City Engineer from Varela & Associates, reported there is grant funds through Washington State Department of Transportation (WSDOT) available this year through 2018 City Safety Program for reducing fatal and serious injury crashes. Mr. Cowger mentioned that reducing crashes can be accomplished by engineering roadway improvements and a Local Road Safety Plan (LRSP) is a requirement of the application and will need to be completed and adopted by the City prior to the April funding application deadline. He reported the plan will help identify and prioritize safety improvement projects within the City of Othello based on existing crash data and staff/committee input.

Mr. Cowger stated the attached agreement outlines the scope of work for creating a Local Road Safety Plan which will amend the contract in the amount of \$8,398. Staff has reviewed the proposed amendment and recommends approval.

Council carried a motion to approve Varela & Associates Contract Amendment No. 2018-002 to create the Local Road Safety Plan. M/S Dorow/Lallas

ADDENDUM #10 FOR ADAMS COUNTY DEVELOPMENT COUNCIL

Julie Flyckt of the Adams County Development Council (ACDC) presented to council an updated Addendum #10 indicating the renewal of the contract and the change of price per capita from \$.50 to \$.55. City Administrator Wade Farris advised this is in support to continue the relationship with ACDC. The fee is based upon a per capita formula.

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Council carried a motion to approve Addendum #10 to the original Adams County Development Council agreement. M/S Dorow/MCCourtie

UNFINISHED BUSINESS

Councilmember McCourtie inquired about what the outcome was for the snow removal on Main Street from Broadway Ave through 4th Avenue. City Administrator Wade Farris commented that he will touch bases with Public Works Director Terry Clements.

Councilmember Everett inquired about when the Underground Utility Committee was going to meet because the installation of overhead wiring is getting out of hand as Northland Cable recently hung more over the week without a permit. He was advised that the scheduling will start this week for next week due to some scheduling conflict with staff.

NEW BUSINESS

Mayor Logan announced that the City recently received \$2.55 million during the capital budget appropriation thanks to all the hard work from countless visits and meetings to Olympia by Mayor Logan, Councilmembers Genna Dorow and John Lallas, and State Representative Mary Dye and State Representative Joe Schmick for our water system plan and comprehensive plan. Mayor Logan thanked all the major players that helped pushing this through and their support.

ADJOURNMENT

With no further items to discuss, Mayor Logan adjourned the Council meeting at 7:26 p.m.

By: _____
SHAWN LOGAN, Mayor

ATTEST:

By: _____
REBECCA P. OZUNA, City Clerk