

CALL TO ORDER:

Mayor Shannon McKay called the workshop to order at 7:00 p.m.

Present: Mayor Shannon McKay; Councilmembers Eleanor Brodahl, Kenneth Caylor, Everett Cole, Marc Spohr, Dale Wyman, and Tim Wilson.

Also Present: Department Heads: Curt Andrews, Debbie Kudrna, Dick Lee, Rhonda Miller; Police Chief Steve Dunnagan, and City Administrator, Ehman Sheldon.

REQUEST FROM OTHELLO HOUSING AUTHORITY - TRANSFER OF PROPERTY LOCATED AT LOTS 1 & 2, BLOCK 144, OTHELLO LAND COMPANY

Councilmember Caylor stated that he would like the Council to reconsider the Othello Housing Authority's (OHA) request to transfer the property that was transferred from Fish and Wildlife and currently owned by the City of Othello. He reported that Fish & Wildlife and the OHA were working together to transfer the property from Fish and Wildlife to OHA before it was brought before the City, and he doubts the City would have ever received the property if it could have been directly transferred to the OHA. He stated that he believes additional parking is not needed for Lions Park and asked that the lots be transferred to the OHA. Mayor McKay noted that the quit claim deed does indicate that it to be used for public housing or other public purposes, but it wasn't specific that it be used solely for housing. He stated that the OHA has advised a need for senior citizen housing and their letter indicates that their original intent for the property was that it be used to house elderly and/or families. The Mayor stated that senior housing would be an appropriate use for the lots and feels there is not a need for OHA general housing and suggested that a moratorium be placed upon that type of housing until a study is performed comparing the amount of OHA housing in Othello to other cities. Mr. Sheldon advised that if the City transfers the property, they can specify what the property can be used for, i.e. housing or for public purpose. Councilmember Brodahl stated that when the City accepted the property, there was no guarantees that it would transfer to the OHA, and the Council's intentions have been to develop it for additional parking, which she still supports. Mr. Hanks verbally agreed that pending the OHA Board's approval, development upon that property would be dedicated for senior housing. Mayor McKay asked that Mr. Hanks advise him of the Board's decision.

WATER REQUEST TO GOLF COURSE AREA

City Administrator Ehman Sheldon stated that several options and questions have come forth from the previous discussions regarding the golf course's request for city water service. Those include what expenses are relative to the city servicing water to the area; what authority does the City have to supply water to areas outside the city limits; what the process is; what the projected revenues are; and do the provisions in current water contracts with McCain Foods and Adams County Water District #1 include that their water supply would not be impacted if the City declared emergency water rationing.

Mr. Sheldon reviewed the provision of the Resolution 96-06. This resolution set policy in regard to providing water and/or sewer utilities outside the corporate limits and setting forth an annexation policy for the City.

Mr. Sheldon advised that the current water agreements with Adams County Water District #1 (ACWD) and McCain Foods both provide that if the City imposes a type of water restriction, that is not City wide, the water rationing would not apply to either. However, if the City declares a certain reduction of water use, or declares a water rationing emergency, it would apply to the Water District and McCain Foods. He further explained that if a water restriction period is temporary in nature, it would not apply to either contracts. Mr. Sheldon advised that the City can physically reduce water flow into the Water District and McCains. Councilmember Caylor questioned how we would impose water rationing to property that use city water for domestic use only and have irrigation water provided otherwise. Mr. Sheldon explained that Council would declare it an

emergency and ration watering lawns; we could control the delivery of water to master meters in the case of an emergency.

Mr. Sheldon reiterated that the request from the golf course developers is for the City to provide a letter of commitment to deliver water and if approved by Council, their development would have to meet all of the criteria provided in Resolution 96-06, with a limitation that the lands must be tapped into the City's water and substantial development began within two years from the contract date.

Mr. Sheldon reported that the City has received three other requests (from two property owners), in addition to the golf course, for city water service supplied outside the city limits. Those requests are being reviewed by Public Works and the City's engineers. He advised that the City has requested that ACWD expand their boundaries to the areas that are served by city water service beyond their established boundaries. Now that there is an additional request for water services beyond their boundaries, the City has again asked ACWD to expand their boundaries. The Water District has not yet agreed to the City's request and they have hired Evergreen Rural Water District to evaluate the issue and have received the Department of Health's (DOH) opinion. DOH will approve their expansion on the condition that the City would provide more water to the Water District. The Water District currently cannot have new water connections within their boundaries. To lift that restriction they will have to request additional water from the City, and staff's position is that ACWD would have to expand their boundaries to the city water service areas that are beyond the Water District.

Mr. Sheldon reported that the golf course would receive water from Well #7 and the cost for the infrastructure out to the golf course would be borne by the developers. He explained that one of the pending requests for water is adjacent to city limits, and according to the Council's established policies, that area would have to be annexed into the City limits, if they receive city water service. If they become annexed into the City limits, they would have individual meters for each connection and would have to be built to City standards.

Mr. Sheldon explained that the General Facility Charge (GFC) was designed as a one-time, buy-in charge to the city water system. If the connections are for areas outside the city limits, the fees are at 1.5 times the rate established for inside the city limits. We currently have \$272,000 in the General Facility fund to be used for improvements to the water system. Mr. Sheldon reviewed the projected GFC's revenues for 15 homes (outside city limits) connected the first year; an additional 75 homes by the 5th year, and 150 homes by the 10th year. Available GFC funds from this development by the 10th year would be approximately \$603,586. It was noted that there is an additional site facility charge for the actual work performed by the City. Mr. Sheldon then reviewed projected water sales revenue based upon the same number of homes per year. Staff provided estimations of actual city expenditures for reading, maintaining, and billing the number of projected accounts; this provided the projected annual net gain (revenues vs. expenditures) for individual meters. Finance Officer Rhonda Miller reviewed the projected annual net gain (revenues vs. expenditures) if a water district was formed for the proposed development. This indicated that revenues and expenditures are less if a water district is formed verses individual meters. Mayor McKay asked if the City would have to consider increasing personnel, based upon the proposed development. Mr. Sheldon advised that he has not heard that request from the Department Heads.

Mr. Sheldon then reviewed other options:

- The City could require that a certain number of GFC be paid every year, whether or not those houses are developed.
- The developments could pay the GFC as they are developed. Connections outside the city limits are 1.5% times the charge inside the city limits.
- The Council could increase the GFC fees to accumulate funds for future improvements.

Councilmember Caylor asked what would happen if a Water District was formed, and the area was later annexed into the City limits. Mr. Sheldon advised that once annexed, we would have to bill individually; and the Council would have to consider whether the area would have to upgrade to city standards. Mr. Sheldon advised that once the infrastructure is built for direct service and built to city standards, the city becomes liable for maintenance and improvements to the system; contrary for Water Districts that are responsible for improvements and repairs of the infrastructure. It was clarified that there is an 18" water mainline within the ACWD that became the City's property, based upon language in the original agreement. Mayor McKay asked if Mr. Carlson and Mr. Anderson planned to develop their properties within the next two years and they both stated yes. Councilmember Wyman recommended that infrastructure outside the city limits be built to city standards. He also recommended that we reduce the time frame for actual connection to the city infrastructure to one year and require the developments to purchase a certain amount of GFC fees per year. He also noted that a water agreement can then become null and void if they do not pay the required amount of GFC fees. He has concerns that the language in the agreements commits the city water resources, whether they build their maximum homes as proposed or not. There was further discussion about actual water need verses guaranteed water supply (potential water use). They also talked about Fire Bureau Rating's process of review of what the city has committed through water agreements compared to actual water used. That impact could be costly to all citizens through higher insurance costs, if our rating is changed. Councilmember Brodahl stated that water is a valuable resource and they should review the issue carefully.

Mayor McKay stated that the City should support and be prepared for growth. He asked that they have more time to review the requests; review the potential growth inside the city limits and develop a plan. Mr. Sheldon agreed that the Council is faced with a philosophical question of whether they want to grow and which direction they want to grow.

R-1 ZONE DISCUSSION

Building Official Curt Andrews asked if the Council would allow the Planning Commission to review the current R-1 zone provisions. He recommends creating a bigger difference between the R-1 and R-2 provisions. Council's consensus was to allow the review by the Planning Commission and they recommended that the developers have opportunity for input.

NEW SMALL LOT SINGLE FAMILY ZONE DISCUSSION

Building Official Curt Andrews asked if the Council would allow the Planning Commission to create a new zone that would provide small, single-family residential projects. Council's consensus was to allow the Planning Commission to continue with the proposed new zone.

UNDERAGE DRINKING LAW

Police Chief Dunnagan reported that the Police Department, in conjunction with several community groups, applied for a grant which is designed to enhance the underage drinking laws. Survey data indicates that our community's underage drinking is 30% higher than other communities. The grant funding would be used to reduce the unintentional injuries caused by alcohol consumption; reduce the number of alcohol poisonings, and reduce the number of alcohol related traffic injuries and/or deaths due to under age alcohol consumption. To accomplish this, the grant will provide \$180,000 to pay for goods and services related specifically to administering the grant. A portion of the funds would be used to hire a temporary, part-time grant administrator. Chief Dunnagan advised that Whitaker has reviewed the issue and reports that there would be no issues with Civil Service to hire a grant administrator, and the Police Department Union has also advised that they have no issues with a temporary position. He also reported that the commitment is for a three year period; there would be no benefits, other than the location of the grant administrator would be housed in the Police Department. Mayor McKay stated that it is a good program and Councilmember Cole agreed, noting it must be clear that there is not a commitment after the three years.

Chief Dunnagan also reported that School Superintendent George Juarez has indicated that the School District will fund the School Resource Officer the remainder of 2006 and he will request the School Board's approval for 50% of the costs for 2007.

NEW BUSINESS

Upon a request from Councilmember Wyman, Council's consensus was to reschedule the March 13th Council meeting to begin at 6:00 p.m.

Councilmember Caylor reported that the Grand Round Up 100th recognition is scheduled in 2006. He explained that in 1906, 5,000 wild horses were rounded up from areas around Wilson Creek down to Saddle Mountain and were all sent out by railroad. He explained that Wilson Creek is spear heading the celebration and he would like Othello to recognize the event. He is working with local groups to see if anyone would commit to this task.

ADJOURNMENT

With no further items to discuss, Mayor McKay adjourned the workshop at 8:42 p.m.

By: _____
SHANNON MCKAY, Mayor

ATTEST:

By: _____
DEBBIE L. KUDRNA, City Clerk