

CALL TO ORDER:

Mayor Jeannie L. Sanders called the workshop to order at 7:00 p.m.

Present: Mayor Jeannie Sanders, Councilmembers Eleanor Brodahl, Everett Cole, Kenneth Johnson, Shannon McKay, Marc Spohr, and Tim Wilson.

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

Absent was: Councilmember Larry Bray.

Mayor Sanders requested that a new item be inserted as agenda item #4: McCain Foods Water Request.

DESTINATION DEVELOPMENT PRESENTATION

Roger Brooks, of Destination Development presented the Coulee Corridor Interpretive Center Feasibility Assessment, Conceptual Design, and Project and Funding Overview, which included a proposed site plan, building specifications and plans for a 6,820 square foot building, and research facts of eighteen other interpretive centers. He reviewed their scope of work; assumptions; projected revenues and operating costs for the next five years; presented options to consider and reviewed other steps for the project to become a reality.

He mentioned there had been preliminary discussions of alternative sites with the East Main Street site being the most favorable; noting it is visible from Hwy. 17 and may potentially be donated property.

Mayor Sanders stated that Council has received copies of 13 letters requesting that they take no formal action until the \$2 million grant is awarded for the project. She voiced her concerns that the community could not afford the continued operation and maintenance costs for the facility and suggested that the sub-committee continue discussing options for the construction, operation and maintenance costs. Mr. Brooks encouraged the City to review other options and mentioned that it would be beneficial to have Dr. Sebesta's wildlife display and other tourism attractions incorporated into the Interpretive Center plan. Les Clemons explained the status of the T21 federal grant. He noted it is still pending and the legislature is now in discussions for the next five-year span of grant funding.

Council's consensus was to table the issue to allow the sub-committee to review other options. Mr. Brooks explained that the community would benefit from the Interpretive Center by diversifying the community's economy; increasing tourism to the area; increasing education of the areas attributes while creating an educational opportunity for our youth; and will put Othello on the map as having a fantastic facility.

DRAFT 6-YEAR STREET PLAN DISCUSSION

City Administrator, Ehman Sheldon gave an explanation of the intent of the Six-Year Transportation Plan, including information regarding possible funding for certain projects. He presented a copy of last years' adopted plan and advised that the updated plan will be presented to the Council at the next meeting to be reviewed during the public hearing.

O. M. C. 8.12 – NUISANCE ORDINANCE

Mr. Sheldon explained that the City's current nuisance ordinance is cumbersome and sub-standard and presented a draft new nuisance ordinance. He reviewed the ordinance, noting that it will allow and expedite enforcement and clearly defines a nuisance. He will present this at a regular Council meeting.

MCCAIN FOODS WATER REQUEST

Mayor Sanders reported that McCain Foods' new well pump has lost production by 50% and that she and the City Administrator met with representatives of the plant today to discuss the water issue. During that meeting, McCains reported that they would like to receive city water services,

starting tomorrow. Council was provided a copy of the current water agreement with McCain Foods, and she explained that Section 3.3.2 provides that if it's deemed that McCains used city water for consumption purposes, they shall be billed \$10,000 for every month that any such consumption occurs. The Mayor explained that when the water agreement was negotiated, McCains refused to coordinate terms for standby city water, so the city meter and valve connections were removed. The Mayor noted it is extremely important to McCains that they obtain city water immediately. She explained that due to McCains going off of the city's system, the City conducted a water rate analysis and Council increased customer rates 8.28% for the next three years (total of 24.8%), to cover the operation and maintenance costs of the water department. The Mayor explained that the \$3,060 monthly fee that McCains is currently charged is for fire suppression. She explained that a site facility charge to reinstall a 10" water meter, per O.M.C. 12.16.280 is based upon all labor, equipment, material, and restoration costs plus 15% for administration.

McCain Foods representative, John Lallas advised the Council that their well system has further deteriorated and plant had shut down at 6:30 p.m. and they would like to obtain City water services tonight. He asked that the original meter and valve connections be restored that were removed by the City and advised they were willing to pay the \$10,000, as provided in Section 3.3.2 of the water agreement, but do not want to pay an additional site facility charge. He noted that McCains has three 2" connections for offices and the shipping department and feel that McCains has already paid for the site facility charges for the original connections. He stated that McCains had wanted to leave the water valves in for emergency water use, and never asked the City to remove the equipment. He explained that McCains is willing to pay an annual or monthly fee for standby emergency water and also pay a volume rate if they use city water.

Council carried a motion to suspend the Council's rules and regulations regarding conducting business in a workshop meeting, due to this emergency situation. This action would allow the Council to make a decision at tonight's meeting. M/S Cole/McKay.

Mayor Sanders recommended the following:

- A \$10,000 fee for consumption purposes would be due each month that McCains is connected to the City's water system.
- A site facility charge would be based upon all labor, equipment, material, and restoration costs plus 15% for administration, as provided in O.M.C. 12.16.280.
- A water volume charge would be based upon the rates for a 10" water meter, as provided in O.M.C. 12.16.070.
- Negotiations with McCains will be held to discuss a monthly standby fee; and if a standby fee is not agreed upon, the City would be compelled to remove the meter and the valve connections.
- The City Attorney has not reviewed the recommendations and would be asked to do so first thing in the morning.

Mr. Lallas explained that their estimated water use will be approximately 900,000 – 1,000,000 gallons per day and they estimate their well will be repaired by the end of the month. He feels that McCain's has already paid for the right to connect to the city's water infrastructure and therefore should not pay an additional site facility charge. They pay a monthly fire suppression fee and pay the 6% utility tax on their utilities and still have the three other connections. Mayor Sanders stated that McCains uses 25% of the city's water production; they pay a nominal fire suppression fee; and it seems ironic for them to request that the City waive the site facility charge that is charged to everyone. She continued that until McCains pays a monthly standby fee and participate in the city's infrastructure, she is not willing to negotiate that fee. There was further discussion about the contract terms and proposed water connection charges and fees. Councilmember McKay noted this is an opportunity to re-negotiate a standby charge. Mr. Lallas concluded that McCains has agreed to the \$10,000, as provided for in the water contract; indicated that they will use \$10,000 worth of water during this repair time, and they are willing to negotiate a monthly standby fee. Mayor Sanders agreed to discuss a monthly standby fee and

stated that she received a phone message at 5:03 p.m. from Dan Paradis, McCains plant manager, in which he already indicated they would pay \$10,000 per month for water consumption; they will pay the block water volume charge; they will assist in installing the valve and the City will install the meter and the telemetry system connection. There was some discussion about the \$400 site facility charge and Mr. Paradis asked that the Mayor call him back to discuss it further. Mr. Paradis also mentioned that they would like to be connected by tomorrow.

Councilmember Brodahl advised that the meter and valve were removed by the City because there were a couple illegal water connections found at the plant, which have been corrected. Mr. Lallas stated that the water connections were done before McCains purchased the plant, and they were not aware of them. Council's consensus was that the \$10,000 was sufficient for the connection fee, agreed to open up negotiations with McCains to discuss a monthly standby fee, and agreed to help McCains get their plant operational as soon as possible.

Council carried a motion to permit McCains Foods to reconnect to the City's water supply, and open up negotiations with McCains to discuss a monthly standby fee. If they cannot come to an agreement, the meter and valve connection will be disconnected. The City will charge the \$10,000 consumption fee due for each month that they are consuming city water (per the water agreement); charge the volume water rate charge, based upon a 10" water meter, as according to O.M.C. 12.16.070; and the emergency use would not exceed 60-days. M/S Cole/Brodahl.

UNFINISHED BUSINESS

Councilmember Cole asked how dog control is being handled. Mayor Sanders explained that Police Officers are responding to citizen's calls about dogs at large. Councilmember Spohr asked how weed control is being addresses. Mr. Sheldon stated that Chief Axtman has assigned those duties to an Officer and noted that the new proposed ordinance addresses dried weeds as a fire hazard.

NEW BUSINESS

Mayor Sanders reported that the City has received Police Officer David Brandt's resignation, effective June 4th. She explained that the Chief is following procedure for filling the Utility Officer position and our new Officer, Jerry Dobson is on staff. The Mayor thanked the Council for dealing with McCain's emergency situation. She also reported that the Operating Engineers have requested a meeting to discuss their recent notice of an insurance rate increase.

Councilmember Johnson thanked Mr. Sheldon for the new agenda memo format and Councilmember McKay thanked him for keeping him informed of issues.

ADJOURNMENT

With no further items to discuss, Mayor Jeannie L. Sanders adjourned the workshop at 9:23 p.m.

By: _____
JEANNIE L. SANDERS, Mayor

ATTEST:

By: _____
DEBBIE L. KUDRNA, City Clerk