

**CALL TO ORDER:**

Mayor Pro-Tem Donald Derifield called the workshop to order at 7:00 p.m.

**Present:** Councilmembers Everett Cole, Larry Bray, Leonard Lyon, Kenneth Johnson, and Tim Wilson.

**Also Present:** Interim City Administrator Bob Noland, Department Heads: Curt Andrews, Debbie Kudrna, Rhonda Miller, Dick Lee, and Police Chief Ron Axtman.

**Absent:** Mayor Jeannie Sanders, and Councilmember Eleanor Brodahl.

**ORDINANCE TO AMEND O.M.C. 12.16.340 "PAYMENT OF ACCOUNTS – DISPUTE RESOLUTION"**

The City Clerk, Debbie Kudrna presented an ordinance that would change the current procedure for notification to discontinue water service for past due accounts. The proposed ordinance changes the current 48-hour notice for discontinuance of water service, to a 3-business day notice. During the 3-day period, a tenant could apply for a sub-utility account, if they post a deposit equal to two-times the highest month of utility charges from the past twelve months. She explained that if a tenant pays the deposit, they would assume the responsibility for the utility service. She explained that the new turn-off notice would advise the tenants of their option, if the landlord were delinquent. She noted that our current process is to provide an additional 30-minute notice prior to turning off the water utility, which we will continue to provide.

Councilmember Cole asked the staff to research if the city can legally collect a deposit, and requested additional verbiage to clearly define the delinquent date and time that the final 30-minute notification is given to our residents. He asked that staff schedule the 30-minute notification to allow tenants sufficient time to pay the bill during regular working hours.

**PLANNING COMMISSION'S RECOMMENDATION REGARDING SELLING WATER**

City Planner, Curt Andrews announced that the County is on-schedule to complete their comprehensive plan in the spring of 2004. The City's growth plan and the decision whether the City provides water service outside of the growth plan impacts the County's comprehensive plan. He asked Council to consider whether the City should sell water outside the city limits to areas that we would have no intention to annex into the City. He noted that this is a very complex issue with long-term impact to the City, which may promote more suburban, ranchette homes, and lots with truck parking. Since the water fund is an enterprise fund, providing water to outside developments would help produce revenues. Mr. Andrews explained that there are about twenty developers that are asking the City to provide options for them regarding water. He noted that the City can place certain conditions upon the developments, such as they cannot compete with city lots and services, growth pays for growth, limiting sprawl and visual degradation, etc. Our water comprehensive plan includes a proposal of servicing areas outside the City limits, but it didn't discuss how to accomplish this.

Mr. Andrews explained that the City currently wholesales water to Adams County Water District #1 (ACWD#1), and allowing them to expand their boundaries could alleviate some of the billing and infrastructure issues that we have in that area. He noted that there are two other locations that are asking if the City would provide water to their developments: the golf course and rodeo grounds area. He reviewed the draft Othello Urban Growth Area and noted that the developers that are interested in city water are outside of the UGA (about 2-miles beyond the UGA), and in areas that we may never consider annexation. Developments within the UGA will develop to urban standards for streets, utilities, curbs, sidewalks, street lighting, etc., and outside the UGA will be suburban-type development.

Mr. Andrews explained that the City could wholesale water outside of city limits and place conditions upon the developments. He noted that it could be profitable for the city, explaining that we have enough system capacity, especially with McCains going off of city water and we sufficient water rights for 30 years. Mr. Andrews suggested that if the Council decides to wholesale water to areas that we never plan to annex then we should assure that the areas do not

compete with city growth; the developments must pay for their costs of services (growth pays for growth); they should govern themselves forever; the City cannot be obligated to a system that has failed; and they must improve the community's image, not diminish the appearance of the community. He noted that the Council should make this decision based upon the best interest of the City, not whether it is affordable to the developer to receive city water service. Mr. Andrews offered conditions that could be considered by the Council to place upon these developments. He asked for direction from the Council in order for the staff to communicate with the developers that want options for water services.

Councilmember Cole explained that the City was forced into negotiating a water contract with ACWD#1, as a condition upon them receiving grant funding. Issues then arose during the construction of the infrastructure, and we now have an area that has problems with their water infrastructure. Because of this history, he suggested that the Council review each request on an individual basis and consider conditions for those particular requests. He noted that if the city doesn't supply water to new developments around the community, there is the possibility of too many individual wells drilled and the impact to the aquifers could be tragic. He stated that we need to also consider whether to supply water to commercial or industrial developments outside the city limits. Councilmember Bray stated that the City could consider that in order to receive water service, the development has to expand the city sewer system to their property. He noted that the City could also consider selling to industrial developers, not residential. Bob Noland, Interim City Administrator reported that Mayor Sanders supports providing water service to property outside city limits. She has stated that it would provide additional water revenue, which we have lost with McCains going off the city's system. Mr. Noland stated that it is common for cities to impose conditions upon developments that receive city utilities. Councilmember Lyon stated he has concerns about whether the City has enough water to provide to developments in the County, noting we cannot anticipate well failures or the future production of ground water. He mentioned that the Council needs to protect the city's assets and could consider imposing a higher rate for outside users. Councilmembers Johnson and Wilson commented that the Council should consider each application individually, including industrial development.

The Council asked staff to research the following: what is our current water production without McCain Foods using city water, and what is the projected growth inside the city limits.

Mr. Lee stated that he supports selling water outside the UGA; not imposing annexation of the service areas as a condition; imposing conditions and regulations for developments that receive city water; and setting rates that are profitable for the City.

#### **NEW BUSINESS**

It was announced that the Budget Retreat is Saturday, November 8<sup>th</sup>, beginning at 8:30 a.m., and will be held at the Othello Golf Course ClubHouse. The Finance Officer asked everyone to bring their Preliminary Budget for the day.

#### **ADJOURNMENT**

With no further items to discuss, Mayor Pro-Tem Donald Derifield adjourned the workshop at 8:03 p.m.

By: \_\_\_\_\_  
DONALD DERIFIELD, Mayor Pro-Tem

ATTEST:

By: \_\_\_\_\_  
DEBBIE L. KUDRNA, City Clerk