

**ONTARIO CITY COUNCIL MEETING MINUTES
Monday, January 5, 2015**

The regular meeting of the Ontario City Council was called to order by Mayor LeRoy Cammack at 7:00 p.m. on Monday, January 5, 2015, in the Council Chambers of City Hall. Council members present were LeRoy Cammack, Norm Crume, Jackson Fox, Charlotte Fugate, Dan Jones, Larry Tuttle, and Ron Verini.

Members of staff present were Tori Barnett, Larry Sullivan, Marcy Siriwardene, Al Higinbotham, Kari Ott, Mary Domby, Mark Alexander, Debbie Jeffries, Dave VanWagner, Cliff Leeper, Jerry Elliot, Anita Zink, Betsy Roberts, Pete Friedman, Lonnie Justus, Mark Saito, and Dan Cummings. The meeting was recorded, and copies are available at City Hall.

Charlotte Fugate led everyone in the Pledge of Allegiance.

AGENDA

Ron Verini moved, seconded by Charlotte Fugate, to adopt the Agenda as presented. Roll call vote: Crume-yes; Fox-yes; Fugate-yes; Jones-yes; Tuttle-yes; Verini-yes; Cammack-yes. Motion carried 7/0/0.

CONSENT AGENDA

Jackson Fox moved, seconded by Larry Tuttle to add Western States Asphalt to Item B, Approval of the Bills. Roll call vote: Crume-yes; Fox-yes; Fugate-yes; Jones-yes; Tuttle-yes; Verini-yes; Cammack-yes. Motion carried 7/0/0.

Charlotte Fugate moved, seconded by Ron Verini, to approve Consent Agenda Item A: Minutes of the Council Meeting of November 17, 2014; Item B: Minutes of Telephonic/Electronic Meeting of December 4, 2014 (Bill approval only); Item C: Liquor License Request – Change of Location – El Erradero; Item D: Adopt Meetings List: Jan-Jun 2015; and Item E: Approval of the Bills. Roll call vote: Crume-yes; Fox-yes; Fugate-yes; Jones-yes; Tuttle-yes; Verini-yes; Cammack-yes. Motion carried 7/0/0.

DEPARTMENT HEAD UPDATES

Al Higinbotham, Fire Chief, stated security cameras at Station 2 were installed and fully operational, and they planned to catch whoever kept driving across the lawn. They had received a grant through the Special Districts Association through the Rural Board, with a city match, so the grant paid for half of the cameras. Through December, city EMS had 131 calls, Rural EMS had 15. The city had 12 fire calls, 3 general alarms, and 3 small structures (one being deliberate). Rural had one general call that went mutual aid to Nyssa, and one false alarm. It had been four months since the Rural had any working structure fire, which was fantastic!

Mark Alexander, Police Chief, stated he had started his annual report for the Police Department, covering 2014, and hoped to have it ready for the Council shortly. For Code Enforcement, overall activity was around a 10% increase. Weed issues had been addressed, and were about a 44% increase from the previous year. Garbage was at about a 70% increase. Those, and other numbers, would be in the report. The second phase of the Evidence Room remodel had been completed, and the project came in within budget. Council was invited to tour. The Citizens on Patrol group was going well, and there were about a dozen volunteers. At the VFW/American Legion Christmas party, both police and fire departments had received donations. This coming Saturday, the Elks would hold a Public Safety Appreciation Night, and police/fire/ambulance departments could nominate employees for Employee of the Year. He nominated LaVelle Cornwell, Evidence Technician, for support Personnel of the Year; David Worth, who handled the civil fingerprinting process, for Volunteer of the Year, and Officer Henry Filipponi as Officer of the Year. Also, graffiti was down from last year.

Cliff Leeper, CH2M Hill, Public Works Director, introduced key members of the Public Works team. They were Betsy Roberts, City Engineer; Dave VanWagner, Street Superintendent; and Jerry Elliott, Water and Wastewater Superintendent. Staff was currently addressing infrastructure issues throughout the city. At this time, everything was being addressed and taken care of.

Debbie Jeffries, Recreation Manager, stated they would be starting their basketball program on the 17th, and again thanked the Council for the purchase of the basketball hoops for the Four Rivers Community School. That was going to save the department a lot of money. There was an increase in participants this year, up by around 30 kids.

Kari Ott, CPA, Finance, stated they had applied for an extension of the audit. It was expected to be completed within the following week. There would be a qualified opinion because of fixed assets, but she had received some data from CH2, so next year, that issue would be taken care of.

Marcy Siriwardene, Planning Technician, stated she was in the Planning Department. They handled building permits, among many other things.

NEW BUSINESS

Outgoing City Councilors

Tori Barnett, MMC, City Recorder/Interim City Manager, stated following the November 4, 2014 General Election, Councilors Jackson Fox, Dan Jones, and Ron Verini would be stepping down from their seats as Councilors. Also, LeRoy Cammack would be stepping down from his seat as Mayor. Each member would receive a plaque of appreciation from the city, and offered an opportunity to say some parting words.

Dan Jones stated it had been an interesting four years. It all started with the Budget Committee. That's why he had run for office. He wanted to tell the new Councilors to stand their ground, go with what you believe, find out the information, follow the rules, obey the law, and things would be alright.

Ron Verini stated if it hadn't been for LeRoy Cammack stepping into the Mayoral position, and Tori [Barnett] taking a very serious position as City Manager and holding down two jobs for this length of time, he didn't think the city could've gotten here, this quickly and civilly. He thanked them both for everything.

LeRoy Cammack stated his thanks for the Council putting up with him, and letting him hold down this position over the past year or so. It had been interesting. He appreciated City Attorney Larry Sullivan for keeping him out of trouble numerous times, and a special thanks had to go to Tori Barnett for taking this Interim City Manager job. She must have been crazy. She had to continue doing the City Recorder job, as well as the City Manager job, which was completely new for her, and she's done a very good job, and he appreciated all the work she had done. He also appreciated the opportunity to work with all the Department Heads. They were a great bunch of people, who did a great job, and they were all valuable assets to this community. The same for all the city employees – they were a great group of people, people that he enjoyed working with, and he would miss them all. But, they'll be working for the new Council, and would be doing that same great job.

Incoming City Councilors

Tori Barnett, MMC, City Recorder/Interim City Manager, stated as a result of the November 4, 2014 General Election, the Ontario City Council would welcome and the City Recorder will swear into office Thomas Jost, Jr., Betty Carter and Tessa Winebarger, along with newly elected Mayor Ronald Verini. Following the Oath of Office, each would take their appointed seats at the Council dais.

Ms. Barnett swore into office Tessa Winebarger, Thomas Jost, Jr., Betty Carter, and Ronald Verini.

Mayor Verini stated he was thrilled to be sitting in the Mayoral position. He again thanked LeRoy and Tori for stepping in and calming the waters in extremely challenging times. He also appreciated the hearty discussions that had brought them to this point. Six years ago, he had been selected to sit on the Council, and four years ago he had been elected by this community to continue this venture. Today, he thought represented continued support of this community with his election as Mayor. He was honored, and would strive to very seriously make Ontario the safest community, one that embraced the diversity of one of the greatest strengths of our community, and a goal for an enhanced quality of life and increased economic development. He thought those goals were not as lofty as they seemed. Ontario had some challenges that were unique to a border town, having a conservative bent to it, in a liberal state. They needed to think about that as they moved forward in this community, conducting the city's business. It was incumbent upon them as the City Council, to find real solutions to the challenges they faced in Ontario. Some would seem overwhelming, but they were really opportunities to make this city even greater than what it was today. Together, with staff, and the partners, they would succeed. There would always be disagreements on the Council, and that should be viewed as a healthy way to reach the best solutions for our community. The citizens ask for safe streets, clean water, good schools, jobs, good health, and they, at the city level, might not be able to provide all of those things but what they did provide, needed to be done with the best effort possible. He thanked the community for this opportunity and he knew, moving forward on this Council, they had a tremendous amount of diversity, and they had a depth of knowledge that was overwhelming. With the old Councilors moving forward, and the new, with their new ideas, this was going to be an exciting time and a chance for them all to really move this city to a higher level.

Mayor Verini distributed to the Council a copy of the city's Mission Statement. It read: *"To Provide a Safe, Healthful, Sound Economic Environment, Progressively Enhancing our Quality of Life"*.

Appointment of Council President

Tori Barnett, MMC, City Recorder/Interim City Manager, stated following the Oaths of Office for the Mayor and City Councilors, a Council President would need to be appointed. The President would stand in for the Mayor in the Mayor's absence, or at the request of the Mayor. Any Councilor was eligible for the position.

Ms. Barnett asked if anyone specifically wanted to be considered for the position.

Councilor Crume voiced his interest.

Ms. Barnett asked if there were any members who specifically did not want to be considered. There were none. Were there any other names to be put before the Council? There were none. As only one name – Norm Crume – had been interested in the position, they could move forward with the process, and she asked for a roll call vote for the appointment: Fugate-yes; Winebarger-yes; Crume-yes; Jost-yes; Carter-yes; Tuttle-no; Verini-yes. Motion carried 6/1/0.

DISCUSSION ITEMS

- Tori Barnett stated for the Council Orientation, she was waiting on Councilor Jost to see if his days off were going to change with the new year, but they had not. Chief Alexander was out attending a training the week of January 12-16, so did the Council want to wait until Chief Alexander's return, or go ahead and move forward?

Mayor Verini stated he would like Chief Alexander present for the Orientation. What about the 23rd?

Ms. Barnett stated she would set it up for the 23rd and would contact all parties with the information once confirmed.

- Tori Barnett stated they had received 25 applications for the position of City Manager, and copies of all the applications were in the binder she had just distributed to the Council.

Mayor Verini asked each Councilor to bring back their top ten applicants to the next meeting. They would hold an Executive Session at the next work session to review and discuss each Councilor's choices.

- Councilor Crume stated he wanted to discuss the Transient Occupancy Tax (TOT) to review it, and to see where the city was financially with the collection of these dollars. He had heard that the tax coming in was better than estimated.

Ms. Barnett had distributed a chart reflecting where the city was currently with TOT funds, from the beginning of the Fiscal Year to current.

Ms. Ott stated the prior years' numbers were also on the chart.

Councilor Fugate stated that maybe for the new Councilors, the TOT needed to be explained.

Councilor Crume asked if Finance could provide the Council a short summary of what had transpired with the TOT, specifically discussing the situation where the money was inadvertently put into the wrong account. Maybe give a brief history of that, and what changes were made last year by the previous Council.

Ms. Ott stated the original resolution approved by the Council read that 52.5% would be given to street maintenance, and the rest allocated to other places such as the V&C Board, Recreation, or the Chamber of Commerce. But what happened was that the 52.5% was allocated to the General Fund, for about \$1.8M. That error was discovered by the previous Finance Director, and there was now a loan between the General Fund and Street Fund, paying back the miss-allocated money. That was the biggest issue. Then Council addressed the percentage of allocations to the different areas. They opted to split the amount going to streets, so that fund was currently receiving 26.25% of the TOT, and the Public Safety Fund was created, and that fund now received the other 26.25%. Funds from the Public Safety Fund were to be authorized by the Council prior to expenditure. The TOT was a 9% motel tax charged by all the hotels and motels to the users of their facilities. The hotels kept a small percentage for their collection, and the remainder was remitted to the city. Previously, 12.5% had been allocated to the swimming pool, but with the pool closure, \$30K had been directly allocated to the Recreation Department. The chart she had presented reflected the percentages and where the funds went.

Mayor Verini asked that this be brought back to the next work session for review, and to catch the Council up on the past history of the TOT. At that time, he'd like City Attorney to let them know what they could or could not do with regard to the TOT percentages. What was written in stone, and was could be changed.

Councilor Fugate asked Ms. Ott if the other portion of the TOT had gone into the Aquatic Center fund? They had deducted the \$30K for Recreation, but had the other amounts been going into the Aquatic fund?

Ms. Ott stated yes, the remainder had. Five months' worth of collections had resulted in \$26,185 in its account. Payments were due by the 15th of the following month [November payment due by December 15], so there were actually seven months of collections remaining.

- Tori Barnett stated there was a company that had a loan out under the Business Loan Fund umbrella who was asking for a modification or restructuring of his current loan. Therefore, they needed to call for a BLF meeting to have their review the request and to make a recommendation to the Council on how to proceed. That would be scheduled as soon as possible.
- Tori Barnett stated the issue of a possible modification to the existing Business Loan Fund resolution and/or the Economic and Development Enhancement Grant fund had been brought to her by Councilor Fugate. The discussion surrounded perhaps modifying how the split of funds was done, and maybe directing a set amount of the funds toward specific projects such as the Downtown Revitalization project, or the Clean Up Ontario project, which encompassed cleaning up and beautifying the entrance/exit cloverleaves for Ontario.

Councilor Fugate stated she was working on the revitalization of Ontario project through the Oregon Main Street program, and she was looking for maybe some funding for people who wanted to improve their buildings, similar to the revolving grant fund. She hadn't gone through the steps yet, but she wanted to know if that was a possibility, and if yes, what would they need to do if they did opt to move forward with that. Would that need to be done by resolution or ordinance? Also, the ECE funds, that was from the earned interest off the BLF payments. The rules for the ECE grant probably needed to be reviewed. The biggest issue was that if a BLF loan defaulted, the ECE grant funds had to pay back the BLF to make it whole, even if it wiped out the ECE fund.

Ms. Barnett stated because the ECE was a grant, people were more amenable to those because of the no-pay-back status. The grant was currently low due to a defaulted loan which had to be covered. In discussing some projects occurring in the city currently – the Downtown Revitalization, as well as the Cloverleaf Clean-Up – they were all looking for funding. Maybe the funds could be designated differently to provide specific funds for those type of projects.

- Ms. Barnett stated there were no more proposals for the golf course, so effective on December 31, 2014, the city was out of the golf business. The city would be leaving power on for the security system, one of the three water lines would be left on for the fire suppression system, and gas to keep the heat on, at a minimal level, to keep the pipes warm. The golf carts currently in the storage units were there until the end of February, 2015, through a contract with the previous golf course manager. Until things were completely done, and everything was removed that needed to be, nothing would be moved around or changed at the course. There was an aviation organization that was interested in utilizing one of the buildings on the golf/airport property, but it was currently housing city equipment.
- Ms. Barnett informed the Council that television Channel 11, which aired the Council meetings live, as well as the replay three times a day every day until the next meeting, was going to be removed by Cable One, effective January 6, 2015. There was no way for the city to air live, nor air replays. The city had an agreement with Ontario High School - because the channel actually belonged to the city – to replay the Council meetings in exchange for them using the channel at other times. They would now be losing the channel also, which they used for their school announcements and notices. She was working with the city's IT department to research the possibility of airing replays off the city's website through YouTube. There would be no ability to air live, for now.

Larry Sullivan, City Attorney, stated he had informed the Council at previous meetings that the Cable One franchise agreement was expired, and he had been hoping to bring the new agreement to the Council before the expiration, but he'd been having multiple back and forth communications with the Cable One representative over the franchise fee issue. That had still not been resolved. However, he had informed that representative that his plan was to present the council a new agreement with Cable One. He had not been aware of the station going away, so he would be looking into the possibility of having that franchise agreement mandate the continuation of the channel. The FCC imposed strict regulations on local municipalities and their ability to require cable franchisees to provide local programming, but he'd look into it.

CORRESPONDENCE, COMMENTS AND EX-OFFICIO REPORTS

Councilor Fugate expressed her thanks for the outgoing Councilors for their service. For Mr. Jones, he was instrumental in getting the new finance department person on board, and he also encouraged the Council to move forward with the CH2M Hill contract. She believed that turned out to be a good move. Mr. Jones also served as the Council President, and he did a wonderful job.

Councilor Crume stated his congratulations to the new Councilors, and thanked them for jumping in to represent the city and to move the city forward. Was thrilled to be working with them all, and looked forward to it.

Councilor Jost stated he was looking forward to the future of the job, working with the city's different departments, and for making some good changes, to see what they could do.

Councilor Carter stated she, too, was looking forward to working with the city and the new Councilors.

Ms. Barnett stated there was a situation that had come before them recently, and she needed some Council direction on how to proceed. She asked Betsy Roberts to come forward to explain the request for the extension of the water line for the mobile home park near the golf course.

Betsy Roberts, CH2M Hill, Public Works Department, stated they had received a request from the trailer park near the golf course. They had problems and DEQ informed the occupants and/or owner of the property, that they'd either need to find a different water source [there was Arsenic in the water], or they'd be shut down, if they didn't have a plan in place by January 9th. A lot of back-and-forth had occurred over the previous years, but when it came before CH2, they were informed that a previous Public Works employee had stated a 4-inch water line could be extended, and here are some things that could be done to help them out. First of all, this area was not even in the city limits. Secondly, that would require an extension of a 4-inch water line, which was basically just a large service, not a main, which was not something typically done. They put together, following discussions with the Public Works Committee, what appeared to be a standard process for someone who requested water service from outside of the city. They discovered that in a similar situation, everything had been requested from another mobile home park, that also asked for infrastructure, water, and sewer services. That project had to go the full gamut. Public Works personnel spoke with this potential owner, meaning that the person they'd been speaking with was someone who was potentially going to purchase the property, and let him know the steps required, including following the Water Master Plan. That would be an extension of a 12-inch main. They offered to obtain an estimate, and it turned out to be very expensive, over half a million dollars, to extend the line. The potential owner had hoped to tie on to the 4-inch line that served the golf course. That was not the way it would be done, to be done correctly, and it was not the way the precedent had been set previously. PW staff hadn't believed it was their position to make the decision on the direction this action went; it was for them to interpret the code, speak with the attorney, even research what had been done in the past, and to explain the steps and how they saw that action being done.

Mayor Verini stated to Mr. Sullivan that this action had been discussed years ago, and he believed at that time the Council agreed to not run that line.

Mr. Sullivan stated the issue that was before the Council previously, was different. It dealt with the previous owner's confrontation with DEQ. DEQ told him that his mobile home park was going to be shut down because he was unable to provide potable water to the residents. He looked into the possibility of obtaining a low-cost loan to fund the improvements necessary to provide potable water. One thing he looked at was getting an Arsenic removal system at the park, which proved to be more expensive than extending the 4-inch line from the city. DEQ had a program in which municipalities could be applicants for loans to fund the type of infrastructure water line extension that was needed there. That owner was asking the Council to apply for a loan on his behalf so he could get the water line extension funded. Because the city would be the applicant, the city would have the repayment obligation. Following Council review, found that the park wasn't even in the city limits, so questioned why they'd pledge taxpayer money to repay a loan that wasn't going to benefit anyone within the city. The Council declined to apply for the loan.

Mr. Sullivan continued with now the question became to what extent did the Council want to give its approval to extend that water line on a basis that might be precedent setting and contrary to the precedent that had been set before with other mobile home parks that had connected into city services.

Ms. Roberts stated on the Master Plan, the new waterline that would be required, was significantly more than what the owner wanted to do. What they asked was to slide down the line that went into the golf course area, as that was an existing 4-inch line. That would be the shortest route. But it was not good engineering to tie in a dead-end line to a 4-inch, and then add a 16-home facility to it. They stressed to the owner what the code outlined, and what good engineering would tell them to do, but it didn't mean there weren't other solutions possible. They had discussed getting a tank that would fill during the night, so they weren't pulling so much off the 4-inch line. That 4-inch line couldn't supply this type of facility at the right pressure. None of those would be what they'd normally do, so that was why it was before Council.

Councilor Crume asked, if the Council closed their eyes to good engineering, had anyone developed the cost to tie into the 4-inch line?

Ms. Roberts stated yes, and to get a tank would be approximately \$160K.

Councilor Crume stated he wasn't familiar with the location, but he had seen it to some degree. Was it economically viable for that owner to spend that much money on this lot? It didn't look feasible to him, even if the Council were to break their own rules.

Mr. Sullivan stated he had spoken with the potential owner, and had many discussions with the current owner, and the current owner was just stuck. He was unable to do anything with the park because he couldn't provide potable water, and didn't have the financial means to solve the problem. He was approached by the potential buyer who indicated he would solve the problem if the owner wanted to maintain the viability of the park, but he wasn't going to pay very much money for the park itself if he had to spend his own money to solve the water problem. He had tentatively cut a deal with the former owner, in the words of the potential buyer, saying he was practically being given the trailer park in order to solve the water problem. From a community standpoint, the point stated to him was that this was a low-income trailer park, the people who were living there were low-income individuals, there weren't a lot of housing in Malheur County that served that particular population, and unless the city helped with a solution, it was very likely that the 16 residents and/or families that lived in the park, were going to be homeless, and would end up being a burden either on the city or the county. If the city wanted to help be part of the solution in providing housing for the residents, that was the potential owner's pitch to the city. He had encouraged the potential owner to appear before the Council, but maybe the Council would be interested in tabling this to provide that gentleman the opportunity to appear before them.

Mayor Verini stated since he was anticipating being the new owner of the park, was he considering fronting the \$150K for the city to install the line? So the city would not be out any money.

Mr. Sullivan stated yes; he was not expecting the city to fund it. Although, he wasn't aware of the dollar amount CH2 had arrived at, and he didn't know if the gentleman knew of it or had reacted to it.

Ms. Roberts stated he hadn't reacted to either one. Following the PWC meeting, and history had been shared, the reason they had even looked at the extension of the 4-inch line and the tank, was because the previous PW Director had written a letter that offered that as a possible solution. However, the PW Committee stated no, follow the code as written, so they prepared the report which resulted in the higher numbers. The gentleman had seen both sets of numbers, and questioned why they couldn't use option one, but was told that wasn't really a viable solution anymore.

Councilor Tuttle verified the \$150K was the extension of the 4-inch line, correct?

Ms. Roberts stated yes, plus the tank, approximately.

Councilor Tuttle stated that would be poor planning. The 4-inch line that was placed there already was poor planning. The PW Director took it upon himself to do that, and it couldn't service enough people. There were residents clustered in that area. None of those residential locations had enough space, when their septic tanks went bad, to put in a new one, under Oregon State Law. If they were going to do a water line, it should be made large enough not only to service the park, but for future service for the other residents. It would be less expensive than tearing up the highway, and running down 18th. The place to start would be the replacement of the 4-inch line with a large enough line to service future needs. It was a waste of the gentleman's money and the Council's time and effort to do anything less.

Ms. Roberts stated those were good points, and they needed to begin somewhere. She agreed that the 4-inch line at the back of those properties was inadequate for servicing all those people, and was really only meant to get to the golf course. The approved Water Master Plan was where they started. That was based on good planning and grids of 12-inch lines. That was also public right-of-way, and the back of those properties was probably not. That was the reason they were usually always in the streets. However, she concurred that it was not good planning to use the 4-inch, and they should upgrade.

Councilor Tuttle stated it was a 5-lane highway they'd have to contend with if they went down 30th. The rear of the properties was city property, so there would be no issue with right-of-way. They might with the north end, but not the entire distance of the line.

Mr. Sullivan asked if they were seeking some type of consensus from the Council if CH2 should continue with discussing this action.

Ms. Barnett stated she had been contacted by the potential owner, and that's why it was before the Council. He took the information provided to him by CH2 and the PW Committee, didn't like it, didn't agree, and was asking for some type of compromise to work this out. There were rules and codes that the city was supposed to enforce and follow, and based upon the input from Public Works and the Public Works Committee, along with Mr. Sullivan's comments, it might be in everyone's best interest to ask him to plead his own case, if that was an option, or give direction to staff to let him know the city was not interested, but the city had to think of long-term planning and what was best for the city overall, not just a certain area.

Dan Cummings, CK2, LLC, Interim City Planner, stated this action had been in front of the Council for a number of years. This trailer park came to the PW Committee, and someone informed Russ Hursh, who owned the trailer park off of 4th Avenue and 30th, which had the same problem. He approached the city looking for the same solution, asked the city if he could hook into city water, and was told he'd have to annex in, provide sewer and water, and upgrade all the streets, including curbs, gutters, and sidewalks, to bring it to city standards before being allowed to connect to city services. Mr. Hursh appeared before the PW Committee, and possibly the City Council, stating it wasn't fair to let someone else connect without having to do the same thing he'd been required to do. When this issue came before the Council before, the recommendation was the same then as it was now. The city could provide the services, but they'd have to annex in, follow the codes, and bring everything up to standards. That was when they discovered that he couldn't annex because the city hadn't finished their process and annexed all their land in. That's what caused the city to get moving and got all the annexations done, so the annexation could take place, if he wanted to. The PW Committee hadn't changed their recommendation on this project. Services could be provided, but he'd need to bring it up to standard like anyone else would have to. They couldn't start playing favorites. It could be done, and it wouldn't be illegal, but did they want to do that without requiring it to be up to standards?

Mayor Verini asked if the Council should have the potential buyer, or his representative, appear before the PW Committee to state his case? Maybe with this new information, he might be willing to bring the property up to standards.

Mr. Cummings stated he could do that, but didn't know if he would. CK3 had been contracted to design a new well and osmosis system and that was what caused his confusion as to why this was on the agenda that night.

Ms. Barnett stated she had received an email from the gentleman, and she had also spoken with Ms. Roberts, and had

stated there had to be a better way to do this project.

Mr. Cummings stated it might just be to get a potential cost of that system, for comparison. He had heard rumors that part of the water problem was their septic system. There wasn't enough land, and the septic system was causing the water problem. It was only a matter of time before the septic system failed, and then they'd have to have sewer. In order to have sewer connection, under the city's code, they'd have to annex into the city. A quick fix for water was a Band-Aid for what could happen six months down the road. He agreed that the gentleman needed to plead his case instead of staff doing that for him.

Cliff Leeper, CH2M Hill, Public Works Director, stated he knew the man was proposing to purchase the property and had to present a plan to DEQ by January 9th. If no plan was brought forward, DEQ had issued a Consent Decree that they would shut the water off for this park on the 15th of January. In addressing what Mr. Cummings' brought up, there were two potential problems. First, was the Arsenic in the water. Second, they had high Nitrates, and those were coming from the failing, or failed, septic system. This was not a good situation and he wanted everyone aware of the issues. This was not new, just recently landing. It had been back-and-forth for quite a while, and it was at DEQ's breaking point because of the issues associated with water quality for those residents.

Mayor Verini asked his opinion on Mr. Cummings' plan – would that be sufficient for DEQ?

Mr. Leeper stated that was the real question. DEQ wanted a plan moving forward, because they had been continually kicking the can down the street, and they wanted action due to the issues associated with water quality. These residents living out there were not drinking proper water. Whomever purchased the property, if they intended to have their own system, they would need a certified operator to run the system that was not only addressing the Arsenic, but the high Nitrates. It was not as simple as flipping a switch and letting it run. It took someone with expertise to take care of the issue. He didn't know if the resources were there to afford that.

Mr. Sullivan stated an immediate solution would be if the Council consensus was to require this property owner to annex into the city, and the Council stated they would not do the project unless the property was annexed, then it would be the burden on the property owner to submit an annexation application and to submit all necessary paperwork to have staff research the annexation. The Council could give direction to both staff and the owner indicating this process should not move forward unless there was an application for an annexation submitted; then, they'd go through the normal process to consider the application.

Mr. Leeper stated the 4-inch line was well-undersized, and needed to be doubled in size, based on engineering, which would allow potential growth.

Mr. Sullivan stated the owner would have an opportunity to request that the city set up a Reimbursement District in that area to help pay for the cost of the 8-inch line once other property owners started connecting to that line. The cost wouldn't be born solely by him. He would have to pay the initial cost of the 8-inch line, but could be reimbursed.

Councilor Fugate stated he wouldn't have the ability to pay half a million dollars for a sewer system, so when the sewer systems started failing on the property, what then?

Councilor Crume stated that would double the expense, to annex in for both sewer and water.

Mr. Leeper believed the sewer system on the property had failed.

Councilor Tuttle stated this same thing was discussed, and turned down, two years ago.

Mr. Leeper stated this was brought forward to ensure transparency, and that everyone understood everything on the table, and a decision could be reached.

Mayor Verini stated if they applied for annexation and picked up the cost for the water and sewer, and streets...

Mr. Leeper stated it would be the entire infrastructure system, not just for water and sewer; it was all the upgrades.

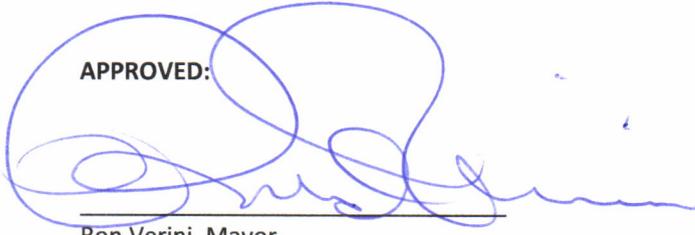
Councilor Crume stated this made no sense for the city to be involved. He was sorry for those 16 families, but they had to do what was best for the entire community.

Each Councilor agreed with Councilor Crume's statement. The consensus was to not support the project.

ADJOURN

Norm Crume moved, seconded by Betty Carter, that the meeting be adjourned. Roll call vote: Crume-yes; Winebarger-yes; Fugate-yes; Jost-yes; Tuttle-yes; Carter-yes; Verini-yes. Motion carried 7/0/0.

APPROVED:



A large, stylized handwritten signature in blue ink, appearing to read 'Ron Verini', written over a horizontal line.

Ron Verini, Mayor

ATTEST:



A handwritten signature in blue ink, appearing to read 'Tori Barnett', written over a horizontal line.

Tori Barnett, MMC, City Recorder