

The regular council meeting was called to order on July 5th, 2016 at 7:00pm by the Mayor Larry Ryff. Roll call showed the following present: Jared Morgan, Carol Lauxman, Gordon Hunnicutt, David Wendt and David VanHook.

Mayor Ryff led the council in the pledge of alliance.

Jared Morgan made a motion to dispense with reading the previous meeting minutes and approve the minutes the way they were written. Gordon Hunnicutt seconded the motion. The motion carried 5-0.

The council looked over Appropriation Ordinance #1060 Carol Lauxman made a motion to approve the ordinance and Gordon Hunnicutt seconded the motion and the motion passed 5-0.

The financial report by Heather Stackley was presented by Mayor Ryff. The Mayor explained that Heather was not able to attend. But if there were any questions he would try and answer them. Carol Lauxman made a motion to pass the financial statement and Gordon Hunnicutt seconded the motion. The motion carried 5-0.

The police report was presented by the Dickinson County Sheriff Deputy he explained that they had put in a total of 68.25 hours in the month of June for the city of Hope and had 19 calls. Gordon Hunnicutt asked about the weapons complaint that was on the report. The officer was not sure about the call but thought he had heard that someone was walking around with a gun. The council thanked the officer and he left.

Next the Mayor introduced the visitors Thaniel Monaco with BG Consultants and Doug McKinney with the North Central Regional Planning Commission.

Thaniel Monaco started by explaining what was discussed at the last meeting. He said the topic was the preliminary numbers and issues associated from the evaluation of city's water system. A major portion of the city water infrastructure is approaching 100 years old and has failing components. Years of use has restricted some of the diameter of the main, mineral will collect inside the mains and reduces the diameter. He said as you reduce the diameter it will affect the flow and it also reduces the pressure that you would see throughout the community during normal use as well as high use and fire demand. They had a difficult time doing some of the testing due to the lack of working valves. The testing was done to assist them in creating a computer hydraulic water model. This model assimilates the system as it works currently, it also allows them to see the potential or purpose to enhance the

city's water system. Thaniel explained that there had been some pipe replacement on the South end of town not too long ago and would not necessarily need to be replaced since they are fairly new. There also was a discussion about doing some looping on the North West side of town which would effectively address the issues throughout the community. He mentioned that there were also some issues with the water tower as well. Not with the functionality but basically re-painting needs and some safety and OSHA requirements. He said obviously the water tower is an important part of the infrastructure. Thaniel said that the proposed water system improvements including the loop and the water tower needs will cost approximately 1.9 million dollars. He said in moving forward on the project there are several different ways to get funding to help with the expense. He also said that it is important to consider the types of funding that's available. There are several types of grant that are available and different types of loans as well. He continued to explain that it's obvious when a city looks into a project of this size there is going to be an impact on water rates. This is an enterprise utility and it should basically pay for itself. Thaniel said the funding agencies, if they loan you dollars and you have a repayment the agencies are going to want that tied to the water rates because that's where the funds will be spent. He also addressed the flow rates issues. He said currently there is only 1 hydrant in town that meets the National Fire Protection Agency requirements and as a community that is something else to take into consideration when thinking about the proposed water system improvement project. He also said that by upgrading the system it would also improve the ISO rating which can make a difference with the amount you pay to your home owner insurance company. Thaniel continued to explain the impact on the existing water rate that will occur when the project moves forward. The current water rate is lower than the state average and in order to give the city an advantage in the chance of receiving grant monies the city will need to increase the water rate to even be considered for those funds. There are four different ways that communities typically fund project like the one proposed. General obligation bond or utility revenue bond, then there is (SRF) State Revolving Loan Fund that is through the Kansas Department of Health and Environment (KDHE) which is a 20 year low interest loan with an interest rate and service fee of around 2%-3%. Rural Development -USDA is a Federal Program and has a loan and possible grant potential. The Rural Development (RD) loan is a 40 year loan with and have interest rate that varies from 2.5%-4.5%. CDBG is administered through the Kansas Department of Commerce within the Community Development program. It is a competitive program with multiple Cities applying for a pool of money. Thaniel said currently the city is eligible for the maximum grant

possible which is \$500,000 in grant funds. There are several communities that will also be seeking these funds for different projects. Thaniel than explained in order to make this project affordable the city definitely needs grant dollars. Thaniel answered several questions from the residence that attended the meeting. Thaniel then said that the next step in the CDBG financing application is to attend a meeting in Topeka. The meeting is scheduled for the 26th of July. At this meeting there will be regulatory and funding agencies. Thaniel will present this project to them along with Nichole McDaniel from the North Central Regional Planning Commission. There will be an opportunity for them to ask question and we will receive some direct interaction with these agencies at that time. They will give us suggestions and their opinions on the best way to proceed.

Next the Mayor introduced Doug McKinney with the North Central Regional Planning Committee. Doug said that he thinks that the City is being pro-active by taking the initiative to make improvement to the water system. He explained that the city is qualified for the grant because of the survey that most of the residence fill out and sent in showing low to moderate income levels. He continued to say that it seems to be common around this area and that several neighboring towns have qualified as well. Doug explained that his company is here to help plan out the project. He said if anyone has any good photos of the bad pipes during a water break it would be great evidence of the condition that the aging pipes are in and to send them to the company. He said there are several neighboring communities making improvements as well, so we are not alone. Doug said water is expensive especially when you buy it from someone. He then explained the state average water rate is currently at \$36.50 per 5,000 gallons and many communities around pay over the average already and still need to make improvements. So he understands the concerns of the citizen.

Mayor Ryff then he asked Jared if had anything to add. Jared said he would like to address the water rate increase to make us eligible for the CDBG funding. Mayor Ryff explained that we had a draft water rate ordinance typed up for the council to review. After a discussion between the council and the group attending the meet Jared Morgan made a motion to approve the ordinance and Gordon Hunnicutt seconded the motion. The motion carried 5-0. The Mayor Thanked the visitor and the guest speakers for being at the meeting and also said that there would be another town hall meeting around September. He explained that the water discussion part of the meeting was over.

New Business: There was a building permit submitted by Joshua and Arthea Tempel to put up 2 carports on the empty lot next to the home they live in. Mayor Ryff said he had one question about anchoring the carports down and that question had been answered. The Tempel's provided an instruction sheet that showed the carports would be anchored with a 15" steel anchor. David VanHook motioned to approve the building permit and Carol Lauxman seconded the motion. The motion passed 5-0. Next was the Mayer Sewer cleaning contract, Mayor Ryff explained in years past that it was standard for the city to lay off 1 year of the 3 year contract with Mayer. After a discussion among the council David VanHook made a motion to skip a year and David Wendt second the motion and the motion passed 5-0.

Old Business: Gordon Hunnicutt explained that last month the council had voted to buy a tractor out of Oklahoma. He said he had contacted the dealership and had gone back and forth on them requiring a Guarantor to sign the contract to be eligible for financing. After talking to a local dealership he found out that when financing that the person that signs would not be held liable for the equipment. He had brought several more price quotes in to have the council look at to purchase a tractor locally. After a very lengthy discussion among the council David VanHook made a motion to purchase a New Holland 60 Workmaster. Jared Morgan then made a suggestion that the type of financing be included in the motion. So once again David VanHook made a motion to purchase a New Holland 60 Workmaster with a loader and bush hog with traditional financing. Jared Morgan second the motion and the motion carried 5-0.

Mayor Ryff said that he was not aware of any Standing & Special Committee meetings other than the Financial Committee meeting July the 6th at 6:30pm at City Hall. The committee is meeting to work on the 2017 budget.

Mayor Discussion: Mayor Ryff explained that he had been approached by the Hope Community Project Committee about putting two poles up to display a sign for the Hope Fall Festival. The city will call the dig safe and Westar Energy is going to do the work to set the poles.

Jared Morgan then suggested that since the water project appears that it will take longer to get started than anticipated that the CD that was cashed in and moved into the savings be put back into a CD so that the money can draw interest for another year. After brief discussion Jared Morgan made a motion to put the money back into a 12 month CD and Gordon Hunnicutt seconded the motion. The motion passed 5-0.

Maintenance Report: Phil requested to buy a trailer to haul the mower around. Jared Morgan then ask Phil about the pump that had been approved to be replaced over a month ago and asked if he had heard from Scott Stroda about doing the work. Phil said that Scott told him that he would install the new pump this week. He also said that pump 1 had quit Saturday. Phil said he had Chad look at it and they had found some burnt wires. Chad agreed to fix the issue and said he would get to it in 3 to 4 days. Phil said he was still having problems with the mower and he was taking it back to get it worked on again. Jared Morgan tabled buying a mower trailer and David Vanhook seconded the motion the motion passed 5-0.

Clerks Report: I've been busy with usually office responsibilities including but not limited to: receiving water bill payments, making deposits, journal entries, listening to residence complaints, selling cemetery lots, marking grave sites, working on the court docket, keeping track of all fines that have been paid, cases that have been completed, making quarterly payment, as well as cleaning the restroom, meeting room and front office area. I attended a budget workshop in Salina and went to a meeting at the Dickinson County Court House to review information on budgeting.

Carol Lauxman moved to Adjourn and Gordon Hunnicutt seconded the motion and the motion passed 5-0.

Larry Ryff, Mayor

Joni Rikard, City Clerk