

MINUTES OF A MEETING
OF THE GOVERNING BODY OF THE
CITY OF HAYS, KANSAS
HELD ON JUNE 22, 2006

1. CALL TO ORDER BY CHAIRMAN: The Governing Body of the City of Hays, Kansas met in regular session on Thursday, June 22, 2006 at 7:30 p.m.

Roll Call: Present: Wayne Billinger

Troy Hickman

Barbara Wasinger

Kent Steward

Absent: Henry Schwaller IV

Chairperson Billinger declared that a quorum was present and called the meeting to order.

2. MINUTES: There were no corrections or additions to the minutes of the regular session held on June 8, 2006; the minutes stand approved as written.

3. FINANCIAL STATEMENT: Finance Director/City Clerk Mark Loughry reported that sales tax collections for May 2006 were down \$5,000, or 1.04%, but for the year, collections are up 4.36%. Investments on May 31, 2006 totaled \$28,300,000. Interest due at maturity on current investments is \$1,147,000, which is an increase of \$62,500 over April 30, 2006. In May, maturing investments totaling \$3,000,000 were reinvested at a weighted average interest rate of 5.18%.

Troy Hickman moved, Barbara Wasinger seconded, that the Financial Statement for the month of May 2006 be approved.

Vote: Ayes: Wayne Billinger

Troy Hickman

Barbara Wasinger

Kent Steward

4. CITIZEN COMMENTS: There were no comments.

5. COMMERCIAL IMPROVEMENT AWARDS: The Hays Beautification committee recognized the following businesses with Commercial Improvement Awards:

Midwest Energy	1330 Canterbury Road
Golden Plains Credit Union	2720 Broadway Avenue
Hays Planning Mill	201 East 12 th Street

The Hays Rotary Club received an honorable mention certificate for the shelter house in North Frontier Park.

Curt David, president of the Hays Rotary Club, thanked the City for the award and for the matching funds and assistance provided by the City in bringing the shelter house to fruition.

6. CONSENT AGENDA: Kent Steward moved, Barbara Wasinger seconded, that a Cereal Malt Beverage License be approved for the Wild West Festival Saloon at Municipal Park, 4th and Main Street.

Vote: Ayes: Wayne Billinger
Troy Hickman
Barbara Wasinger
Kent Steward

NEW BUSINESS

7. NORTH HAYS ADDITION SANITARY SEWER – ENGINEERING SERVICES AGREEMENT: Ruder Engineering and Surveying has submitted an Engineering Services Agreement for the design and inspection of sanitary sewer improvements along General Hays Road north of 48th Street. The Agreement covers design, bid specifications, contract documents, contractor solicitation, construction inspection, and warranty for an amount not to exceed \$8,300. All costs are to be assessed to the benefit district.

Troy Hickman moved, Barbara Wasinger seconded, that the Engineering Services Agreement with Ruder Engineering and Surveying for the design and inspection of sanitary sewer improvements along General

Hays Road north of 48th Street for an amount not to exceed \$8,300, be approved.

Vote: Ayes: Wayne Billinger
Troy Hickman
Barbara Wasinger
Kent Steward

8. HAYS REGIONAL AIRPORT – APRON RECONSTRUCTION PROJECT:

The City has received a Letter of Intent from the Federal Aviation Administration to inform the City that the Hays Regional Airport is being considered for funding in fiscal year 2006 under the Airport Improvement Program. The work identified in the Letter is Phase I (Design Only) for the reconstruction of a portion of the apron. A portion of the asphalt apron, measuring 310 feet by 125 feet, will be replaced with concrete pavement. The Federal share of the project is estimated to be \$79,267, while the City's share is an estimated \$4,172, to be paid out of the Airport Improvement Fund.

City Manager Gustafson requested that Authorization No. 1 for Professional Engineering Services with Burns and McDonnell Engineering Company be approved to provide engineering services for this project.

Barbara Wasinger moved, Kent Steward seconded, that the Letter of Intent from the Federal Aviation Administration be approved, and further, that Authorization No. 1 for Professional Engineering Services with Burns and McDonnell Engineering Company be approved.

Vote: Ayes: Wayne Billinger
Troy Hickman
Barbara Wasinger
Kent Steward

9. WATER PRESENTATION: Brian Meier, representing Burns and

McDonnell Engineering, and John Haas, representing Ranson Financial Consultants, presented an update on water supply alternatives.

Currently, the City has 3.24 million gallons per day (mgd) in existing water sources. This represents the total of all water rights, i.e., the Smoky Hill

Wellfield, the City wells, the Dakota wells, and a portion of the water supplied by Kansas Department of Health and Environment remediation wells. Based on future growth predictions, Hays has a projected water supply deficit beginning in the year 2020 or sooner if planned improvements to the Smoky Hill River Wellfield are modified.

Mr. Meier stated his firm studied the prospect of the Ellsworth County RWD No. 1, also known as Post Rock, becoming a part of the long-term water supply for Hays. Their findings indicate the water treatment plant is expandable to a degree; however, the distribution system does not have the capacity to serve any additional area. It would be necessary to expand the water treatment plant and build a new pipeline in order to use the existing infrastructure.

Ranson Financial Consultants reviewed the financial feasibility of the City of Hays acquiring the physical assets of Post Rock. Mr. Haas recommended the City not acquire the assets as a future water source due to financial instability of Post Rock, competition for water from Kanapolis Reservoir, and the price of water storage until the City would begin to pump water from the Reservoir.

Mr. Haas stated that with the potential competition for water out of Kanapolis Reservoir, the City would likely be required to commit for water prior to actually needing it. The Kansas Water Office has a take or pay requirement for its water allocation. The City would be required to pay one-half of the marketing fees even if it did not take any water from the Reservoir. Based on projections, if the City required 5.0 million gallons of daily storage, but did not take any water out of the Reservoir, it is estimated to cost \$164,396 in 2007, \$310,542 in 2008, and \$554,544 in 2012.

Mr. Meier stated that studies indicate that Wilson Lake has an adequate yield to be a regional water supply source. Wilson Lake has high salinity water and will require reverse osmosis treatment to conform to current water quality standards for Hays. The treatment technology has changed significantly over the last several years. Things that were not practical or economical 10 to 20

years ago now are proving to be feasible. Based on pipeline routing studies, it would take about 55 miles of pipeline to bring the water to Hays.

City Manager Randy Gustafson stated the Commissioners need to give specific direction to staff in regard to Kanapolis. The City has until June 26, 2006 to file an application to negotiate the purchase of water from Kanapolis. The City Manager stated that several years ago the Kansas Water Office recommended Wilson Lake as the City's best alternative for additional water supplies. Additionally, there is no other competition for water in Wilson Lake.

Kent Steward moved, Barbara Wasinger seconded, that the City of Hays not file an application to negotiate the purchase of water from Kanapolis Reservoir.

Vote: Ayes: Wayne Billinger
Troy Hickman
Barbara Wasinger
Kent Steward

10. REPORT OF THE CITY MANAGER: The City Manager reported that enplanements at the Hays Regional Airport continue to rise and indicate a 19% increase year-to-date over 2005.

Commissioner Steward stated he is pleased with the efforts put forth by the Kansas State Agricultural Research Center to abate the odor at the facility. He feels they have shown good faith in trying to resolve the problem. He would like to have further discussion on this matter at a future work session.

Chairperson Billinger stated he would like to continue discussing items of mutual interest between Ellis County and the City at a future work session, as discussed at the joint meeting held on June 21, 2006.

Thereupon the meeting was adjourned.

Submitted by: _____

City Clerk