

City of Hays  
City Commission  
Work Session Notes  
July 21, 2011

Present: Barbara Wasinger, Troy Hickman, Kent Steward, Henry Schwaller IV, Ron Mellick, John Bird, Toby Dougherty

**Update on Performance of Smoky Wellfield**

Brian Meier of Burns and McDonnell updated the Commissioners on the performance of the Smoky Wellfield during the current drought conditions.

Mr. Meier stated the objective of the reconstruction of the Smoky Wellfield, which was concluded last year, was to make the wellfield more drought tolerant and reconstruct it so that the City could produce the full water rights when severe drought conditions exist. This is the first year that the performance of the wellfield could be evaluated and is performing up to expectations.

**Water Discussion**

City staff, as well as volunteers from Public Wholesale Water Supply District #15, reviewed many years of water studies, memos and reports to try to get a sense of what avenues the City has pursued with regard to long-term water sources.

City Manager Toby Dougherty stated the Commissioners, over the last six years, have narrowed down the long-term options to Wilson Lake and the R-9 Ranch. The Ranch option is the cheaper of the two and the Wilson Lake option has stagnated; it is to the point where the City may have to forget about pursuing that option.

Mr. Dougherty stated the City has been winning its water battles by what has been done internally, such as water conservation efforts and the well re-spacing on the Smoky Wellfield. However, this does not address the long-term issue. Knowing that our long-term options are going to be met with substantial

regulatory legal issues, now is the time to focus on identifying a long-term solution.

The City Manager and City Attorney John Bird discussed with the Commissioners some of the obstacles to bringing water from the R-9 Ranch to Hays.

### **Collection of Refuse Fees**

The current city ordinance is in conflict with a federal court ruling that prohibits a municipality from shutting off a citizen's water service, or threatening to shut off that service, for non-payment of unrelated city charges such as refuse collection fees. Therefore, the Commissioners will be requested to approve ordinances at the July 28, 2011 Commission meeting to correct this problem.

### **Water and Sewer Rates Resolutions**

The current water and sanitary sewer rates are scheduled to increase by 3% in January of each year. The passage of separate resolutions for water and sewer rates is required to prevent this increase. As part of the 2012 budget preparation, city staff evaluated the financials of the Utilities Department and are recommending that no rate increases are necessary for 2012.

The Commissioners will be requested to approve two separate resolutions to prevent the increase of water and sewer rates at the July 28, 2011 Commission meeting.

### **2011 City Commission Financial Policy Projects**

At the June 30, 2011 work session, the Commissioners selected a capital improvement plan which allows the maintenance of a 25 mill levy. To accomplish this, staff recommends a transfer of \$1,792,994 from the Financial Policy Projects to Capital Projects to fund improvements to 41st Street and the airport runway utilizing cash reserves. Proper budgeting has allowed this fund to provide a pay-as-you-go process versus utilization of general obligation bonds, which require increased property taxes.

The Commissioners will be requested to formally approve this transfer of funds at the July 28, 2011 Commission meeting.

**2012 Budget Review**

The City Manager discussed outside agency funding in the 2012 Budget. For budgeting purposes, the amounts were left the same as the 2011 Budget. It was the consensus of the Commissioners to fund the economic development outside agency requests at the same level as 2011.

Commissioner Mellick requested that the Downtown Hays Development Corporation (DHDC) present a financial report on their operation and also that the Commission make a formal request to have a representative on their board of directors.

Commissioner Schwaller, a member of DHDC, stated the group will provide a monthly report.

Commissioner Schwaller suggested capping the quality of life requests to the projected 2012 Consumer Price Index, using 2010 funding as the base, to determine 2012 funding.

The work session was adjourned at 7:19 p.m.

Submitted by: \_\_\_\_\_

City Clerk