

November 22, 1994

1. CALL TO ORDER BY CHAIRMAN: The Governing Body of the City of Hays met in regular session, Tuesday, November 22, 1994, at 7:30 p.m.

Mayor Albers welcomed Boy Scout Troop 133 and Cub Scout Troop 111, who were in attendance at the meeting.

Roll Call: Present: Robert Albers
Sharon Leikam
Daniel Rupp
Joseph Glassman
Eber Phelps

2. MINUTES: Eber Phelps moved, Sharon Leikam seconded, that the minutes of the November 10, 1994, regular session, be approved.

Vote: Ayes: Robert Albers
Sharon Leikam
Daniel Rupp
Joseph Glassman
Eber Phelps

3. FINANCIAL STATEMENT: Daniel Rupp moved, Sharon Leikam seconded, that the Financial Statement for October, 1994, be approved.

Vote: Ayes: Robert Albers
Sharon Leikam
Daniel Rupp
Joseph Glassman
Eber Phelps

4. CITIZEN COMMENTS: There were no comments.

5. COMMISSION INFORMATIONAL MEMORANDUM: Mayor Albers said it may be wise to create a data base for the cost of labor and materials used for crack sealing projects. This information will be beneficial in the future to determine what type of street is most cost efficient.

Mayor Albers noted that as a Commission we chose to solicit Requests for Proposals for 1995 engineering services; this will

probably delay the start time for the 1995 capital projects.

6. VINE STREET CONTAMINATION REPORT: Rick Beam and Rob Elder, Kansas Department of Health and Environment representatives, were present, and gave a detailed report on the contamination of City Well No. C-20.

The contamination of Well No. C-20 was discovered in 1984, as a result of a nation-wide United States Environmental Protection Agency Program to test all public water supplies for volatile organic compounds.

In 1989, KDHE, through a cooperative agreement with the EPA, performed a Scanning Site Investigation of Well No. 20. The investigations were performed to:

- confirm the presence of environmental contamination;
- assess the need for removal action(s);
- identify potential source(s); and
- evaluate the site's qualification for listing on the National Priorities List.

Mr. Beam said tetrachloroethylene (PCE) contaminated soils were identified in two separate source areas, including the Norge Laundry and Dry Cleaning, formerly located at 1015 Centennial Boulevard; and historical dry cleaning operations conducted at 108 Centennial Shopping Center (former Centennial Laundry & Cleaners; former Prehop Cleaners; and former Royal T Cleaners).

Mr. Beam said the recommended plan involves cleaning the water through an air stripping process and eventually recycling the water through the Water Treatment Plant. This process could take from 20 to 30 years, and could cost up to 3.4 million dollars.

The recommended method of financing would be for the City to assume the role of responsible party, in the absence of an identifiable responsible parties, and enter into a cooperative agreement with the State of Kansas. The other alternative would be to be declared a Federal Superfund Site. Mr. Bean advised that a Superfund Site designation should be avoided, if at all possible. Superfund site designation would entail more cost,

stricter regulations, much longer time span for cleanup operations, and would have a negative impact on the property evaluations.

City Manager Zacharias reviewed various methods of financing the cleanup, should the City decide to assume the "responsible party role". State statute allows cities to establish a tax increment finance district whereby 20 percent of the total tax bill of the contaminated area would be used toward cleanup operations. Other methods of financing could include CDBG Grants, a State loan program, or a State water fund which has money set aside for contamination cleanup.

City Manager Zacharias said no action is necessary tonight, but at the next meeting, the Commission may wish to consider a "Letter of Intent" to KDHE stating that the City will develop a consent order.

7. WATER SUPPLY TASK FORCE: Lavern Squier, Water Supply Task Force Chairman, said the Task Force met earlier today, and the conclusion of the Task Force was that the Circle K Ranch does fit into our overall water supply picture as a component, but not as the only alternative.

Bob Vincent, Ground Water Associates, Inc. said the water tests indicate the following:

1. The ranch area can support the removal of 5500 acre feet of water per year with recharge from the Arkansas River, but continued recharge from this source appears doubtful;

2. The area can naturally support the removal of between 3200 and 3800 acre feet of water per year, and the actual amount would depend upon whether the average recharge to the area is one or two inches;

3. When potable water quality is considered, this amount could be reduced to approximately 1400 acre feet;

4. The water quality problem for a potable water supply contains excessive nitrates (more than ten parts per million) and sulfates (over 500 ppm). The western and northern portions of the ranch are affected. It is probable that the nitrate problem could be corrected within five to ten years with proper

management of the water. The sulfate problem would be more difficult and would require much more time.

Black & Veatch Engineer Jeff Henson reported on various methods of blending the water to reduce the high nitrate and sulfate content.

Mr. Squier said at the close of the Task Force meeting, the members unanimously supported the purchase of the Ranch based on the information to date.

A formal motion was made to recommend that the City Commission, given the information, at this point in time, purchase the ranch, either December 15, 1994, closing date as per the contract stands now, or the January 15, optional notice date, as set forth in the notice to extend the contract, those two dates being left to the discretion of the City Commission. That vote was six in favor, one opposed.

City Attorney Bird advised that, at this point, if the City decided not to purchase the ranch for no reason, the \$50,000 would not be refunded. If the City has sufficient evidence that the water quality or quantity were not sufficient, and decided not to purchase the ranch for that reason, the \$50,000 would be refunded. Attorney Bird believes that the \$50,000 would be refunded.

City Attorney Bird said he has discussed the request for an extension of the closing date from December 15, 1994 to February 15, 1995, with a notice of intention to close on or before January 15, 1995, with the seller. The seller gave two options to consider:

1. The City place an additional \$50,000 in escrow; bringing the escrow account to \$100,000. The \$100,000 would be nonrefundable in the event the contract did not close. If the contract did close, the \$100,000 would be applied against the total purchase price.

2. The \$50,000 in escrow would be paid to the seller of the ranch immediately, along with an additional \$25,000. If the contract of sale closed, \$50,000 of the \$75,000 would be applied to the purchase price.

The consensus of the Commission was to take the recommendation of the Task Force to purchase the property, but postponed making a final decision until the December 8, 1994 meeting. This will give the citizens of Hays the opportunity to make any further comments regarding the purchase.

Mayor Albers said he was in favor of the purchase, but would like to allow time for counsel to evaluate the management practices of the lessee. He said he also has some concerns about the condition of the wells, and would like to avoid future liabilities regarding KDHE regulations.

8. POLICE AND FIRE UNION CONTRACTS: City Manager Zacharias said the addendum to the Police and Fire Union Contracts reflects a 2.5% cost of living salary increase for 1995.

Joseph Glassman moved, Eber Phelps seconded, that addendums to existing union contracts for Fraternal Order of Police Lodge 48 and Hays Firefighters, Local 2119, be approved.

Vote: Ayes: Robert Albers
Sharon Leikam
Daniel Rupp
Joseph Glassman
Eber Phelps

9. SERVICE UNION PROPOSAL: City Manager Zacharias said the City and the Service Union were unable to reach an agreement through negotiations. The City's final offer was 2.5 percent cost of living increase. The Service Union's final offer was 4.5 percent. The dispute led to mediation and finally fact finding. The recommendation of the fact finder was a 2.7 percent increase. The recommendation of the City still stands at 2.5 percent.

Eber Phelps moved, Sharon Leikam seconded, that a 2.5 percent cost of living increase be offered to the Service Union employees.

Commissioner Leikam said she wishes more could be offered, and feels the employees deserve more. However, she hoped they would understand that financially, we are unable to offer more.

Vote: Ayes: Robert Albers
Sharon Leikam
Daniel Rupp
Joseph Glassman
Eber Phelps

10. SOLID WASTE FUND PUBLIC HEARING: City Manager Zacharias said refuse rates have been increased to accommodate the increased tipping fees charged by the Ellis County Landfill. It is necessary to amend the 1994 Budget to cover the additional expenses.

Eber Phelps moved, Joseph Glassman seconded, that a public hearing be scheduled for December 8, 1994, regarding the 1994 Solid Waste Budget.

Vote: Ayes: Robert Albers
Sharon Leikam
Daniel Rupp
Joseph Glassman
Eber Phelps

11. APPOINTMENTS: Joseph Glassman moved, Eber Phelps seconded, that the Mayor's recommendation to reappoint the following people to the Convention and Tourism Committee, be approved.

Kathy Klitzke (Super 8 Motel)
Terrry Mannell - at large member
Bob Wilhelm - at large member
Steve Wood - at large member

Vote: Ayes: Robert Albers
Sharon Leikam
Daniel Rupp
Joseph Glassman
Eber Phelps

12. ADD-ON ITEMS: Commissioner Rupp ask that City staff continue their efforts to get Union Pacific Railroad to repair the defect at the Elm Street Railroad Crossing.

Commissioner Rupp commended Paul Miller, a citizen who gave

a large donation to the Humane Society, and asked City staff to send a letter of appreciation to him.

Mayor Albers mentioned that the City received a "letter of support" from the Graham County Commissioners in regard to our efforts to recruit Cessna.

Thereupon the Governing Body adjourned.

Submitted By: _____

Clerk of the Board