

Public Hearing and Regular City Council Meeting
April 8, 2014
7:30 PM

PUBLIC HEARING

A. Call to Order: The Public Hearing of the Richmond City Council was called to order by Mayor Shelden Snow.

Council Members Present: Claire Blackburn, Helen Feuerborn, Karen Peters and Doug McIntosh.

Staff present: Doyle Sobba, Marla Gadelman and Jake Strobel.

Guests Present: Rita Clary, KRWA, Sister Loretta Roeckers, Betty Bowlby and Ken Manwarren.

Public Hearing. The notice of the public hearing regarding the proposed loan from the Kansas Public Water Supply Fund, as published, was read, and a description of the project was given. Doyle Sobba questioned the number of gate valves to be installed. This matter will be discussed with the engineering firm retained by the City. This loan will be interim financing until the project is completed and bonds will be issued secured by USDA Rural Development. No further comments were made by the public.

The public hearing was closed at 7:36 P.M.

REGULAR MEETING

A. Call to Order: The Regular Meeting of the Richmond City Council was called to order by Mayor Shelden Snow.

Council Members Present: Claire Blackburn, Helen Feuerborn, Karen Peters and Doug McIntosh. Verlin Springer arrived at 7:40 P.M.

Staff present: Doyle Sobba, Marla Gadelman and Jake Strobel.

Guests Present: Rita Clary, KRWA, Sister Loretta Roeckers, Betty Bowlby and Ken Manwarren.

B. Public Comment: None

C. CONSENT AGENDA:

Approval of Minutes of Meetings: Doug McIntosh made a motion to approve the minutes as written from the March 11, 2014, regular meeting. Karen Peters seconded the motion. Vote 4-0, motion passed.

Approval of Monthly Expenses: After discussion, Karen Peters made a motion to approve the expenses paid since the March 11, 2014, meeting. Helen Feuerborn seconded the motion. Vote 4-0, motion passed.

Verlin Springer arrived at 7:40 P.M.

D. ITEMS OF BUSINESS:

1. Adopt Resolution No. 2014-3 – Resolution Authorizing Completion of Application to Kansas Department of Health and Environment Regarding a Loan From Kansas Public Water Supply Loan Fund. The Public Hearing has been held. Doug McIntosh made a motion to adopt Resolution No. 2014-3 as follows:

RESOLUTION NO. 2014-3

A RESOLUTION AUTHORIZING THE COMPLETION OF AN APPLICATION TO THE KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT REGARDING A LOAN FROM THE KANSAS PUBLIC WATER SUPPLY LOAN FUND

WHEREAS, the City of Richmond, Kansas (the "City") is a duly incorporated city of the third class, organized under the laws of the state of Kansas (the "State") which operates a public water supply and distribution system (the "System"); and

WHEREAS, the City Council (the "Governing Body") of the City has heretofore determined it to be in the best needs of the customers of the System to undertake certain modifications and improvements (the "Project") to the System; and

WHEREAS, the pursuant to K.S.A. 65-163c *et seq.* (the "Act"), the Kansas Department of Health and Environment ("KDHE") administers the Kansas Public Water Supply Loan Fund (the "Fund") from which loans are made to certain qualified Municipalities (as said term is defined in the Act) to finance modification and improvements to public water supply systems; and

WHEREAS, the City has heretofore made an application to KDHE for a loan in an amount not to exceed \$743,855.00 (the "Loan") to finance the Project; and

WHEREAS, the Governing Body has conducted a public hearing this date on the advisability of proceeding with the completion of the application for the Loan and desires to authorize the appropriate officials of the City to accomplish the completion process.

BE IT RESOLVED BY THE GOVERNING BODY OF RICHMOND, KANSAS, AS FOLLOWS:

Section 1. Loan Application. The Mayor and City Clerk of the City are hereby authorized to cause to be prepared and to execute a Loan Application, including all attachments thereto (jointly, the "Application"); in substantially the form presented to the Governing Body this date, in order to provide financing for the Project. The Application shall be forwarded to KDHE as soon as possible.

Section 2. Further Proceedings. The Mayor, City Clerk and the other officers and representatives of the City are hereby authorized and directed to take such other action as may be necessary to complete the Application and to coordinate processing of a loan agreement for the Loan (the "Loan Agreement"); provided that the authorization to execute the Loan Agreement shall be subject to further resolution of the Governing Body.

Section 3. Further Authority. This Resolution shall be in full force and effect from and after its adoption.

Adopted by the Governing Body of the City of Richmond, Kansas on April 8, 2014.

Karen Peters seconded the motion. Vote 5-0, motion passed.

2. Adopt Resolution No. 2014-4 – Loan Resolution, USDA Rural Development. This is the Loan Resolution which was discussed at the March 2014 meeting. Karen Peters made a motion to adopt Resolution No. 2014-4, as follows:

RESOLUTION NO. 2014-4
LOAN RESOLUTION
(Public Bodies)

A RESOLUTION OF THE CITY COUNCIL OF THE RICHMOND, CITY OF AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS WATER FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the Richmond, City of (hereinafter called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of _____ pursuant to the provisions of K. S. A. 15-101 et seq. ; and

WHEREAS, the Association intends to obtain assistance from the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legally permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the

Association, and default under any such instrument may be construed by the Government to constitute default hereunder.

6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.
11. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.
12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
14. That if the Government requires that a reserve account be established, disbursements from that account(s) may be used when necessary for payments due on the bond if sufficient funds are not otherwise available and prior approval of the Government is obtained. Also, with the prior written approval of the Government, funds may be withdrawn and used for such things as emergency maintenance, extensions to facilities and replacement of short lived assets.
15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain USDA's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.
16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
17. To accept a grant in an amount not to exceed \$ _____ under the terms offered by the Government; that the Mayor _____ and City Clerk _____ of the Association are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said grant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be

found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Association and the Government or assignee.

The vote was: Yeas _____ Nays _____ Absent _____

IN WITNESS WHEREOF, the City Council of the Richmond, City of has duly adopted this resolution and caused it to be executed by the officers below in duplicate on this 8th day of April, 2014.

Claire Blackburn seconded the motion. Vote 5-0, motion passed.

3. Adopt Water and Waste System Grant Agreement, United States Department of Agriculture, Rural Utilities Service. Verlin Springer made a motion to approve the Water and Waste System Grant Agreement. Helen Feuerborn seconded the motion. Vote 5-0, motion passed.

4. Adopt Resolution No. 2014-5 – Drug Free Workplace. Doug McIntosh made a motion to accept Resolution No. 2014-5, as follows:

RESOLUTION NO. 2014-5

A RESOLUTION RELATING TO THE ESTABLISHMENT OF A DRUG-FREE WORKPLACE, AND PROVIDING PROHIBITIONS FOR THE USE, POSSESSION OR MANUFACTURE OF ILLEGAL DRUGS OR SUBSTANCES, AND PENALTIES PERTAINING THERETO.

NOW on this 8th day of April, 2014, the City Council of Richmond, KS met in regular session with Verlin Springer, Claire Blackburn, Karen Peters, Helen Feuerborn and Doug McIntosh present.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF RICHMOND, KANSAS that the following resolution shall be adopted:

Section 1. The City Council of Richmond, Kansas, recognize that it is in the best interests of Richmond, Kansas, the public at large, and the employees of Richmond, Kansas, to establish and maintain a drug-free workplace.

Section 2. It is hereby deemed unlawful for employees of Richmond, Kansas, to manufacture, distribute, dispense, sell, trade, buy, use, possess, or be under the influence of any illegal drug or controlled substance during working hours and while on property owned by Richmond, Kansas, and the same is prohibited in the workplace or while operating machinery or equipment owned by Richmond, Kansas.

Section 3. Any employee found to be in violation of this policy and resolution shall be subject to termination, suspension, probation or reassessment of position or duties as deemed appropriate by the employee's supervisor or the City Council of Richmond, Kansas.

Section 4. There is hereby established a drug-free awareness program whereby Richmond, Kansas, will make employees aware of the dangers of drugs in the workplace, the policy of Richmond, Kansas, concerning illegal drugs and substances in the workplace, and the penalties that may be imposed for violating such policy.

Section 5. This resolution shall be deemed as included in any employee handbook or other policies previously enacted and in place for Richmond, Kansas.

Signed and attested at the City Hall in Richmond, Kansas the day and year first above written.

Karen Peters seconded this motion. Vote 5-0, motion passed.

5. Adopt Richmond, Kansas Procurement Procedure Policy. After discussion Doug McIntosh made a motion to adopt the Richmond, Kansas Procurement Procedure Policy. Verlin Springer seconded the motion. Vote 5-0, motion passed

6. Adopt Purchasing Policy. Karen Peters made a motion to adopt the Richmond Purchasing Policy. Doug McIntosh seconded the motion. Vote 5-0, motion passed.

7. Adopt Richmond, Kansas Official Procedures for Civil Rights Complaints. Verlin Springer made a motion to adopt the Richmond, Kansas Official Procedures for Civil Rights Complaints. Helen Feuerborn seconded the motion. Vote 5-0, motion passed.

8. Adopt Richmond, Kansas Code of Ethics. Marla Gadelman, City Clerk, stated that if her husband's employer were to bid on the project, it would be necessary for the City to disclose that to CDBG as a potential conflict of interest. Doug McIntosh made a motion to adopt the Richmond, Kansas Code of Ethics. Claire Blackburn seconded the motion. Vote 5-0, motion passed.

E. Staff Reports. Doyle Sobba reported that the culvert down near the Boases' is eroding badly on the south side. Area kids are not helping the situation by digging in the rock. Mr. Boase asked if there was anything we could do. The County claims that it is not a connecting link anymore. No action was taken at this time.

Doyle Sobba reported that we currently have a bad taste and odor in the water. He has been in contact with KDHE and they are aware of the problem. It is believed that the lake has rolled over early this year.

City wide trash clean up will begin April 23.

Marla Gadelman reported that Pet Vaccination Day is Thursday, April 10, from 5:00 P.M. to 7:00 P.M.

KANCAP is offering a local training in Ottawa on April 17 from 8:00 to 4:30. The training is on water system capacity and will include technical, financial and managerial items. Any councilmember may attend. The Clerk plans to attend the training.

Doyle Sobba reported that he is short on his education hours for his wastewater license. Five additional hours are needed before May 12. He has 15 hours towards his water license, but only 5 towards wastewater. A class is being offered in Pomona on April 22 and 23, but the cost is \$150 for the 2-day class. No other local training is planned. Doug McIntosh made a motion to authorize Doyle Sobba to attend the training on April 22 and 23 and that the City pay for the cost of the training class. Karen Peters seconded the motion. Vote 5-0, motion passed.

Marla Gadelman reported that technical support for Windows XP ends today, April 8, and no updates will be provided to protect information and data on our computer from viruses and other problems. A new computer could cost between \$800-\$1,200. Our software vendor recommends getting a system with Windows 7 instead of Windows 8 or 8.1. She will do additional research before the May meeting.

Jake Strobel reported that we are in the transition stage between pushing snow and cutting grass. He will probably have the lawnmower out next week.

Doug McIntosh questioned whether we were still having trouble getting water bills paid. Marla stated that it was the same people each month. She will no longer be "door tagging", we will simply shut them off if no arrangement has been made. There is a \$25.00 reconnect fee which


she hopes will get their attention. Last month we had to door-tag 33 houses for unpaid water bills. We may want to consider having a graduated reconnect fee for each time we have to shut people off.

F. Council Comments and/or Reports. Doug McIntosh inquired when we are going to cut the trees along Central. After discussion it was tentatively scheduled to meet on May 10, 2014, to cut the tree branches.

Adjournment: Doug McIntosh made a motion to adjourn the meeting. Claire Blackburn seconded the motion. Vote 5-0, motion passed. Time: 8:25 P.M.

APPROVED:

By:



Sheldon Snow, Mayor
Verlin Spritzer, President

ATTEST:

Maria Gadelman, City Clerk