

June 4, 2019
Reno County Courthouse
Hutchinson, Kansas

The Board of Reno County Commissioners met in agenda session with, Chairman Bob Bush, Commissioner Ron Hirst and Commissioner Ron Sellers, County Administrator Gary Meagher, County Counselor Joe O'Sullivan and Minutes Clerk Cindy Martin, present.

The meeting began with the Pledge of Allegiance and a short sectarian prayer led by Betty Wood, Bahai's of Hutchinson.

There were no public comments.

Staff and Commission comments:

Emergency Management Director Adam Weishaar met with the Board to update them on the flood situation. He stated the water was out of flood stage however some of the township roads are still closed due to high water. Any resident could call 2-1-1 for a water damage report form. He reminded everyone to file for water damage and stated that they have only received 12 reports so far and he knows there are more homes damaged than 12. To meet FEMA requirements the water on the first floor had to be 3-foot high not water in basements. He said the Deputy Director for FEMA would be in the area assisting with damage estimates in Nickerson, South Hutchinson, and Buhler who had the worst flooding. They opened a shelter for displaced people, but to open a shelter takes time so if someone needs a place to go give them time to plan. He noted that there are options for the public. Clean out kits and fans are available to the public from the Salvation Army. He said they were working on a media blast for the public for water damage forms. In 2007 was the last individual assistance given for people with water damage at 0 percent loan to fix a certain percentage of damages done to their property.

Commissioner Hirst asked Mr. Weishaar if he would include the smaller weekly newspaper on the media blast for water damage forms.

County Administrator Gary Meagher stated the Appraiser Brad Wright and County Planner Mark Vonachen would start applications on property tax relieve with water damage for people talking and filling out forms with damage to their property.

Road and Bridge Superintendent Don Brittan stated there was still high water in the Reno County area and named certain areas to watch out for. He also re-iterated that the public should not drive around high-water signs of any type since the townships have a different sign than Public Works.

Commissioner Bush asked if water under the roads cost additional maintenance. Mr. Brittan replied that 56th washed out a culvert and south of Nickerson has some low spots or hollow space under roads. Township roads have erosion on many of them and one wooden bridge he knew of had damage. He stated that there could be lots of hidden damage around the county.

Commissioner Bush commented that next Tuesday at 9:00 a.m. Russ Ewy, County Consultant would be speaking on the protest petitions along with the County Attorney and Planning staff. He reminded everyone there will be no public comments only administration with Mr. Ewy to recommend excepting or deny the Planning Boards recommendation. The public is invited Thursday June 13th at 6:30 p.m. to the Fox Theater for an open meeting concerning the NextEra Wind project. The Commission will hear Mr. Ewy's presentation and Mr. Vonachen's update on the Planning and Zoning Boards recommendation. The applicant, NextEra, will not be able to make any presentations and neither will anyone opposed to the NextEra Conditional Use Permit application. The commission will make a motion until the majority is achieved. Mr. Meagher and Mr. O'Sullivan did not have anything to add.

Commissioner Hirst commented on the Reno County newsletter with monthly employees highlighted.

There were no additions to the agenda.

Mr. Hirst moved, seconded by Mr. Sellers, to approve the Consent Agenda consisting of the Accounts Payable Ledger for claims payable on June 7th, 2019 of \$228,580.36 as submitted. The motion was approved by a roll call vote of 3-0.

Mr. Meagher reminded the Board of what the 2018 temporary bonds were paying for. The sale of temporary bonds was for the remodeling project of Reno/Harvey Joint Fire District #2 fire station in Buhler that was completed a few weeks ago. He said the Fire District used partial Equipment Funds and borrowed the rest as temporary notes through First National Bank. He contacted Greg Vahrenberg about looking at converting notes into permanent financing and after looking at options, they decided

the best option was direct placement. He said Mr. Vahrenberg contacted several banks and located favorable interest for the Fire District to issue a 15-year bond to pay off the temporary note. It allows financing to levy about one mill to make those debt service payments in the 15-year period, so not to put such a strain on the district with the added debt. He said the project met their needs and would continue to do so for many years. He introduced Greg Vahrenberg, a former employee of Piper Jaffrey who assisted Reno County on previous financing projects throughout the years. Mr. Vahrenberg is currently employed with Raymond James.

Mr. Vahrenberg stated the best cost-effective approach was with a direct placement which saves the county the bond rating fee and other financing costs that are common on the larger bond issues. With the 2019 General Obligation Bonds the Fire District is redeeming the 2018 temporary notes. It is a 15-year bond issue with the pre-pay option in seven years after September 1, 2026 without penalty. He said working with Gilmore and Bell after drafting legal documents prepared related to the Fire District, they then sent out 25 to 30 packets to banking institutions, receiving five back with between 3.32 to 3.95 interest rates and one with a modification to the repayment period. They decided to recommend Commerce Bank at a 3.32 interest rate and who had a local branch in Reno County. After preparing the final debt service schedules and sharing them with Gilmore and Bell Bond Counsel Kevin Cowan, he put those into the resolution that was presented to you this morning. He had the Board look at the graph with interest rates in the market. Mr. Vahrenberg had the Commission look at the top of the Sources and Uses of Funds briefly discussing the closing date of June 18, 2019. Action adoption of the debt resolution then the interest rates are set are simply a matter of paperwork.

Commissioner Bush clarified the terms of the bond sale.

Commissioner Sellers questioned if this was a tax-exempt issue. Mr. Vahrenberg answered yes it was and discussed the difference in ratings on pages four and five. He went into trends in the market stating this was sold as a non-rated issue which usually have a higher interest rate but avoid paying the rating fee.

Mr. Sellers moved, seconded by Mr. Hirst, to approve resolution #2019-07; A RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE, SALE AND DELIVERY OF GENERAL OBLIGATION BONDS, SERIES 2019, OF RENO/HARVEY JOINT FIRE DISTRICT NO. 2, RENO COUNTY,

KANSAS; PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AND INTEREST ON SAID BONDS AS THEY BECOME DUE; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS CONNECTED THEREWITH as outlined. The motion was approved by a roll call vote of 3-0. Commissioner Sellers asked to have the Board visit the completed Fire District #2 station in Buhler, Kansas.

Mr. Meagher recommend approval for an agreement with OneOk permitting an easement for a sewer line. He stated this was part of a project at The Highlands with their new lagoon that was on the east side of Monroe and was operational in May 2019. Part of this project for The Highlands had to cross a pipeline easement owned by OneOk. Part of that process was to have an encroachment easement working through to comply with the insurance requirements that we have been going back and forth on for months and allows us to cross the OneOk lines. If approved, the Chairman would have to sign and insert dates into the agreement. He stated he, Mr. O'Sullivan and Mr. McComb had reviewed the documents. **Mr. Sellers moved, seconded by Mr. Hirst**, approve agreement with OneOk as outlined by staff and requesting the Chairman to sign with dates to be inserted into the agreement as directed. The motion was approved by a roll call vote of 3-0.

Human Resources Director Renee Harris met with the Board to recommend approval to set the 2020 Holiday Schedule. She stated this was an annual request based on observed holidays asking that Christmas Eve be the Commissioner Reprieve Day for 2020 as it falls on a Thursday. She said the District Courts would be closed that day also. **Mr. Sellers moved, seconded by Mr. Hirst**, to approve the Holiday Schedule as submitted by Mrs. Harris. The motion was approved by a roll call vote of 3-0.

Public Works Director David McComb met with the Board to give a presentation of Wastewater Treatment Lagoon Evaluations for Reno County Sewer District 201 (Yoder) and Sewer District 202 (HABIT). He said they were doing studies for these two sewer districts and working with KDHE (Kansas Department of Health and Environment) since 2009 on capacity issues for the sewer system at Yoder. He stated they received a compliance letter from KDHE in April 2016 documenting what they had done and supporting the expansion of the system. Mr. McComb said they were working on Blue Spruce and The Highlands project, so Sewer Districts 201 and 202 had to be put on hold until now. During the other project, the lined lagoon on Sewer District 202

failed which is a requirement for an industrial permit so they contracted with Schwab Eaton to get the liner repaired. Mr. McComb also asked the representatives if they could combine both sewer districts since the lagoons are about a mile apart.

Mr. McComb introduced Stewart Porter and Jarrett Brooks. The county hired their company last fall to conduct a study on Sewer Districts 201 and 202.

Mr. Brooks briefly discussed problems with the facilities and compliance to bring them up to KDHE standards for both. They performed several studies on the flow and biological loading studies, infiltration testing and worked with the industrial and commercial users to see about reducing the inflow and the strength of the waste going into those lagoons to make sure we were as efficient as possible. Sewer District 201 Yoder takes mostly residential waste and a few businesses then all the wastewater flows to the lift station then is piped south to the treatment facility. Sewer District 202 HABIT southwest of the Yoder facility is residential waste that is gravity drained to a lift station and pumped to the HABIT facility and also receives gravity flow from the Industrial Park.

Sewer District 201 was constructed in 1990, almost 30-years ago, and the study found it to be undersized for the wastewater flow and was originally designed to be non-discharging with discharging only during high usage. He stated with the high discharging, it was unable to meet KDHE effluent standards. He said to treat wastewater effectively the site would need to include an expansion of 2 ½ acres to treat the BOD as well as the hydraulic tension time. A proposed new cell would be organic, no cleaning needed for 15 to 25 years and the improvements would bring it into compliance with standards. The plans call for a new lift station by Yoder Meats moving it slightly north and removing the current "Doghouse". They recommended replacing the pump system since it was nearing 30-years. Mr. Porter noted the county has been moving toward submersible stations.

Mr. McComb stated another reason for the pump station improvement was the wet well the pump station sits on is four-foot in diameter and the proposed new one would be six foot to hold more waste during emergency situations. Mr. Porter added that the new station would include a standby power generator. The estimated cost for the Yoder Sewer District #201 for improvements was \$979,305.

Mr. Brooks explained Sewer District #202 HABIT which was originally permitted for an industrial wastewater facility. The primary lagoon cell was constructed with a Geosynthetic liner as well as leak detection system. Several industrial users have left the industrial park, now that the Geosynthetic liner is failing, instead of going back and making it up to industrial standards which would be to higher standards. He said now would be a good time to re-permit this for municipal treatment and go back to an earthen liner. HABIT has the capacity for excess flow since industries have vacated the area. The main problem with this facility is leakage in the primary liner and the underlying liner. He stated the improvements plan for this facility would be dewatering the primary cell, removing the sludge and geo liners then reconstructing an earthen liner with the best treatment being a few piping modifications. Mr. Porter stated with the piping improvements the facility would be up to KDHE standards.

Mr. Brooks stated the total cost for Sewer District #202 was estimated at \$574,455.

Mr. Brooks said the third piece was to combine wastewater flows in a central facility. The most sense was to upsize the Yoder pumps with force main piping to divert Yoder's wastewater flow to the HABIT facility to meet KDHE standards. The improvements at the HABIT facility would need a larger primary cell for adequate treatment, although it had excess with adding Yoder's wastewater it would be undersized, so an expansion of 2.85 acres was needed. They would have to fix the existing primary cell by removing the sludge, fixing the geo liner or replacing it with an earthen liner with some structures and piping to move wastewater back and forth between ponds. They added an irrigation system to handle the additional effluent with the new KDHE standards for effluent and noted that having the irrigation infrastructure in place is a good safety net.

Mr. Porter added the ability to irrigate protects all wastewater facilities from future permit limit changes and one of the benefits is having the ability to irrigate, much like your most recent improvements projects. He also said one reason for targeting the HABIT location for the combined facility was because the wastewater gravity flows into the facility and there would not be a way to transfer from this location to the Yoder facility without purchasing a larger pump at Yoder and adding a generator would be more additional costs.

Mr. Brooks stated for the combined facility, the improvements would cost approximately \$1.8 million which included decommissioning the Yoder station.

Commissioner Sellers asked if the Yoder facility was decommissioned would it return to Ag use. Mr. Porter replied yes it would return to the landowner.

Mr. McComb clarified that the sewer district bought and paid for the property so if the land would be disposed of, it would be done by auction or sealed bid. The Sewer District would retain an easement for pipelines, if the county went with the combined facility.

Mr. Brooks summarized the combined facility was about \$200,000 more than fixing each individual facility. He said most of that cost was for the forced main pipeline between facilities and the one road crossing which adds cost. Commissioner Hirst corrected the amount to \$230,000 after comparing estimates.

Mr. Meagher questioned the cost of a liner for an industrial type facility at Sewer District #202. Mr. Porter stated it would be a double lined facility like what you currently have and would have a leak detection system, he said replacing a wastewater generator for industrial use could be larger than what the county would like to pay for. Mr. Brooks stated the cost could be about \$100,000 per acre.

The Board discussed further about combining versus individual wastewater facilities and asked Mr. McComb to come back with a recommendation.

At 10:30 the meeting adjourned until 9:00 a.m. Tuesday, June 11, 2019.

Approved:

Chair, Board of Reno County Commissioners

(ATTEST)

Reno County Clerk
cm

Date

