

CALL TO ORDER: Mayor Echanove called the Council Meeting to order at 7:04 PM.

ROLL CALL: Council members present: Bill Slinkard; Tim Sievers; John Snyder; Rick Wekenman. Councilmember Sievers **MOVED** to excuse the absences of councilmembers Cook and Cooper. Councilmember Slinkard seconded. Motion carried. Staff present: Police Chief Jerry Neumann; City Administrator Kyle Dixon; & Deputy Clerk Ann Thompson.

PUBLIC HEARING 2020 final budget hearing: Mayor Echanove opened the public hearing at 7:06 pm. No comments. Mayor closed the public hearing at 7:07 pm.

APPROVAL OF MINUTES: Regarding the Nov. 12, 2019 minutes, under Water & Sewer Committee Report, Councilmember Slinkard amended them to say that the new reconnection fee will go into effect "July 1, 2020" not January 1, 2020. Under Personnel & Pool Committee Report, it should have read "Mayor Echanove proposed a ~~additional~~ salary increase of.....". Remove the word "additional". Councilmember Sievers **MOVED** to adopt the minutes as amended. Councilmember Snyder seconded. Motion carried.

PUBLIC WORKS REPORT: Supt. Griffin submitted a written report.

POLICE REPORT:

- Kimberling from Garfield is no longer residing in Garfield. PD is still working with ATF and Feds on the weapons charges. Report is going before the federal prosecutor soon.
- Two domestic dispute calls in Palouse the last two weeks.
- Had a downtown Palouse business burglarized. Made an arrest of a juvenile male.
- Officer Merry will be returning as a reserve officer to cover for Officer Snead when needed.

JOINT FIRE BOARD REPORT:

Councilmember Wekenman reported the budget looks good. Will be a budget amendment in new year for pump repairs on truck 414.

CITY ADMINISTRATOR REPORT:

- 2020 budget changes: Updated the legislative training for the incoming mayor and council; there was an increase in our insurance of 4% over last year; accounted for a 3% raise across the board for all city staff; will combine Wastewater Facility Upgrade fund 403 with Sewer Facility Reserve Fund as they are redundant.
- Chief Neumann has requested that those city employees who choose to opt out of city's insurance be reimbursed at 75/25% vs. the current 50/50%. It is still a savings to the city if city pays the employee 75% of the insurance rate vs. paying 100% for the insurance for the employee. AWC has allowed city to opt-out of minimum 75% enrollment participation. Councilmember Wekenman **MOVED** to change the percentage from 50/50 to 75/25 in favor of those who opt-out of city's health insurance. Motion failed for lack of a second. Based on rough data that would be \$6,300 paid to employee vs. \$8,400 paid to insurance company, or a savings to city of \$2,100 per employee who chooses to opt out (3 employees effective January 2020). Councilmember Sievers would like to see actual data in front of him before making the decision.
- CA Dixon has been working with ECY and Varela to move the wastewater facility planning process along. CA Dixon has been exploring a variance process as a potential solution due to extreme capital, and in some cases O&M, costs of all other alternatives. Update from Varela was read aloud by CA Dixon:

A summary of the major events regarding the Palouse wastewater facility plan is provided below. There has been discussion and planning with ECY during the review of the draft Facility Plan to develop a plan that ECY can support. Based on these discussions, if all the pieces (facility plan approval, ECY funding, and City Council approval) fall into place, design of plant improvements could begin as early as next fall.

The draft Wastewater Facility Plan was submitted to ECY on September 5, 2019. The plan contained a discussion and pre-design for the "Reclaimed Water- Crop Irrigation- Seasonal Lagoon" alternative selected at the March 26, 2019 council meeting.

A funding application for design of the "Reclaimed Water-Crop Irrigation- Seasonal Storage" alternative was submitted to ECY on mid-October. Approval of the funding application requires approval of the Facility Plan.

Ecology reviewed the plan, prepared comments, dated October 15, 2019, and met with the City and Varela on October 23, 2019 to discuss the comments. At that meeting ECY said that they could not support the plan primarily because of the complexity of operating a reclaimed water system and the cost, both capital and annual O&M to implement the project. They stated that they would prefer to see the following:

- *collection system improvements to reduce excess I/I (Inflow and infiltration) flows entering the treatment plant,*
- *treatment plant upgrades to reduce nitrogen,*
- *treatment plant upgrades to reduce temperature, and*
- *for the City to work with ECY and apply for a water quality modification that allows time for technology to be developed to remove effluent nitrogen.*

Since that meeting, Varela has been revising the facility plan to address the ECY comments, including the major revision to the selected alternative that now includes:

- *\$2.4 million for collection system upgrades that includes replacing the Whitman Street and the railroad crossing sewers, repair/upgrades to the two lift stations, and an evaluation of the Main Street sewer main.*
- *\$3 million for treatment plant upgrades that includes the maintenance items previously discussed, upgrades to the aeration system and controls to allow denitrification to occur and construction of a roof over the aeration basin to reduce summer effluent temperatures.*
- *Estimated capital cost is about \$5.5 million, with an added O&M estimated at \$35,000 per year. This is substantially less than the previous plan with a capital cost estimate of \$11.2 million.*

In order to implement the proposed plan, the City will need to work with ECY on modifying effluent/water quality limits using one to the water quality tools contained in the States water quality regulations. The City has explored many of these tools early in the planning process without ECY support, but due to the difficulty and cost of implementing any of the alternatives for storage lagoons, the new permit manager at ECY is willing to work with the City to attempt to use what is called a "variance".

The water quality variance is a public rulemaking process that requires approval from ECY and EPA. It may be a lengthy process and may not be accepted by the regulatory agencies. If it is accepted the City will need to be prepared to complete additional work including:

- *Showing that the highest attainable condition (HAC) is met,*
- *Prepare a Pollutant Minimization Plan,*
- *Expect review of the treatment processes and permit updates at five-year intervals,*
- *Be prepared for an Adaptive Management Approach – one that potentially means frequent treatment upgrades.*

The plan needs to be submitted before the end of this November for ECY to have time to review and approve the Facility Plan before the December 15, 2019 approval deadline for ECY funding.

The variance process may take a long time to play out. The updated facility plan has been submitted to our permit manager and we are awaiting comments. The city will need additional funding to continue this process regardless if a variance is ultimately granted. We should know the results of the funding application submitted to ECY by early next year. CA Dixon was in Olympia last week to discuss our wastewater planning efforts and concerns with state legislators.

OLD BUSINESS:

TD&H update on water system improvements:

Michelle Bly and Luke Antioch of TD&H were present. Michelle Bly presented the city with a revised task invoice because some of the earlier tasks no longer apply due to uncertainty of preferred course of action from the city. The final dollar amount of the agreement is the same, just revised some of the tasks and their corresponding dollar amounts. Michelle will come back in new year to present numbers to new mayor and council. TD&H is working on distribution lines on Culton St., Church St., and North Hill Looping. They contacted DOH about their approval of the looping without amending the Water System Plan and DOH is good with that design. TD&H will be getting a set for design review in January.

Brownfields Committee update:

-The city received a new proposal for the site from three legally standing partnerships consisting of William and Andra Edwards, Jessica and Delaun Smith, and Joseph & Rachel Handley, as well as two legally standing companies: TLC Animal Care Inc., & Palouse Brewing Company Inc. Their offer consists of three phases: Phase 1 is a vet clinic; Phase 2 is a brewery; and Phase 3 is the placement of five "cottages" on the site for various opportunities including an office rental. A lot of creativity for the site. Multi-use, modular start.

-Brownfields Committee has had a couple informative meetings with the proposers as well as Mayor Echanove & CA Dixon.

-Mayor outlined the history of the Brownfields site and the DOE development requirements for integrating the site back into the community (to produce jobs, activity, property value, etc.).

-The city has to continue to monitor the Brownfields site for contaminants until cleared by ECY. Consent decree says the city will take care of the testing, not the purchasers/developers. Only 1 of the 3 wells still needs testing as it still has low levels of contaminants. ECY will train CA Dixon to do the testing to save costs and may also provide funding for lab analysis.

-The Brownfields Committee was charged with providing their recommendation to the council. They voted to endorse the project with three conditions: 1) city would accept the \$3,000 minimum bid; 2) transfer of the property will be to a single entity (Palouse Brewing Co. Inc.); 3) significant tangible improvements within 12 months including grading, foundation work, and significant progress to the completion of phase 1 within 24 months as determined by the Palouse City Council.

Councilmember Slinkard **MOVED** to accept the proposal as per the outlined stipulations and for their offer of \$3,000. Councilmember Sievers seconded. Motion carried.

MAYOR'S REPORT:

Mayor Echanove, CA Dixon, and Councilmember Cook attended the mayor's roundtable in Palouse a couple weeks ago. CEO of Avista was in attendance talking about renewable energy. Port of Whitman was there to talk about fiber to the home so there will be more ISP competition coming to Palouse.

ALLOW PAYMENT OF BILLS: Councilmember Sievers **MOVED** that the bills against the city be allowed. Councilmember Slinkard seconded. Motion carried.

The following checks are approved for payment:

Claims Paid	11/26/19	Ck. #10477-10486	\$85,767.41
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ADJOURN: Councilmember Wekenman **MOVED** to adjourn. Councilmember Sievers seconded the motion and the motion carried. The council meeting adjourned at 8:25 PM.

APPROVED: _____ ATTEST: _____