



WATONGA PUBLIC WORKS MINUTES FOR NOVEMBER 3, 2020

In accordance with the Oklahoma Open Meeting Law, this Agenda was posted October 30, 2020 Prior to 5:00 PM. at the Watonga City Hall, on the door of the City Clerk's office, located at 117 North Weigle, Watonga, Oklahoma.

The Watonga Public Works Authority of Watonga did meet immediately following Watonga City Council Meeting at 6:00 PM on Tuesday, November 3, 2020 in the **Upstairs Classroom** of Watonga City Hall, located at 117 North Weigle, Watonga, Oklahoma for a scheduled meeting. **The Mayor, some City Council Members and others may attend by teleconference.**

Council Present: Julie Almaguer, Kendra Baker, Travis Bradt, Ryan Bruner, Allen Cowan, Lindsey Doyel, Mina Green and Bill Seitter. Also present, Mayor Gary Olsen, City Manger Larry Mitchell, City Attorney Jared Harrison and City Clerk Verlen Bills
Declaration of a Quorum: at 6:28 PM

CONSENT AGENDA

A. Approve the minutes of the previous PWA Meeting held October 20, 2020.

Motion to approve the Minutes from the previous PWA Meeting held October 20, 2020 was made by Travis Bradt and seconded by Bill Seitter

Mayor Olsen called for a vote;

J. Almaguer abstained K. Baker aye T. Bradt aye R. Bruner aye
A. Cowan aye L. Doyel aye M. Green aye B. Sitter aye

Motion carried.

B. Approve the minutes of the PWA Meeting held October 6, 2020.

Motion to approve the Minutes from the PWA Meeting held October 6, 2020 was made by Bill Seitter and seconded by Allen Cowan.

Mayor Olsen called for a vote;

J. Almaguer aye K. Baker abstained T. Bradt aye R. Bruner abstained
A. Cowan aye L. Doyel abstained M. Green aye B. Sitter aye

Motion carried.

ACTION AGENDA

- 1. Consideration, Discussion and Action:** A request from Red Hawk Construction to assist with water line construction to the Cheyenne and Arapaho Emergency Response Center south of Watonga and east of the new Casino. Estimated cost is \$34,000.

Mr. Mitchell; While Mr. Seitter, Mr. Bradt and I were talking with Cheyenne and Arapaho Tribes about a Memorandum Of Understanding (MOU), used to provide utilities to the Casino and Hotel, we became aware of another division of the Tribes, using some of their Cares Act funding, might build an Emergency Care Center. This will be located directly east of the new Hotel Casino building. It will be about 12,000 square feet, but the gentleman that we were talking with had little information about this project.

On or about the first part of September, maybe late August, we started receiving calls from an engineer representing Red Hawk Construction, asking us about the possibility of extending utilities to this new facility. The facility is located east of the railroad tracks and is in the Cimarron Electric service area. You have, attached to the back of the memo, a letter from the Tribes to Cimarron Electric requesting that they allow the city of Watonga to provide the electric service to that new building. And, Cimarron Electric has agreed to transfer that responsibility to the City of Watonga so we are now in the position to provide water, sewer and electric to this new facility. We will pick up another customer.

Mr. Mitchell continued, the reason for this request, is that in order to get the water and sewer to the new building, they have to run conduit under the railroad track. Then, the plan is to tie in their waterline into the new 10 inch waterline that we put in to serve the Hotel and Casino.

The sewer line is a private line that runs sort of diagonally northwest back to a manhole that is north of the Casino. As you can see, part of the request was asking for assistance with the sewer line. We have to say no to this part. The sewer is on Tribal Land that is not annexed into the City. This makes it basically private line on private property. We cannot assist with that.

Mr. Mitchell; We do however, think that it is reasonable to consider assisting with the waterline because this line will run from the Hotel to this new building along the right-of-way on the section line road. This will put the water line in the public right-of-way.

The \$34,000 is to pay for getting that waterline extension bored under the railroad to provide service to the new building. Whether we agree that \$34,000 is the right number or not, I do recommend that we consider participating in that project for a couple reasons. One is that we will pick up a new utility customer with water, sewer and electric. And, there is other property to the north and to the east of that building that may also be used for future developments. We would be in the position to provide utilities in any new additions in that area.

The second reason is because the Tribes made an extra effort to petition Cimarron Electric to have their property removed from their service area. So, I would recommend that the Council consider doing something to assist with this project, whether you approve the full \$34,000 or something less, that is up to Council. But, I think that the City should participate in this project in some fashion.

Mr. Cowan asked, this is all Tribal Land? Even the land you mentioned about future development to the north and east?

Mr. Mitchell replied, that is correct.

Mr. Cowan asked, if this is Cimarron Electric service area would we be allowed to provide service to any other new development?

Mr. Mitchell replied yes, most of any new development will be Tribal projects and we will already have a foot in the door.

There was some discussion as to what the facility will actually be used for. Mr. Mitchell thought perhaps for training.

Mr. Mitchell; My observations, and this may be incorrect, is that they have received a large sum of money from the Federal Cares Act, and they have to spend it by the end of the year. They did not have a community center so they decided this was a nice way to tie this all together. But as I mentioned earlier, when we met with the Casino group they had little knowledge of this new building. Then all at once, we are getting calls from a construction engineer asking, questions about water lines, sewers lines and electric service. And, they are telling us that they have to have this building built by the end of the year.

Mrs. Almaguer asked, this is a whole new building?

Mr. Mitchell answered, yes, this is a whole new building project.

Mr. Cowan asked, do we have a permanent agreement to provide electricity to the new facility?

Mr. Mitchell, we are providing temporary power, but we do not have a permanent agreement yet. We have an MOU that we believe will be executed within the next 30 days. They are running up against some time constraints because they want to open the Casino on or about December 20. We are already providing temporary power to all those facilities.

Mr. Cowan asked about the MOU, what is it?

Mr. Mitchell; It is a Memorandum of Understanding, which basically outlines the terms and conditions of a legal document. They balked at signing the legal documents, so we decided to try the MOU, which is basically a letter of intent, if you will. It outlines the principal parts of the agreement. If you can get that signed, then the formal, more legal document can come later. We gave that to them in early July. Our latest conversation with them was that they do not have any objections with signing it. But, someone else will have to do the signing. We are talking with managers, but it is the Governors that will actually sign.

Mr. Bradt added that we are suppose to meet with them on the 12th. Supposedly, we'll move forward on this.

Mr. Bradt asked, the \$34,000 estimate? Where did that number come from?

Mr Mitchell replied, that is the number that was given to me by the construction company.

Mr. Bradt asked, will commercial electric rates apply to this or will this be different?

Mr. Mitchell; It will not be the rate that we are giving to the Hotel and Casino. It will be the standard commercial rates.

Mr. Cowan asked, is the \$34,000 the total cost of the project or is that our share of the project?

Mr. Mitchell; That's just the cost for extending that water line to the right-of-way. It is not the full cost. That is the estimated cost for that section of line that we have agreed to participate in, it is not the full cost of the entire extension of the waterline. Their building pad is maybe another 50 to 70 feet past the railroad right of way.

Mr. Seitter asked, somewhat in jest, have they found the water table yet?

There was some discussion about the problems with the high water table in the area. If they have not found it yet, they will.

Mr. Seitter noted, this will drive up their cost considerably.

Mr. Mitchell: I think they will find that water table when they do the sewer line. We suggested that they might think about a lift station and a pressured sewer line rather than free flow sewer line. They were talking about \$300,000 for their sewer line project.

Mr. Mitchell continued, we are already providing temporary power to this new location. They needed power for construction so we already have them as a new customer. We just do not have a formal agreement yet.

Mr. Seitter; I am all for this if they are going to buy their electricity from us. That is where we make our money. That's where we recoup our costs.

Mr. Mitchell; That is why the letter that they have releasing Cimarron from providing electricity. And we are already providing them with temporary power.

Mr. Seitter; It has been suggested, if we provide temporary power, then it is our customer.

Mr. Mitchell agreed, we have our pole and our transformer there. We have planted our flag so to speak.

Mr. Seitter asked or confirmed, it is a 12,000 square foot building.

Mr. Mitchell; I do not know how they are going to make their December 31 deadline. They may be putting up some pre-built or temporary structures to get started. Or perhaps they might be planning to apply for some kind of extension.

Mr. Bradt asked, will we be signing some type of agreement with this?

Mr. Mitchell; Once this becomes permanent, when they get the building completed, we will move from temporary situation to permanent agreement. It will likely be a simple agreement. Not like the MOU we are dealing with for the Casino. But we will have to issue something to turn on the utilities.

Mr. Cowan asked, could there be any change orders or other cost adjustments.

Mr. Mitchell explained, no, Red Hawk Construction understands that this is a single one time local match payment from the City.

Mr. Cowan asked to confirm, the \$34,000 estimate came from Red Hawk Construction?

Mr. Mitchell confirmed and added, if you review the email, they also asked for help with \$300,000 for the sewer line. I have told them we could not assist with that. We are basically buying a new customer. It is no different than when we bought the transformers for the Casino. If you want to stretch the definition of Economic Development, then this is what we are doing.

Mr. Seitter noted, we are anticipating that there may be other improvements in the area and we will provide the services to those also. And we are saying, if you do not take all of our utilities, then we may not provide any service.

Mr. Mitchell; And we try to use that, but it is hard to do that with the Tribes, to use that for annexations. If you want city services, then you sign a letter agreeing to being annexed into the city so that you will also get the other benefits from having that property within the city. It is not always easy to do with a foreign government. Basically, the Tribes see themselves as a foreign government, so you are negotiating with a foreign government.

Mr. Bradt added, it can be accomplished, but it takes a long time.

Mr. Cowan asked, what are the chances of Red Hawk accepting a lesser dollar amount.

Mr. Mitchell, I think they would be happy with any contribution. It should be a respectable amount. If you want me to suggest a number I might say between \$25,000 and \$30,000 could be in the ballpark. They have made an honest request. I do not think that they have inflated their number. They did ask if we would consider participating or assisting with the sewer line and I basically said, we can not. They have not tried to pressure us into this, they are just asking.

Mr. Bradt; To me, the difference is that we will sell electricity to this at the full amount, versus the discount being given to the Casino and Hotel.

Mr. Mitchell agreed, on a month to month basis that 12,000 square foot building is going to be a power consumer. It is basically like a community center, similar to a building like City Hall. It will not have the load of the Casino Hotel, but they will be a consistent regular monthly consumer.

Mr. Seitter asked, Do you anticipate them coming back and asking for help with anything else?

Mr. Mitchell suggested, there is always that chance, but we have already explained that we cannot help with the sewer line, and electricity is already there. I think the only other thing they might ask for would be some improvements on the street. But, we could not help with that either as it is outside the City Limits, it is a County road. I think their request slowed down when we explained to them that this is a private line on private property and The City really is restricted on what we can do unless we can show a public benefit. It is difficult to meet that definition when it's all private. We can extend the utilities to the property line, and I think that is more or less what we are doing with the waterline. And, there is potential for future use of this water line.

Bill Seitter made the motion to assist Red Hawk Construction with water line construction to the Cheyenne and Arapaho Emergency Response Center in the amount of \$30,000. Motion was seconded by Julie Almaguer.

Mayor Olsen called for a vote;

J. Almaguer aye	K. Baker aye	T. Bradt aye	R. Bruner aye
A. Cowan aye	L. Doyel aye	M. Green aye	B. Sitter aye

Motion carried.

2. Comments:

Mr. Mitchell thanked the Council for their decision to assist Red Hawk Construction.

3. Adjourn:

Motion to adjourn was made by Julie Almaguer and seconded by Kendra Baker.

Mayor Olsen called for a vote;

J. Almaguer aye	K. Baker aye	T. Bradt aye	R. Bruner aye
A. Cowan aye	L. Doyel aye	M. Green aye	B. Sitter aye

Motion carried at 6:51 PM.

Mayor Gary Olsen

City Clerk, Verlen Bills