



WATONGA PUBLIC WORKS AUTHORITY

SPECIAL MEETING MINUTES

FOR MARCH 30, 2021

In accordance with the Oklahoma Open Meeting Law, this Agenda was posted March 26, 2021 Prior to 1:00 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 1:00 PM on Tuesday, March 30, 2020 in the Auditorium of Watonga City Hall, located at 117 North Weigle, Watonga, Oklahoma for a Special Called meeting.

Council Present: Julie Almaguer, Kendra Baker, Travis Bradt, Ryan Bruner, Allen Cowan and Lindsey Doyel. Also present, Mayor Gary Olsen, City Manger Larry Mitchell, City Attorney Jared Harrison and City Clerk Verlen Bills. Mina Green and Bill Seitter were absent.

Declaration of a Quorum: at 1:07 PM.

ACTION AGENDA

- Consideration, Discussion and Action:** To purchase from JWC Environmental for the Waste Water Treatment Plant;
one (1) Monster (Grinder) Upgrade number CMD1810-AD at \$22,364.10
one (1) Auger Monster AMA 1800-285 \$39,681.15
for a total price of \$62,045.25
as recommended by Light and Water Superintendent Warren Rice.

Mr. Mitchell: Warren Rice was to be here and did not make it. This equipment would simply replace the existing equipment that needs to be repaired and replaced. It has been out of service for some time. If you recall, we did considerable work recently getting the digester cleaned out. We believe that we need to put this part of the Treatment Plant back in service to protect that investment and protect what we have done so far at the Wastewater Treatment Plant. Garver Engineering has agreed to assist us with the installation of this equipment.

Mr. Cowan asked, does this amount include the engineering charges from Garver Engineering?

Mr. Mitchell: No, it does not. After the equipment is delivered we will call them out as needed. I estimate the Engineering fees for this to be about five or six thousand dollars.

Mr. Mitchell continued, since this is a single source for this equipment, we are asking the Council allow us to proceed with the purchase of this equipment as listed (on the agenda)(Single source, bid process not required). In the Purchasing Ordinance, there is a provision allowing for the replacement of existing equipment, which has become inoperable when the Council declares the purchase an emergency. I ask or suggest that the Council declare this equipment replacement an emergency, given the fact that was spent somewhere around \$100,000 to clean up the digester and to do the evaluation of the Treatment Plant.

Mr. Mitchell: Mr. Rice tells me that this equipment has been out of service for approximately seven or eight years. It is at the front end of the plant and grinds up the bulky solid material that comes in at the headwaters of the plant.

I read an article last week where a lot of treatment plants around the country are having a real problem with all these disinfectant wipes that people are using. These wipes end up in the toilets, and for some reason, those things are not degradable. They are causing all kinds of problems, clogging sewer lines and pumping equipment. I do not know if we're experiencing the same thing here yet. But, it can be very costly if we get all of that material coming into the treatment plant with no way of removing it or grinding it up. Eventually ends up in your digester and then the digester gets clogged.

Mrs. Almaguer asked to confirm, that this equipment will chew that up?

Mr. Mitchell: Yes, it is called a "Muffin Monster" but it is basically a huge, turbine style grinder that will grind the material up into small particles. Some of which can be screened out.

Mrs. Almaguer, this is what we discussed previously, where the material gets stacked up to dry and then can be hauled Off?

Mr. Mitchell replied, correct, and a lot of the material gets removed before it gets into the main part of the Treatment Plant.

Mr. Cowan: I do not disagree in any fashion that we need this equipment. It needs to be updated and functional. I do ask, if we should have gone out for bids on this.

Mr. Mitchell: These are firm prices from the Company that has the replacement equipment. They are the sole source for this equipment. It may not be the only supplier of similar equipment, but to retrofit equipment from a different manufacturer could get expensive. We need to match the existing installation.

Mr. Cowan acknowledged that he understood the situation.

Mr. Bradt: This was existing previously, but has not been working for a long time, correct? I would think we need this working properly with the Hotel coming online. I feel it is important that we get all of this done, we do not want any more problems.

Mr. Mitchell: The idea is to replace this equipment now, then in next year's budget, allocating dollars to do what we talked about with Garver Engineering, to install the dewatering system for the sludge. This next project will be more expensive, more complicated and involved. We will need to do this in phases as we can budget for annually. This first step is necessary so that we do not lose the ground we gained by cleaning out the digester.

Mrs. Baker asked, is funding available for this.

Mr. Mitchell answered, this will come from the Light & Water Reserve Fund.

(Could not discern as there were multiple conversations)

Julie Almaguer made the motion to purchase from, JWC Environmental, for the Waste Water Treatment Plant;

one (1) Monster (Grinder) Upgrade number CMD1810-AD at	\$22,364.10
one (1) Auger Monster AMA 1800-285	<u>\$39,681.15</u>
for a total price of	\$62,045.25

as recommended by Light and Water Superintendent Warren Rice and to declare this action an emergency. Motion and emergency was seconded by Ryan Bruner.

Mr. Bradt asked, is there any part of the old equipment that could be reused?

Mr. Mitchell replied, maybe a few of the parts could be salvaged.

Several commented that the existing equipment is very old.

Mayor Olsen called for a vote;

J. Almaguer aye	K. Baker aye	T. Bradt aye
R. Bruner aye	A. Cowan aye	L. Doyel aye

Motion carried.

2. **Consideration, Discussion and Action:** To authorize Mayor Gary Olsen to sign an Interlocal Agreement with the Oklahoma Office of Management and Enterprise Service or OMES to purchase the the property at 410 West Main Street, legal description, BLK 44, LOTS 10-12 WATONGA CITY and BLK 44, LOT 9 WATONGA CITY, (Currently the DHS building) with a closing date on or before May 22, 2021 or no later than thirty (30) days thereafter caused by a delay of the Closing process.

Mr. Mitchell: Eva Thurman with OMES is with us today. She and several others helped to open and show us the building earlier today. I appreciate you making the meeting today. We have been talking to them about getting some history on the building. Ms. Thurman brought copies of the abstract and we are trying to get a copy of the appraisal. Also, we've been talking to their office about getting some history of the maintenance on some of the systems. Just as we were talking today, Ms. Thurman received some information that she will forward to me with respect to the work on the heating and air systems and the condition of the roof. If we have any questions about those items, she maybe able to answer them.

Mr. Bradt asked of Ms. Thurman, do we know when the building was built?

Ms. Thurman estimated that it was built in 2004. It was purchased with bonds that were sold in 2002, so it was probably finished and occupied by about 2004.

Mr. Bradt: Thanks and one more question, through the State, we will get a quitclaim deed for the property, is there any way we could get a general warranty deed for this property?

Ms. Thurman: Typically, we do not give warranty deeds. It is up to the buyer if you want to pay the expense for a general warranty deed. This would be your due diligence to assure the property sound and marketable but the State does not do this.

Mr. Mitchell: We are in the process of updating the Abstract, but I would I would be very surprised if we see anything, as the State has owned the Building for 20 years. Mr. Jacks and I had a chance to visit with both local banks and we have a tentative proposal or a term sheet that is pretty much identical. Both banks said that they would be willing to enter into a 20 year loan at about 3.5 percent interest. This rate would be adjusted every five years or so. I have called the Bank of Oklahoma and had a conversation with one of their commercial lenders. They will provide us some information about their policies on commercial loans. But, the general structure is similar.

What they would do is to amortize the loan for 20 years, but they would set it up as a balloon note due every five to seven years. At that time the loan would be reconsidered to accommodate changes in interest rates and other factors. So, basically we are looking at the same kind of package. Whether we do this locally or we use the Bank of Oklahoma. I'm not sure that we will be able to negotiate a little bit of a deal on the interest rates, but I think the terms are pretty much fixed for 20 years.

Mr. Cowan, if I understand correctly, how the balloon note works. It can be in our favor or not in our favor. If the rates go up, we pay more. If rates go down, we will pay less?

Mr. Mitchell: Correct. The other thing about a balloon note is that when the note comes due, we would have the option of paying it off, or we could always restructure the whole deal at that point.

The purchase price of the building is \$585,000. We have talked about putting 20% down and financing the rest are something similar. Both lending institutions have used the number of \$600,000 with \$120,000 as a down payment. And with that balance the annual payment would be somewhere around \$35,000.

Mr. Cowan asked why we used the number \$600,000?

Mr. Jacks answered, the exact amount was not public information at the time we talked to the Banks. Mr. Mitchell suggested we start with that amount. Later we will get to the exact amounts.

Mr. Bruner noted that the building does not have a backup generator, the extra cash might be used to add that to the building.

Several agreed.

Mr. Bruner added that the City Offices need to continue to function in the event of major disasters.

Mr. Cowan asked, what upgrades would we need to do to the building.

Mr. Mitchell replied, none, we could move in tomorrow.

There was brief discussion about furniture.

Mr. Mitchell: Essentially, the initial move in would be setting up the software system (network), the phone system, and that type of thing. Then we would build out from there. The building is in excellent condition. It has been well maintained and well cared for. There is a lot of space in the building. Looking at the floor plan, there is a huge part of that building that's taken up by a series of cubicles. We may want to retrofit that area into some sort of a Council Meeting Room or maybe just keep it open for future expansion and development. There are a lot of possibilities. There is plenty of room for the City to grow over the next 40 or 50 years. And I think we have a building that will last the community for at least that time. And it's in a great location. We might could find a similar building, but not at that location. There is a parking lot for 20 to 22 vehicles. The outside might need a little bit of work. But as far as the interior, I think it is very workable for us. You walk in front lobby and you have dual reception areas for Light and Water and then right behind that could be the municipal court clerk . Face to face interaction with the general public could be right there. I think the idea of approaching the Chamber of Commerce to move into that building along with us could be something to consider.

Mr. Cowan asked, it is just one level?

Mr. Mitchell confirmed, it is a single story building.

Mr. Bruner added, it is ADA compliant.

Mr. Mitchell: Referring to the floor plan, it shows a set of restrooms next to the lobby area and then there is another set of restrooms toward the back of the building.

City Attorney Jared Harrison came back to the title issue brought up by Mr. Bradt, I have the same concern you did about a quitclaim deed. I asked the question and got the same answer. But, we can deal with that by doing a good thorough title exam. We should see if there are any issues then.

Mr. Bradt: If we have a good title opinion, hopefully, that would be good enough.

Mr. Harrison: We will have to do that for the bank anyway. As soon as we can get a copies we can get started and get it updated. I glanced online at the County Records, there was little activity with this property since 2002.

Mr. Bradt: I would be surprised if there was any problem, but you never know. That is why we do Title Opinions.

Mr. Cowan asked, exactly what are we approving at this time. We are authorizing to enter into negotiations with the State of Oklahoma? For the \$585,000 price? Is that correct?

Mr. Mitchell: Yes, and the next step will be to approve the final agreement with the State. Then we will be looking at finance options. There is a closing date of May 22. I think we can probably meet that closing date. Then there would be some sort of standard straightforward, closing either at the bank or City Hall to exchange the deed, check and sign loan papers with the bank. Mr. Jacks and I will get accurate options from the banks and bring that back for Council approval.

Travis Bradt made the motion to authorize Mayor Gary Olsen to sign an Interlocal Agreement with the Oklahoma Office of Management and Enterprise Service or OMES to purchase the the property at 410 West Main Street, legal description, BLK 44, LOTS 10-12 WATONGA CITY and BLK 44, LOT 9 WATONGA CITY, (Currently the DHS building) with a closing date on or before May 22, 2021 or no later than thirty (30) days thereafter caused by a delay of the Closing process. Motion was seconded by Julie Almaguer.

Mayor Olsen called for a vote;

J. Almaguer aye	K. Baker abstained	T. Bradt aye
R. Bruner aye	A. Cowan aye	L. Doyel aye

Motion carried.

3. Comments:

Mr. Mitchell reminded the group to go vote on April 6th.

Mr. Cowan asked about early voting. No one was certain how this would work as Friday is a holiday, Good Friday. City Hall will be closed, we are not sure about County Offices.

4. Adjourn:

Motion to adjourn was made by Ryan Bruner and 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

Motion carried at 1:31 PM.

Mayor Gary Olsen

City Clerk, Verlen Bills

NOTICE:

The Governor signed HB 1031 on Wednesday February 10, 2021 amending the Open Meeting Act for the State of Oklahoma. It allows for Video Conferencing and Teleconference, but the City of Watonga will require a quorum to be present in person. And, remote locations must be listed on the Meeting Notice. As a Meeting Notice is posted 48 hours (2 working days) previous to a meeting, the City Clerk will need to be informed of any remote locations before this time. So, please allow the City Clerk's Office 48 hours or 2 working days notice at 580 623 4669.