

BURLINGTON CITY COUNCIL REGULAR SESSION NOVEMBER 15, 2017

City of Burlington Governing Body met in Regular Session at City Hall, 301 Neosho Street, Burlington, Kansas at 6:00 p.m. Wednesday, November 15, 2017. Mayor Stan Luke called the meeting to order.

ROLL CALL: Stan Luke, Mayor

Council Members present:

<input checked="" type="checkbox"/> Lewis Lenard (President of Council)	<input checked="" type="checkbox"/> Dallas Scothorn (6:10 p.m.)	<input checked="" type="checkbox"/> Jerilyn Curtiss
<input checked="" type="checkbox"/> Jane M. Griffith	<input checked="" type="checkbox"/> Thomas P. Tschantz	<input checked="" type="checkbox"/> Sharon Hall

Superintendents Present:

<input checked="" type="checkbox"/> Kevin Boyce (Parks)	<input checked="" type="checkbox"/> Alan Schneider (Electric)	<input checked="" type="checkbox"/> Doug Mast (Street)
<input checked="" type="checkbox"/> Doug Jones (Chief of Police)	<input type="checkbox"/> Danny Hawkins (Water/Wastewater)	

Also Present:

<input checked="" type="checkbox"/> Regina Kewley (City Clerk)	<input checked="" type="checkbox"/> Susan Stroh (Administrative Assistant)
<input checked="" type="checkbox"/> Tom Robrahn (City Attorney)	<input checked="" type="checkbox"/> Jimmy Hugunin (Zoning/Grants Clerk)
<input type="checkbox"/> Philip Wright (Assistant City Attorney)	<input type="checkbox"/> Anne Brown (Deputy City Clerk)

Media Present: Mark Petterson (Coffey County Republican)

VISITORS: Mike Schmaderer (Mid-States Energy), J. P. Metzler (RMA Engineering), Jay Hale (First Baptist Church), Stacy Haines (Coffey County Economic Development), J. J. Jasper, Matt Barrett, Clinton Sowder

AGENDA: *Council Member Griffith, "I move to approve the agenda as modified." Council Member Tschantz, "I'll second." Motion unanimously carried, 5:0.*

MINUTES 11-1-2017: *Council Member Curtiss, "I move to approve the minutes of November 1, 2017 as presented." Council Member Hall, "Second." Motion unanimously carried, 5:0.*

APPOINTMENT: Matt Barrett, Burlington Wildcat Basketball Turkey Trot on Thanksgiving morning

Matt Barrett, "What I'm here for is we took over the Beta Sigma Phi's Turkey Trot 5K Run on Thanksgiving morning. They've been doing it for several years. I think Tara Glades has been coming to council to request permission to run on the streets. We plan to start at 8 o'clock, and hope all runners will be done by 9 o'clock. We'll have signs out, and I'll have some of my players at each turn cheering people on. As the last person goes by, they'll grab the sign and come back to the library where it begins. It starts at the library, we go out to 6th Street, turn west down Neosho, to 13th by the pool, go out Housatonic, back down 6th Street to the library."

"I'm just requesting approval for us to do that on Thanksgiving morning as they have in the past. The Beta Sigma Phi Turkey Trot is now the Burlington Wildcat Basketball Turkey Trot. They didn't want it anymore. We helped them last year to see how it went; and we're going to use it for a fundraiser for adopting a family at Christmas. We've done that in the past; we've done different fundraisers; and after talking with Tara and some of the Beta group, they said this would be a good one for us to take over. We really enjoy doing that at Christmastime for families and the community; and I think we'll be able to raise quite a bit of money. We've already had thirty people sign up, so I'm really hoping it gets approved. So, that's why I'm here requesting approval for that. I would appreciate it. Thank you."

Council Member Curtiss stated "I move to approve Matt Barrett's request to hold the Burlington Wildcat Basketball Trot on Thursday, November 23rd, 2017." Council Member Lenard, "Second." Mayor Luke called for discussion. He asked, "That will be between 8 and 9 o'clock, right?" Mr. Barrett, "The race starts at 8 and I'm hoping we have everybody off the streets by 9." Mayor Luke, "Any issues, Doug?" Chief Jones, "Never had a problem with them." Mayor Luke, "Good." **Hearing no additional discussion, Mayor Luke called for a vote. Motion unanimously carried, 5:0.**

APPOINTMENT: Clinton Sowder: Request permission to Shoot Deer in City Limits with Crossbow on his 13 acres (Former Huff's Gardens property)

Clinton Sowder said, "I'm here to ask approval to shoot some deer in town with a bow. I've contacted Brad Hagaman (Game Warden); and the guy he referred me to, Alex Pratt, of Kansas Wildlife and Parks. Both of them haven't really been able to come up with a solution because they're (the deer) are so used to people and there have been times when there's been twelve - fourteen of them in the field. There's about eight and a half acres there, and with that many deer in there, there has been quite a bit. I guess what I'm asking is - they're only solution they could come up with is if I get permission to fire a bow in town to thin them out."

Mayor Luke, "I understand your concern. I also have concerns with respect to liability associated with that; and at this time, we're going to table your request so it will be under advisement of insurance and legal so we will know exactly where we would stand."

Mr. Sowder, "I guess I should also say they said they do encourage it to happen during regular season; but they can give special permits to do it out of season; but in order to obtain those, it can't be just me hunting the property; I have to give other people permission." Mayor Luke, "If it's out of season?" Mr. Sowder, "Yes."

APPOINTMENT: Stacy Haines: Economic Development

Stacy Haines, Coffey County Economic Development Director, addressed Council, "It has been a while since I came here to talk to you, so I'm glad I could make it tonight to give you an update on what's going on with economic development. I'll keep it as brief as possible."

We held a business roundtable a little over a month ago. The purpose of the roundtable was to really connect

[2] CONTINUATION: November 15, 2017 Burlington City Council Regular Session

with our business leaders and say: 'What is going on with your business? What are some concerns you have? Some issues you have? What is really going on and how can the county and municipalities be a change maker for you and do some things to make your life easier for your business?' We had a lot of voices at the roundtable. We had about ten to twelve leaders and they had a lot to say; and so I want to share a little bit about that; and maybe even some possible solutions on how maybe the county and the city can work together moving forward and collaborate to make our business leaders more successful, and see their growth, and also entice new businesses to our community because we know we need to grow and be recruiting new industries."

"We did a survey first, and then they came to the roundtable. One of our questions was, 'How satisfied are you with your current location being Coffey County as your place for your company to do business?' The top five things are things we all know: we have great education, we have wonderful health care facilities, we have great highway possibilities - all things we are pretty aware of. The bottom five are the ones that kind of confirmed that they are not satisfied with: community attitudes towards business, the cost of land, incentives for business investment, employee health care costs, which are not something we can do anything about, and the in-availability of buildings - which we know there's a lack of buildings for our leaders. So, those are some of the things they talked about. When we got into the roundtable, we dug a little deeper."

"We used the survey as a stepping point in facilitation questions to dig deeper. A lot of the things they talked about was the culture and attitudes from the community and from government - both city and county - towards their businesses. They don't feel supported. They don't feel like they can expand and grow due to lack of either buildings, land, incentive programming. That's a real concern to me because that is what I'm supposed to be doing because that's my job. The county can do only so much and with the collaboration between the cities and other business leaders, we can do a lot more; and that's why I wanted to come in and talk to you about tonight."

"I've got a couple of ideas. Some of the solutions they came up with was having elected officials and government officials come and visit their businesses, or come to the city council meeting and share maybe what they're doing or maybe some of the challenges they have so you can hear first hand from them. Maybe there's something you can impact, maybe there's not - and that's okay; and maybe not all of them would come here and present to you, but I think given that opportunity they would. I know I'm going to ask them to speak with the commissioners as well - I know my county commissioners need to hear that, as well."

"I also think there's opportunity for us to collaborate on incentives programming we provide. The County does a lot because it happens that we have the resources at the County to do the things that we do; but I think there's some ways we could pull that packaging together and say: 'If you come to Coffey County and locate in Burlington, here's what the County can do for you; here's what the City can do for you; and here's why this is a wonderful place to live.' I don't think we do a very good job of that sometimes. We need to market what we have and we need to do a better job. I think together collectively we could do that."

"I am asking if there is a couple members of the Council that can be designated to work with the County and we can move forward and try to get some incentive things together, marketing packages together. We're going to be working to get a developing plan at the airport to develop to an industrial park out there. We're actually going to be using the site verification program through the state to do that because we'll have certified sites. We will be able to put out that we have certified sites, we are ready to go, bring your businesses here. We could do the same thing with the Burlington industrial parks. We have a process; I'm learning about the process; I'm taking the steps that we need. I would be happy to take those steps with Burlington as well with your industrial parks - at least get it on the map and get it marketed so that we could at least be planning at the table when it comes to bringing in new industry while also allowing for our existing businesses to expand - and a lot of them want to; but they just don't see the opportunity in the infrastructure for them to do so." She concluded, "That's a lot of information; but what I'm asking for is that collaboration with moving forward."

Council Member Lenard asked, "Do we have the idea for a building size for site selection, criteria for a city our size, yet?" Ms. Haines, "It depends on the industry and what they're looking for. Ideally, we want to identify for the industry types we are looking at and then at their needs - utility-wise, building-wise, employee-wise - what can we actually handle. You know, fifty to a hundred employee shop is probably what we can do here, and that's okay. If we get a lot of those, we will do well. You know, we're not going to get a Tyson plant; we're not going to get an Amazon distribution center. Know that we could get another Kan Seal, another Mid-America Machine, Charloma. We can get those, we just have to have the infrastructure and the land, the marketing available, and the incentive to do it - to come to the table and play. We can't even play at this point, that's what it feels like to me."

Council Member Lenard, "I think it's a worthy initiative. I would be supportive of doing it. We've got the land down here that's been sitting idle; the last time a building was built was a long time ago. It's been a long time since the city has taken initiative to do anything." Council Member Curtiss, "Sounds like a good idea to me."

Mayor Luke stated, "Let me talk with the Governing Body, and I'll get back with you with the people who might be the representatives to work with you on this." Ms. Haines, "I appreciate you letting me talk for so long tonight on this." Council Members Lenard and Curtiss volunteered to represent the City and work with Stacy Haines, Coffey County Economic Development Director, to promote business in Burlington.

PUBLIC COMMENTS: None

ELECTRIC DEPARTMENT: Distribution Updates

General: It has been normal routine for the Electric Department: doing line locates, working customer service requests, and quite a bit of tree trimming.

Christmas Lights/Decorations: All the lights on the buildings are ready, and all the Christmas Decorations are ready and will be put up as soon as the Veterans banners are taken down on the 4th of December.

ELECTRIC DEPARTMENT: Power Plant/Production Update

General: On the Production side they have been doing general power plant maintenance.

Generator #2 Maintenance: Superintendent Schneider said, "Production personnel have been dedicating their time to work on Generator #2. They are making very good progress with that. They are still waiting on the heads to come back from Wheeler World. There were some cracks in the valve seats. I am hoping we get the heads back soon so we can stay on schedule and the generator back in service quickly."

ELECTRIC DEPARTMENT: Life Cycle Study on Power Plant - Mid-States Energy Presentation

Mike Schmaderer of Mid-States Energy Works, Inc. of Salina, Kansas and J.P. Metzler of RMA Engineering, LLC of Minneapolis, Kansas came to this Council meeting to present the 'Power Plant Generation Feasibility Evaluation for City of Burlington, Kansas October, 2017'.

	Option 1	Option 2	Option 3	Option 4
	Repair Generator #1	Used 20 Cycl. Cooper/Bessmer 6 MW	2 New 3 MW Diesel Generators	New 6 MW Dual Fuel Generator
CAPITAL COST	\$326,000.00	\$4,200,000.00	\$3,750,000.00	\$7,800,000.00

Superintendent Schneider said, "I believe everybody has a copy of the Feasibility Study, and I hope you have had time to review it." He introduced Mike Schmaderer and J. P. Metzler and turned discussion over to them."

Mr. Metzler addressed Council, "We'd like to thank you for giving us the opportunity to come here and talk tonight and to work with your staff in looking over the electrical system and giving you some options. The purpose of this feasibility study was to evaluate your current system for both your current needs, and also looking at what the future projected needs would be - to see how the current system would stand up to that, and to see if there would be some options that should be looked at to further enhance the system as you go forward."

"We also looked at the finances that would go along with the cost of doing nothing or the cost of doing these options we've looked at that would improve the system. One thing, as we go forward through this presentation - this is not a rehearsed all-inclusive presentation. We encourage you that you ask questions as we go along. Feel free to stop and ask us. You may have questions that you want us to talk about that will help you in that decision making process; we want to make sure that we answer those. With that, I'm going to turn it over to Mike and he's going to talk about the system components part, and then I'll come back later and discuss the finance part."

Mr. Schmaderer said, "Your power plant 10.8 megawatts of generation available in the plant. Your system in-source peak is a little over 10 meg. (10.2). Southwest Power Pool (SPP) wants you to have at least 17% reserve on top of the generation you have - on top your peak; so you need to be closer to 12 megawatts; so you're about 1 megawatt short of what SPP would want you to have. Your generation backs up not only your citizens, but it is the back up of your sewer plant, your water plant, police station, fire station. Of that 10 megawatts, you biggest engine is 6 megawatts, just a little over half of the total capacity. If that one unit is down, you will have 60% of your total capacity left; 40% of it is gone. In fact during the summer months - about 30% of the summer, if you lose that engine you do not have enough generation to carry the city. Because of that, we think whether you do generation or not, you ought to be doing some sort of planning for rolling blackouts if you were to lose that generator because right now there's just no way you could cover it." He turned discussion back over to Mr. Metzler.

Mr. Metzler, "As we talk about this, each of you have that report in front of you so I'm not going to read verbatim what we have on those options."

Option to do Nothing. Mr. Metzler, "The first option we want to talk about is that option of doing nothing - what is that cost associated with that? As Mike already eluded to, your current generation system is the backup supply to the hospital, to the fire station, to you police station, and you have many people in town that are practically on life support systems or on medical systems that if power goes down there has to be a quick response to. So when you look at the cost of doing nothing, it's really not zero; because one of the things you look at when you do that is the portable generation that would be required to be at each of these facilities. Also you could possibly be needing to looking at some of the customers in town that need those for their medical reasons. When you look at costs, just the capital cost alone for that - based off our projections, is over \$1,000,000; but that's just the capital cost for that equipment."

"One of the things that is very hard to quantify when you start looking at the cost of that is, what are the costs to businesses when they have downtime? As Mike was talking, too, the hours you actually exceed the peak - if you happen to generate, you would not be able to cover. So there's costs that are associated with that that we have not even quantified in that. So, at the minimum if you look at that cost of doing nothing - just for the capital cost - you're well over \$1,000,000."

(continued)

[4] CONTINUATION: November 15, 2017 Burlington City Council Regular Session

Option 1: Repair Existing Generator #5. "As we started to look through options, when we looked at the generation facility itself, the first option we looked at was: You already have your first Generator #5 that is needing to have quite a bit of work done to it. If you were to go in and upgrade that generator, the quote that is on that to bring that up is \$326,000. That money would just maintain your current 10.82 megawatts of capacity, which as Mike has already eluded to - had you falling short of what was already recommended by the Power Pool (SPP) at 12 megawatts. So that would be the first option we looked at."

Option 2: Replace Generator #5 with Used Generation (used 6 mw Generator). "The second option we looked at is going with a used generator. This would be a larger 6 megawatts; but when you do that to replace #5, you're really only adding 5.15 megawatts because the other is out of the equation. The long short of it is, you're looking at about \$4,200,000 for that."

Option 3: Replace Generator #5 with New Diesel Generation (Two new 3 mw Generators). "The third option is to replace Generator #5 with new diesel generation, which would have automated controls for that - everything would come up when it's supposed to. You're looking at about \$3,750,000 on that."

Option 4: Replace Generator #5 with New Dual Fuel Generation (New 6 mw Generator). "Finally, the fourth option we looked at was adding a new dual fuel generation. That would be about \$7,800,000."

Mr. Metzler continued, "As we looked at these costs, one of the things we did was to look at what your current revenue has been from both your residential customers and your commercial customers. I am going to talk in terms of the residential customers because that impacts the most people. Before I give these numbers, I made the assumption that you were borrowing all money; so if you are not borrowing and you're using money that you already have in hand, these numbers would actually be lower."

Option 1 Repair Existing Generator #5:

"The impact of that to the average residential customer would be \$13.06 per month."

Option 2: Replace Generator #5 with Used Generation (used 6 mw Generator).

"The impact would be \$23.85 per month."

Option 3: Replace Generator #5 with New Diesel Generation (Two new 3 mw Generators).

"That increase would be \$21.29 per month."

Option 4: Replace Generator #5 with New Dual Fuel Generation (New 6 mw Generator).

"That increase would be \$44.28 per month"

Mr. Metzler continued, "I will turn it back over to Mike so he can talk to you about some of the advantages of having all that generation one shaft compared to having it spread out, because there's other costs that actually for flexibility and reliability purposes are not in those numbers. I am going to let Mike explain that."

Mr. Schmaderer, "We looked at the new generation just so we had a base (Option 4 New 6 mw Dual Fuel Generator). We knew that would be the highest; and it's comparable to the proposal you have for the 6 megawatts, except that it's brand new as opposed to a used unit (Option 2 Used 6 mw Generator)). The advantage of the used unit you're looking at is it's a Cooper engine just like the Cooper engines you have at your power plant, so a lot of the parts are interchangeable and the mechanics there are familiar with those type of engines. It does run on both diesel or natural gas. Natural gas is the cheaper fuel to burn if it's available."

"The two smaller units (Option 3, two new 3 mw units), would be either a CAT or a ONAN-Cummings unit - those are the two most popular straight diesel units. the big advantage of them is they have two separate shafts; so if you lose one, you don't lose the whole 6 megawatts. They are just straight diesel and diesel fuel is a more expensive fuel to run."

"As far as rebuilding the one engine (Generator #5, Option 1), as J.P. eluded to it - it doesn't increase capacity, it's your oldest engine, and it's really past its useful life."

Mr. Schmaderer continued, "We do a lot of work for cities around the state that have generation - primarily, that's who we work for. We've had two cities this year we've had to change the transformer to feed the town, which would have been a total blackout if they didn't have generation. In one case it took them close to a week to find a replacement transformer. So if that city had not had generation, they would have been sitting in the dark for several days until they got the new transformer in. The City of Overland last spring had a freak snowstorm and had 115 lines into town from both directions and they lost both sides - over fifteen miles of poles; and even though they have one of the most secure transmission systems around, they still had to run for eight days until the utility company got power back to them. So there is a lot of value of having power plants because these long extended outages do happen. I live on an REC and I've been out five days before; it's just part of living on an REC."

Mr. Metzler, "I think to finish up, on talking with some of the finances, if there's some of the costs we look at that are almost impossible to put a cost into a study like this. But, as Mike was talking - how do you put a cost to

[5] CONTINUATION: November 15, 2017 Burlington City Council Regular Session

having that ability to generate for eight days while you're waiting for that transformer to come in, or you lost your feed coming in? It does happen; and those are things that you've got to start putting numbers to when you look at the businesses in town. As your economic developer (Stacy Haines) was talking earlier, when you're looking at trying to bring in some of those businesses, having that reliability of that power and being able to ensure that you are providing that - how do you put a cost to that? That's where you're able to start recruiting some of those larger businesses. Those are numbers that are not in the study, but ones you should really keep in the back of your head because they do have a large impact on it." He said, "I do want to stop so if you have questions, we could talk through some of those and help you."

Council Member Curtiss, "Does Generator #5 not work at all?" Superintendent Schneider, "No, we pulled it out of service. It's not safe to run right now." Council Member Curtiss, "So that is why we need Option 3, two new 3 megawatt diesels to replace that one - and then a new one?" Superintendent Schneider, "No, the output of the two generators is the same output as Option 2 and Option 4. So if our biggest unit is down, we have that capacity to cover." Council Member Curtiss, "But according to the Power Pool (SPP), they just need us to go to 12 megawatts?" Mayor Luke, "They need to have 17% over our maximum demand, 12 megawatts." Mr. Schmaderer, "Twelve is your minimum - today." Council Member Curtiss, "With what we have now, we have 10.82 megawatts." Council Member Curtiss, "That does include #5, so if we take those two megawatts away from that, that's 8.82." Superintendent Schneider, "Right."

Superintendent Schneider explained, "Now, the penalties he's talking about: at this time, the way Kansas Power Pool is set up, all the member cities all their capacity together - and we're not the only town that's short on capacity, but there are plenty of towns in the Power Pool (KPP) that are long on capacity - so all the resources of the Pool are pooled together. So, where we and other towns are short, the other communities that have excess capacity we're able to use for our operating agreement with Kansas Power Pool to say that technically right now we're not short."

"As they are retiring larger units - and this is going to happen to some other communities within the Pool - some of the towns are going to retire some of those units because it's not feasible for them to keep them either due to rebuild costs or any new standards that come out. So if and when those get retired, that is going to change the way the power pool looks and that capacity is going to shrink. Right now, we're okay the way it is there, not that much has changes. If it changes and that Southwest Power Pool says 'Okay, Kansas Power Pool, you're short on your excess capacity', there's a chance they're going to start imposing fines on them. Well, one option KPP has at that point is in our contract - Kansas Power Pool is going to turn around and start getting into the cities that are short on capacity."

Mr. Metzler, "Can I add to that? What you're saying is the other cities that are long provide a buffer to Southwest Power Pool right now, and that may go away in the future. But, if you lose the line coming to town or if you lose the transformer here in the city, it doesn't matter that the capacity is somewhere else. If it's in the middle of summer, it's not going to do you any good." Council Member Scothorn, "In 2016, we ran the generators for a total of 78 hours." Mr. Metzler, "There was a time - Mike ran the numbers there - where you're talking about the peak, there were 760 hours, I believe, in 2016 that were actually the city - if you had lost your feed coming in, you wouldn't have been able to produce enough." Mr. Schmaderer, "You would have to use the biggest unit that we've got."

Council Member Griffith asked, "Your \$22 - what did you use to get that? Were you talking about bonds, or....?" Mr. Metzler, "No, I think on that interest rate, I assumed you could get it at 3.5%; which I think you could get bonding right now a little less than that actually; but I was trying to be a little conservative on that."

Council Member Curtiss, "Option 2, that is a dual fuel, right?" Mr. Metzler, "Right." Mayor Luke, "Let me add: in their study they do not have the cost of installing a natural gas line into the city, which through Atmos Energy is between two and three million dollars to supply the amount of natural gas that we would need to run our generation." Superintendent Schneider, "Those rough estimates were, I believe, 2.3 million dollars without paying for easement to get it within three to three and a half miles of town." Council Member Curtiss, "And presently two out of the five are dual fuel?" Mayor Luke, "Yes; and we seldom ever use natural gas because we just don't have the capacity coming into town to do it." Superintendent Schneider, "We currently are able in the summertime. In the wintertime, we can't run it because if we do our equipment will suck the gas pressure from the customers and their furnaces won't work. Really if we run it in the winter, we run on diesel fuel - plus mechanically on that generator things could happen; so generally in the winter, we run diesel fuel anyway. If we're running our biggest unit on natural gas even in the summertime, if we are running other units, we might be able to get one more to run on natural gas - everything else is running on diesel because we don't have adequate natural gas supply."

Council Member Curtiss, "How old are the generators that we have?" Mayor Luke said that the oldest (Generator #5) was installed in 1955. Superintendent Schneider said, "I think the oldest is maybe a 1940s model, then we've got a 1950s model. Our biggest unit sitting out there now, I think was put in - they started construction on that building - and I believe that went in roughly in 1981 or 1982."

Looking at page 13 of the study, Council Member Scothorn said, "I see the capital cost of Generator #5 was \$26,000. The average individual residential customer increase is \$156 a year. Is that for 20 years?" Mr. Metzler, "Yes, that is amortized out over that 20 years." Council Member Scothorn, "So, it is less than \$10 a month; or for \$10 a month more you can get a \$3,750,000 one?" Mr. Metzler, "Yes, and I think those are over on megawatts. If you really want to compare apples to apples, look at cost per megawatt. On Option 1, that's just a repair

[6] CONTINUATION: November 15, 2017 Burlington City Council Regular Session

compared to just bringing in new generation. Go across that line and you will see Options 2, 3, and 4." Your Option 1 with that existing Generator #5 - I'm not going to be politically correct here - to put any money into that is not our recommendation because you could put that \$326,000 into it and not gain anything." Mr. Schmaderer, "And you'd still have a 50 year old generator." Council Member Scothorn, "And I haven't lost anything. And the Power Pool (KPP or SPP?) is just recommending we have...." Mr. Metzler, "Yes, but that generator to you right now is just worth pretty much scrap iron prices."

Council Member Tschantz, "I'm still trying to put my finger on this. On Generator #5, it's .85 megawatts. We're looking at Option 3 for two new diesel generators at 6 megawatts (with 3 megawatts each). So what happens if we put these in service and at the middle of peak power we lose transmission coming into town, we start these generators and we lose one?" Council Member Lenard, "That's a risk you have on anything." Council Member Tschantz, "I understand that, but we've already got a generator that's bad; and I'm just trying to put the options together where it's going to be feasible to put in two 3 megawatt generators and hoping during peak power we don't lose transmission coming into town and we have to start both of these and all of a sudden one of them stops." Superintendent Schneider, "We have that gamble with any generator we have."

Mr. Schmaderer, "You have that situation today with the ones you have." Superintendent Schneider, "And as hard as the guys work out there, and as hard as they try....." Council Member Tschantz, "I know they work hard out there to keep things going. It's not me I'm concerned about, it's the city. I mean, is the city going to have to produce enough capacity, if one of those 3 megawatt generators goes out, to keep the hospital and City Hall, and everything else afloat?" Council Member Lenard, "That's where your rolling blackouts....." Council Member Tschantz, "I don't like rolling blackouts and I never believed in them in the first place." Council Member Lenard, "That's going to have to be a necessity here to bridge the gap if that ever happens. You have to have a procedure in place for that to happen, regardless."

Mr. Metzler, "One of the advantages - you're talking about having the two 3 megawatts: As Mike was talking about earlier - some of the reliability is you're spreading the possibility of that happening over multiple shafts instead of having them all on one. If you compare and look at Option #2 where you're looking at the large 6 megawatt generator, if you lost that, you lost all 6 megawatts all in one shot; whereas if you've got those spread out with the smaller generators - like the two 3 megawatt generators, the odds of losing both of those is pretty slim compared to losing it all on one. That's really a cost that's hard to put a number to because that's more of a function of reliability that you were talking about so to ensure the hospital and those places you have that; because worse case scenario."

Mr. Metzler, "As Lewis (Council Member Lenard) was talking about, you still have that backup plan of the rolling blackouts. That was one of Mike's recommendations in the study, because right now with you guys not doing anything, the recommendation right now is to have a rolling blackout plan in place because currently, if you lost one of those generation facilities, you wouldn't be able to back that up without that plan for the hospital."

Mr. Schmaderer, "If you lose your biggest unit and you lose the utility, you're looking at rolling blackouts; that's your only option right now. The reason we put it is there is you just as well be prepared for it. Maybe it doesn't happen, but if it does happen; but you're a lot better off if you plan for it and know what you're going to do." Council Member Tschantz, "Okay, that's what I wanted to hear."

Council Member Curtiss, "If we went ahead with this - whatever, you said it would take a year and a half to get....."

Mayor Luke explained what is going to happen:

1) We're going to have to go to the EPA to get approval to add generation. That's going to take three to six months to get that approval.

2) We have to actually go out for bids to do the final engineering so we could get final costs. It is probably going to take three months to do the engineering, and another month to two months to get the costs.

3) Then we will have to look at how we allocate the rates to make the payments and have that in place.

4) We have to have that (the rates) in place before we go to the bonding company to give us what it is going to cost to obtain the funds to do the project.

5) At that point in time, we would come back to the council and say, 'Here is the costs; here is the rates; do we proceed or not?'

Mayor Luke continued, "Today, we have the funds available to handle any of the costs within those steps. We have the funds to do the overhaul on Generator #6, the bigger unit that was installed in the early 1980s and has never had an overhaul. Those items we can cover with the cash on hand."

Council Member Lenard, "When you go to the permitting (from the EPA), how detailed do you have to be with that?" Mr. Metzler, "Basically, the generic is" Mayor Luke, "Here's the fuel source, here's the type of unit, here's the manufacture's unit, here's the standards, and specifications on it." Council Member Lenard,

[7] CONTINUATION: November 15, 2017 Burlington City Council Regular Session

"You're not locked in that because you haven't done your sourcing piece of that yet for competition?" Mayor Luke, "No. They look at using the diesel fuel and natural gas, as to the emissions." Mr. Schmaderer, "We've just gone through two cities that put in generation; and KDHE wants to know make, model, and company when you get that permit; so you have to at least be far enough along to know what unit you are planning to put in there." Mayor Luke, "Whether it's dual fuel or single fuel?" Mr. Schmaderer, "Yes, because that all goes into the calculation as to what you could emit. They want to see the calculations before they will issue the permit."

Mr. Metzler, "But, one thing you could do there, Lewis, as Stan (Mayor Luke) was talking about that process; for your sourcing as you start to go into that design, you could do a pre-selection process where you make the manufacturers come in to give you a competitive bid; and you could have that in place before you finish your design so that you could get the permit that Stan's talking about." Council Member Lenard, "That would go in front of your permitting." Mayor Luke, "Part of it goes together."

Council Member Lenard, "I think we need some more dialog with the Committee (Electric) and maybe the Council." Council Member Curtiss, "I agree."

Mayor Luke asked if anyone had more questions. Council Member Scothorn, "We got off of Option 3, two new diesel generators (3 mw each). Can we have one new diesel generator? How come it has to be two?" Mr. Schmaderer, "We looked at two smaller ones because with the bigger unit you're looking at 6 megawatts and we decided that if one smaller one went out, you'd still have 3 megawatts. It wouldn't have to be - if you lose 5 (Generator #5) it would give you 3 mw; I would have to look at the math and see if it would get you the 12 mw." Council Member Lenard, "As long as it's spreading your risk out." Mr. Schmaderer, "You could do three 2 megawatt units, and you'd have three smaller units; but you do have more infrastructure when you do that. We looked at the two 3 megawatt units to match the 6 megawatt option."

Council Member Lenard, "I think it's fair that if anybody has any questions, we can forward them back through Alan (Superintendent Schneider). I'm sure there will be some more."

Mayor Luke, "Any other questions at this time?" Council Member Scothorn, "You said we had enough money to overhaul which one? Is it down right now?" Mayor Luke, "Generator #6, the largest one. No, it is operational. It has not been overhauled since it was installed in 1981." Superintendent Schneider, "That would be cylinder head."

Council Member Lenard, "Like you said, we kind of got turned around on the timeline. What timeline do you have for these other cities for procurement, installation? Can you kind of lay this out and we'll have a better feel for what the actual pieces are and when they need done?" Mr. Schmaderer, "About a year. We just helped the City of Johnson City put in two CAT units; so I'm pretty comfortable with the numbers there. It was right at a year from selection, to permitting, to installation."

Mr. Schmaderer, "I believe the dual fuel used unit option is a unit that is available somewhere." Mayor Luke, "Yes, except it is extremely expensive - twice as expensive as anything else for the same amount of capacity." Council Member Lenard, "Were most of these cities buying used units, or new units?" Mr. Schmaderer, "Actually, the ones we were involved with recently were newer, I call the high-speed reciprocating because your CAT and Cummings units run about 1800 rpms. Of course the bigger - called slower speed engines - run 400 rpms - 560 rpms. Those units were designed to be put in place and run 24/7 for 30 years; whereas the CAT units they give you an estimated life of 20,000 hours; and at 200 hours a year, there isn't anybody in this room that is going to be around when they hit 20,000 hours - but they're not designed to last around the clock like the old units were. The old units you ran, ran, and ran; and then you rebuilt them." Mayor Luke, "That's what we did back years ago." Mr. Schmaderer, "But the world has changed a lot since then, too. You have this big (power) plant over here on the hill."

Council Member Lenard, "So new units, from the time of purchase order, it gives them the timeline within all this other - permit and everything before construction would have to be available?" Mr. Schmaderer, "We did a small Cummings unit in Lincoln, but it was a Tier 2. You can only use it in an emergency; you can't run it unless you lose the utility plus a few more hours. Johnson City was two Tier 4 units. Both of those projects took less than a year - pretty close to a year." Mayor Luke, "Anything else?" There was not.

Mayor Luke, "What does the Governing Body wish to do at this point in respect to the generation?" Council Member Griffith stated, "I move we give authority to Superintendent Schneider to go out for bids for an Engineering firm to design and oversee the Additional Electric Generation Project." Mayor Luke called for a second. There was none. Mayor Luke stated, "Hearing no second, the motion dies."

Mayor Luke asked, "Anything else?" Council Member Lenard, "I would like to suggest that we consider that maybe the Council and the Electric Committee meet at the Electric Department (Power Plant) sometime, go through and look at the equipment, have time to digest this, and maybe visit a little more about it, and maybe look at everything and put it together with this report." Superintendent Schneider, "I think it would be great to have a work session out there." Council Member Curtiss, "Yes." Mayor Luke, "Does anybody have a particular time that they would like to schedule it?" Council Member Lenard, "What about after a council some night? Would that work for everybody?"

Mayor Luke, "The next Council meeting is on the 6th of December. We will schedule a work session at the electric generating facilities immediately following the Council meeting on Wednesday, December 6th." Mayor Luke instructed City Clerk Kewley to put the meeting on the City calendar.

Council Member Griffith inquired whether J. J. Jasper, newly elected Council Member for Ward 3 Position 2 could come even though he will not be sworn in until the 2nd Monday in January. Mayor Luke explained that as with any Council meeting, the Work Session is open to the public. J. J. Jasper said he will be there.

[8] CONTINUATION: November 15, 2017 Burlington City Council Regular Session

WATER/WASTEWATER DEPARTMENT: Distribution Update

City Clerk Kewley, on behalf of Superintendent Hawkins, read his report.

General: Water/Wastewater personnel have been doing their normal duties: regular maintenance, reading water meters, re-reads, and line locates. They also attended the KMU safety training.

Water Treatment Plant - Security Fence project: Kansas Fencing, Inc. finished installing the fence around the Water Treatment Plant. All that is left to be done is installing the latches for the gates.

Backwash Holding Basin: Personnel are working on Backwash Holding Basin to install scraper blades.

Un-used Meters - Addresses, etc.: The Water Department is working on getting addresses for all the unused water meters, whether they are lots with structures, on lots without structures, in basements, etc. This is a project connected with the new water rate Ordinance 854, which includes fees for unused meters.

Sludge Press Repairs: 1) Alignment 2) Solenoid Check valve: Superintendent Hawkins had Scott Hardy of H&T Systems come and troubleshoot the sludge press at the Water Treatment Plant. The press was out of alignment and Scott was able to get it realigned. A solenoid check valve needs replaced on the follower sending unit. The main control system has glitches in it. Scott is still talking to technical support for those issues and will get back with Superintendent Hawkins.

Water Treatment Plant: The Water Treatment Plant has been running fine, and we running at 1,000 gallons of water a minute now, and making roughly 450,000 gallons a month.

STREET DEPARTMENT: Update

General: The Street Department has been has been hauling waste material to the Coffey County Landfill. They, put out barricades for the Veterans Day celebration; and they did some sweeping of curb and gutter.

Sinkhole on Garrettson & Hwy 75: Superintendent Mast reported, "We did get the culvert replaced at 4th and Garrettson. It was kind of a nightmare. There were a lot of utilities involved there. It got so convoluted that I went ahead and hired a vac truck to come in and vacuum all of that out because we were running into all kinds of things that weren't marked and things that were marked in the wrong places. Everything was very tight; and for us to get our equipment in between some of those things was going to be impossible. We had a little more expense there; but in the long run, it was much safer, and we ended up not tearing up a lot of stuff in the process - that's always a plus."

Sidewalks & Trees: We have also been working on some sidewalks on Neosho Street where some trees were. They took out a tree by Shoup's building and replaced a lot of sidewalk there. The sidewalk was pushing the sidewalk up, and a concerned citizen reported it.

POLICE DEPARTMENT: Update

Municipal Court - Theft of Electric Service: Chief Jones reported, "We had city court last Thursday evening. It started about 4:30, on time, and it was still 7:30 before we got done. We had one case that was scheduled to go to trial on theft of services; and apparently, when she saw Alan (Superintendent Schneider) ready to testify for the City against her for theft of electric services, she decided to plead guilty and not go to trial. I appreciate Alan showing up and getting ready to go on that."

General: The Police Department has been working a lot of domestics, and dealing with civil issues - usually as part of domestics after the fact.

POLICE DEPARTMENT: Nuisance Update: 404 Neosho, The Music Box Theatre (Owner-George Oliver)

Chief Jones, "I still have had no contact with Mr. Oliver." Chief Jones said he has been trying to contact Mr. Oliver by phone, text messages, and voice mail. Council Member Tschantz, "So, how much longer are we going to continue to play phone tag?" Chief Jones, "I've turned over everything I had over to Tom (City Attorney Robrahn), and he was going to do some research on that Historical Society stuff; but I have not gotten back with him to see what he came up with."

PARKS DEPARTMENT: Update

General: Superintendent Boyce reported that the Parks Department has been doing normal duties: cleaning public buildings and public restrooms, a little mowing, mulching leaves. Personnel have finished winterizing seasonal restrooms; and have been doing equipment maintenance and getting equipment ready for winter.

Veterans Day Banners Update: Parks personnel did the setup for the Veterans Day celebration.

Happy Tails Dog Park - Neglected Scooping: Council Member Curtiss asked if people were cleaning up after their dogs at the dog park. Superintendent Boyce said he got the notice posted. Council Member Griffith said that it was clean tonight.

FINANCE: Claims Ordinance & Payroll Ordinance

a. Claims Ordinance	2017-21	\$296,330.83
b. Payroll Ordinance	2017-23	\$ 81,995.09
TOTAL		\$378,325.92

CLAIMS 2017-21: Council Member Lenard moved to approve City of Burlington pay Claims Ordinance 2017-21 in the amount of \$296,330.83 for payment of city bills, as presented. Council Member Hall said, "I'll second." Mayor Luke called for discussion. City Clerk Kewley said, "Tonight we have Brenntag for \$6,132.99; ECF Hydrovac for \$2,530.00; Kansas Power Pool for \$191,149.14; and Midwest Blasting for \$14,875.00. Hearing no additional discussion, Mayor Luke instructed City Clerk Kewley to poll Council for a vote. All votes were in favor. Mayor Luke declared Claims Ordinance 2017-21 approved by unanimous vote, 6:0.

PAYROLL 2017-23: Council Member Lenard moved to approve City of Burlington Payroll Ordinance 2017-23 in the amount of \$81,995.09 as presented. Council Member Tschantz "Second." Hearing no discussion, Mayor Luke instructed City Clerk Kewley to poll Council for a vote. All votes were in favor. Mayor Luke declared Payroll Ordinance 2017-23 approved by unanimous vote, 6:0.

PLANNING & ZONING: Update

General: Zoning Clerk Hugunin has been doing normal duties and working on permits. Today, he spent most of the day getting all the vehicles for City Hall serviced and cleaned up. He has also been working on a project in the extraterritorial area.

Neosho River Headwaters Meeting (Floodplain Remapping): Zoning Clerk Hugunin said, "I went to the Neosho Headwaters meeting in Emporia a couple of weeks ago. All the Council Members have been added to the email list. They (the State of Kansas) is going to start doing a work group and wanted to get every on the council involved. This if for remapping of the Floodplain."

Council Member Griffith, "Are they going to reshoot it?" Zoning Clerk Hugunin, "Yes, they're going to. They're actually redoing the whole state; but Coffey County has never had anything done - Burlington has, but Coffey County has not; so they're actually going to shoot the whole county and include Burlington while they are doing it." Council Member Griffith, "What about homes that are in the floodplain? Are they going to be putting people's homes in the floodplain?" Zoning Clerk Hugunin, "If the data shows that it hasn't been in, but should be - yes. There will probably be a lot of places that will come out of the floodplain because this remapping is going to be more accurate."

OTHER COUNCIL BUSINESS: Coffey County Clerks - Results of November 7, 2017 General Election

Position 2 of Wards 1, 2, and 3 were on the ballot on November 7th. J. J. Jasper won the position of Ward 3 and will be sworn in on the 2nd Monday of January, 2018. Jerilyn Curtiss and Sharon Hall were re-elected and will also be sworn that day. (Note: Per the League of Kansas Municipalities, the newly elected persons must be sworn in on the 2nd Monday of January. City Clerk can give the Oath of Office without it being at a Council Meeting.)

OTHER COUNCIL BUSINESS: Christmas Gift Certificates

Mayor Luke said it is that time of year for giving Chamber of Commerce gift certificates, as we have been doing for many years. If a recipient wishes to, the gift certificate can be re-gifted or donated by endorsing them to another person or organization, the same way a check would be endorsed.

Council Member "I move to give a \$20 Chamber of Commerce Christmas gift certificate to each Board Member, City Attorney, and City Council Member, and to the City Treasurer and the Mayor." Council Member Curtiss, "I second the motion." Hearing no discussion, Mayor Luke called for a vote. Motion unanimously carried, 6:0.

OTHER COUNCIL BUSINESS: Employee Christmas Gift

Mayor Luke, "The Christmas gift for City employees, in the past we have given an additional day off for Christmas. The day this year would be Tuesday, December the 26th; with the option that any employee that is on duty that day can arrange for another day of in lieu of the 26th."

Council Member Griffith made the motion to give each City of Burlington employee the gift of an additional paid day off for Christmas, with the day off for this year to be Tuesday, December 26th, with the option that if an employee is on duty that day, the employee can arrange for another day off in lieu of the 26th of December." Council Member Tschantz, "Second." Hearing no discussion, Mayor Luke called for a vote. Motion unanimously carried, 6:0.

PERMITS: Permits issued by Zoning Clerk Hugunin: None

LEGAL DEPARTMENT: Update - APAC Agreement

Attorney Robrahn said, "Tonight, we've got what I think is good news. The settlement agreement and mutual release with APAC has finally been completed. We got the signatures from: of course the City, APAC, and then the Federal Insurance Company of the bonding company. Very good. Also, at the same time, since the defendant in the case failed to file an answer, which was to our benefit, we were able to instantly dismiss the case - we didn't have to ask for approval to dismiss the case; so, it's done." (This agreement is for the faulty asphalt on the 2015 Street Improvements - Asphalt Project.)

Council Member Lenard wanted to be sure the City gets reimbursed for the tonnage of asphalt and such. Superintendent Mast said, "Yes, we will."

[10] CONTINUATION: November 15, 2017 Burlington City Council Regular Session

CITY CLERK: Update

General: City Hall Staff have been busy preparing meter readings for utility billing. They have also been preparing work orders, vouchers for bill paying tonight, payroll, and minutes for the council meeting.

Kansas Power Pool Rate Forum: City Clerk Kewley attended the KPP rate forum in Wichita on Thursday, November 2nd.

KMU Safety Training: On Tuesday, November 7th, City Clerk Kewley and City Hall Staff attended the Kansas Municipal Utility safety training, Ensuring a Harassment-Free Workplace.

Master Municipal Clerks Academy: City Clerk Kewley told Council that after this meeting, she and Deputy City Clerk Anne Brown will be leaving to go to Wichita to attend the annual Master Municipal Clerks Academy on Thursday and Friday.

Closing for Thanksgiving: City Clerk Kewley reminded everyone, the City will be closed for Thanksgiving, Thursday the 23rd. In the past Council has given the employees to the option to take Friday off as vacation, comprehensive time, or without pay - or to work even though the office will not be open. No motion is necessary as it was approved years ago.

Other: City Hall personnel have been handling normal calls and inquires.

COMMENT OF CITY OFFICERS: None

FUTURE AGENDA ITEMS:

GENERAL City Debt – How to fund projects Service/Allied Waste Agreement Renewal Water Rate Study for 2018 rates / increase effective 1-15-2018 (updates) Actuaries – GASB-45	Financial Program Software (CIC) - updates MT Wireless - Fiberoptics to City Buildings GAAP – Infrastructure Capitalization Economic Development - Co. Commerce Committee Updates
January 8 - Swear in Officials elected 11-7-2017	
ELECTRIC DEPARTMENT: Emissions Standards Compliance/EPA Conger Addition - Underground utility damages/MT Networks Arc Flash Study - Mapping Update Parallel Generation/Net Metering Power Generation f/Renewable Energy Generator #2 Shutdown: Maintenance for OIL/Shut down (Appx. 2-3 wks) Generator #2 - Repairs	Rebuild Line on Lynx Road Automatic Meter Infrastructure for Electric (AMI)-updates KPP Power Purchase Contract - Update Power Plant - Life Cycle Study - Add generation Generator #5 - out-of-service Rolling Outage Plan
PARKS DEPARTMENT: Riverbank Fill Permit - Application for new site/update Community Thanksgiving Dinner, 4-H Bldg 11/22-23/17(reserved/Vicki VanKooten) Happy Tails Dog Park - Scooping - Keep Park open or close it?	Veterans Banners and Brackets for Utility Poles Vacant Position - John Hegg's transfer from W/W Dept.
LEGAL DEPARTMENT: Municipal Court Clinton Sowder - Bow Hunting in town (former Huff's Gardens)	Misc. Legal - Documents, Cases, Contracts, etc.
PLANNING AND ZONING Industrial Park Lots - for Sale, etc. Work with NexTech and City Departments to improve Cyber Security Work w/PD on Nuisance Structure regulations Crow-Moddie Detail/Wash Building - Permit updates	Quarterly Construction Valuation Report Prepare Easements for any City-owned property without one City Hall - Awning Replacement (switch to metal) Floodplain Maps - updating/remapping
POLICE DEPARTMENT Nuisance Updates Parvovirus - update	Department Activities/Cases/etc.
STREET DEPARTMENT: Heather Street - Concrete Panels Sidewalk Repairs on City Rights-of-Way Street Improvements: 2017 Asphalt Project Sinkhole at Garrettson and HWY 75	Pavement Management System/Asset Management System Street Project Testing by PSI - updates 2015 Asphalt Project - APAC used Faulty Materials Sinkholes under highway - Check into liners for culverts
WATER & WASTEWATER DEPARTMENT: SCADA System-updates Waterline Replacement Project - Continuation/Updates Pump Repairs (Clearwell/River Intake) Neosho River - Riverbank Erosion/Dike/Gravel Bar/etc. Sewer Lagoons - Analysis (KRWA/funds for dredging) Bulk Water Station - Building Project 2017	Water Plant Improvements–Efficiency Testing/Chemical Updates Water Meter installations John Redmond Reservoir – Dredging Plumbing Violations / Grease Traps Middle School Water Meter Replacement Sludge Press - Alignment/Solenoid
	Southwest Sewer Project Fencing at Water Treatment Plant Valve Exercise Program - Annually in Fall Lead & Copper Monitoring - Survey Update Sewer Lagoon - Maintenance/Updates Vacant Position (6-2017 - ___)

Mayor Luke declared the meeting adjourned.

Approved by the Governing Body and signed by Regina R. Kewley, City Clerk