

**CITY COUNCIL MEETING MINUTES  
CITY OF LAKE QUIVIRA KANSAS  
December 6, 2021  
6:30 p.m.**

**Present**

Mayor Brady Lilja  
Council President John Christy  
Councilmember Gayle Best  
Councilmember Dave McCullagh  
Councilmember Annie Noland  
Councilmember Greg Prieb, II  
City Attorney Michelle Daise  
City Administrator / City Treasurer Erin Leckey  
City Clerk / Court Administrator Kathy Bounds  
Chief of Police / Building Official Fred Grenier

**Visitors**

Special Counsel Gina Riekhof, Gilmore & Bell, P.C.  
Dustin Avey, Piper Sandler  
Bill Cole – SIP Representative  
Angela Gupta – 171 Terrace Trail West  
Pat McAnany – Dam & Spillway Committee Member  
Therese Feess – 225 Hillcrest West  
Win Zoellner – 440 Navajo

**Zoom:**

<https://us06web.zoom.us/j/88412342058?pwd=TlpRbk5kbmVwaXUwZ1ArSkpCOUxwUT09>

**Meeting ID: 884 1234 2058**

**Passcode: 873041**

**Dial: +1 312 626 6799**

**Call to Order**

Mayor Lilja called the meeting to order at 6:30 p.m.

**Pledge of Allegiance**

Council President Christy led the Pledge of Allegiance. All were welcomed to participate.

**Swearing in of newly Elected Officials**

City Clerk Bounds recited the oath of office and swore in Mayor Brady Lilja and Councilmember Dave McCullagh for their new terms.

Mayor Lilja thanked John Christy for his service as Council President this past year, and as a Council Member the past four years. Mayor Lilja presented Mr. Christy with a commemorative plaque as a token of appreciation for his leadership and civic contribution to the city. Mr. Christy expressed his appreciation and stated it has been a privilege serving on the City Council.

Mayor Lilja made a recommendation for Councilmember McCullagh to serve as Council President, filling John Christy's vacancy. **Motion:** Councilmember Prieb made a motion to nominate Councilmember McCullagh as Council President. **Second:** Councilmember Best seconded. **Vote: 4-0. Motion carried.** Councilmember McCullagh accepted the appointment of Council President.

#### **Visitor's Comments:**

Therese Feess of 255 Hillcrest West.

- I. Ms. Fees asked for the status of the Seneca Trail project involving a treehouse. Building Official Grenier advised the treehouse was built without a permit and a stop work order was issued. The homeowner went before the Planning Commission to request permission to keep the treehouse up and was denied. After being duly noticed to take the treehouse down and failing to comply, a citation was issued to the homeowner and the matter is now pending in Municipal Court.
- II. Ms. Feess asked for the status of repairs to the fence and stone damage at the end of the dam. Mayor Lilja reported the fence repair should be completed this week. He reported the stone damage is not structural so repair work for that has been deferred pending the direction of the spillway project.

Mayor Lilja moved the agenda forward to Old Business for item 1).

#### **Old Business:**

##### **1) Discussion related to the acquisition of real property.**

Special Council Gina Riekhof reported after action taken at the November 15, 2021, Special Council Meeting, Counsel was able to successfully negotiate a real estate contract with the seller for a purchase price of 1.1 million dollars. The purchase contract was signed, and a title commitment was obtained from the title company. Olsson is working with the city on an environmental site assessment which is currently in progress. It is anticipated the environmental site assessment will be available to review sometime next week. Survey work is also underway. Everything is going along with the purchase as expected.

Mayor Lilja moved the agenda forward to New Business for items 1) and 2).

#### **New Business:**

##### **1) Consider a Resolution authorizing issuance of General Obligation Temporary Notes, Series 2021.** At the Council's direction to bring forward a proposal for general

obligation temporary notes for a four-year term, Dustin Avey of Piper Sandler was present to provide information related to that financing. Mr. Avey provided the Council with a summary sheet listing three lender proposals obtained by his firm. He reported a total of seven proposals were received, and of those seven, the three listed on the summary sheet offered the best overall terms.

The lender proposals were as follows:

LENDER	INTEREST RATE	TOTAL DEBT SERVICE	FEES*	PREPAYMENT
Citizens Bank of Kansas	1.63%	\$1,224,585.99	\$2,500*	Anytime no penalty
Chase Bank	1.32%	\$1,213,746.43	\$5000*	Not before 12/01/23 no penalty
First Internet Bank	1.60%	\$1,225,357.16	\$3,500*	Not before 12/01/22 no penalty

\*Lender Counsel Fee

Mr. Avey discussed the proposals and terms of each lender. Mr. Avey answered Council questions and concluded his presentation with a recommendation to finance with Citizen’s Bank of Kansas. Mr. Avey noted while the interest rate is slightly higher with Citizens Bank of Kansas, they offer prepayment at any time without penalty, a major benefit to the city, and having worked with municipalities all across Kansas, are very familiar with this type of financing.

Pat McAnany of 222 Arapahoe East shared with the council a previously held conversation with the seller’s attorney, stating for tax reasons and other extenuating circumstances, it is imperative to the seller that the land purchase closes by the end of this year. If for any reason it would not close by the end of the year, the seller asks the city to notify him of that immediately.

**Motion:** Councilmember Best made a motion to approve a Resolution authorizing the issuance of \$1,151,000.00 principal amount of General Obligation Temporary Notes, Series 2021, as presented with Citizen’s Bank of Kansas. **Second:** Councilmember Noland seconded. A roll call was taken. Councilmember Best – yea. Councilmember Noland – yea. Council President McCullagh – nay. Councilmember Prieb - nay. **Vote: 2-2.** Due to the tie vote, Mayor Lilja cast the deciding vote with a yea. **Vote: 3-2. Motion carried.**

The Resolution was assigned #148.

- 2) Consider a Resolution approving a Tax-Advantage Financing Compliance Procedure.** Special Counsel Riekhof explained as an issuer of tax-exempt bonds, Citizen’s Bank of Kansas will not include interest the city pays to the bank as taxable income. As part of that tax advantage, the city pays a lower interest rate than if borrowing on taxable debt.

With that, there are a lot of rules and regulations the IRS imposes related to tax-exempt financing. Primarily the city will need to use the land for public purposes, and if there is any sort of private use of the land, it can jeopardize the tax-exempt status of the note. If that happened, it would be a default under the terms of the financing document. The IRS asks any borrower of tax-exempt debt, or any issuer of tax-exempt debt, to have written policies and procedures in place to make sure staff understands these laws that exist, and they know what to do to comply with them. The Resolution before the Council this evening, if adopted, approves the Tax-Advantage Financing Compliance Procedure.

An example of public use of the land is having it as a public park that the city manages. If the city decided to sell or enter into a management contract with a private entity, such as Q Inc. the city would want to exercise the prepayment option with Citizen's Bank of Kansas and issue taxable debt in order to refinance the existing obligation.

Council President McCullagh pointed out a section in the financing document (p. 14) regarding an "improvement fund" and application of money in the improvement fund. He inquired if the city was required to improve the land. Special Counsel Riekhof responded it was not a requirement, the city only has the debt service.

Council President McCullagh asked if the city were to combine the temporary note with the spillway project, if we would still have the stipulation with the acreage that it has to be public access, even though it is part of the same bond. Special Counsel Riekhof replied yes.

Win Zoellner of 440 Navajo inquired about the tax-free stipulation regarding public use of the property, and if public use meant the LQ community only or all of the public? Special Counsel Riekhof replied all of the public.

Mayor Lilja inquired if the city could fence it off and post no trespassing? Special Counsel Riekhof responded yes.

Angela Gupta of 171 Terrace Trail West inquired what the savings is with tax-exempt financing versus non-tax-exempt financing. Mr. Avey responded it is approximately ¼ of a percent. Mr. Avey further explained the value of the short-term financing is the city will have four years to decide what they want to do with the land. If they decided to make it private use, they would need to look at long term, non-tax-exempt bond financing.

Bill Cole inquired if the county and neighboring City of Shawnee were to partner with the city for stormwater control, if that would violate the tax-exempt status. Special

Counsel Riekhof replied that it would not violate the tax-exempt status if other governmental entities are involved.

Council President McCullagh inquired if this was laying the groundwork for future tax-exempt financing that does not involve the land purchase. Special Counsel Riekhof replied yes.

**Motion:** Councilmember Noland made a motion to approve a Resolution adopting the Tax-Advantaged Financing Compliance Procedure, as presented. **Second:** Council President McCullagh seconded. **Vote: 4-0. Motion carried.**

The Resolution was assigned #149.

Mayor Lilja returned to the next item under **Old Business 2)**:

**2) Presentation regarding Dam & Spillway Improvements.** Brent Johnson with Olsson Engineering was at the meeting to present Olsson's review of the McClure report dated August 30, 2021.

Mr. Johnson reported they took a look at two concepts for the spillway. The first concept was abandonment of the west spillway with modifications to the east spillway. In this concept the east spillway would be altered with a weir structure and would be mechanically operated to lower the lake level at times when there may be a flood. The west spillway would be completely abandoned, and the east spillway would become both the principal and emergency spillway.

Mr. Johnson reported this concept is feasible and could work with a few modifications; however, he is not 100% confident the State would deem it as a solution. Modifications include (but not limited to) grading the south stream bank back at a 4:1 slope; installing riprap along the toe for the north bank, and along the toe and up 8 feet along the south bank; installing riprap along the outside bank; removing and replacing existing spillway flume; extend and reconfigure the concrete spillway downstream, make necessary channel modifications downstream of the east spillway to protect Holliday Drive; install riprap downstream of proposed flume; install baffle blocks or equivalent energy dissipation structure.

**Estimated cost: \$5,311,027.00**

The second concept involves repairing the west spillway and making modifications to the east spillway. Mr. Johnson noted this is the concept Olsson recommends. The following considerations to support the recommendation, *taken from an excerpt in the Olsson report*, are as follows:

- The west spillway repair and east spillway modifications project costs are estimated to be roughly \$1 million less than the west spillway abandonment.

- The Kansas Division of Water Resources has already waived the three-foot freeboard requirement for this dam based on the installation of the water level detection system in 2012. Implementation of a mechanically operated system with the Obermeyer weir, would further decrease the factor of safety for the dam as compared to a gravity driven structure as shown in the hydrologic analysis that the lake would need to be lowered prior to the 0.4 PMP design storm.
- The Obermeyer weir would need to be routinely operated, maintained and monitored by the city which would increase the long-term maintenance cost and increased responsibility of the city staff.
- Re-direction of the baseflow and all stormwater runoff to the east spillway will require downstream improvements to protect Holliday Drive from erosion and to mitigate potential scour of the existing bridge.
- Re-direction of the baseflow and all stormwater runoff to the east spillway could negatively impact utilities and the two natural springs downstream of the east spillway, commonly referred to as “Coronado Springs” and “Arrowhead Springs.”

**Estimated cost: \$4,021,110.00.**

Given the two options, Mr. Johnson indicated if the city decided not to do the full east spillway work with the west spillway reconstruction, the state may allow for some rock protection only. Mr. Johnson further stated, Olsson’s recommendation was based on the erosion at the bottom of the box culvert down on the east spillway, the dam wall being too short, and floor issues.

Council President McCullagh asked what shape the box culverts were in themselves, and Mr. Johnson replied, they are in good condition.

Councilmember Noland, on behalf of the Dam & Spillway Committee, reported Mr. Johnson and his team came out last Friday. The takeaway from that session was to go back and do testing on the west side to see what has already been done, and then work that into the existing piece. Councilmember Noland noted they didn’t feel like they needed to do anything different as it is all falls within the scope of work, and they are just looking at a couple different things. The idea was to come back with a better proposal that would include what Grant finds in his study. Grant should be working here in the next couple weeks, and we should get his report soon.

Council President McCullagh inquired about the head wall work on the west spillway noting in the report there is mention of an epoxy repair. Mr. Johnson replied with water seeping through, over time, it will continue to deteriorate the concrete so injecting it with epoxy will get that all sealed up. Council President McCullagh inquired how much time injecting the cracks with epoxy would give us, how much it would cost to just replace it, or if that is what was already discussed in repairing the sluice gate head wall?

Mr. Johnson replied that is what was discussed in repairing the head wall, noting the commission of the gate itself is fine, it is just the wall that is concerning. Mr. Johnson indicated he would talk with his structural engineer for direction in what the best route with that would be. Mr. Johnson noted epoxy injections generally lasts 10-15 years.

Mayor Lilja reported John Christy has requested to remain on the Dam and Spillway Committee, and Mayor Lilja thinks that is a great idea.

Bill Cole reported Brent went into great detail in their meeting last Friday; however, by law, and by protecting his errors and omissions insurance, Olsson wants to make sure it is the most robust treatment. The Council can choose to step down from that. For instance, on the east spillway, if we rock the toe of the dam versus adding that extension is one way. The second thing to think about is who cares how much water goes over the top of the east spillway in an emergency because it flows down the hill on the backside, and that happens infrequently. Mr. Cole pointed out those are cost decisions versus what Mr. Johnson can tell us and he has to make sure he presented everything. Mr. Johnson agreed noting they approach it from the standpoint of wanting it to last 50 years and for the city not to have to worry if there was a major flooding event. Mr. Johnson also noted, the city could take an approach to do less, but the critical step will be when the project is presented to the state.

Mr. Cole noted, this is a protection of the dam and the lake approach, which was the committee's assignment. It was not supporting some of the peripheral ideas we had when we originally talked about this. Mr. Cole also noted Olsson was not aware of the work with the injections, and he wished they had been because they went for the full workup and replacement. Mr. Cole suggested, we as a community need to think about if we are ever going to do a coffer dam, this is an extensive approach necessary to do large scale repairs on dam, and it also affects the other spillway in terms of its usage to protect the workers and work being done there. Think about the lake level being dropped and then 3-5 more feet down to get where we need to work on that for extended periods. This fixing in stages is something we need to think about to protect the quality of lake we have. The other piece that is a challenge is when they do the study. They are basically going to drill holes in the walls to determine how well our injections operate. Inside the walls will tell us what the strength is of the concrete and what the durability of it is, some were filled in different sections, with some of it being in 1929, 1930, 1931 with a lot of it after that period of time, so they will be able to come back with a better answer in terms of what the cost will be to do the west spillway work. The east spillway dollars are probably firmer because it is due work. The west spillway work is on an older spillway, and we really don't know what is under it. We have to be cognitive when we look at the west spillway, we may find more things than we know about. Mr. Johnson concurred with that statement.

Mr. Cole reported what the committee recommends to the City Council, is that we make a reasonable commitment to do the west spillway repair and fix the east spillway in the

way we need to versus the east spillway replacement overall. This would also mean don't do the drawing work that we wanted and prepare a presentation for the east spillway, but to use those dollars to do the continuous work on the west spillway and a more detailed analysis to look at that. The last piece to look at is making sure they understand they are the lead designer of that work.

Councilmember Prieb inquired about the drawing related to the flume and riprap area and whether or not there would be access to the backside of the dam for mowing. Mr. Johnson replied that is something they would have to add in. Mr. Cole indicated there are areas down there to gain access.

The mayor and Council thanked Mr. Johnson for his presentation and for the thoroughness of his report.

### **SIP Report (Bill Cole):**

**Letter to State of Kansas on 2017 project results.** Mr. Cole reported we are awaiting a letter signed by McClure. Once received, we will have a letter to be signed by the mayor. The last piece is the results of the injections. Once we have all of those documents together, they will be submitted to the state. This needs to be completed by the end of the year.

### **Continuation of New Business:**

#### **3) Addendum presentation regarding Waste Management contract renewal.**

Councilmember Best reminded everyone of the original Waste Management contract, which was signed in 2011 for a five-year term. In 2016, there was an addendum agreeing to another five-year contract, and then in 2020 there was an addendum to address the recycling issue. Each year we take a look at the cost for services. John Blessing of Waste Management was present to discuss a proposed addendum for 2022. He provided everyone with a copy outlining the addendum. This included:

- Renewing the current contract for an additional 5-year term.
- Change annual escalator to CPI WST (Water, Sewer, Trash). *Historically trends have been at 2.5-3.5%. Current contract is a fixed 3%. CPI-U is over 5%.*
- Services: keep weekly trash and weekly recycling collection. Rate per unit per month is \$20.55 (option for every-other-week recycling collection keeps rate at current \$17.39).
- Bulk item collection cost is \$700 per ton and be subject to the same annual escalator (detailed in #2). The cost has been \$650 per ton since 2016.
- Amend section 7 (a) of current contract to add \$25.00 penalty provision on valid missed collections not recovered 24 business hours after reporting.

- Commercial services have been recently optimized and would remain at current service levels and rates and just be subject to the same annual escalator (detailed in #2).
- Larger and/or additional recycling carts are available to any resident at no additional charge.

The listed items were discussed, and requests were made to be added to the addendum to include:

- Adding a cap to the CPI rate in a not to exceed format.
- Review of our recycling audit in the Spring to determine if we have met the 10% or lower level to receive recycling discount.
- Adding dumpster service to the contract for the fourth of July. *Mr. Blessing indicated he couldn't guarantee he could get this added since it is a donated service.*
- Remove glass recycling service from the addendum since we contract with Ripple Glass for that service.
- For billing purposes separate city containers from Q Inc containers on invoices.
- Add community yard waste collection to a weekly service basis in high volume months.

Mr. Blessing indicated he will send the addendum requests to corporate. He anticipates having an updated addendum ahead of the January meeting for review and ready for signing at the January meeting.

Council President McCullagh inquired if Waste Management has an educational video related to recycling the city could utilize to promote to our citizens. Mr. Blessing replied yes, and he would send that information over by email.

#### **Approval of Minutes from:**

- 1) November 1, 2021, Regular Council Meeting. **Motion:** Councilmember Prieb made a motion to approve the minutes from the regular council meeting on November 1, 2021. **Second:** Council President McCullagh seconded. **Vote: 4-0. Motion carried.**
- 2) November 11, 2021, Special Council Meeting. **Motion:** Councilmember Prieb made a motion to approve the minutes from the special council meeting on November 11, 2021. **Second:** Councilmember Noland seconded. **Vote: 4-0. Motion carried.**
- 3) November 15, 2021, Special Council Meeting. **Motion:** Councilmember Prieb made a motion to approve the minutes from the special council meeting on November 15, 2021. **Second:** Councilmember Best seconded. **Vote: 4-0. Motion carried.**

**Treasurer's Report:**

The November monthly treasurer's report was submitted by City Treasurer Leckey for review and consideration. **Motion:** Council President McCullagh made a motion to approve the November 2021 Treasurer's Report as submitted. **Second:** Councilmember Best seconded. **Vote: 4-0. Motion carried.**

Treasurer Leckey noted from her treasurer's report, a deposit for \$2,700.00. Former Fire Chief Stephan sold an air compressor, one of the last pieces of equipment from the fire department, for \$2,700. Of the \$2,700, the city wrote a check for \$500 for commission to the person who helped Mr. Stephan sell the air compressor.

**City Attorney's Report:**

None.

**Police Chief's Report:**

Chief Grenier provided his monthly report. He reported Officer Dan Tennis submitted a letter of resignation to pursue other career opportunities.

**Council Reports:****Council President McCullagh:**

None.

**Councilmember Prieb:**

No update on the city boundaries survey at this time.

Councilmember Prieb reached out to the Engineer with the City of Shawnee and to Superior Bowen for bids to replace the guardrail on Renner Road. Both recommended the same company. Councilmember Prieb reached out to the recommended company for a bid.

**Councilmember Noland:**

Employee performance reviews are planned to begin next month.

Councilmember Noland reported she and Mayor Lilja met last week to discuss a strategic communication plan. This is in an effort to get information out to the community about everything the city has been working on this past year. The idea is to provide a year-in-review snapshot and also share information about the land purchase and spillway project. Kathy Simpson has offered to help design the layout for the communication piece. For now, this is a stand-alone project, but consideration is being given to something more long-term. Funding for marketing costs and compensation for Mrs. Simpson were discussed.

Councilmember Noland made a suggestion, with regard to the land purchase, and with the relatively short amount of time (four years) the city has to come up with a plan for the land, to

form a committee. Councilmember Noland expressed this would be a great way to engage Q Inc and other people from the community on the project.

**Councilmember Best:**

**Final report from AMAI (item (4 listed under New Business).** Councilmember Best reported she met with a designer from AMAI last week. They discussed design modifications to include a more industrial look to the front of the City Hall building. Councilmember Best indicated she was pleased with the design rework noting it will make City Hall stand out and provide a more uniform look and feel with the rest of the buildings in the community. Councilmember Best reported AMAI's portion of the project has been completed (Phase I and Phase II). She also reported she has all the documents from AMAI that the city needs to go out for construction bids on the project. The next step is to obtain engineered stamped plans; Phase III.

Discussion ensued about hiring someone to manage the construction process. Mayor Lilja noted obtaining bids will help give a baseline of costs for moving forward with the project. A suggestion was made to present the project to the Foundation to request grant assistance.

**Mayor's Report:**

**Christmas tree lighting.** Mayor Lilja thanked John Christy for organizing the event and thanked everyone who attended, noting it was a great turnout.

**Part-time Building Official position:** Mayor Lilja reported Erin and Fred have an interview scheduled for the part time Building Official position this week. Update to follow.

**Vacant council seat.** Mayor Lija reported he anticipates appointing someone to the vacant seat at the January City Council Meeting.

**Continuation of New Business:**

- 5) **Consider approval of the 2022 City Council Meeting Calendar.** The proposed 2022 Council Meeting calendar was presented. The calendar listed January 10<sup>th</sup> for the January Council Meeting. Since City Hall will be open on Monday, January 3<sup>rd</sup> following the New Year Holiday, it was noted the meeting should be held on the 3<sup>rd</sup> (first Monday).

**Motion:** Council President McCullagh made a motion to approve the 2022 City Council Meeting Calendar, amending the January date from the 10<sup>th</sup> to the 3<sup>rd</sup>. **Second:** Councilmember Prieb seconded. **Vote: 4-0. Motion carried.**

**Executive Session:**

None.

Councilmember Prieb inquired about the deadline for the Fourth of July contract, as this was something John Christy handled as part of his area of responsibility. Erin noted the contract is

typically executed, and paid for, in January to receive a discount on the fireworks display. Mayor Lilja will reach out to John Christy for contact information relating to the fireworks contract. Mayor Lilja noted John has offered to stay on the planning committee for the Fourth of July in 2022.

**Adjournment:**

**Motion:** Councilmember Noland made a motion to adjourn the regular Council Meeting at 8:33 p.m. **Second:** Councilmember Best seconded. **Vote: 4-0. Motion carried.**

The meeting adjourned at 8:33 p.m.

Respectfully submitted by:

Kathy Bounds  
City Clerk



**Brady Lilja** - Quivira Inc., Q2 Board, Lake Quivira Foundation and Police.

**Gayle Best** - Tree City, Railroad, Aesthetics, Landfill, City Hall and Holliday Drive.

**Vacancy** - Dam/Spillway, Litigation, 4th of July/Fireworks, and Holliday Drive.

**Dave McCullagh** - Budget/Finance, Ordinances, Gas Station, Landfill Odor, Deer Harvest and Research.

**Annie Noland** - Employee Performance Reviews and Issues, Insurance, Web Presence and vacant fire station space.

**Greg Prieb** - Roads, Lake Preservation, Zoning and Development, Building Requirements and City Hall.