

## **CITY OF OSAGE CITY**

### **COUNCIL MEETING**

**February 23, 2021**

**ROLL CALL:** Now on this 23rd day of February, 2021 the Governing Body of the City of Osage City, Kansas, met at the Osage City Council Chamber in said City. The following members being present and participating to wit were: Council President: Dale Schwieger. Council Members: Cathryn Houghton, Bruce Schoepflin, Karey Heiserman, Mike Gilliland, Sharon Larson and Jeanette Swarts. Mayor Becky Brewer and City Council Member Jim Peterson excused. Officials present: Rick Godderz, City Attorney; Rodney Willis, City Manager; Katie Hodge, City Treasurer; Terri Fultz, City Clerk; Kris Kline, Director of Utilities and Sadie Boos, Deputy City Clerk.

#### **APPROVAL OF THE AGENDA:**

*Motion made by Schoepflin, second by Schwieger to approve the amended agenda. The motion was declared carried.*

**RECOGNITION OF VISTORS:** None

#### **APPROVAL OF THE CONSENT AGENDA:**

##### **1. Approval of February 9, 2021 Regular Meeting Minutes.**

*Motion made by Houghton, second by Schoepflin to approve the Consent Agenda. The motion was declared carried.*

#### **BUSINESS BEFORE THE COUNCIL:**

- 1. Update on 803 Lincoln Street formerly owned by Christine Gutierrez and Lloyd & Kathy Isaacs, by the new owners Pat & Kyle Osborne of Osborne Exteriors of 1326 E Street in Osage City. Public Hearing for structure condemnation was held July 28, 2020 at which time City Council gave Lloyd & Kathy Isaacs until January 1, 2021 to show improvements after getting the property back from Christine Gutierrez:**

Current property owner Kyle Osborne could not be at the meeting tonight because of a change in her class schedule. Kyle asked if this item could be moved to the next council meeting on March 9<sup>th</sup>.

- 2. Discussion on direction to proceed with the consequences of the extreme frigid weather of February 8<sup>th</sup> through February 19<sup>th</sup> in regards to extreme wholesale natural gas prices and wholesale electrical costs due to Southwest Power Pool (SPP) emergency outages. Kansas Municipal Gas Agency (KMGA) purchases wholesale gas for Osage City plus 48 other cities across the State of Kansas. KMGA was forced to pay \$1 million collateral call on Monday**

**February 15<sup>th</sup> to ensure continued gas purchases to meet the huge demand for heating homes and businesses. Osage City's share of the collateral call is \$70,761.00 due to KMGA. KMGA had to purchase \$31 million of wholesale gas to keep their member cities adequately supplied during the extreme cold. Kansas Municipal Energy Agency had the Osage City Power Plant generate for six days, since our dual fuel engines are able to operate on diesel only if necessary:**

City Manager Rod Willis has provided email information from Dixie Riedel, Director of Natural Gas with KMEA/KMGA. Dixie explained that as the extremely cold temperatures continued, the gas use volumes were continuing to increase. With this increase in use and the extremely cold temperatures there were some cuts in the supply due to freeze-off at the gas wellheads. KMGA, gas suppliers, and the pipelines were working hard and doing everything they could to keep the gas flowing, so that the pressure for customers would not drop, causing furnaces to shut off. KMGA asked their member cities to communicate with their customers on ways to conserve natural gas usage during this extremely cold winter event.

Paul Mahlberg, General Manager of KMEA/KMGA communicated with member cities, that every possible avenue was being pursued to deal with the extreme cold weather event and will keep updating as regulatory, legislative and legal developments occur due to the natural gas price increases.

An important message on the natural gas supply situation was sent out by Joni Shadonix, Administrative Assistant with KMEA to the KMGA Board of Directors Sunday, February 14<sup>th</sup> at 8:12 p.m. The central parts of the United States have tested the nations natural gas supply due to the prolonged period of extreme cold the Midwest was experiencing. Natural gas prices increased from 10 to 100 times normal pricing. At 4:00 p.m. on February 14<sup>th</sup> Governor Laura Kelly issued a State of Disaster Emergency Due to Wind Chill Warnings and Stress on Utility and Natural Gas Providers. On 02/17/2021, posted index pricing was as high as \$622.785/MMBtu.

At the request of KMEA, the Osage City Power Plant ran for six days to help provide electrical power for our city and to help avoid the rolling blackouts that were occurring in other cities in Kansas. Since the power plant can run completely on diesel fuel, this helped reduce the electricity demand on the electrical grid and freed up natural gas for heating homes.

*Motion made by Schwieger, second by Gilliland to approve the City's portion \$70,761.00 of the KMGA \$1 million Collateral Call Fee that KMGA was forced to pay, be absorbed by the City and not passed onto Osage City customers. The motion was declared carried.*

- 3. Recommend a letter requesting Osage County Commissioners to declare a local state of disaster due to the extreme weather threatening human safety of our citizens with natural gas systems and electric utility systems operating in**

**stressful demand and extreme weather conditions. Counties must declare a local state of disaster for Governor Kelly to request an emergency declaration from President Biden to be eligible for disaster aid from FEMA to the State of Kansas:**

City Manager Rod Willis provided a draft letter written to the Osage County Commissioners requesting Osage County to declare a local state of disaster due to the extreme cold weather event.

*Motion made by Swarts, second by Schoepflin to recommend sending the letter to Osage County Commissioners to declare a local state of disaster due to extreme cold weather event. The motion was declared carried.*

**4. Information – Governing Body Size by Municipality including population and elected at large or by wards:**

City Manager Rod Willis provided the Governing Body size by municipalities based off of population, the Governing Body size including Mayor and the municipalities that are either At Large or by Wards.

The City Council has discussed the possibility decreasing the number of council members per ward, changing to just 2 Wards or At Large. The language for putting the question on the ballot for the November 2021 election would need to provide to the Osage County Clerk by June 1, 2021. The City Council decided there is still time for more discussion before a decision has to be made. City Council has asked staff to find out how many registered voters there are in each of the 4 wards and how many of those registered voters voted in the last local election.

**5. Information – Sewer Improvements Phase 2 Addendum No. 1 & Bid Form and Phase 3 Addendum No. 1 & Bid Form prepared by Waldo Margheim, P.E. of Burns & McDonnell:**

City Manager Rod Willis provided the Bid Form information for the Sewer Improvements for the Phase 2 Addendum No. 1 and Phase No. 3 Addendum No. 1. Bids are accepted until March 2<sup>nd</sup> at 1:30 p.m. with the bid opening directly after.

**ADJOURNMENT:** *At the request of Council Member Gilliland at 7:46 p.m., and on his motion, seconded by Council Member Schoepflin and carried unanimously, the meeting adjourned.*

APPROVED: \_\_\_\_\_ ATTESTED: \_\_\_\_\_

**Dale Schwieger  
Council President**

**Teresa Fultz  
City Clerk**