

**MINUTES  
PAYETTE CITY COUNCIL  
SPECIAL MEETING  
November 8, 2007**

**12:00 Noon Special Meeting**

A special meeting of the Payette City Council was called to order at 12:04 PM by Mayor Henderson in the City Council Chambers of Payette City Hall, 700 Center Avenue.

**ROLL CALL**

Members Present: Mayor Henderson, Ivan Mussell, Georgia Hanigan, Jeff Williams, Mark Heleker

Members Absent: Vallery Klitch, Lee Nelson, excused

Also Present: City Coordinator/Clerk Cordova; City Engineer, Doug Argo; WWTP Superintendent Randy Schwartz; City Treasurer Kellie McCombs; Deputy City Clerk Bobbie Black

**NEW BUSINESS**

Councilor Williams moved and Mussell seconded a motion to strike item B, and replace it with a new item B (resolution 2007-13), and add an item E to the agenda.

After a unanimous voice vote, the motion CARRIED.

**A. RESOLUTION NO. 2007-12 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PAYETTE, IDAHO, CANVASSING AND DECLARING THE RESULTS OF THE GENERAL MUNICIPAL ELECTION HELD IN SAID CITY ON TUESDAY, NOVEMBER 6, 2007**

A motion was made by Hanigan and seconded by Mussell to approve Resolution 2007-12.

In discussion, City Clerk Cordova stated that we had a very high voter turn out this year, 40%. The election went very smoothly thanks to Deputy City Clerk Bobbie Black and her wonderful organizational skills and thanks to Kellie McCombs for her institutional knowledge.

At the roll call:  
Ayes: Mussell, Heleker, Williams, Hanigan  
Nays:

The motion CARRIED.

**B. RESOLUTION NO. 2007-13 RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PAYETTE, PAYETTE COUNTY, IDAHO, CANVASSING THE RETURNS AND DECLARING THE RESULTS OF THE SPECIAL REVENUE BOND ELECTION HELD ON NOVEMBER 6, 2007, FOR THE PURPOSE OF SUBMITTING TO THE QUALIFIED ELECTORS OF THE CITY THE QUESTION OF THE ISSUANCE OF SEWER REVENUE BONDS OF THE CITY IN AN AMOUNT NOT TO EXCEED \$1,335,000; AND PROVIDING AN EFFECTIVE DATE**

A motion was made by Mussell and seconded by Hanigan to approve Resolution 2007-13.

In discussion, Cordova pointed out that this resolution does have an authorization to proceed with the bond issuance for the WWTP expansion. We do have a 40 waiting period, then the bond attorney is authorized to proceed. In the meantime, we do need to have a work session regarding interim construction financing.

At the roll call:

Ayes: Mussell, Heleker, Williams, Hanigan

Nays:

The motion CARRIED.

**C. Approval of Indirect Discharge Permit for Seneca Foods, Inc.**

Mayor Henderson explained that after hours of negotiation, we have reached an agreement with Seneca Foods regarding their Indirect Discharge Permit.

Councilor Williams asked if this was included in the sewer budget. Cordova explained that it is not, but will generate approximately 22% in addition to what we are already collecting if Seneca stays in the Tier 2 parameters.

Mussell asked if this is affected by the yearly CPI like the residential ratepayers. Cordova replied no. Heleker asked Randy Schwartz his thoughts on how this came out. He was agreeable to the new permit.

Williams asked that it appears that the daily flow has never been an issue. Cordova explained that the daily flow was an issue in years before with a different company, but is not an issue now.

A motion was made by Williams and seconded by Heleker to approve the Indirect Discharge Permit for Seneca Foods.

At the roll call:

Ayes: Mussell, Heleker, Williams, Hanigan

Nays:

The motion CARRIED.

**D. Seneca Foods Penalty**

Mayor Henderson made clear to the Council that this issue is in no way associated with the Indirect Discharge Permit, and is a separate issue. Mayor Henderson read a letter from Seneca Foods into the record, and is printed in its entirety below:



November, 7 2007

Payette Council Members and Mayor Henderson,

We are pleased that we have been able to reach agreement on a wastewater permit that meets the needs of the City of Payette. However, it is our belief that the cost increases contained, while understood, would result in wastewater costs that would put an unsustainable burden on the plant's long-term future. Therefore, it is our intent to explore and implement strategies and equipment that will lead to reduced wastewater loadings.

In furthering that effort, Seneca Foods respectfully requests that the outstanding disputed surcharges incurred to date as part of our wastewater billings be waived by the City of Payette and used to help assure the Payette Plant's competitiveness. Seneca Foods will commit to using those funds to further reduce total wastewater loadings including Biochemical Oxygen Demand (BOD) load on the City of Payette's Wastewater Treatment System. Seneca Foods intends to use those funds for that purpose within 24 months of the date this request is approved by the City Council and would commit to document such expenditures.

We look forward to continuing to work with the City in developing and implementing applicable solutions. Seneca and Payette have a great future if we work together cooperatively to build a sustainable business.

Respectfully,

A handwritten signature in blue ink that reads "Paul Palmby".

Paul Palmby  
Executive Vice President and  
Chief Operating Officer  
Seneca Foods Corporation

Mayor Henderson said things look very positive at Seneca Foods. This would be a very wise move for us. We did not base any budget items on collecting these penalties. This is something that will police itself. Seneca Foods has received a number of new contracts and for them to stay within Tier 2, it will not cost them an extreme amount of money, they will be pretty much forced to invest this money and make some changes so they can expand the production in this plant.

Hanigan asked if there is any provision for accountability. Mayor Henderson stated we have asked them to document it and present it to the Council. In order for Seneca to survive, they will have to do this.

Williams said that he understands that they need to make this expenditure, three years from now, and they haven't done anything, and we don't remember what we talked about today, should we have an agreement to say if they don't expend any money, the city could bill them in arrears. Mayor Henderson stated the letter is signed by the COO of Seneca saying they will use the money in the next 24 months. It will document such expenditures. From a pure business standpoint, Mayor Henderson said he did not see how they could not address the issue. If they end up constantly in Tier 3, we will collect more money than we are talking about here by leaps and bounds.

Mussell moved and Heleker seconded a motion to waive outstanding disputed surcharges incurred by Seneca Foods as part of the wastewater billing.

Heleker stated he appreciated Williams concerns and the Mayor's explanation regarding the fees.

At the roll call:  
Ayes: Mussell, Heleker, Williams, Hanigan  
Nays:

The motion CARRIED.

### **ADJOURNMENT**

A motion was made by Councilor Heleker and seconded by Councilor Williams to adjourn.

After a unanimous voice vote, the Council adjourned at 12:026 PM.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2007.

\_\_\_\_\_  
DOUGLAS E. HENDERSON, Mayor

ATTEST:

\_\_\_\_\_  
Mary Cordova, City Clerk