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**CITY OF EUREKA SPRINGS
SPECIAL COUNCIL MEETING MINUTES**

NOVEMBER 12, 2002

Mayor Satori called the November 12, 2002 meeting to order. The meeting followed the Revenue Bond Public Hearing. The meeting was held in the Jury Room of the Western District Courthouse.

PRESENT:

Mayor Satori and Aldermen DeVito, Simon, Money, Harrison, and Sumpter.

ALSO PRESENT: Bill King, Mary Jean Seil, Ed Leswig, Diane Murphy, Kirby Murray, Bill Ott, and Kim Dickens.

PLEDGE OF ALLEGIANCE:

Mayor Satori led in the Pledge of Allegiance.

Mr. Sumpter made the motion to approve the agenda. Mr. DeVito seconded. The vote was 5/0/0.

The purpose of the meeting was to place Ordinances No. 1903 and No. 1904 on two readings. Also to place Ordinance No. 1905 on two readings and declare an emergency.

Discussion regarding Ordinance No. 1903, an ordinance amending Chapter 110, Section 424 of the Eureka Springs Municipal Code increasing rates for services rendered by the sewer system of the City of Eureka Springs, Arkansas, and prescribing other matters relating thereto:

Mr. Sumpter made the motion to suspend the rules and place Ordinance No. 1903 on its second reading by title only. Mr. DeVito seconded. The vote was 5/0/0.

Ms. Dickens read the ordinance by title only.

Mr. Sumpter made the motion to approve. Mr. DeVito seconded.

Mr. Simon still said he thought sales tax was still an option.

Mr. DeVito said he would hope that the Council understands what is at stake here and will vote accordingly. This is an important issue.

Mayor Satori said at this point this is the only option we are deciding on. If a referendum petition is carried and is successful, then we have no choice but to start all over again.

Kirby Murray told the council what the State has said in the past. There was a letter sent out by the ADEQ when the Council voted to postpone the construction of the Main St. sewer line. They said that they could fine the City up to \$10,000 a day everytime there is an violation. Kirby has to contact the ADEQ every time there is a violation and tell why it happened and what the City is doing to correct it.

They were angry at the City and called the engineers and said the City is obviously not going to cooperate with the ADEQ and they were going to demand a full blown Sewer System Evaluation Study, which is very expensive and can take months. We had dry weather, or we would have had several overflows. Mr. Murray, Ms. Dickens, and Ms. Murphy went to Liffle Rock, and convinced them to give us more time, simply because Mr. Murray promised that the City would aggressively work to overcome the problem.

He said if the Council votes this down, he will have to report it to the ADEQ. They could throw their hands up and start fining us. If they take over our operation, they can fire our people and replace them with their own. They can hire companies to fix the system and charge us whatever is necessary to offset the cost. They can legally do this because we are not in compliance, and have not been for many years.

Mayor Satori said this is the plan that has been recommended. All of the options have been studied and this is it. It will just get worse from here.

Ms. Morey said she believes that this will go to referendum. She believes that we should continue to study other options.

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Ms. Dickens said she was concerned that the Council keeps talking about other options. What do they think the other options are? If this doesn't go through, there are no other options! There is no great new solution.

Mr. Simon says the people still say they would rather have sale tax.

Mr. DeVito said with all due respect to the citizens of Eureka Springs, they are the ones who put us in this position. Due to lack of knowledge, they voted against the plan that would have taken care of all of the sewer problems. They did it. Now the Council is faced with trying to fix the problem. If the voters don't support this, they haven't learned from past experience.

The vote was 4/1/0, with Kelly Simon voting no.

Mr. Sumpter made the motion to further suspend the rules and place Ordinance No. 1903 on its third and final reading by title only. Mr. DeVito seconded. The vote was 4/1/0, with Kelly Simon voting no.

Discussing regarding Ordinance No. 1904, an ordinance amending Chapter 110, Section 184 of the Eureka Springs Municipal Code increasing rates for services rendered by the water system of the City of Eureka Springs, Arkansas; and prescribing other matters relating thereto;

Mr. Sumpter made the motion to suspend the rules and place Ordinance No. 1904 on its second reading by title only. Mr. DeVito seconded. The vote was 5/0/0.

Ms. Dickens read the ordinance by title only.

Mr. Sumpter made the motion to approve. Mr. DeVito seconded. The vote was 4/1/0, with Kelly Simon voting no.

Mr. Sumpter made the motion to further suspend the rules and place Ordinance No. 1904 on its third and final reading by title only. Mr. DeVito seconded. The vote was 5/0/0.

Ms. Dickens read the ordinance by title only.

Mr. Sumpter made the motion to approve. Mr. DeVito seconded. The vote was 4/1/0, with Kelly Simon voting no.

Discussion regarding Ordinance No. 1905, an ordinance authorizing the issuance and sale of water and sewer revenue bonds in the maximum principal amount of \$2,000,000 in order to finance extensions, betterments, and improvements to the city's sewer system; providing for the payment of the principal and the interest on the bonds; prescribing other matters relating thereto; and declaring an emergency.

Mr. Sumpter made the motion to suspend the rules and place Ordinance No. 1905 on its second reading by title only. Mr. DeVito seconded. The vote was 5/0/0.

Ms. Dickens read the ordinance by title only.

Mr. Sumpter made the motion to approve. Mr. DeVito seconded. The vote was 4/1/0, with Kelly Simon voting no.

Mr. Sumpter made the motion to further suspend the rules and place Ordinance

No. 1905 on its third reading by title only. Mr. DeVito seconded. The vote was 5/C/0.

Ms. Dickens read the ordinance by title only.

Mr. Sumpter made the motion to approve. Mr. DeVito seconded. The vote was 4/1/0, with Kelly Simon voting no.

Mr. Sumpter made the motion to read the emergency clause. Mr. DeVito seconded. The vote was 4/1/0, with Mr. Simon voting no.

Ms. Dickens read the emergency clause.

Mr. Sumpter made the motion to approve. Mr. DeVito seconded. The vote was 4/1/0,

Mr. Sumpter made the motion to adjourn. Mr. DeVito seconded. All were in favor, except Mr. Simon who voted no, (With tongue in cheek).