

0004 Mayor Barbara Larsen called the regular meeting of the Castle Rock City Council to order at 7:30 p.m., with the following councilmembers present: Khembar Yund, Greg Marcil, Earl Queen and Jack Reilly. Councilmember Mike Mask was absent.

0054 Councilmember Yund made a motion, seconded by Marcil to approve the minutes of the January 28, 2008 Regular Council meeting.

During Discussion: Mayor Larsen stated that CAP Director Ilona Kirby informed the Mayor that Councilmember Mike Mask did not attend the CAP meeting as reported in the minutes. The Mayor requests that the minutes be amended to reflect this.

Vote on motion as amended: By roll call vote, unanimous Aye.

0142 Councilmember Yund presented to Librarian Vicki Selander, a Proclamation by the Mayor proclaiming February 25th thru March 3rd, 2008 as 'One Book One Community Literacy Week'. To support reading and the sharing of ideas, the book, "Three Cups of Tea" by Greg Mortenson and David Oliver Relin, has been selected for the community to read and discuss together. Selander stated that many events are planned throughout the county in celebration of "Three Cups of Tea".

0290 Helen Kleine, 433 Second Avenue SW, questioned why four of the five councilmembers have unlisted telephone numbers. Councilmember Queen suggested that if a resident wishes to contact a councilmember, a message should be left with City Hall and the call will be returned. Mrs. Kleine noted an occasion where a resident did not receive a return call from Councilmember Mask until after a second attempt was made a week later. Councilmember Queen reports that he will promptly return a call on the same day that he receives a message.

0540 Leon Kessler, 402 Clearwood Court SE, reports that he is concerned with the enormous increase in his utility bill this month. He noted that consumption was higher than normal, but not high enough to justify this increase. After reviewing council minutes, he discovered that a rate increase based upon a new rate structure that rewards conservation, took effect this billing cycle. He felt that this rate structure does not take into account the number of people living in a household and therefore creates an undue burden on families. Kessler stated that his family already makes it a practice to conserve water. In addition, he feels that this increase was imposed without warning. Mr. Kessler requests that council take action to change this rate structure to a more equitable system, similar to what it was before. He stated that working families cannot afford to subsidize utility bills for other community members.

Councilmember Yund pointed out that it meetings to discuss the proposed rates was reported in the newspaper and posted in accordance with city code, before council discussed a utility increase. A substantial increase was needed and an effort was made to reduce the impact on fixed income residents while supporting water conservation. Responding to Mr. Kessler, Yund noted that there would be a significant cost to mailing a notice of increase to customers.

In response to a question from James Queen, Clerk-Treasurer Ryana Covington reports that there is a loan for the Wastewater Treatment Plant upgrade that must be paid. Councilmember Marcil pointed out that the Water Treatment Plant must be upgraded soon. Councilmember Yund added that this year will be the first time that the sewer bill paid for sewer treatment and collection without being subsidized by water revenues.

Dea-na Rinck, 404 Clearwood Court SE, stated that her family of three pays double for water compared to what a coworker's family of eight pays in Longview. Councilmember Yund explained that Castle Rock has a much smaller customer base for cost distribution.

In response to a question from Mr. Kessler, Public Works Director David Vorse clarified that some county customers that are a part of the regional system pay the same rate as city residents do. Those locations are Green Acres, Castle Rock High School and Toutle. However, city customers located outside city limits pay 1.5 times the rate for water. The current rate structure has each customer paying the exact same amount per 100 cubic feet used. The city's previous sewer rate charged customers using up to 1000 cubic feet the same base rate. This structure resulted in customers that use less water subsidizing those using more. The new structure is more equitable than the previous.

Councilmember Queen reports that approximately ten people have spoken with him to express their unhappiness with the rate increase. He is disappointed that more residents did not come to the meeting to discuss the matter.

Ms. Rinck described "extreme" measures that are being taken in her household to conserve water. She feels that the high utility bill and the condition of the streets will discourage others from coming to our city. She stated that her bill is higher than any of her coworkers with larger families who live in Longview, Kelso and Clatskanie.

Councilmember Reilly explained that Castle Rock is a small city with a small user base therefore the costs are shared by fewer customers, making the burden larger for each of those customers.

In response to a question from Mr. Kessler, City Attorney Tom O'Neill clarified that the improvements that have been made to the Wastewater Treatment Plant and the improvements that will be made to the Water Treatment Plant are

mandated by the State of Washington to meet water quality standards. The City has no choice but to fulfill these unfunded requirements.

Mr. Kessler stated that other communities also must meet those same standards. Councilmember Yund pointed out that nearby communities are further behind in the upgrade process. Neighboring utility rates will soon be increasing to fund required treatment plant upgrades.

Mr. Kessler feels that the lack of notification is inexcusable. In the future more effort should be made to notify residents of a utility increase. He suggested using the reader board.

In response to a question from Mayor Larsen, Mr. Kessler stated that he teaches Earth Science and has a thorough understanding of hydrology. His family has always practiced water conservation out of respect for the environment. However, a sliding scale that is not based on per capita per household is an inequitable scale as conservation is measured per capita.

Councilmember Yund reports that he is not opposed to reevaluating this rate structure.

- 1704 Councilmember Queen made a motion, seconded by Reilly to reexamine the utility rate structure.

During discussion: Mayor Larsen noted that this should be ready for discussion by the first meeting in March.

Vote on motion: By roll call vote, unanimous Aye.

- 1828 Mayor Larsen opened the Public Hearing at 8:00 p.m. to take public comment on a proposed budgetary amendment to increase expenditure appropriations for fiscal year ending December 31, 2007 for the Water/Sewer Fund in the amount of \$15,500.

Clerk-Treasurer Ryana Covington reports that this is the second public hearing on this amendment. The Water Fund exceeded its appropriated expenditure level in December 2007 due to the cost of unaccounted water. Adequate revenues are available in the Water/Sewer Fund to cover the additional appropriation in the amount of \$15,500.

- 1905 There being no further discussion, Mayor Larsen closed the public hearing at 8:03 p.m. and resumed regular session.

- 1926 In response to a question from Mayor Larsen, Police Chief Bob Heuer reports that he continues to meet with City Attorney Tom O'Neill to update the ordinance on

dog requirements. O'Neill added that they are reviewing the City of Longview's ordinance as suggested by the Humane Society.

Councilmember Reilly requests a meeting with Chief Heuer to discuss options regarding dogs not being tethered and being left in an unfenced yard while the resident is away.

- 1990 City Planner T.J. Keiran reports that the Planning Commission (PC) has been working to achieve compliance between the Comprehensive Plan and development regulations as required by RCW 35A.63.105. In addition, the PC has developed a public participation process and notification procedures. In December the PC initiated amendment proceedings for the Comprehensive Plan, the Comprehensive Plan Map, the Zoning Code and the Zoning Map to achieve compliance. The PC expressed a desire to go above and beyond the minimum notification requirements so private property owners could be involved early and consistently throughout the process. The PC will hold special meetings and invite property owners to participate in workshop meetings. News releases will be used to inform the public that some uses and standards within the zoning districts could be changed as well as the zoning for some specific properties. The PC would like to establish a deadline of April 1st to receive complete applications from property owner's that wish to amend their Comprehensive Plan or zoning designation. This deadline should allow time to prepare for a public hearing in May.

This process could be divided into two phases. There are 17 areas composed of approximately 120 properties where the Zoning Code and Comprehensive Plan are not in compliance. Phase 1 would work towards compliance of vacant or underutilized properties. These are properties that impact a small number of residents. Phase 2 would work towards compliance of developed Single Family Residential properties. The zoning of these properties have a greater impact on a larger number of residents. Further development/expansion of property that is determined as nonconforming is not allowed in accordance with CRMC. The PC will work with property owners individually to achieve compliance.

Tape 1 of 2

Side B

In response to a question from Councilmember Yund, Keiran specified that the Heavy Commercial/Light Manufacturing area included in the Comprehensive Plan is a designation from the 1986 Comprehensive Plan. He noted that this has never been a designation of the Zoning Code. In Phase 1 the PC will focus on the large vacant underutilized properties in close proximity to the I-5 exchange. If these properties are developed as residential then the City would lose the potential to generate tax revenue. However, a Zoning Code designation of Heavy Commercial/Light Manufacturing, Commercial or Industrial could leave some residential properties out of compliance. An application for an Industrial Zoning Code designation of the property at the Exit 48 exchange is anticipated. An option to achieve compliance would be to expand uses within a

Commercial/Industrial zone to allow for some overlapping under appropriate conditions. A Conditional Use Permit may be needed to develop commercial/industrial property in close proximity to developed residential properties. This would protect the surrounding uses.

In response to a question from Mayor Larsen, Keiran specified that language could be used to provide that the Open Space designation could be contained within any of the Zoning Districts which would allow for more flexibility.

In response to a question from Councilmember Reilly, Keiran specified that eminent domain will not be needed. Any potential adverse impacts will be identified early in the process.

Keiran stated that an application has been received to expand the Urban Growth Area (UGA). Staff will report to council after the Site Plan Review Meeting on February 14 regarding the procedure for amending the UGA and request direction. Currently the UGA does not coincide with the utility service area. The applicant's proposed subdivision outside the UGA does not qualify to connect to the regional utility service area. This may be an opportunity to expand the UGA to be consistent with the water and sewer service area. The City could require that the developer not only annex their development, but must petition to annex the entire utility service area into the city limits. This would be a more practical procedure for annexation than to attempt to annex each piece of property separately. Annexation would require the developer to meet City development standards for this area.

In response to a question from Councilmember Reilly, City Engineer Mike Johnson clarified that the 2006 Water System Comprehensive Plan specifies that there are adequate water rights and the Water Treatment Plant upgrade will provide adequate water production capacity for the projected 10 to 20 year growth cycle. The recently upgraded Wastewater Treatment Plant has sufficient capacity for the projected growth.

Public Works Director David Vorse noted that the city owned property and property leased from DNR on the west side of the river, known as the 'High Banks' could be included in the annexation. The Comprehensive Plan, Business and Marketing Plan and Park Plan recommend annexation of this property prior to marketing this area for an RV Resort. This development would bring revenue into the City. Annexing the entire area at one time would be more efficient in regards to staff time and public hearings.

In response to a question from Councilmember Yund, Keiran specified that individual notification to adjoining property owners is not required. The cost could be prohibitive to provide notification for forty to sixty properties. In addition, there was a concern regarding the precedence that would be established

by providing individual notification. The PC felt that posted notices and the newspaper notice would provide sufficient notice for adjoining property owners.

- 4245 Councilmember Yund made a motion, seconded by Queen to adopt the PC recommendation for the Public Participation Process and Notification Procedures. By roll call vote, unanimous Aye.

By consensus of the City Council, the UGA should be expanded to include the entire utility service and annexation required for development.

- 4326 City Engineer Mike Johnson reviewed a proposed amendment to the city's Six-Year Transportation Improvement Plan for 2008-2013. He stated that traditionally the plan includes only arterial street designated structures, however the city has received funding for two projects and the State requires those projects to be included on the plan. The two projects are Riverfront Trail NE extension and sidewalk repair for the 10 block of 'C' Street SW and the 100 block of 'C' Street SW. By consensus, councilmembers agreed to schedule a Public Hearing to amend the city's Six-Year Transportation Improvement Plan for 2008-2013.

Mr. Johnson stated the city will consider the Six-Year Transportation Plan for 2009-2014 in May, for adoption in June.

- 4432 Public Works Director David Vorse distributed a Residential Street Survey packet to each councilmember and explained what criteria to use when rating various aspects of street conditions. The survey assesses ratings for street surface, width, parking, stormwater, vehicle usage, pedestrian usage and safety. He asked that councilmembers return the completed survey to him within the next couple of weeks. Results will be used to determine the scope and priority of upcoming street projects and will be included in the city's Capital Facility Plan. Vorse stated that he would also like to have some citizens complete the survey and asked for council recommendation for names.

- 4648 Vorse requested council direction as to the proposed Cowlitz Street West project. For the past seven years staff has been actively seeking funds for a complete redesign and streetscape upgrade. He stated that business owners and citizens met to outline a proposed design for Cowlitz Street West and the city has received two sources of funding from Cowlitz County. These funds include \$250,000 from Rural Development funds and \$458,000 from ISTEAs/Safety-Lu funds.

Vorse stated that the engineer's estimate for the project, as outlined, is \$2 million dollars. The city has attempted several times to seek funding from the Transportation Improvement Board. However the city's application was denied because the street surface had not deteriorated enough. Vorse stated cracks are now telegraphing through the asphalt and the city has patched various other areas.

Vorse noted there are timelines associated with the use of the funds that the city

has received. For this reason, Vorse stated he has been working with the engineer to research various means to use the secured funds.

Alternatives that he discussed were:

Completion of the stormwater work; estimated cost of \$250,000. However to complete this, most of the engineering and design work would need to be finished to ascertain the location for storm drains. Mike Johnson, City Engineer, stated the installation of bulb outs fundamentally changes the flow of stormwater and collection design would need to be completed. Vorse stated the estimated cost for the preliminary engineering design and the stormwater work would be \$365,000.

Vorse stated the city would not have sufficient funds to complete the finished paving, however he suggested the city could then try to apply for Transportation Improvement Funds (TIB) for the remaining work. The downside is that funding would not be guaranteed and the street surface could not be finished until funds are available. Johnson stated the street would be adversely affected and could continue for up to two years.

Councilmember Marcil suggested staff reevaluate the project to determine what can be done with the available funds. Vorse stated \$1.6 million dollars would be needed just to get a scaled back version for the upgrade.

Tape 2 of 2

Side - A

0003 Vorse stated the project could wait until the city qualifies for TIB funding, however this might cause the loss of the established funds already available to the city. Or the city could complete the storm drain work and take a chance on qualifying for the TIB funds at a later date – which could mean the street would be adversely affected for possibly up to three years. Councilmember Reilly noted that the street will already continue to degrade and he does not want to lose the existing funds. For this reason, Reilly suggested the city complete the storm drain work and taking a chance on obtaining additional funds from TIB. Councilmember Yund voiced concern that this would be a terrific gamble and the TIB funds are not guaranteed. Yund stated the condition of Cowlitz Street is not that bad and he did not feel it would be prudent to worsen the condition of the street, even though it would be in the interest of a good project. Reilly noted that this project was listed as a high community priority by business owners and residents when the Business Feasibility/Marketing Plan was written. Yund added there is a huge difference between planning and living with a street in the commercial district that is in disrepair. He recommended that a meeting be held within the community and business owners to get feedback as to their comments.

Vorse stated he would meet with the Chamber of Commerce this Thursday to update them on this project and to outline the need for a public meeting. Councilmember Reilly volunteered to serve as council representative at the public meeting.

- 0915 Councilmember Yund made a motion, seconded by Queen to approve January expenditures in the amount of \$390,972.94 as described on the Summary of Claims and further described as check numbers 19912 through 19959 for payroll expenses and check numbers 37038 through 37146 for general expenses.

In discussion: Councilmember Yund asked if the city is still paying Fire District #6 for ambulance transport services Covington stated as of January 1, 2008 the city attorney advised Cowlitz Fire District #6 that the city has turned over to the district all interests in outstanding patient accounts. Yund pointed out payment of an invoice to the fire district for ambulance service revenue. Covington stated this was for payments received by the city in December.

By roll call vote, unanimous 'Aye'.

- 1307 Librarian Vicki Selander distributed copies of the book entitled 'Three Cups of Tea' that was referenced in the Mayor's proclamation. The books were funded by the Department of Museum and Library Science of the federal government.
- 1510 Councilmember Marcil asked about the excess levy being proposed by Cowlitz Fire Protection District #6. Covington stated she has not seen the ballot measure, however if it is an excess levy, it will not affect the city's taxing authority. Yund noted that when the city agreed to be annexed into the district, the councilmembers were assured that Fire District #6 Commissioners had a ten-year plan which would not require the need for any tax increases.
- 1728 Mayor Larsen attended the CAP Gala fund raising event.
- 1815 Councilmember Yund made a motion, seconded by Marcil to adopt Ordinance No. 2008-01, an ordinance amending CRMC Chapter 13.12, in part, relating to water and sewer connection charges, on second reading. By roll call vote, unanimous 'Aye'.
- 1856 Councilmember Marcil made a motion, seconded by Reilly to adopt Ordinance No. 2008-02, an ordinance amending the Water and Sewer Fund increasing appropriations in the amount of \$15,500 for fiscal year 2007, on second reading. By roll call vote, unanimous 'Aye'.
- 1929 Vorse reported if the council wants to increase the wattage of the street lights on Shintaffer Street, the city would need to upgrade the fixture. A new fixture would cost \$290 and the increased wattage would be \$2.40/month. Or the city could pay for the fixture on a budget plan, which would be \$2.90/month for the fixture and \$2.40/month for the wattage charge, for a total monthly cost of \$5.30.
- 2150 Councilmember Yund made a motion, seconded by Reilly to install a 200 watt fixture and bulb on the center light pole located on Shintaffer Street.

Discussion: Mrs. Beatrice Uhlenkott, 123 Shintaffer Street NW stated that the private light at the apartment house has been burned out and the area around her house is very dark. She offered to purchase the fixture if the council agrees to installing a new light on the pole near her house and paying for the monthly wattage charge. She stated if she were to purchase the fixture, it would belong to the city. Vorse stated a new fixture, including installation on a new pole would cost \$550.

Vote on the above motion: Councilmembers Queen and Yund voted 'Nay', Councilmembers Marcil and Reilly voted 'Aye'. Motion died.

In answer to Mayor Larsen's question regarding Mrs. Uhlenkott's offer, Vorse stated that the PUD does not install fixtures on public property when it is requested by a private individual. Councilmember Marcil suggested Mrs. Uhlenkott could make a donation to the city for the purchase of the fixture.

2821 Councilmember Marcil made a motion, seconded by Reilly to accept Mrs. Uhlenkott's offer to donate \$550 for purchase of a fixture to be installed near her residence on Shintaffer Street NW. In return, the city will purchase the new fixture, have it installed and pay for the monthly wattage charge. By roll call vote, unanimous 'Aye'.

3122 In answer to Councilmember Queen's question, Vorse provided an update report on the lift truck repair and certification. He hopes to have the vehicle back in service by this week.

3300 Mayor Larsen requested that the department supervisors and Councilmembers Yund and Marcil schedule a meeting this week to review the 2008 General Fund budget. Covington stated that Councilmembers Yund and Marcil have requested a meeting with her regarding this issue. This meeting is set for February 15th at 3:30 p.m.

3328 Meeting adjourned at 9:30 p.m.

Mayor Barbara Larsen

Clerk-Treasurer