

0006 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, Jack Reilly and Mike Mask.

0056 Councilmember Yund made a motion, seconded by Reilly to approve the minutes of the February 11, 2008 Regular Council Meeting.

During discussion: Councilmember Mask clarified that the CAP meeting he was reporting on during the January 28, 2008 Regular Council meeting was a discussion with Steve Mott regarding the proposed CAP 'Field of Dreams' subdivision.

Vote on motion: By roll call vote, Councilmember Mask abstained, the rest Aye, motion passed.

0177 Gene and Kim White, 245 Cummings Street SW, requests consideration to purchase city right-of-way located east of their property. Mrs White stated that the property has been fenced and maintained as part of their yard for the last 25 years. The White's expressed confusion regarding the location of their property line.

City Attorney Tom O'Neill pointed out that a survey would verify property boundaries. However, the adjoining property owners can agree on usage and maintenance without a survey. O'Neill stated that he would review documents related to this property.

Public Works Director David Vorse clarified that this property was surveyed for the Wastewater Treatment Plant upgrade. That survey indicated that a portion of the White's shed is located on the city owned lot. Due to the location of the shed, the city did not place a fence on the property line.

Councilmember Yund specified that questions pertaining to the property line need to be rectified before property acquisition can be considered. Councilmember Queen suggested that the property line should have been marked as part of that survey.

0823 Bill and Tracy Gould, 385 Front Avenue NW, requests consideration to purchase a portion of city right-of-way located east of their property. There is approximately ten feet difference in the width of the Front Avenue NW right-of-way adjoining their property. Mr. and Mrs. Gould would like to erect a fence parallel to Front Avenue instead of a diagonal one along the property line. Gould would agree to remove this fence if the City determines that, in the future, this right-of-way property is needed. The water meter is located on the property line and would need to be moved or a gate installed for access.

In response to a question from Councilmember Mask, Vorse clarified that by ordinance private fences are not allowed on city right-of-way. The right-of-way in this area is straight, however Front Avenue NW creates a curved effect. Anything located on the right-of-way belongs to the city. A vacation of this property could be considered after consulting with the city engineer regarding future needs. Vorse noted that at some point Front Avenue NW will need to be realigned due to visibility issues.

In response to a question from Councilmember Mask, Mrs. Gould stated that if the fence was placed straight with the excess property located on the right-of-way side, it would effectively cut the yard in two and would be against one of their trees.

Councilmember Mask would like to table this request until the first meeting in April to allow the city engineer the opportunity to review this issue and allow the city attorney to review survey documents that will be provided by the Gould's.

- 1383 Astrid Turner, 419 Spirit Lake Highway, addressed the issue with the newly adopted utility rates and reported that she pays 1 ½ times the city rate for water as she lives outside city limits. Councilmember Yund pointed out that her water bill would have been higher under the old rate structure with a 15% increase as originally recommended by staff. Councilmember Yund clarified how the base rate was calculated in relation to actual system costs.

Brenda Prado, 235 Cowlitz Street East, reports that the amount of her sewer bill doubled. Councilmember Yund explained that historically water income has supplemented sewer revenues. The new rate structure increased sewer rates to provide for the sewer needs without being subsidized from water revenues. Each fund is now self supporting. Sewer income is used to pay for the \$6.6 million Wastewater Treatment Plant Rehabilitation that was completed last year with 40 year loans.

In response to a question from Ms. Prado, Public Works Director David Vorse detailed the customer base for the Regional Sewer System. The Regional System consists of approximately 800 users made up of approximately 750 city customers and approximately 50 county customers from the High School and Green Acres area. The costs for the regional system are split according to use; 94% for the city and 6% for the county.

In response to a question from Ms. Prado, Clerk-Treasurer Ryana Covington specified that the city council will be developing guidelines for emergency low income assistance. These funds will be monitored by a committee. Presently sources of assistance for utility bills include churches and the FISH program and CAP.

In response to a question from Mrs. White, Councilmember Mask answered that sewer usage is based upon the usage from the water meters.

Mrs. White complained about the water quality. Vorse explained the process for investigating water quality complaints. Mrs. Gould stated that they invested approximately \$8,000 to connect to the water and sewer systems and are happy with the quality of these utilities.

Doug Eiche, Eiche's Laundry, stated that the overall rate increase at his business was over 15%. Councilmember Yund noted that Mr. Eiche's usage at his business was higher than normal for the month of January. Councilmember Reilly explained that higher users saw a greater percentage increase as the new rate structure is based upon usage. Councilmember Yund summarized that the old rate structure put a burden on lower users to subsidize the higher users. The new rate structure eliminated this subsidy by charging each user the same cost per amount used.

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Side B

Joe Cashman, 460 Kirby Avenue NE, voiced concern that the sewer consumption is based upon water consumption. His usage increases 30% to 40% in the summer months due to outdoor watering. He would like a summer rate that would provide for outdoor usage without increasing sewer costs. Councilmember Yund specified that the current rate structure is just meeting expenses which were calculated on the average annual usage. If a summer rate is initiated then overall costs would need to be increased to again meet expenses.

2944 Councilmember Mask made a motion, seconded by Queen to return to the previous utility rate structure with a 15% increase and include a summer sewer sprinkling rate.

During discussion: Councilmember Marcil noted that research would be needed before initiating a new rate structure. Councilmember Yund expanded that you cannot lose sight of the state mandates that will be imposed and the mandated upgrades to the treatment facilities. The water and sewer funds must support the service. Fines will be incurred if the mandates are not met. In addition, a rate structure that has a fixed income person that uses a small amount of water subsidizing those that use more water is not equitable. If the base rate was increased then the usage rate (per 100 cubic feet) could be reduced, but again this places an unfair burden on low users.

Councilmember Mask felt that residents cannot continue to pay the current rate. He felt that Council and staff should work to promote growth in Castle Rock and increasing the user base will decrease costs for each user. Councilmember Reilly noted that he is reviewing the Comprehensive Plan and the Business and Marketing Feasibility Plan to incorporate recommendations that will encourage

business and industry to view Castle Rock as a favorable location. Covington specified that the Planning Commission has been working on the Comprehensive Plan and Zoning Code which establishes the basics for growth. Councilmember Marcil added that the city was unable to expand before the Wastewater Treatment Plant upgrade and completion of this project now allows for growth potential. Councilmember Reilly stated that the infrastructure must first be in place before the community can grow.

Lee Kessler, 402 Clearwood Court SE, believes that a reasonable step would be to enlarge the base rate as before and add a 15% increase for all users. Any increase should be gradual after notification and not imposed all at once. The base rate should encompass the bulk of the cost as everyone is using the material and treatment plants. He feels that conservation should be based on per capita. Low users must share in the overhead costs. Councilmember Yund clarified that the base cost does cover the overhead expenses and the usage cost covers the actual cost to treat and produce the amount used.

In response to a question from Mr. Kessler, Councilmember Yund stated that unaccountable water was not included in the base rate calculations. In the future, fines will be imposed if the unaccountable water is over a certain percentage. The city has a leak detection program to control water loss.

In response to a question from James Tarragano, 133 C Street SE, Vorse expanded that as members of the Regional System, the City and Cowlitz County each pay a charge per cubic feet for the water treated. This determines the usage cost per cubic feet to make that amount of water. The maintenance and infrastructure costs are covered with the base rate.

James Vaness, 538 Merrill Avenue NE, believes that the city should have made public a breakdown of the expenses this utility increase will reconcile. He stated that most residents can no longer afford a garden or green lawn in the summer. Mr. Vaness feels that the Wastewater Treatment Plant will require another upgrade within twenty years, however residents will be paying for the recent upgrade for forty years. Residents have no alternative but to pay these expenses.

Ms. Prado would like the city to appeal to the state for assistance with these utility expenses. Mr. Eiche stated that his utility bill is equal to twelve days of his business's gross income.

Vote on motion: By roll call vote, Councilmembers Yund, Marcil and Reilly voted Nay, Councilmembers Queen and Mask voted Aye, motion failed.

- 4708 Police Chief Bob Heuer reports that the Educational Service District 112 was awarded a \$9,000 annual Safe Schools/Healthy Students grant. This is a three year grant. After consulting with the Cowlitz County Chief's Association it was determined that the greatest need is for a School Resource Officer for the Toutle

Lake School District. This rural school has the longest response time within the county.

In response to a question from Councilmember Yund, Heuer stated that the grant could help with overtime funding for officers to do additional work with the local schools. Another option could be funding for a part time officer, dependant upon approval from the union.

In response to a question from Councilmember Mask, Heuer indicated that this grant will only fund additional services that are outlined in the agreement.

Tape 2 of 2

Side A

City Attorney Tom O'Neill cautioned that the agreement includes a provision that if the city cancels this contract less than 30 days prior to the date of service then the city may be charged for any losses incurred by the ESD due to the cancellation.

In response to a question from Councilmember Mask, Heuer clarified that reporting costs is part of the grant requirements.

0328 Councilmember Yund made a motion, seconded by Marcil to enter into an agreement with the Educational Service District 112 for the Safe Schools/Healthy Students grant. By roll call vote, unanimous Aye.

0390 Chief Heuer reports that the Department of Corrections partnered with local law enforcement agencies to crackdown on sex offenders. The Castle Rock Police Department participated heavily in this project. Numerous arrests were made throughout the county as a result.

In response to a question from Councilmember Mask, Heuer reports that the Task Force was working in Castle Rock last Friday.

0573 Public Works Director David Vorse submitted a list for review and requested that those items be declared surplus since they are no longer needed by the Public Works Department.

In response to a question from Mayor Larsen, Covington noted that Vorse asked Heuer and Covington if they wished to also submit any items as surplus.

0634 Councilmember Yund made a motion, seconded by Mask to approve Resolution 2008-02 providing for the disposal of certain inventory items deemed to be surplus to the reasonably foreseeable needs of the city, on first reading. By roll call vote, unanimous Aye.

- In response to a question from Councilmember Queen, Vorse clarified that a minimum bid price will be set for each item. Those items receiving bids less than the minimum amount would not be sold without council approval.
- 0710 Vorse reports that replacement of the water main in the 100 block of First Avenue SW is scheduled to begin on Saturday March 1st. The business owners in this area would prefer that the most disruptive portion of this work be scheduled for Saturday and Sunday to minimize the impact to these businesses. This work will be completed over a two week period.
- 0806 Councilmember Mask requests that Vorse contact Donna Quaife and Teresa Vaughn regarding Public Works issues that should be addressed.
- 0854 Clerk-Treasurer Ryana Covington distributed the January Budget Fund Report. She pointed out that General Fund disbursements exceeded revenues in January which is normal for the beginning of the year.
- 0897 Covington summarized work on the Ordinance Recodification Project which began last year. This project will re-codify the Castle Rock Municipal Code to make it available online as well as reformat the existing text. Covington stated council should anticipate some code amendments in the upcoming months which will be to eliminate some of the existing inconsistencies noted by the codifier. It is anticipated that this project will be completed by the end of this summer.
- 0956 Covington stated that a 35% grant and an additional 65% loan is available through the Rural Development Administration (RDA) for infrastructure improvements. She requests approval to apply to this source for \$4,000 to upgrade the current DOS based utility billing system and \$10,000 to roof City Hall. The loan is a 10 year loan at 4.3% interest rate. By consensus, councilmembers directed Covington to apply for this funding.
- 1123 Librarian Vicki Selander reports that the library roof has developed a leak. Vorse stated next week a contractor will provide an estimate for the repair.
- 1154 In response to a question from Mayor Larsen, Selander stated that the volunteer that sets up displays in the library window is gone for the winter. James Tarragano suggested that the Castle Rock Christian Church Pioneer Club would probably volunteer to set up the displays.
- 1233 Report of Meetings
Councilmembers Yund and Marcil attended Budget Workshop meetings. Councilmember Yund has also attended a Utility Rate Review Meeting.

Tomorrow Councilmember Mask will attend a Mandatory Garbage Committee Meeting.

- 1292 Covington presented a request from the Chamber of Commerce for a \$500 sponsorship and liability insurance coverage of the Annual Spring Cleanup Day. The \$500 sponsorship is to fund flyers advertising the event. This event is held on the county's free dump weekend, with the city's event on April 19th.
- 1319 Councilmember Marcil made a motion, seconded by Reilly to sponsor the Annual Spring Cleanup Day.
- During discussion: In response to a question from Councilmember Mask, Covington reports that \$500 is budgeted from the General Fund for this event. Tourism funds cannot be used to fund this event as it is a benefit to residents.
- Vote on motion: By roll call vote, unanimous Aye.
- 1360 Councilmember Mask will work to schedule a Retreat Meeting to establish city goals and priorities. He will report back on the date, time and proposed location.
- 1448 Betty Cox, 342 C Street SW, reports that the alley easement to access her backyard has been blocked by a fence that a neighbor installed. This fence was installed while she was gone for the winter and blocks a total of three residences. Mrs. Cox presented documentation of that easement. City Attorney Tom O'Neill and Public Works Director David Vorse will investigate the issue.
- 1644 Covington announced that notices have been distributed announcing the Town Hall Meeting to be held on March 4, 2008. Purpose of this meeting is to review options for the Cowlitz Street West Revitalization Project.
- 1730 Vorse reports that some water meters broke during the freezing weather in January. In instances of equipment failure the customer should not be responsible for any usage above the normal usage. The high meter read at 1453 Mt. St. Helens Way NE is due to equipment malfunction and should be adjusted accordingly.
- 1800 Councilmember Yund made a motion, seconded by Queen to approve a utility adjustment at 1453 Mt. St. Helens Way NE in the amount of \$109.89 due to city equipment failure. By roll call vote, unanimous Aye.
- 1820 Councilmember Mask requests that the city consider grading and repair of the access road to the 'High Banks' property using the DOT Spoils Fund. Vorse will provide a summary of projects budgeted from this fund and present this information at the next Regular Council Meeting.
- 1907 Mayor Larsen adjourned regular session at 9:35 p.m. for a 10 minute executive session to discuss personnel issues with no action anticipated.

Regular City Council Meeting

February 25, 2008

1928 Mayor Larsen resumed regular session at 9:55 p.m. There being no further business the meeting was adjourned.

Mayor Barbara Larsen

Clerk-Treasurer