

**CALL TO ORDER**

Mayor Paul Helenberg called the September 8, 2014 regular meeting of the Castle Rock City Council to order at 7:30 p.m., followed by the Pledge of Allegiance. The following councilmembers were present: Ray Teter, Lee Kessler, Earl Queen, Mike Davis and Ellen Rose.

**BUSINESS FROM THE FLOOR**

Mr. Gene Frymire, resident on Growlers Gulch Road, commended Public Works Director Dave Vorse for his work on the WRIA 25/26 project. This project establishes water allocations within the State. He noted because of the work that Vorse did, along with the county commissioners; there should be adequate allocations to support current and future needs of our county.

Mr. Frymire also commented on the Exhibit Hall building. It is his opinion the building should be sold as commercial property.

**DEPARTMENT REPORTS**

City Attorney Frank Randolph – reported he has researched the proposed transfer of the police vehicle donated to the city from the City of Vader. He stated the police department had a letter signed by Vader's mayor outlining the donation. Randolph also researched to ascertain if Vader had initially purchased this vehicle using federal grant funds; and found this was not the case. Randolph recommended Mayor Helenberg acknowledge the donation by sending a letter to the City of Vader. It is his determination that the transfer was appropriately completed.

Police Chief Bob Heuer – with the start of the school year, officers are focusing efforts on school zone enforcement and meeting students and new school administrative staff.

Mike Johnson, City Engineer – advised that next week work will begin on the City-Wide Residential Street overlay project.

Clerk-Treasurer Ryana Covington –

1. Reported budget calendars for preparation of the 2015 budgets have been distributed to all department supervisors and city elected officials. Department supervisors were also provided with forms to complete their 2015 budget estimates. Supervisors need to submit their 2015 revenue and expenditure estimates to the finance office by September 22<sup>nd</sup>. Covington also stated she has requested each supervisor provide an estimate to her of expenses that are anticipated to be made for the remainder of this year. This information is required to allow for estimation of each fund's ending balance.
2. Reviewed the August Cash and Investment Activity Report. Covington noted that listed

fund balances are preliminary and include expenditure totals that council will be approving later tonight.

3. Councilmembers also received a report showing each fund and comparing the year to date expenditures with the 2014 appropriated budget. Several funds have exceeded their budgeted expenditure appropriation and will require amendments to their operating budgets. These funds include Street Fund, Criminal Justice Fund, Local Criminal Justice Fund, Street Construction Capital Fund, Municipal Water Capital Improvement Fund, Municipal Sewer Capital Improvement Fund, Transportation Improvement Benefit District Fund, Executive Department and Park Department.

#### Council and Ad Hoc Committee Reports

1. Mayor Helenberg encouraged department supervisors to submit their budgets by the due date. At the next regular council meeting, Helenberg stated he would like to schedule a budget workshop meeting on an upcoming Saturday to discuss the budget proposals.
2. Mayor Helenberg stated staff will be meeting on September 10<sup>th</sup> with Dena Horton, SW Washington Outreach Director for U.S. Senator Maria Cantwell. The mayor cautioned that if over three councilmembers attend, the city clerk will need to notify the public of this meeting.
3. The mayor announced that the Transportation Benefit District board will meet September 22<sup>nd</sup> at 6:30 p.m.
4. Councilmember Kessler stated he is still working on cost assessments for a new computer server system.
5. Nancy Chennault, city Economic Development Council (CEDC) representative;
  - reported the CEDC meeting for August was cancelled and the September meeting will be later this week
  - Castle Rock Community Development Alliance is moving forward with the Task Force assigned to evaluation options for the use of the Exhibit Hall building located on Front Avenue NW. Two Task Force meetings have been held and were attended by 17 to 25 people. Many other comments have been submitted from the public. The top four suggestions include selling the building, community center, business incubation center, and public market area. Task Force members will evaluate each of those suggestions and provide a summary for council consideration; with councilmembers having the final decision.
  - Castle Rock Bloom Team volunteers planted approximately 1600 pansies for the city's fall and winter displays.
  - announced that five community representatives will be attending the National America In Bloom symposium in Philadelphia, PA. Representatives will attend various meetings to gather information and new ideas on improving economic development opportunities through this program. The majority of the travel expenses were paid from local donations.

## CONSENT AGENDA

1. Councilmember Queen stated a clarification needs to be noted from the August 25, 2014 regular council meeting. Queen stated the work that Mr. Stennick completed for the City of Vader was on his own time. As such, the time invested by Mr. Stennick for the City of Vader did not have any bearing on Vader's donation of the police vehicle to the City of Castle Rock.

Councilmember Queen made a motion, seconded by Kessler to approve the minutes to the August 25, 2014 city council meeting, including the above clarification. By roll call vote, unanimous 'Aye'.

2. Councilmember Rose stated she reviewed invoices for the month of August. Councilmember Teter made a motion, seconded by Queen to approve the August expenses in the amount of \$435,430.02 and further described as check numbers 45188 through 45267 for general expenditures and check numbers 24201 through 24229 for payroll expenses, and adjustment numbers 358-8/14, EFT Payroll 8/15/14 and 8/29/14 and NACHA Batch#1678843 and 1677586. By roll call vote, unanimous 'Aye'.

## PRESENTATION

1. Mayor Helenberg presented a plaque to Public Works Director Dave Vorse that was awarded by Washington State Department of Ecology for Outstanding Performance in 2013 for the wastewater treatment plant operation. This is the fourth year in a row that the city has received this award. Vorse credited his staff that works at the plant for their good performance. Councilmember Kessler commented on the good water and sewer services provided to Castle Rock residents, adding that some adjacent communities do not have the same quality provided to their customers.

## NEW BUSINESS

1. City Engineer Mike Johnson, described problems that began last year with leakage of the Water Treatment Plant filters. An attempt was made to caulk the tank; however these efforts have failed. He presented six potential alternatives for repairing the filter tanks:
  - a. Seal the base; estimated cost of \$3,500
  - b. Do a flume coating; estimated cost of \$7,500
  - c. Steel flume plate; estimated cost of \$86,000
  - d. Epoxy coating; estimated cost of \$105,000
  - e. Flexible coating; estimated cost of \$121,000
  - f. Apply rigid polyurethane coating; estimated cost of \$101,000

Johnson added that complete filter replacement would cost approximately \$498,000. He recommended the city choose an option that provides some longevity to the repair. Of all the options presented, he recommends the city consider recoating the entire tank

with a rigid polyurethane coating. In answer to Councilmember Kessler's question, Johnson stated he does not know the exact life expectancy of this process; however he would expect longevity to be within a ten to thirty year range. Johnson suggested the city apply for a Drinking Water State Revolving Fund (DWSRF) loan; which is a term of 20 year, and an interest rate of 1.5%.

Vorse added with the filter leakage and summer heat, the plant is down 50% of what it is capable of producing. There is not redundancy to the system and this puts stress on other set of filters. They are currently running 20 – 24 hours per day. Short term options that have been tried have not been successful. He noted this is the oldest tank in the building (built in the 1970's). The tank is beginning to rust and there is limited access to repair. The rigid polyurethane coating will form a type of cast within the tank and it would not be an issue if the tank continues to rust. Mayor Helenberg spoke in favor of using the polyurethane; noting that when this wears out, it will be time to rebuild the entire plant. In answer to Councilmember Kessler's question, Johnson stated Option E is a flexible coating that would not provide the rigid integrity of Option F. Johnson added that the polyurethane has been used in many other applications; just not in this type of application.

Vorse stated that when the Water Treatment Plant was upgraded, there was a prior issue of condensation, which has since been addressed. However the condensation issue was the key factor in promoting the rusting of the tank. Vorse stated when he met with the representative for the rigid polyurethane coating; they estimated a longevity of 20+ years. However this would depend on the thickness of the coating.

Vorse stated if councilmembers are considering approval for a DWSRF loan application; there are two other issues identified in the Water System Plan that could be considered for this funding:

- Raw water intake cleaning system; cost of \$120,000
- Radio telemetry upgrade; cost of \$30,000

Vorse noted that every year algae from the upper Cowlitz River is a problem and the city has been using the Cowlitz County Dive Team to remove the algae from the intake screen. The divers have been doing this as a practice dive and Vorse does not know if this will always be an option for the city.

Vorse stated several systems at the plant rely on telemetry communication lines. There have been issues when the system has been down; causing overtime issues for personnel to manually adjust the system. This can be corrected by obtaining an FCC licensing to eliminate interference on the line. Helenberg stated the lines for the raw water intake are old and need to be replaced. This will provide better communication and efficiency for this system.

Johnson stated the DWSRF loan applications are due by September 30<sup>th</sup>. He provided a summary of potential monthly rate impacts to customers for each option.

Councilmembers also were provided with a copy of the revenue obligations owned as of December 31, 2013. These obligations are a liability on the utility systems, payable from customer user rates. Total revenue obligations are \$6,270,360. Covington stated the city also has a loan application submitted to USDA Rural Development to fund replacement of service lines. The loan is requesting \$214,830 for water and \$89,100 for sewer line upgrades. She noted if the council approves submitting a DWSRF application for the rigid polyurethane coating only, and also is approved for the USDA loan; customer rate impacts would be a 3% increase for water rates and a 1.3% increase for sewer rates. If council also includes the telemetry upgrades and intake cleaning system in the loan application; water rates would need to increase 3.7% and 1.3% increase in sewer rates.

Covington noted that average customer uses 500 cubic feet of water each month. Depending on the projects included in the DWSRF loan application, the average customer (using 500 cubic feet of water) would see a month rate increase of \$2.44 to \$2.85. These increases are only attributable to the two loan applications and do not take into account any possible rate increases for operations/maintenance costs in the next 2015 fiscal year.

Mayor Helenberg noted these increases are a lot of money for several people in this community; however it does cost money to have quality services for the community. He noted the city is fortunate to have the wells as a backup water source. Councilmember Kessler asked if there are other issues on the horizon. Vorse stated the city should be cleaning and inspecting the reservoirs every five years. In addition the State just made several changes to the NPDES permits that will require additional reporting and possibly will require the city to expand the existing pond. Covington added that the issue with booster stations for Carpenter Road customers also is an issue at some point will need to be addressed.

Councilmember Kessler voiced support for the polyurethane coating and telemetry projects; however questioned the need to include the raw water intake cleaning system. Vorse stated he would investigate options for availability and cost to hire dive teams to do this work. He will report his findings at the next council meeting. However, Vorse stated at the next meeting, council will need to define the projects to be included in the loan application. This will only give the engineer one-week to complete and submit the application.

2. Councilmembers reviewed the 2014 Chemical bid results as follows:

Bidder	Aluminum Sulfate 4,000 Gallons	12.5% Sodium Hypochlorite 400 Gallons	Sodium Fluoride 2,000 lbs	Chlorine 3,000 lbs	Signed	References
Northstar Chemical, Inc Sherwood, OR	\$1.28/gal \$5,120	No bid	No bid	No bid	Yes	Yes
Wesmar Co. Inc Lynnwood, WA	No bid	\$7.05/gal (\$2,820 total)	No bid	No bid	Yes	Yes
Cascade Columbia Distribution Co. Sherwood, OR	\$1.319/gal \$5,276	\$6.12/gal (\$2,448 total) (5 gal pails at \$30.60/pail)	\$.779/lb (\$1,558 total)	No bid	Yes	Refers to previous years
Chemtrade Chemicals US LLC Parsippany, NJ	\$1.4985/gal \$5,994	No bid	No bid	No bid	Yes	Yes
JCI Jones Chemicals Tacoma, WA	No bid	No bid	No bid	\$2.00/lb \$6,000 Plus \$100 container deposit	Yes	Yes
Univar USA Inc Kent, WA	No bid	No bid	\$.995/lb (\$1,990 total)	No bid	Yes	Yes

Vorse also provided councilmembers with bid results from last year; and noted that in most cases, charges have remained stable. Vorse stated 2014 low bidders include the following:

Aluminum Sulfate; 4,000 Gallons – Northstar Chemical

12.5% Sodium Hypochlorite; 400 Gallons – Cascade Columbia Distribution Company

Sodium Fluoride; 2,000 lbs - Cascade Columbia Distribution Company

Chlorine; 3,000 lbs – JCI Chemicals

Councilmember Teter made a motion, seconded by Kessler to accept the low bids as outlined by Vorse. By roll call vote, unanimous Aye.

- Councilmember Teter made a motion, seconded by Kessler to approve renewal of the National Flood Insurance policy for the City Hall building, under current coverage levels, premium price of \$2,255. By roll call vote, unanimous 'Aye'.
- Patti McVay asked why the Water Treatment Plant equipment is corroding and asked if the plant has received regular maintenance. Vorse stated the leak was created by condensation issues, which has since been resolved. Staff and the city engineer have been monitoring the issue. Funding through the DWSRF loan program is the best loan option for water systems.

#### ADJOURNMENT

There being no further business, Mayor Paul Helenberg adjourned the regular meeting at 8:22 p.m.

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Mayor Paul Helenberg

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Clerk-Treasurer Ryana Covington