

CALL TO ORDER

Mayor Paul Helenberg called the December 10, 2012 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, Glenn Pingree, Earl Queen, Mike Davis and Ellen Rose.

BUSINESS FROM THE FLOOR

North County Recreation Association President Joe Godinho requests a utility adjustment due to a high meter reading at the North County Recreation Association (NCRA) Sports Complex for the month of September. Mr. Godinho distributed a spreadsheet of NCRA usage and corresponding events over the last two years. He noted that usual high usage months for the facility are May thru July. The month of September is soccer season and although the restrooms are open, they are quite a distance from the soccer fields. For this reason, portable toilets are provided for those participants. Mr. Godinho stated when he asked the city about the high read, they investigated and told him that the meter reading for the month of August was an error. Public Works Director Dave Vorse advised that the cumulative usage from July 26th to September 26, 2012 was 5400 cubic feet; which averages to 2700 per month. This was comparable to the usage for the same period last year which was 700 cubic feet August 2011 and 1900 cubic feet in September 2011. Vorse stated there is no explanation for this high usage.

Public Works Director David Vorse distributed a photo of the water meter that serves the NCRA Sports Complex. There are two components to the radio read meters:

1. The standard mechanical meter with an odometer that records the amount of water flowing through the meter. Water meters are very reliable, when they fail they read low or stop; and
2. The radio unit which is visible hanging on the wall of the meter box. This electronic component transmits the read and stores data. This device must be programmed to match the read on the meter and then activated to send and store data received from the meter. This device cannot alter the read on the meter.

The radio sending unit on this meter failed and was replaced. When the replacement unit was programmed to match the read on the meter, it was not activated. This was the reason for the erroneous low usage in August. Because the meter did not fail, public works feels confident that 5400 cubic feet of water flowed through the meter from July 26th to September 26th. Unfortunately, because the radio unit was not functioning, the city does not have the capability of providing any daily usage history during that month. In response to a question from Mayor Helenberg, Meter Reader Barbara Roller explained that on August 27th the radio read was 89. When rechecked on September 26th the radio read

was still reflected a reading of 89. At that time she did a visual read on the meter, which reflected a reading of 140. After this was done, she programmed the radio unit to match the meter read and activated it. Now the radio unit appears to be functioning correctly. Roller referred to a form where she had been documenting the visual read on the meter during the replacement of the radio unit. This form documented a visual read of 93 on August 7th three weeks before the August 27th radio read of 89. This indicates to her that the August radio read was inaccurate. She noted that usage at the NCRA Sports Complex has significantly decreased following the high read in September.

Dave Vorse noted that the meter itself never malfunctioned. In response to a comment from Mr. Godinho, Vorse stated the city's ability to demonstrate when and the amount of water used is a new function available through data derived from the radio read units. On most existing meters throughout our system there is no data log to show the date and amount of water through the meter. Only the usage between reads can be documented.

Mr. Godinho stated he does not understand where the water went. The usage of 5400 over two months is higher than August and September of 2011 combined. There were no incidents or events that could account for the high usage. In addition, there are no handles on outside faucets at the NCRA Sports Complex.

In response to a question from Councilmember Davis, Vorse affirmed that the meter reading cannot be higher than the amount of water that flowed thru the meter; when meters fail they read low. It was the radio unit that malfunctioned; not the meter.

In response to a question from Police Chief Bob Heuer, Mr. Godinho clarified that the restroom is locked at night. Even though he cannot verify that the restrooms were locked every night, the restroom faucets are motion activated and only run for a few seconds before automatically shutting off. In response to a question from Covington, Roller explained that you cannot change or alter the numbers on the meter.

Councilmembers reviewed Castle Rock Municipal Code 13.06.130 Basis for Adjustment. Mayor Helenberg stated that there was not a leak or there would still be high meter readings for subsequent months. Councilmember Teter noted that it is unfortunate that the radio unit was not operating during the period of high usage. Vorse agreed and noted that numerous adjustment requests have been resolved, especially for customers with radio read units.

In response to a question from Councilmember Teter, City Attorney Frank Randolph clarified that when there is an uncertain cause for a high usage, the customer is responsible. Although council may approve an adjustment for nonprofit organizations due to special circumstances, the customer first must meet the criteria to qualify for an adjustment, either by providing evidence of a leak, a theft or the malfunction of city

equipment. Even though the radio unit failed, there is no evidence of malfunction of the meter.

Councilmember Queen noted that although councilmembers would like to have the ability to make an adjustment, this instance does not qualify. Mr. Godinho thanked council for hearing this request.

PUBLIC HEARING

Mayor Helenberg closed regular session at 8:02 p.m. and opened the public hearing to take testimony on the proposed budget for fiscal year ending December 31, 2013, including a proposed 1.5% stormwater rate increase and a \$5 per month increase to the sewer utility base rate.

In response to a question from Castle Rock resident Lee Kessler, Vorse clarified that primarily volunteer labor was used to water the flowers last summer. One employee along with volunteer Chris Erdelbrock watered the baskets using the city vehicle equipped with a water tank. Although all six employees had a turn, typically it was the one employee paid from the Street Fund that was assigned that duty. An employee was necessary because only city employees can use city vehicles for any purpose. At times the on-call employee watered on the weekend due to the record breaking dry season that we had.

Mr. Kessler suggested the city consider scheduling changes to avoid overtime expenses. Vorse clarified that next year different baskets may be used that require less water. A lot of knowledge was gained during this first year of participation in the America In Bloom program. Vorse noted that each department has an overtime budget which does not require council approval to use.

In response to a question from Councilmember Davis, Vorse clarified that the increase in the street fund transfer is a carryover of the unused balance from previous years. That is the only revenue taken from the General Fund for street repairs. Councilmember Davis stated that if the transfer from the General Fund is used for an employee's salary then nothing remains to purchase material for street work. Covington specified that in addition to the General Fund Transfer the revenue sources for the proposed Street Fund budget consists of a beginning fund balance of \$2,473; plus motor vehicle tax of \$34,451; a REET fund transfer of \$6,976 and the Safe Routes to School project grant. Vorse pointed out that an annual expenditure of \$18,000 is expended from the Street Fund to pay for street lights. Approximately \$20,000 remains for street maintenance with any unused portion carried over to the next year's budget.

There being no further discussion, Mayor Helenberg closed the public hearing at 8:15 p.m. and resumed regular session.

DEPARTMENT REPORTS

City Attorney Frank Randolph

Randolph reports that he has received two requests regarding marijuana issues, with the answer being no to both:

1. A dispensary cannot be opened until the Liquor Control Board establishes a legal system for the transfer of marijuana and
2. Front Avenue is not a permitted area to open a collective garden.

Randolph summarized Washington State law regarding marijuana:

- It is legal for a citizen over 21 to possess an ounce or less of marijuana.
- Public use of marijuana in the presence of a police officer is a civil infraction.
- There is still zero tolerance for anyone under 21.
- Provisions are in place to measure THC levels in the blood to establish a presumption of driving while impaired. Advocates have expressed concern, as marijuana can be detected for several weeks following use.

In response to a question from Mayor Helenberg, Police Chief Bob Heuer clarified that city officers are commissioned to enforce Washington State Law and do not have a federal commission. Only federal officers can enforce federal law.

Police Chief Bob Heuer

Police Officer Charlie Worley reports this Saturday, December 15th is the annual Shop with a Cop event. The Castle Rock Police Department began this event approximately a decade ago and it has grown exponentially. Law enforcement agencies throughout the Cowlitz County are holding similar events.

Next Saturday, officers will take approximately a dozen youths from Castle Rock and Toutle shopping. This year over \$2300 has been donated for the event. Each youth will receive a \$125 gift card and be teamed with an officer for a Wal-Mart shopping spree. After shopping they will be taken to the training facility south of the Hall of Justice to wrap presents while enjoying Papa Pete's Pizza. Another gift card will be given for \$100 to purchase items from Cascade Select Market. Officer Worley extended an invitation for councilmembers to join them this Saturday. Mayor Helenberg thanked officers for putting on this event.

Public Works Director David Vorse

Reported that close to 600 people attended the Festival of Lights held last Saturday. This is double the attendance from 2011. Vorse thanked the Festival of Lights Committee for numerous hours of work stringing lights. This is a quality of life event which generates retail sales and use funds in our community.

Vorse reports that last Monday, December 3rd, Carpenter and Powell Road residents were invited to a meeting to discuss Carpenter Road Booster Pump Station options. Attendees reviewed the State's offer to award the city a \$578,000 Drinking Water State Revolving Fund (DWSRF) loan to construct this pump station. This would be a 20 year loan, at 1% interest; for an annual debt of \$32,300. The citywide benefit would be an increase in pressure which would reduce the potential for backflow contamination.

City Engineer Mike Johnson stated the low pressure zone near the Bond Reservoir has been a concern for quite a few years as the Department of Health (DOH) requires a water purveyor to maintain 30 psi throughout the distribution system. To accommodate areas of low pressure, DOH allows residents to install individual booster pumps for an interim period of time. This is not an uncommon issue for connections near a storage reservoir which are usually located at the high point within the distribution system. DOH encourages purveyors to resolve the areas of low pressure with a booster station that can support all customers within the area. Acceptance of the DWSRF loan would require a utility rate increase.

Project costs could be reduced somewhat by:

1. The project could be scaled back to just meet the needs of current customers using existing mains, however this option would limit development in the area;
2. Using city labor to install the water main and/or
3. Using city labor to construct the building.

In response to a question from Councilmember Rose, Vorse specified that all property owners in the area were invited to the meeting to ascertain the potential for development that could help share the expense.

Vorse added that another funding option could be a Cowlitz County Rural Public Facility Funds Grant Application in the amount of \$275,000. To be eligible for those funds, the project must be used to finance public facilities for economic development purposes. This typically is limited to projects used to generate economic growth. Cowlitz County is accepting applications until January 7, 2013 with results available this spring. The DWSRF offer deadline is January 4th. Vorse can try to get an extension in the hope of obtaining rural development funding. In response to a question from Councilmember Pingree, Vorse specified that the loan could be reduced by the amount of grant funds received.

Vorse clarified that the estimated project cost of \$578,000 is with the assumption that the water main could be located in the most direct path to Powell Road which is through private property. The city has no confirmation that the property owner would support this development. Significant expense would be added if the main were limited to existing right-of-way.

In response to a question from Councilmember Pingree, Vorse specified that there are seven customers in this low pressure area; three on Powell and four on Carpenter Road. Johnson indicated that the annual loan debt of \$32,000 would require a citywide rate increase of \$2 to \$3/month per customer.

In response to a question from Councilmember Teter, Johnson calculates that a 'bare bones' project to improve pressure to existing customers would cost between \$200,000 to \$250,000. This could create a hardship for single home development. Councilmember Pingree stated he can't foresee a lot of development going in on Powell Road.

Mayor Helenberg stated that it would be difficult to justify a rate increase to fund an improvement for the benefit of a handful of customers outside of city limits. In addition, it may not be possible to obtain a rural economic development grant for this project. This issue should have been addressed when these customers were allowed to connect to the water system. This is a huge expense for city residents. It could be a different proposal if this area were annexed into the city, but that would require parcels to be contiguous with city limits. He noted that residents are already upset with utility rates. He added that this cannot cost the ratepayers of the City of Castle Rock any additional money. He felt that the city could require backflow prevention devices to eliminate the potential for backflow.

In response to a question from Councilmember Teter, Vorse noted that when these customers were accepted onto the system they signed a no protest to annexation agreement.

Mike Clancey, 130 Carpenter Road, moved into his home in August 2009 and he just learned of this issue. Clancy stated a \$4,000 annual expense for this pump station is unrealistic for home owners. Residents would prefer to continue maintaining their individual booster pumps.

Councilmember Teter stated it does not make sense to build a booster station to support growth, if the growth potential does not materialize within the near future. He suggested contacting the residents within the potential growth area to ascertain if development is being considered.

Kris Swanson, Powell Road resident, stated she owes a significant amount of land; however she would not be willing to promise that development is being considered. She did note that out-of-city customers pay 1.5 times the amount paid by in-city customers and she feels this offsets not being located within city limits.

Mayor Helenberg suggested the city council defer any decisions until January or February of next year. During that time city staff could develop information on any other potential funding and re-evaluate the costs and feasibility for a smaller system. Helenberg asked

the city engineer to evaluate the option of upgrading the water main to accommodate future growth, while developing the pump station to meet current needs. A new pump station could be redesigned at a later date, when the growth needs exist. Johnson stated this would depend on the amount of fire flow that the city wants to provide.

Councilmember Pingree agreed that water and sewer rates are a huge issue for residents and care should be taken. Vorse suggested the city could do more to educate consumers on how utility rates are established and what they provide. Pingree felt it would be difficult for customers to agree to a rate increase to support a project that would benefit less than ten houses.

In response to a suggestion by Mr. Clancey, Johnson stated the city does require backflow devices for high-risk areas to protect the entire system.

Mayor Helenberg thanked the attendees and advised that staff will keep residents apprised of any further development.

DEPARTMENT REPORTS:

Vicki Selander, Librarian reported that the Friends of the Library continue to receive donations to support library services until tax revenue is received in 2013.

COUNCIL AND AD HOC COMMITTEE REPORTS:

Mayor Helenberg reminded council of two Special Meetings scheduled for Monday, December 17, 2012. The first is a meeting of the Castle Rock City Transportation Benefit District which begins at 6:30 p.m. At 7:30 p.m. city council will convene their monthly meeting; which will include discussion and action on issues pertaining to the proposed 2013 budget and other city issues. The council meeting on December 17th will be held in lieu of the regular meeting scheduled for December 26th to avoid conflicts with the holiday season.

Mayor Helenberg reported receiving many positive comments relating to the Castle Rock Festival of Lights event.

Councilmember Teter announced that he attended the Regional Utility Board meeting on December 5th. The board approved the 2013 budgets and set rates for users.

CONSENT AGENDA

Councilmember Queen made a motion, seconded by Pingree to approve the minutes of the November 26, 2012 Regular Council Meeting. By roll call vote, unanimous Aye.

Councilmember Queen made a motion, seconded by Teter to approve the November invoices in the amount of \$378,058.85 as described on the Fund Transaction Summary as

check numbers 43189 through 43294 for general expenditures, check numbers 23256 through 23304 for payroll expenses, EFT Payroll 11/30/12 and adjustment number 259. Discussion: Councilmember Pingree stated he reviewed the invoices prior to this meeting. By roll call vote, unanimous 'Aye'.

Note: due to malfunction of the recording tape, a portion of the meeting was not recorded.

Tape recording resumed:

OLD BUSINESS

1. Covington noted that Mr. Gabe Gourde sent an email advising that the property valuation dispute has been resolved with Cowlitz County. However Mr. Gourde is undecided on what to do with the property and requests council place his street vacation application on hold for the next two to three months. Covington recommends that council vote down the 2012 ordinance, with the understanding that Mr. Gourde may resume his request next year. Councilmember Queen made a motion, seconded by Davis to decline passage of Ordinance No. 2012-05 relating to the street vacation application submitted by Mr. Gabe Gourde. By roll call vote, unanimous 'Aye'. The ordinance was invalidated.

2. Councilmember Queen made a motion, seconded by Davis to approve Resolution No. 2012-09, a resolution asking qualified voters to fund by Special Excess Levy the furnishing of public library services and will submit the following question: "Whether or not a Special Excise Levy On Real Property shall be had for the purpose of funding library services to the citizens of Castle Rock during the year 2014, on second reading. By roll call vote, unanimous "Aye'.

NEW BUSINESS

1. City Engineer Mike Johnson submitted a request for Engineering Supplement #3 for the Safe Routes to School project to include preconstruction meetings, file management, material testing and project management in the amount of \$58,639; for a total payable of engineering services in the amount of \$104,292. Mayor Helenberg stated he is not happy with continued requests for additional engineering costs for city projects. Johnson stated while the project is small, there are federal funding requirements that need to be met. This includes full-time inspection of all concrete sidewalks. He suggested the city defer award of the Roake Avenue SE/C Street SE bid to allow the city to solicit bids for the Front Avenue project. Johnson states by doing so, engineering inspection costs could be shared between the two jobs, which would bring down engineering costs. Mayor Helenberg stated if engineering costs for the Front Street project exceed the contracted amounts, he guarantees the city will be researching other engineering firms for future projects. Helenberg stated that Gray and Osborne continue to do good work for the city, but continued engineering cost increases must stop. Johnson stated he understands the mayor's concern and hopes that by combining engineering services for the two projects will

keep costs to within contracted limits. Johnson stated federal projects are difficult and require more oversight, which result in higher engineering costs; he would not want to see the city fail an audit due to any project management oversight.

2. Johnson stated bids were opened for the Safe Routes to School sidewalk construction project (Roake Avenue SE/C Street SE). The city received thirteen bids, with the low bidder being Five Rivers Construction. A summary of the bid results were made available at the meeting. Johnson explained that two schedules were included in the bid solicitation. It would appear that the city will have adequate funds to pave all the way to Cowlitz Street. Johnson stated the city has sixty days to take action on the bids. He recommends council table the award until the first regular meeting in January, which will allow staff to provide additional information on engineering costs for the Front Avenue project. If these two projects can be run concurrently, certain engineering costs could be shared. In answer to Councilmember Pingree's question, Johnson stated due to the close proximity of the two projects, he feels the on-site inspector services can be shared since both are federally funded projects. By consensus, Mayor Helenberg tabled further discussion for both the Engineering Supplement Request #3 and consideration to award the Safe Routes to School bid. These issues will be addressed at the January 14, 2013 regular council meeting.

3. City Engineer Mike Johnson distributed a summary of the draft Regional Water System Plan outlining key issues within the plan. Washington State Department of Health requires that a Water System Plan be updated every six years to include analysis of the system, water use efficiency, capital improvements and financial viability. Johnson discussed findings for each of the criteria. Projects identified to be completed within the next six years include the following:

Replace existing water meters with automatic read meters; cost of \$40,000/year

Replace Front Avenue Water Main; \$54,000, city share

Priority water main replacements (prior to street projects); \$350,000

Carpenter Road Booster Pump Station; \$584,000

Raw Water intake cleaning system; \$111,000

Hydraulic capacity water main replacement projects; \$1,508,000

Projects identified for completion within twenty years include:

Cowlitz River bridge crossing at A Street; \$512,000

Bond Road upper reservoir extension and loop; \$1,557,000

Raw water pump variable frequency drives; \$85,000

Westside reservoir; \$2,742,000

Water Treatment Plant filter tank replacement; \$500,000

Johnson stated some of the projects listed above may be accomplished through development costs, however council needs to be aware of those system needs.

Johnson stated that currently the city's utility meets Washington State Department of Health financial viability criteria. In future years, if revenues remain flat and expenses increase, the financial analysis reflects a need for a minimum annual rate increase of 2% to maintain operation/maintenance needs. Funding for projects and debt services, in addition to operation/maintenance needs will require an annual increase of 3.5%. An annual rate increase of approximately 5.5% will be needed to begin funding for the capital projects listed in this draft Water System Plan. He noted there are various ways to reduce the cost of those capital projects, including reducing the scope of the project, using city work force, increasing the timeframe for project completion or deferring the project. Johnson stated this is a conservative financial analysis based on prior financial history. Mr. Johnson stated any amendments council wants to make can be incorporated at this time. If no changes are recommended, Johnson stated the city needs to submit the draft Water System Plan to Washington State Department of Health (DOH) for their approval. Once DOH approves the plan, city council will be asked to formally adopt it; which should be sometime next year. No comments or revisions were requested by city council.

4. Councilmembers reviewed the requested addendum to 'The Big Idea' interlocal agreement for the Cowlitz County Regional Tourism Development Partnership Program. Two changes have been proposed:

- to add to the Board of Directors a representative of the Washington State Parks and Recreation Commission
- to allow each entity to request up to 10% of its funds prior to the year in which it would receive the annual allocation for the purpose of advance planning and promotion.

Councilmember Pingree made a motion, seconded by Davis to approve the addendum to 'The Big Idea' as presented and authorize the mayor to sign the addendum.

Discussion: Councilmember Teter noted that the city received their allocation in 2013. Mayor Helenberg stated new legislation may adversely impact the way funds can be used and the city will need to wait until that is resolved before planning on the use of these funds. Vote on the motion; unanimous 'Aye'.

5. Councilmember Teter made a motion, seconded by Pingree to approve the utility leak adjustment request submitted by Mr. Jim Worl in the amount of \$432.16. By roll call vote, unanimous 'Aye'.

6. Councilmember Teter made a motion, seconded by Pingree to approve the utility leak adjustment request submitted by Betty Hagen, in the amount of \$220.16. By roll call vote, unanimous 'Aye'.

7. Covington requested that proposed Resolution No. 2012-08 be removed from further consideration. She noted that the building official is currently reviewing the city's ordinances pertaining to building permits, along with the associated fee schedule and may

have other revisions.

8. By consensus, councilmembers authorized the city engineer to submit the draft Water System Plan to Washington State Department of Health for their review.

9. Councilmember Pingree made a motion, seconded by Teter to approve Ordinance No. 2012-08, an ordinance increasing stormwater rates by 1.5%, effective with January 2013 billing cycle, on first reading. By roll call vote, unanimous 'Aye'.

10. Councilmember Teter made a motion, seconded by Pingree to approve Resolution No. 2012-10, a resolution amending the sewer base rates, effective with January 2013 billing cycle, on first reading. By roll call vote, unanimous 'Aye'.

11. Councilmember Teter made a motion, seconded by Rose to approve Ordinance No. 2012-09, an ordinance adopting the budget for fiscal year ending December 31, 2013, on first reading. By roll call vote, unanimous 'Aye'.

12. Councilmember Queen made a motion, seconded by Pingree to cancel the December 26, 2012 regular council meeting and to convene that meeting on December 17th, to avoid conflicts with the holiday season. By roll call vote, unanimous 'Aye'.

ADJOURNMENT

There being no further business, Mayor Paul Helenberg adjourned the meeting at 9:30 p.m.

Mayor Paul Helenberg

Clerk-Treasurer Ryana Covington