

- 0006 Mayor Barbara Larsen called the 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: Greg Marcil, Earl Queen, Jack Reilly and Mike Mask. Councilmember Khembar Yund was absent.
- 0111 Councilmember Mask made a motion, seconded by Queen to approve the minutes of the September 14, 2009 Regular Council Meeting. By roll call vote, unanimous Aye.
- 0132 Councilmember Marcil made a motion, seconded by Queen to approve the minutes of the August 31, 2009 Special Meeting. By roll call vote, Mask abstained, the rest Aye, motion passed.
- 0181 Councilmember Mask made a motion, seconded by Queen to approve the minutes of the September 8, 2009 Budget Workshop Meeting. By roll call vote, unanimous Aye.
- 0250 Mayor Larsen opened the Public Hearing at 7:36 p.m. to take public comment on the budgetary amendments for the General Fund, Regional Water Fund, Regional Water Capital Fund and Water Bond Reserve Fund for the fiscal year 2009.

Clerk-Treasurer Ryana Covington detailed that this is the second public hearing on this budgetary amendment to decrease expenditure appropriations within the General Fund by \$73,986, as recommended by the Budget Committee. This amendment will also increase General Fund revenue by \$11,000 for the American Recovery and Reinvestment Act grant to be used to fund a police officer position; an increase of \$300,000 in the Regional Water Fund for an RDA loan, payoff the Cowlitz County loan, transfer \$140,000 contingency funding from the Regional Water Capital Fund into the Regional Water Fund for the Water Treatment Plant Improvement Project and transfer of funds from the Water Bond Fund into the Regional Water Fund for final payoff of an RDA loan.

There being no further discussion, Mayor Larsen closed the Public Hearing at 7:37 p.m. and resumed regular session.

- 0418 Police Chief Bob Heuer reports that the 1991 Chevrolet Capri was sold on e-bay for \$850.
- 0488 City Engineer Mike Johnson requests approval of the engineering services proposal for the north trailhead land swap property survey in the amount of \$4,375. The proposed land swap would include a boundary line adjustment, dedication of a portion of private property to the City and vacation of a section of public right-of-way for the benefit of the private property owner. This property would be used as a public trailhead with parking. In the future, a restroom could be added at this trailhead. Currently the private property has an old vacated gas station building on it. The City property proposed for this land swap is a section of the right-of-way along Front Avenue North. There is a wide section of right-of-way in this area where the intersection was modified. This proposal for survey work includes:
- Staking the corners of the properties to be dedicated or vacated.
 - Completion of office calculation, preparation of the boundary line adjustment map and recording of survey documents.

In response to a question from Councilmember Mask, Public Works Director David Vorse specified that this tentative agreement with the property owner contains three components:

1. A recorded survey is needed that properly identifies these properties.
2. An asbestos inspection was completed and asbestos abatement is needed. A proposal for abatement has been submitted in the amount of \$2,250.

3. Both parties must enter into an agreement before proceeding further.

In response to a question from Councilmember Mask, Vorse detailed that the majority of this work can be funded from a grant for the Riverfront Trail North Extension. This project does not affect the General Fund expenses.

In response to a question from Councilmember Queen, Johnson clarified that the right-of-way property is approximately 11,000 square feet and would be exchanged to the city for a lot measuring approximately 20,000 square feet. The strip of right-of-way property is approximately five feet at the narrow end and ten to twelve feet at the widest end. This strip does not include the slope abutting Front Avenue NW.

City Attorney Tom O'Neill noted that he will draft an enforceable agreement which is required, as the City will be expending public funds for the survey work. The City must receive a fair market value for the vacated property. Vorse explained that the property to be vacated is zoned residential, while the property that the City will receive is zoned commercial; which has a higher value.

O'Neill cautioned that property used as a gas station could have the liability of hazardous waste. Johnson reports that due diligence has been performed regarding the two underground fuel tanks. The Department of Ecology (DOE) maintains a database on underground storage tanks which indicates that these tanks were properly decommissioned. The City also took soil samples from around the tanks which showed no contamination.

In response to a question from Howard Mason, Michner Street SW, Vorse stated that the tanks could be filled with sand if DOE recommends doing so, but with no signs of contamination this would not be required.

In response to a question from Mayor Larsen, Vorse detailed that an inspection revealed asbestos in the roofing material which must be disposed of properly. The material must be removed by an asbestos abatement contractor before the building can be demolished.

1033 Councilmember Mask made a motion, seconded by Queen to approve the engineering services proposal from Gray & Osborne for the north trailhead land swap property survey in the amount of \$4,375. By roll call vote, unanimous Aye.

1059 Johnson reports that the Whittle Creek mitigation site has been stabilized with the placement of hydroseed. A project amendment is not needed as the work was completed before the September 30th deadline. Vorse explained that plants have been ordered for mid October when Castle Rock High School students, the Soil Conservation District and the Lower Columbia Fish Enhancement Group will do the plantings in an outdoor classroom. This is a valuable experience for the students that helps instill stewardship of our natural resources.

In response to a question from Glenn Pingree, Clearwood Court SE, Vorse clarified that the science, agriculture and FFA classes will participate in the planting project.

1195 Vorse requests approval to purchase a 2010 Chevrolet Colorado 4 wheel drive, funded by the Public Works Vehicle Replacement Fund, as budgeted. In response to a concern from Councilmember Queen, Vorse noted this vehicle has a regular cab, with a five cylinder, 3.7 liter engine. It is a midsize truck and was available from the state procurement list. The City decals and radio are not included in the purchase price. This truck is rated to obtain 17 mpg in the city and 23 mpg on the highway.

In response to a question from Donna Williams, Second Avenue SW, Vorse clarified that a 4 wheel drive SUV was purchased by the Police Department earlier this year using the Local Criminal Justice Fund. The Public Works

Department (PWD) does not have use of the police vehicle. The revenues within the Public Works Vehicle Replacement Fund are obtained through an annual contribution of \$3,000 from five different funds to be used for the replacement of equipment for that department. The PWD is in need of a 4 wheel drive vehicle to access the Raw Water Intake site during bad weather. This vehicle will replace the 1996 GMC Sonoma which will be retained for use by the meter reader.

In response to a question from Councilmember Reilly, Vorse reports there is currently \$44,380 available in the Public Works Vehicle Replacement Fund.

1474 Councilmember Marcil made a motion, seconded by Mask to approve the purchase of a 2010 Chevrolet Colorado 4 wheel drive in the amount of \$20,055 from the Public Works Vehicle Replacement Fund. By roll call vote, unanimous Aye.

1518 Vorse reports that no street project was budgeted this year due to a lack of funds. However, the Street Fund recently received \$19,000 as compensation for the vacation of a section of Maple Street NW. The cost of asphalt is down at this time due to the sluggish economy. Vorse presented options for a street project and cost estimates:

- Roake Avenue SE from C Street to the school; Cowlitz County grader patch would cost \$14,500 and a 1 ½” asphalt overlay would cost \$15,225.
- Pioneer Avenue NE from the 300 block to North Street NE; a Cowlitz County grader patch would cost \$28,500. However the section is in such poor condition it would require a 2” asphalt overlay which would cost \$28,750.

Vorse noted that \$19,000 may provide a 2” overlay on Pioneer Avenue NE from the 300 block to Green or LaRue Street NE. Councilmember Mask suggests that the overlay could be continued to North Street when there are adequate monies available in the REET Fund (Real Estate Excise Tax) for a capital improvement project. Vorse clarified that the overlay could not be done this year if REET Funds are to be used. Councilmember Marcil suggests completing as much as possible now of a 2” overlay on Pioneer Avenue NE for \$19,000.

Councilmember Reilly would prefer to finish Roake Avenue SE before Pioneer Avenue NE, as it is heavily traveled with students and buses. Councilmember Mask feels that Pioneer Avenue is in much worse condition than Roake and repairs are continually put off. Councilmember Marcil agrees that the need for repairs on Pioneer Avenue is much greater than on Roake Avenue SE.

Wayne Lunday, Quai Insurance, recommends canvassing the neighborhood to form an LID that would cover the funding shortage for repairs on Pioneer Avenue NE. Councilmember Mask noted that this suggestion was considered, however, most residents cannot afford to form an LID at this time.

In response to a question from Councilmember Queen, Councilmember Marcil explained that the price of asphalt is low right now and will most likely increase.

1803 Councilmember Mask made a motion, seconded by Marcil to complete as much of a 2” asphalt overlay on Pioneer Avenue NE, from the 300 block to North Street, as possible for \$19,000 and use REET Funds to complete the unfinished portion.

During discussion: Wayne Lunday, Quai Insurance, believes that the costs will be higher if it is done at two different times. Councilmember Queen agreed that this repair should be delayed until the entire street can be completed.

Donna Williams, Second Avenue SW, would like the 500 block of Second Avenue SW repaired before beginning repairs on a different street. Councilmember Marcil clarified that the repairs on Second Avenue SW were

completed as part of a sewer project. In addition, the one block that did not receive an overlay is in better condition than most city streets.

Councilmember Mask feels that residents have been very patient in waiting as long as they have for street repairs on Pioneer Avenue NE. Councilmember Queen believes Roake Avenue SE should be completed before another street is begun.

In response to a question from Wayne Lunday, Vorse noted that mobilization costs are approximately \$2,000 for a street project. Covington cautioned that if an LID is formed, interim funding would be required from the General Fund.

Vote on motion: By roll call vote, Reilly and Queen voted 'Nay', Mask and Marcil voted 'Aye', Mayor Larsen cast the deciding 'Aye' vote, motion passed.

- 2235 Vorse presented an asbestos abatement proposal from Keystone Contracting for 549 Front Avenue NW in the amount of \$2,250. If a property swap agreement is reached with the property owner, asbestos abatement will be needed. Councilmember Marcil reports that the property owner is ready to proceed and is waiting for an agreement from the City Attorney.
- 2309 Councilmember Reilly made a motion, seconded by Queen to approve the asbestos abatement proposal from Keystone Contracting for 549 Front Avenue NW in the amount of \$2,250, on the condition that a property swap agreement is completed. By roll call vote, unanimous Aye.
- 2329 Vorse reviewed the process used to determine which brand of water meters to purchase when updating the city's utility system to automatic meter reading (AMR). In 2008, six companies were identified for consideration. A committee was appointed by the Mayor to consider the goals and objectives desired by the City. Members of this committee included Councilmember Marcil, Public Works Director David Vorse, Clerk-Treasurer Ryana Covington, Deputy Clerk Joanne Purvis, Public Works Maintenance Don Curtis and Meter Reader Barbara Roller. The committee researched different attributes of the AMR meters offered by these six companies. Interviews, site visits and demonstrations were attended by the committee. Based on the listed research, the committee recommends using Master Meters to update to an AMR system. This system must be compatible with any future billing software upgrades. Covington noted that when the billing software package is updated, the Request for Proposals will specify that the software must be compatible with Master Meters.

Vorse noted that the proposal from H.D. Fowler for the purchase of Master Meters establishes a cost per meter through 2009 and thereafter guarantees that this price shall not exceed an annual increase of 5% unless there is a significant increase in the cost of raw materials.

In response to a question from Councilmember Mask, Vorse proposes the purchase of 75 meters this year and another 75 each year thereafter, depending upon the availability of funds.

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Side B

Johnson added that water meters are the 'cash registers' of the water system. Old water meters tend to read low. A healthy system requires the regular replacement of water meters. The AMR system will also reduce the cost of reading meters. Covington added that until all meters are converted, the older meters will still need to be read manually. The city currently has approximately 900 water meters.

Vorse pointed out that one benefit from these new meters is the ability to record the consumption history. The leak detection function specifies the date, time and amount of water that flowed through the meter. Councilmember Mask feels that

this feature should reduce adjustment requests. Councilmember Marcil added that it will also assist residents to identify problems.

- 2696 Councilmember Mask made a motion, seconded by Marcil to approve Resolution 2009-09, identifying H.D. Fowler as sole source provider for Master Meters and wireless connections, on first reading. By roll call vote, unanimous Aye.
- 2739 Councilmember Mask reports that Public Works Director David Vorse and Clerk-Treasurer Ryana Covington were recognized by the Cowlitz County Commissioners during the Regional Summit Meeting last Wednesday, for their work in seeking and obtaining grant funding for the city's benefit.
- 2846 Clerk-Treasurer Ryana Covington distributed the August Budget Report. The funds in which the year-to-date expenditures exceed revenues are:
- General Fund with \$38,773.49 used from the beginning fund balance;
 - Exhibit Hall Fund which is dependant upon the Motel/Hotel Tax. This deficit should be resolved when taxes are received;
 - Local Criminal Justice Fund which has a negative balance of \$586.71 due to the purchase of the new patrol vehicle. This should be resolved when additional taxes are received;
 - DOT Spoil Site Fund has a negative balance of \$28,178.19. Reimbursement of \$92,476 was received for the Boat Launch Project in September and another request for reimbursement has been submitted. The boat launch grant requires proof of payment prior to being reimbursed by the funding agency.
 - Regional Sewer Fund which was budgeted to use a portion of the beginning fund balance.
 - Regional Water Capital Improvement Fund which had a transfer of \$140,000 for the Water Treatment Plant Improvement Project.
- 3079 Covington reviewed the August Utility Comparison of water and sewer consumption. Compared to August 2008, overall consumption has increased, although there are a few less customers. The majority of customers use less than 1000 cubic feet per month.
- 3214 Covington reviewed the Third Quarter Comparison of the Water/Sewer Operating Fund which shows a year-to-date gain of \$17,657.47. Sewer revenues continue to be supplanted by water revenues, although to a lesser extent during the warmer months.
- 3296 Covington distributed a letter received today from the High Cascades Agency Quaipe's Insurance notifying us that our NFIP Flood Insurance renewal has been received. However, the values for our buildings and contents have not been increased for over 12 years. The letter recommended the city review the values to verify that the buildings are being insured to value. Councilmember Mask would like an assessment of the impact to the flood insurance premium, with an increased insured valuation of the properties. Covington felt it would be prudent for councilmembers to insure for the full value.

Wayne Lunday, Quaipe's Insurance, is concerned about commercial policies with a co-insurance clause that provides that the property owner insures the property at a minimum of 80% of replacement value of the building. Following a claim, the adjuster will compare the value with the insured amount and pay at the percentage of the replacement value that the building was actually insured for. Mr. Lunday presented an example, if the replacement value of the building is \$1 million but the building is only insured for \$.5 million and sustains \$.5 million in damages, the policy will only pay \$.25 million as the building was not insured to the proper value.

Mayor Larsen asked Mr. Lunday to verify if the City is required to procure flood insurance in order to qualify for federal assistance following a flood event. Mr. Lunday stated that he would research that issue.

Councilmember Queen expressed concern over costs associated with obtaining an accurate replacement value for City buildings and contents. Mr. Lunday stated that rating bureaus determine replacement value by area measurements, building materials and features. He does not believe there is a cost associated with this type of assessment.

By consensus, Councilmembers requested Mr. Lunday arrange to have Quaiife's Insurance complete an assessment of the replacement value for City owned buildings and contents. The assessment will be at no cost to the city.

- 3811 In response to a question from Councilmember Mask, Librarian Vicki Selander estimates that the Library has enough funding to remain open through January. Another three months of funding, at approximately \$3500 per month, is needed to remain open until property taxes are received next year.

3852 Report of Meetings

Councilmembers Queen and Mask have been attending Budget Committee Meetings. In addition, Councilmember Mask attended the Regional Summit Meeting last Wednesday.

Councilmember Mask would like to begin scheduling Budget Workshop Meetings. Councilmember Marcil noted that for the remainder of his term, Councilmember Yund will be working a shift that begins at 6 pm and will prevent him from attending evening meetings. After discussion, a Budget Workshop Meeting was scheduled for Thursday October 15th at 2 pm.

- 4141 Councilmember Queen stated that he read in a paper at a Castle Rock restaurant that the City is seeking volunteers for park maintenance duties and that David Vorse should be contacted for more information. Librarian Vicki Selander disclosed that she wrote the article for the Town Crier.

Councilmember Queen suggested the notice for park volunteers be placed on the reader boarder. Councilmember Queen would also like to see this request in The Daily News. Selander suggests that it could be included with the Community Events. Wayne Lunday, Quaiife's Insurance, noted that Castle Rock businesses combine for an advertisement page on Wednesdays. A banner could possibly be placed on this ad. Mr. Lunday will provide Covington with contact information for his advertising representative. Queen detailed work that he would like to see completed at the parks.

- 4249 Councilmember Mask made a motion, seconded by Reilly to approve Ordinance 2009-11 amending funds within the 2009 fiscal year budget, on second reading. By roll call vote, unanimous Aye.

- 4295 Councilmember Mask requests a review of Castle Rock Municipal Code 13.06.130, adjustments for extraordinary circumstances. As a result of this ordinance, revenue is lost and the cause is never determined. Councilmember Mask feels that the City can be civil to residents without losing money. Mayor Larsen clarified that if this ordinance was repealed, then residents would only qualify for an adjustment for verifiable leak related problems that have been repaired.

Councilmember Queen noted that anyone can have their outdoor faucet turned on while not at home, thus incurring a large usage that causes extreme financial difficulty. He felt the City should assist residents by providing an adjustment for this overage. In addition, each request must come before council for approval.

Howard Mason, Michner Street SW, stated that council past, present and future should keep in mind that we are better off being a benevolent society then cold hearted. He also supported retaining the policy for adjusting utility bills as provided in Castle Rock Municipal Code 13.06.130.

Councilmember Mask feels this policy has created a perpetual problem. He does not feel that all residents are being honest with council by denying responsibility in order to qualify for an adjustment. In response to Mask's comment, Covington clarified that the City does not absorb the cost, but rather all utility customers eventually must make up for those revenue losses.

Donna Williams, Second Avenue SW, states that she would like to see leak adjustments continue to be available. However, she felt that a limit could be established. Councilmember Marcil clarified that even with an adjustment the resident is responsible for 50% of the high usage after deducting the average of the loss. Councilmember Queen once more pointed out that each request must come before council for approval. Council reviews each request individually and can choose to deny any request. This option must be retained. Councilmember Marcil suggests researching how other entities handle this issue.

In response to a question from Howard Mason, Michner Street SW, Covington answered that in some cases, a customer has received more than one leak adjustment for their system. However, there has never been more than one request in a year approved for an adjustment, due to extraordinary circumstances. The primary difference between the two types of adjustments is that leaks can be identified and repaired, while adjustments for extraordinary circumstances are instances where the reason for the usage cannot be identified. For this reason, utility customers requesting adjustment for extraordinary circumstances must represent themselves at a city council meeting to allow councilmembers to ascertain if the situation qualifies for an adjustment as outlined in CRMC 13.06.130.

4795 Councilmembers reviewed the leak adjustment requested for Timberland Inn and Suites. In answer to council's question, Covington specified that in the past, Timberland Inn & Suites have had received leak adjustments as follows: two adjustments in 2004, one in 2007 and one in 2008. Councilmember Marcil stated that multiple leaks could happen to anyone at any time.

4837 Councilmember Reilly made a motion, seconded by Marcil to approve a utility leak adjustment for Timberland Inn & Suites in the amount of \$234.15. By roll call vote, unanimous Aye.

4849 James Eychaner, 432 B Street SW, requests a leak adjustment for August. Covington explained that the city could not ascertain verification of a leak. An outline of events noted that the meter reader documented that the meter was not turning on August 25th when the high usage was discovered. On August 27th Public Works documented no leak for the system. On September 10th, Mr. Eychaner notified City Hall that he located and repaired a leak under the house. Mr. Eychaner indicated that he made the repairs with parts that he already owned and therefore he did not have a receipt for parts.

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Side A

0015 Mr. Eychaner stated his house is a 1984 trailer and the plumbing is plastic pipe. He had intended to replace the pipes into the kitchen area when he worked on other plumbing issues. He had problems with a plug and found the leak when he went under the house. Mr. Eychaner stated he has also been watering with a soaker hose and has been trying to monitor this usage. He voiced concern that the water loss from the leak will be a hardship to pay. Councilmembers suggested he contact the finance office and complete paperwork for the ability to make payments on this loss.

0361 Councilmember Reilly made a motion, seconded by Marcil to approve the leak adjustment requested by Mr. Eychaner in the amount of \$339.51. By roll call vote, unanimous 'Aye'.

0379 Councilmember Reilly made a motion, seconded by Marcil to approve the leak adjustment for Timberland Inn and Suites for a second meter on their property in the amount of \$333.66. By roll call vote, unanimous 'Aye'.

0478 Councilmember Mike Mask stated he has spoken with Alan Veys, private property owner at the end of Cowlitz View Drive, relating to opening that property up for ATV use. Mask stated that Mr. Veys had suggested the city construct a parking area for this use. The city could charge a day-use parking fee and could monitor the gate access and removal of garbage.

Councilmember Queen asked how this project would be funded and what the city's liability issues are relating to this use. Mask acknowledged there are more issues to be discussed, however he felt that this would be a good economic opportunity for the city. Councilmember Mask noted that Arches National Park in Utah accommodates ATV users and this has proven to be an asset to the area.

Glenn Pingree, Clearwood Court, stated residents on Chapman Road complained of dust and noise when ATV users had permission to use the same site in the past. He felt this project would be more beneficial if a private property owner would develop such a site instead of the city.

Councilmember Mask asked if an exploratory committee could be formed to determine if this is a viable project for the city to pursue. He acknowledged there will always be people who have a 'not in my backyard syndrome' but he would like to be able to pursue the opportunity to work with Mr. Veys, the county and state to develop sites for this use and to develop additional commerce for the city. Mask stated he would also like to see if the city could amend their ordinances to allow ATV's to be driven on city streets. Councilmember Queen stated he would not be in favor of ATV's driving on city streets.

City Attorney O'Neill added that the city would need to have some type of legal ownership to the property, whether a leasehold or a quit claim deed, for the city to expend funds for this project, as proposed by Councilmember Mask.

1196 Mayor Larsen stated she personally does not feel this is an issue the city should pursue. However she agreed to authorize Councilmember Mask to form an citizen's exploratory committee to investigate this issue. Councilmember Marcil stated he would also participate.

1294 Public Works Director Dave Vorse reported that the levee certification had been sent in to FEMA and postmarked prior to the deadline of the 19th.

1306 Meeting was adjourned at 9:26 p.m.

Mayor Barbara Larsen

Clerk-Treasurer