



## MINUTES

### City Council Regular Meeting

6:30 PM – Monday, November 27, 2017

Council Chambers, City Hall – 500 E Main St

### **CALL TO ORDER AND PLEDGE OF ALLEGIANCE**

Mayor Logan called the meeting of the Othello City Council to order at 6:30 and led a silent invocation and the Pledge of Allegiance.

### **ROLL CALL**

#### **Councilmembers Present:**

Eugene Bain  
Corey Everett  
Genna Dorow  
Angel Garza  
Larry McCourtie  
John Lallas  
Mark Snyder

#### **Councilmembers Absent:**

### **ADMINISTRATIVE STAFF PRESENT**

Shawn Logan, Mayor  
Roger Reed, City Attorney  
Police Chief Phil Schenck  
Rebecca P. Ozuna, City Clerk  
Yvonne Hernandez, Deputy City Clerk  
Spencer Williams, Finance Officer  
Anne Henning, Community Development Director  
Terry Clements, Public Works Director

### **CITIZEN INPUT**

John Lallas, Representative for McCain Foods, provided Council with copies of a ROW application for NOEL Communications, business license for NOEL Communications and a permit packet which was submitted to do work in the Right of way (ROW) along Broadway Ave in front of McCain Foods. Mr. Lallas reported that what they want to do is bring fiber optics into their facility as they are currently connected into a phone line system and they are looking to boost their internet service. Since fiber optics is faster and has more capabilities, McCain Foods wants to have that installed.

Mr. Lallas commented that one of the issues is that there is an existing connection box that NOEL Communications would have to go into which has an existing line, attach to it, run it down, bring it over and run it into the building. When NOEL Communications submitted the application and with the recommendation of Mr. Lallas they believed it would be okay to do the work they wanted and didn't believe they would have come before council to get a variance because it is already an existing line and all they would do it latch on it. Mr. Lallas mentioned he didn't believe there would also be an issue because they are no new lines being installed; there are no other property owners involved and there is limited access to the property so there are no worries of any hanging lines or them catching. A right of way permit application was submitted which he believes was denied by public works. Mr. Lallas stated that they do not want to dig on Broadway Ave because there is too much stuff out there as to underground buried pipes, electrical and water lines and it would create a burden to them and the City.

Councilmember Everett asked if Public Works had already denied the application and was responded by Mr. Lallas that it has already been denied. Public Works Director Terry Clements clarified that Public Works did not deny it and it was handed to the City Administrator because it was a new 1200ft run, new fiber optic line, according to the OMC it has to go underground as a new line and also because there was a Councilmember involved at the plant and so the City Administrator made the decision to deny the request. Mr. Lallas commented that if a decision is not made tonight than he would need to comeback to council with NOEL Communications to request a variance.

There was further discussion between Council, Staff and Mr. Lallas with regards overhead wire maintenance, placing another connection box closer to destination for McCain Foods and for future development, different options on how to bring fiber optics to the facility, and possibility of updating the ordinance due to old construction and new construction. It was a consensus that the Council would provide a response to McCain by next Monday night.

#### **APPROVAL OF AGENDA**

Council carried a motion to approve the agenda. M/S Bain/Lallas

Deputy City Clerk Yvonne Hernandez left due to illness at 6:51 p.m.

#### **CONSENT AGENDA**

- A. Approval of City Council Minutes of November 13, 2017
- B. Approval of Account Payable Checks

Accounts Payable was audited and certified by the Auditing Officer, as required by RCW 42.24.080; and those expense reimbursement claims certified and as required by RCW 42.24.090, have been recorded on a listing that has been reviewed by the Council audit committee and is available to the Council.

Accounts Payable Check No. 48966 to No. 49009 in the amount of \$402,104.66.

Accounts Payable Check No. 5408 to No. 5411 in the amount of \$265,449.43.

Council carried a motion to approve the Consent Agenda, as presented. M/S Dorow/Bain.

## **CURRENT BUSINESS**

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### **WATER SYSTEM PLAN ADOPTION**

Jesse Cowger, City Engineer from Varela & Associates, mentioned that The City prepared a Water Strategic Plan (WSP) and submitted it to Department of Health (DOH) for review and comment on March 3, 2017. DOH reviewed the WSP and provided comments June 2, 2017. The City revised its WSP based on DOH's comments on September 1, 2017 with minor revisions and resubmitted to DOH on November 20, 2017. DOH is ready to approve the WSP once the City has officially adopted the plan. Having an approved WSP is a prerequisite for submitting an application to the Drinking Water State Revolving Fund (DWSRF) loan program. DOH worked with the City to help get the WSP approved in time for the City to apply to DWSRF. Mr. Cowger mentioned that a separate agenda item in the meeting will address the overall funding plan for water infrastructure improvements and the upcoming DWSRF app. Mr. Cowger also recommended the approval of the resolution.

Council carried a motion to APPROVE THE RESOLUTION ADOPTING THE WATER SYSTEM PLAN AS SUBMITTED TO DEPARTMENT OF HEALTH ON SEPTEMBER 1, 2017 WITH MINOR REVISIONS SUBMITTED TO DEPARTMENT OF HEALTH ON NOVEMBER 20, 2017. This shall be known as Resolution No. 2017- 31. M/S Dorow/Garza

### **WATER INFRASTRUCTURE FUNDING UPDATE AND DWSRF APPLICATION**

Jesse Cowger, City Engineer from Varela & Associates, reported Several City officials and staff attended the IACC conference in October 2017 which helped identify possible sources of funding for the City's upcoming water system projects. City Staff and Varela & Associates have assembled a funding strategy for the City's high priority water system projects. The following list summarizes the water projects in the order of priority, approximate budgets, and funding sources for each:

- Well 3 Replacement (\$1.8M) – Funding Source: USDA RD
  - Reservoir Transfer Pump Station (\$400K) – Funding Sources: USDA RD
  - 2.5 MG Reservoir (\$2.7M) – Funding: DWSRF, Legislative Approp., CDBG, USDA RD
  - Steel Mainline Replacements (\$1.5M) – Funding Source: USDA RD
  - Engineering Report for Surface Water Treatment (\$100K) – Funding Sources: USDA RD
  - Well 10 (\$2.9M) – Funding Sources: Legislative Appropriation, USDA RD, DWSRF (2018)
- Total: \$9.4M

The following list summarizes the funding source amounts the City hopes to tap for this project:

- CERB: \$50K – FUNDING ACQUIRED for environmental and preliminary engineering for
- Well 10, Reservoir Transfer Pumping Station, and 2.5 MG Reservoir
- DWSRF: \$2.7M (loan) - apply in Nov 2017 (end of this week) for new Reservoir, apply in
- 2018 for Well 10
- Legislature: \$1.55M-\$2.55M - continuing to pursue legislators for funding of new
- Reservoir and Well 10
- CDBG: \$750K – applied in June 2017, will reapply in June 2018 for new Reservoir
- RD: \$3.4M-\$6.5M (hopefully 30% grant, 70% loan) – for Well 3 replacement, Reservoir Transfer Pumping System, 2.5MG Reservoir, Steel Mainline replacement, Engineering Report for Surface Water Treatment Plant, Well 10

DWSRF has a loan program for construction projects that provides loans to publicly or privately owned Group A community water systems for capital improvements that increase public health protection and compliance with drinking water regulations, and that protect the health of the people of Washington by ensuring safe and reliable drinking water. City Staff and Varela & Associates have put together a funding strategy for construction of a new reservoir. The following list summarizes the planned funding sources for the Reservoir Project:

- CERB: \$50K (grant) - FUNDING ACQUIRED for environmental and preliminary engineering
- DWSRF: \$2.7M (loan) - apply in Nov 2017 (end of this week)
- Legislature: \$1.55M (grant) - continuing to pursue legislators
- CDBG: \$750K (grant) – applied in June 2017, will reapply in June 2018
- If the City receives a Legislative Appropriation or CDBG it will reduce the loan amount from DWSRF

Total: \$2.75M

The idea here is to apply to all funding available sources as each funding cycle arrives (see above for timing of each grant or loan program) and reduce the City's loan amount by acquiring as much grant funding as possible.

Council carried a motion to APPROVE RESOLUTION AUTHORIZING SUBMISSION OF THE DWSRF APPLICATION. This shall be known as Resolution No. 2017- 32. M/S Lallas/McCourtie.

### **WELL 3 REPLACEMENT: ENGINEERING AND EMERGENCY DECLARATION**

Jesse Cowger, City Engineer from Varela & Associates, commented that back in late summer 2017 the pump in Well 3 failed. At the time the pump failed it appears Staff and Council intended to replace the well pump that failed. The City has since consulted with the pump installer and concluded the well is too crooked and that is why pumps keep failing. The City's hydrogeologist (Aspect Consulting) agrees and has recommended the City replace the well by drilling a new one adjacent to the old one. The total cost of replacing the well and getting the new well connected will be in the \$1.8M range. The public works staff feels getting a

replacement well back online by summer 2018 is critical to the City's ability to meet summer demands without relying on Well 6 (high fluoride levels). Getting a replacement well drilled and back online for summer 2018 will be difficult which is why swift Council action is needed.

Public Works Director Terry Clements stated that coming around April and May the City is going to need water due to the high consumption data that was collected and expresses his concern of how important it is to get Well #3 up and running. Public Works Employee Dan Quick gave a brief report of how much water has been pumped out of Well #3 and Well #5, which are the main wells for the city, the severity of the situation and his thoughts of how the scenario would run if there would happen to be another breakdown. Mr. Quick believes that before the new hole gets drill and put on line the City is going to have to buy the new equipment, insert it down the same hole and pump it until that hole is completed and then transfer it over next late fall or early winter and he doesn't see any way that the City can go into a summer season with Well #6 running as a fulltime user with all the old equipment it currently has. Mr. Quick believes the City will end up in a crisis and possible water restriction if Well #3 is not immediately addressed.

Councilmember Snyder asked if the City is doing okay with water in the tanks and was advised that we are doing okay right now, Well #6 does not have to be run right now and all the other wells are maintaining the City good right now. Councilmember Lallas commented that this topic has already been discussed at committee and asked if Schneider has given any indication of when they are available to do the work? Mr. Quick responded that he currently has a job that is finishing and then has another job he needs to get done before the City. Councilmember Lallas also asked about the engineering for new hole and Mr. Cowger responded that they are working together with Aspect Consulting and are moving forward. Discussion was held between Council, Staff and City Engineering about the installation of a new pump into Well #3, drilling the new hole, installation price of pump into Well #3 and then price to transfer from old hold to new hole.

#### **EXECUTIVE SESSION FOR LEGAL COUNSEL**

Mayor announced that Council will now adjourn at 7:26 p.m. to go into an executive session pursuant to RCW 42.30.110(i) to discuss with legal counsel representing the agency matters relating to agency to discuss with legal counsel financial consequence to the agency. The executive session is expected to last 10 minutes. Mayor Logan requested the presence of Public Works Director Terry Clements, Public Works Employee Dan Quick, City Engineer Jesse Cowger, and Finance Officer Spencer Williams. No action will be taken during the executive session. Mayor came back from executive session at 7:39 p.m.

City Attorney Roger Reed recommended the approval of the contract amendment presented to Council by Varela & Associated with regards to Well 3 replacement design and bid.

Council carried a MOTION TO APPROVE VARELA & ASSOCIATES CONTRACT AMENDMENT NO. 2017-006 FOR THE WELL 3 REPLACEMENT DESIGN AND BID ASSISTANCE. M/S Dorow/Lallas

### **BUILDING PERMIT FEES/VALUATION UPDATE**

Community Development Director Anne Henning reported that the last time building permit fees were updated was in 2012. Resolution 2012-08 states that valuations are to be based on the Building Valuation Data developed by the International Conference of Building Officials, April 2002. This resolution was a replacement of Resolution 2010-07, which also used the 2002 valuation. The previous resolution, 2007-30, did not state a basis for determining valuation. Cost of construction has increased since 2002. Because building permit fees for new construction are calculated based on value, using old numbers leads to artificially low permit fees. Ms. Henning presented to council an attachment 1 for how permit fees are calculated for several average building types, and the difference in revenue when using updated valuations compared to 2002 valuations.

Ms. Henning also commented that in 2016, there were permits for 23 new residences and 5 commercial projects. So far in 2017, there have been permits for 20 residences and 7 commercial projects. Assuming similar numbers for 2018, changing to 2017 valuation should generate at least \$30,000 of new revenue that could be used toward hiring a building inspector. The International Conference of Building Officials referenced in the 2012 resolution is now called the International Code Council (ICC). This is the same organization that publishes the International Building Code, International Fire Code, etc. Building valuation data is published twice a year. She mentioned that staff is not proposing changes to the permit fees themselves, just how the valuations are determined and also that the Finance Committee met on November 17 to discuss this issue, and recommends that the valuation basis be updated from 2002 to the current figures. The committee also recommended that the resolution should reference the most recent valuation figures, so that valuation can keep pace without the need to update the resolution.

There was further discussion between Council and Staff with regards to gathering more information as to what other Cities charge for their building permit fees, a break down as to what the building permit fees cover, maybe establishing a different evaluation schedule instead of the International Building Code (IBC) and other topics.

### **2018 BUDGET DISCUSSION**

Finance Officer Spencer Williams mentioned that this is a continuation of our meeting we started on November 13<sup>th</sup> and tonight, we will continue to address items to include in the 2018 budget. He presented Council with the Red zone work sheet again, to guide them through the conversation tonight. Before -Items previously agreed to are highlighted in Green.

- Drug detective – This item is reduced from \$98,000 to \$35,000. We would like to try budgeting a bank of money for overtime hours for our current officers. This way we can start this work with our current staffing.

- Building Inspector – This item was discussed earlier in this meeting. The figure in the work sheet represents the net effect cost to the city. (\$82,000 salary/benefit cost - \$36,000 current budget for County service - \$30,000 revenue for evaluation update = \$16,000 net effect cost to the City)
- Pet Rescue – Offer \$20,000 more to the current \$20,000 contract + \$5,500 in revenues that they will collect instead of the City.

Mr. Williams commented that if Council were to make the above-mentioned changes to the budget, we can include all remaining red zone item. Also mentioned was the possibility of terminating the Grant Writer Contract as it has been noticed that Varela & Associates is well equipped to provide the services needed for granting writing with regards to infrastructure, water, sewer and streets. Mr. Williams also stated that this will also free more money in the Cities general budget.

There was more discussion between Council and Staff with regards to pay increase for Code Enforcement and the price difference from current County Inspector and hiring City Inspector. The Council gave the consensus to fund all Red Zone items presented on work sheet.

#### **PUBLIC HEARING ON THE 2018 PRELIMINARY BUDGET**

Mayor Logan opened the public hearing at 8:22 p.m. Finance Officer Spencer Williams stated there are a lot of projects scheduled for next year. We are operating with money at our disposal and we are aggressively requesting grant funding from other agencies.

Mayor Logan asked for public testimony in support of the proposal. There was none.  
Mayor Logan asked for public testimony from those neutral to the proposal. There was none.  
Mayor Logan asked for public testimony from those in opposition of the proposal. There was none.

Mayor Logan closed the public testimony and asked for Council comments. There was none.

Mayor Logan closed the public hearing at 8:23 p.m.

#### **PUBLIC HEARING ON THE 2018 CAPITAL FACILITY PLAN**

Mayor Logan opened the public hearing at 8:23 p.m. Finance Officer Spencer Williams advised the Council will consider the budget ordinances at the next meeting. He reviewed the Capital Facilities plan for 2018-2023 for capital projects with estimated costs and proposed methods of financing.

Mayor Logan asked for public testimony in support of the proposal. There was none.  
Mayor Logan asked for public testimony from those neutral to the proposal. There was none.  
Mayor Logan asked for public testimony from those in opposition of the proposal. There was none.

Mayor Logan closed the public testimony and asked for Council comments.

Mayor Logan closed the public hearing at 8:30 p.m.

**UNFINISHED BUSINESS**

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There was none.

**NEW BUSINESS**

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The Mayor made the following announcements:

- a. The Council will consider budget ordinances at the December 4, 2017 City Council workshop.
- b. We are collecting children hats, gloves and scarves to be included in the Christmas Basket project. Drop off your collections at City Hall.

**ADJOURNMENT**

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With no further items to discuss, Mayor Logan adjourned the Council meeting at 8:33 p.m.

By: \_\_\_\_\_  
SHAWN LOGAN, Mayor

ATTEST:

By: \_\_\_\_\_  
REBECCA P. OZUNA, City Clerk