

- 0007 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: Khembar Yund, Greg Marcil and Julie Bean.
- 0048 Councilmember Marcil made a motion, seconded by Yund to approve the minutes of the November 13, 2006 Regular Council meeting. By roll call vote, unanimous 'Aye'.
- 0182 Councilmembers Smith and Skeie arrived at 7:35 p.m.
- 0205 Mayor Larsen closed the regular meeting at 7:36 p.m., and opened the public hearing to take testimony on a proposed budgetary amendment to create a Special Revenue fund, entitled, "Local Criminal Justice" for revenues and expenditures proportioned for law enforcement purposes derived from 1/10th of 1% sales tax revenues, in accordance with RCW 82.14.340 for the fiscal year ending December 31, 2007.

Covington reports that the 1/10th of 1% is a special revenue designated only for law enforcement use. Currently it is being booked into the General Fund and a separate ledger is being used to track the fund. Creating a new fund entitled "Local Criminal Justice" will clarify tracking of the revenues and expenditures.

In response to a question from John Reilly, 414 Roake Avenue SE, Covington answered that this is the sales and use tax increase initiated last year by the Cowlitz County Commissioners to combat methamphetamine use. These funds are currently being used to relocate the Police Department and purchase new equipment.

In response to a question from Don Miller, 1062 Cowlitz View Court, Covington explained that the water and sewer funds are separate from the General Fund.

In response to a question from Darla Meade, Riverview Apartments Manager, Covington stated that these monies are designated for law enforcement use only and cannot be used to fund any other program.

In response to a question from Erwin Jeffrey, 411 Allen Avenue SE, Covington reports that law enforcement expenditures are within budget.

- 0672 There being no further comments, Mayor Larsen closed the public hearing at 7:40 p.m.
- 0673 Mayor Larsen opened the public hearing at 7:41 p.m. to take testimony on the

final budget for the City of Castle Rock for the fiscal year ending December 31, 2007, including a proposed 8% increase in water and sewer rates.

Don Miller, 1062 Cowlitz View Court, stated that water and sewer rates have been raised nine times in the last ten years. The combined utility rate has increased approximately three fold in that time. Water pressure is extremely low and there is no storm drain system on Cowlitz View Court.

Public Works Director David Vorse reports that water pressure is established by the elevation of the reservoir. Seven or eight years ago the water main on Cowlitz View Court was replaced, which increased volume to provide sufficient flow for fire protection. However, water pressure on this street has remained constant. A booster pump station or elevated reservoir would be needed to increase pressure, which would require a significant investment. Additionally, the reason for low water pressure can often be found in individual water service lines, which are the responsibility of the property owner to maintain.

In response to Mr. Miller's request for a reason for an 8% increase, Councilmember Smith and Marcil stated that the bills must be met without incurring debt. Revenues from the water service are adequate enough to support expenses, but sewer revenues are inadequate to meet expenses.

Miller stated that personal income is not increasing as utility rates continue to increase.

Councilmember Marcil reports that federal regulations require water and sewer service to pay for itself. Costs such as fuel, chemicals, and personnel continue to increase.

Vorse reports that unfunded federal mandates also add to service costs. The cost to meet these requirements increases with the age of the facility. Payment of the \$6 million loan to upgrade the Wastewater Treatment Plant can be particularly draining on a small customer base. Vorse discussed the analysis which showed a breakdown of what customer service costs pay for. Of the income from customers, 57% goes to payment of loans for facility improvements to meet federal standards.

Clerk-Treasurer Ryana Covington stated that no profit is made from water and sewer service, which means that any increased expenses will require a rate increase.

Councilmember Yund reports that the city is working on a revised rate scale to reward those using less water.

Covington pointed out that the rate increase was kept as low as possible to be able to balance the water and sewer funds. As an example, 22% of income from

utility services go toward personnel salary and benefits. Medical insurance alone is estimated to be increased 15%. Repayment of loans and personnel expenses account for 79% of the water and sewer operating costs.

John Reilly, 414 Roake Avenue SE, recommends lower salary increases for the public works personnel. Covington stated that the salary increase is determined by a collective bargaining contract and cannot be reduced, unless the entire contract is reopened.

Covington reviewed 2007 projects to be funded from the Water Fund:

- \$6,000 for a leak detection program. State mandates require a reduction in unaccounted water loss to 10%, this loss for the city currently is approximately 20%.
- \$7,000 (one-half the cost to upgrade the utility billing program). The supplier will no longer support the city's utility billing program. The other half of this expense will come from the Sewer Fund.
- \$2,500 for a water line tapping machine to tap new services into the water main without shutting off the main and disrupting service.
- \$21,000 for a water main replacement on either Cherry Street NW or Balcer Street NE
- \$5,000 to lower the water main at Powell and Bond Road. An interlocal agreement with Cowlitz County requires that this work be done when the county performs work in this area, which is scheduled for 2007.

Covington reviewed 2007 projects to be funded from the Sewer Fund:

- \$10,000 for a manhole inspection program. The city's insurance pool (AWC RMSA) is now requiring a five-year inspection program for the sewer collection system. This will entail cleaning and TVing all of the lines.
- \$7,000 (one-half the cost to upgrade the utility billing program).
- \$2,600 purchase of two metal trench plates. This is safety equipment for construction sites.

Covington stated that the State of Washington claims ownership of all water. The State is encouraging conservation of resources. This is the reason for reduction in loss requirements as well as encouraging lower rates for lighter users.

Vorse elaborated that the State attempted to reduce water rights for municipalities in the courts. As a result water rights were maintained, but conservation mandates will be imposed. In an attempt to reduce loss, a water main is replaced annually. In an effort to reduce labor expenses, water main replacement work is done by the Public Works Department personnel.

Patricia Reilly, 414 Roake Avenue SE, stated that a couple of years ago the water had a rusty taste and smell which improved after flushing the hydrant. She suggested that the hydrant may need to be flushed again as the rusty taste is returning.

Vorse reports that the Public Works Department should be contacted when this occurs and the hydrant will be flushed. The Water Treatment Plant is in need of improvements to be able to treat the water taken from the Cowlitz River during the wet season due to the high turbidity or "dirty" water.

- 1990 Dorothy French, 36 Shintaffer Street NW, stated that she has problems with the sewer overflowing into her shower when there is a lot of rain. Vorse reports that he has no knowledge of this problem at that location. Mayor Larsen requests that Vorse meet with French to discuss this issue.
- 2147 In response to a question from Steve White, 424 Balcer Street NE, Councilmember Bean stated that the street to receive an overlay will be determined at a later date. White would like to lobby for Balcer Street NE to receive the 2007 water main replacement and street overlay. Covington pointed out that the appropriation for a street overlay was increased due to increased costs for asphalt.
- 2321 Darla Meade, Manager of Riverview Apartments at 161 Leaming Avenue NW, would like the issue of vandalism and crime in the area to be addressed. She also requests additional lighting along this street. Recently, two cars were stolen from the parking lot and a citizen chased down and apprehended a suspect that was stealing gas from vehicles. A lot of vandalism is occurring in this dark area. Meade has managed these apartments for low income elderly and disabled since April and is attempting to provide a safe environment.

Nicholas Brown stated that he has lived at the Riverview Apartments for six months and in that time his vehicle has been vandalized twice. He agreed that there are many dark areas north of the building.

Meade is scheduled to meet with the Police Chief tomorrow. Vorse will research the lighting issue. Meade has requested that police patrol the area but has never seen an officer do so.

Councilmember Smith stated that council recently received an email from Police Chief Heuer advising that the crime rate in Castle Rock has been reduced.

Tape 1 of 1

Side B

- 2512 Councilmember Smith reports that one of the pieces of equipment to be purchased in 2007 is a surveillance camera that can be used to monitor high crime areas.

In response to a question from Meade, The Daily News Reporter Barbara LaBoe indicated that the newspaper calls the Police Department on a daily basis to request crime reports. However, stealing gas from vehicles does not rank high enough to be reported in the newspaper.

- 2803 There being no further public comment, Mayor Larsen closed the public hearing at 8:20 p.m. and resumed regular session.
- 2850 Public Works Director David Vorse explained the reason for assessing stormwater fees. The City of Castle Rock does not have a diking district to levy funds for the stormwater system. Stormwater fees are used to maintain the stormwater system which consists of the levee system, storm pump stations, catch basins and stormwater drainage lines. Maintenance of the stormwater system is instrumental to keep vital services, such as the water and sewer systems, from flooding. In addition, the City is extending and upgrading the stormwater system in problem areas.
- 3040 City Attorney Tom O'Neill reports that the committee has met to discuss the salary for the Clerk-Treasurer and Public Works Director.
- 3090 Vorse reports that a Yellow Cedar located at the intersection of Roake Avenue and Maple Street NE presents a hazard. This tree broke during the windstorm on November 15th. A tree expert examined the tree and recommends complete removal. In addition, the top of an Alder tree fell from the north side of 'The Rock' and damaged the chain link fence. Vorse also recommends removal of this tree prior to repairing the fence.
- In response to a question from Councilmember Bean, Vorse explained that the damage resulting of the windstorm may be reimbursable. Vorse will submit an incident cost report to the Department of Emergency Management for possible reimbursement.
- 3378 Councilmember Bean made a motion, seconded by Skeie to approve the removal of these two hazardous trees. By roll call vote, unanimous 'Aye'.
- In response to an observation from Councilmember Smith, Vorse stated that the city should develop guidelines for planting of trees in the city right-of-way area.
- 3539 Clerk-Treasurer Ryana Covington reports that the October Budget Report indicates that the DOT Spoil Site and Library Funds are overspent for that month. The DOT Spoils Site Fund was overspent by \$622.66 and the Library Fund was overspent \$181.35. On November 1st a reimbursement to the DOT Spoils Fund of \$6,578.87 was received from the Interagency Committee for Outdoor Recreation. On November 9th Excise Tax Revenues were received from the Cowlitz County Treasurer in the amount of \$10,635.84 for the Library. Both of these funds are now in good condition.
- 3632 Report of Meetings
Councilmember Yund attended a Supervisors Salary Committee meeting.

Councilmember Marcil attended a Supervisors Salary Committee meeting and a Regional Utility Board meeting.

Mayor Larsen read an invitation to a celebration honoring Cowlitz County Commissioner Jeff Rasmussen at 6:30 p.m. on December 12th at the Cowlitz Regional Conference Center.

- 3694 Councilmember Marcil made a motion, seconded by Bean to approve Ordinance No. 2006-12 creating a Special Revenue Fund for additional sales and use tax for criminal justice purposes, in accordance with RCW 82.14.340 as enacted April 2004, on second reading. By roll call vote, unanimous 'Aye'.
- 3724 Covington summarized project related changes to the 2007 budget. Due to weather conditions the Sewer Trunkline Replacement Project will not be completed in 2006. This project will require approximately \$120,000 to be carried over to the 2007 Sewer Fund and \$95,000 to the 2007 Regional Sewer Fund. This project is loan funded.

The Park Fund will be increased by \$5,000 to carry over grant funding for the high banks survey which will not be completed in 2006. The DOT Spoil Site Fund will also be amended to reflect \$207,000 in revenue contributed by the Port of Longview for the Boat Launch Project. The total budget amendment is an increase of \$328,745 over the initial budget of \$9,490,011.

- 3949 Councilmember Marcil made a motion, seconded by Yund to approve amended Ordinance 2006-13 adopting the budget of the City of Castle Rock for the fiscal year ending December 31, 2006, in the amount of \$9,818,756, on second reading. By roll call vote, unanimous 'Aye'.
- 4005 Dorothy French, 36 Shintaffer Street NW, requests a utility leak adjustment for August and September. French stated that the leak in the shower is now fixed. Covington explained that the Public Works Department must first verify that there is no longer a leak. Until this meeting, the City has not been notified that the leak was fixed.
- 4311 Councilmember Smith made a motion, seconded by Marcil to approve a leak adjustment for 36 Shintaffer Street NW for August and September. This adjustment is contingent upon verification by the Public Works Department that there is no longer a leak. By roll call vote, unanimous 'Aye'.
- 4338 There being no further business, Mayor Larsen adjourned the meeting at 8:50 p.m.

Mayor Barbara Larsen

Clerk-Treasurer