

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 Yund was excused.

0055 Councilmember Mask made a motion, seconded by Reilly to approve the minutes of the July 13, 2009 Regular Council Meeting. By roll call vote, unanimous Aye.

0087 Mayor Larsen opened the Public Hearing at 7:34 p.m. to take comment on a street vacation petition submitted by L. Blaine Kennington/B Kenn LLC and Carolyn Kennington, for a section of Maple Street NW, located between Huntington Avenue North and Front Avenue NW.

Blaine Kennington, Castle Rock Dental, provided an overview of his plans to construct a professional building on the adjoining lot. If the vacation is granted, this unused street section would be used for a parking lot. In response to a question from Councilmember Reilly, Public Works Director David Vorse affirmed that a water main is located in this section of Maple Street, therefore no structures could be constructed in this area.

City Attorney Tom O'Neill noted that he established the fair market value for the area at the previous council meeting. Clerk-Treasurer Ryana Covington added that Ordinance 2009-08 regarding this vacation, contains provisions for a utility easement in addition to denoting the fair market value. The amount denoted must be paid to the City as a condition of the approval.

In response to a question from Mark Kerr, property owner 353 Front Avenue NW, Councilmember Marcil clarified the location for the requested vacation.

There being no further discussion, Mayor Larsen closed the Public Hearing at 7:38 p.m. and resumed regular session.

0451 Cowlitz County Director of Asset Management Ken Stone reviewed a "draft" agreement for the transfer of west Castle Rock water and sewer facilities. This agreement has been reviewed by both the city attorney and Cowlitz County's attorney.

Vorse detailed that utility customers located outside of city limits are required to pay one and a half times the rate paid by customers within city limits. The ordinance utility ordinance must be amended to allow residents in this area a specified amount of time to consider annexation before imposing the increased rate. City Attorney Tom O'Neill added that the annexation process takes some time to complete. The current ordinance would require the 150% rate as soon as the city begins providing service.

0779 Councilmember Marcil made a motion, seconded by Mask to accept the agreement with Cowlitz County for the Transfer of West Castle Rock Utility Facilities, with the condition that the city ordinance is amended to allow the city to provide this service at the same rate as inside city limits for a period of six months with the possibility of a six month extension. By roll call vote, unanimous Aye.

0997 City Planner T.J. Keiran reviewed the August 7<sup>th</sup> staff report regarding Mr. Charlie Curry's Notice of Intention to Commence Annexation Proceedings submitted on June 22, 2009, for nineteen properties north of Cowlitz View Court extending to Barnes Drive. At this time, council must decide:

1. Whether to accept, reject, or geographically modify the proposed annexation;
2. Whether the simultaneous adoption of a comprehensive plan is required; and
3. Whether an assumption of indebtedness is required.

Washington State law requires a response to the Notice of Intent within 60 days. This is the last Regular Council Meeting within the 60 day period.

1. The boundary of the proposed annexation area is a long narrow strip of land between I-5 and the Cowlitz River that is contiguous with existing city limits. Two questions must be answered when considering annexation geography; is the property contiguous and will it create an "abnormally irregular geography". A third consideration is if the annexation follows natural and manmade features. The natural boundary of the Cowlitz River and man-made boundary of the interstate highway may be considered appropriate boundaries. However, Keiran stated that his research of other annexation areas within the State shows that individual determinations of whether a proposed areas is an "abnormally irregular boundary" is subjective.

2. A simultaneous adoption of a comprehensive plan designation will be required to annex this property.

3. Clerk-Treasurer Ryana Covington has provided a summary regarding the assumption of indebtedness and recommends the council require the property owners of the annexed area to assume a share of the outstanding indebtedness. The city's outstanding indebtedness, as of December 31, 2008, includes Revenue Debt in the amount of \$5,339,792 for upgrades to the city's water and wastewater treatment plants. In 2009, an additional \$1.94 million in debt was incurred for the water treatment plant upgrade. The city's General Obligation Debt includes \$30,683 for police vehicle purchase. In addition, the city is requesting voter approval of two excess levies; one to support law enforcement services and the other to support library services. Examples of other obligations include repayment of loan funds for the Cowlitz Street West reconstruction project and required match obligations for the boat launch facility.

If water or sewer service is extended to the property then they would need to assume a portion of that debt. At this point Mr. Curry does not need utility services. If annexed, that area would be served by the Castle Rock Police Department and would need to assume a portion of that debt. Additionally, improvements to the downtown commercial area, library and new boat launch facility will provide a benefit to the site.

Another issue to consider for this annexation request is the transition from Cowlitz County Building & Planning services to the City, as this property is currently under development as an RV Park. Keiran noted this development is near completion. Keiran recommends that he and the city's building inspector and attorney meet with Mr. Curry and Cowlitz County Building & Planning officials to determine how this transition will occur. The city has received no fees to date for this annexation request. The site has been built to county specifications. Keiran noted that most of the county's specifications are similar to the city's. In addition, there are no adjacent property owners that could be affected by any differing requirements. The city could accept the development based on the county's building code. Mr. Curry could complete Phase 1 using the county's processes, or the city could assist with complete the permitting process following annexation, while acknowledging that the development was built to county code.

In response to a question from Councilmember Reilly, Keiran stated that only Phase 1 is near completion; there will be multiple phases with this development. The intention is to assist with the completion of the permitting process.

In response to a question from Councilmember Mask, Keiran specified that each city department has included a written recommendation for approval of this annexation request.

Keiran detailed that many of the other properties included in Mr. Curry's annexation request are publicly owned dredge spoil sites. Cowlitz County has received a request for a pre-application meeting for a surface mining project to remove some of the dredge deposits. The city has no surface mining regulations.

Keiran stated he has visited the site and noted that the RV Park has beautiful amenities that could host a large event. The city would need a site specific agreement to address promotional and entertainment special use aspects.

City Attorney Tom O'Neill noted that this annexation could be approved following staff recommendations, under the condition that an assumption of indebtedness is assumed and that Mr. Curry meets with city and county staff to address issues related to specific uses.

In response to a question from Councilmember Mask, Keiran specified that no fees have been collected for this annexation request. Fees will be assessed at the

point when a formal annexation application is submitted.

- 2289 Councilmember Mask made a motion, seconded by Reilly to accept the request for annexation proceedings following staff recommendations with the condition that an assumption of indebtedness is assumed and that Mr. Curry meets with city and county staff to address issues related to specific uses.

During discussion: Charlie Curry reports that he has reviewed the staff report but needs more time for his attorney to review. He is concerned with the assumption of indebtedness. Phase 1 for 250 sites is ready to open. Phase 2 will add 56 sites, for a total of 306 full hookup sites. The 12 acre parcel in the northeast portion of the site was designed as a rally area to accommodate large groups ranging from 500 to 1500. A 1600 square foot general purpose building has also been completed.

In response to Mr. Curry's comments regarding utility indebtedness, City Engineer Mike Johnson clarified that revenue bonds for utilities are tied to water and sewer hookups and utility rates.

Keiran recommended that any joint meetings be held after the city receives Mr. Curry's formal application for annexation, including fees.

Vote on the above motion: Unanimous 'Aye'.

Keiran provided Mr. Curry with information pertaining to annexation application processes.

- 2857 Mr. Keiran reported that today the city received materials from ABT Development for the Lois Dye final plat. He noted that the application for final plat is still incomplete, however he continues to work with the developer. Mr. Keiran hopes to address this at the next Planning Commission meeting.

Keiran noted that it has become more necessary for the city planner and city engineer to invest additional hours for review and meetings with this developer in an effort to secure a complete application from Mr. Verhassalt. He requested council direction as to if the city is able to recoup these additional costs from the developer.

In answer to Councilmember Reilly's question, Keiran stated most of the improvements have been completed, however Mr. Verhassalt has not yet completed the legal documents nor has he been able to secure the required bonds.

Mr. O'Neill will research if the city has the authority to recover development costs for planning and engineering services regarding the Lois Dye development.

3024 City Engineer Mike Johnson reported that the city has received three bids for the Riverfront Trail Repair project, which is funded by an ARRA grant.

<u>Contractor</u>	<u>Base Bid</u>	<u>Additive</u>	<u>Total Bid</u>
Lakeside Industries	\$37,700	\$16,500	\$54,200
W-5 Excavation Inc.	\$49,483	\$15,000	\$64,483
A & A Contracting Inc	\$62,114.75	\$21,800	\$83,914.75
Engineer's Estimate:	\$48,000	\$20,000	\$68,000

Johnson recommends the city award the bid to the low bidder; Lakeside Industries of Longview, Washington.

3137 Councilmember Mask made a motion, seconded by Queen to award the bid to Lakeside Industries in the amount of \$54,200 for both the base bid and additive. By roll call vote, unanimous 'Aye'.

3153 Johnson stated that as a condition of the city's NPDES permit, the city must complete an inspection of it's outfall by December 15, 2009. In addition, the city must also complete work to clean and inspect their two water storage reservoirs. To reduce impacts to the water distribution system, the city would like to have the inspection and cleaning completed by divers so that the reservoirs can remain in service during this process. The inspection of the outfall also will require the use of divers.

Johnson requests approval of an engineering service proposal to provide services to prepare a bid package for the cleaning and inspection of the city reservoirs and outfall. Johnson summarized the scope of work to be completed, at a cost of \$2,057.

In answer to Councilmember Mask's question, Vorse stated that the 2009 budget includes \$5,000 per reservoir for cleaning and inspection services and \$10,000 for the outfall work.

3201 Councilmember Queen made a motion, seconded by Mask to award the engineering service contract for bid preparation in the amount of \$2057 for the projects stated. By roll call vote, unanimous 'Aye'.

3218 Johnson submitted a cost summary for the Water Treatment Plant Improvements. He stated the plant is producing water and he is in the process of preparing a punch list of items that the council may wish to consider completing before the project ends.

3295 At the request of Councilmember Mask, Vorse provided a status report of the boat launch project. He announced that Washington State Fish and Wildlife have agreed to extend the 'fish window' regulating in-water work to September 15<sup>th</sup>.

Vorse added that the 401 certification comment period should be completed by the Corps of Engineer within a couple of days. As soon as the Corps of Engineer signs off, the city will have the required permits for the project.

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3366 Mask voiced concern that if permits are not secured, the city will be subject to cost incurred by the contractor. Vorse stated that the contractor initially stated it would take two weeks to complete the in-water work. Council-member Queen commended Vorse for the efforts that he has made on this project.

Councilmember Mask asked if Vorse track all costs incurred by the contractor to assure that the city is able to control costs.

Project Coordinator Paul Helenberg stated that Bergerson Construction will not be mobilizing to the site until permits are in-hand. If the permit is received by Friday, the contractor will move in on August 17<sup>th</sup>. The pre-cast panels have been purchased and will be delivered.

3736 Covington requested council approval of the July invoices in the amount of \$446,490.16. Invoices have been reviewed by Audit Committee Member Mike Mask.

3760 Councilmember Queen made a motion, seconded by Mask to approve July invoices in the amount of \$446,490.16 as described on the Summary of Claims as check numbers 20764 through 20810 for payroll expenses and check numbers 38858 through 38960 for general expenditures. By roll call vote, unanimous 'Aye'.

3781 Covington requested approval for an additional July invoice in the amount of \$26,812.05 to USDA Rural Development for final payment of the Series B loan. Council provided initial approval for this payment at the July 27<sup>th</sup> city council meeting.

3820 Councilmember Marcil made a motion, seconded by Reilly to approve final loan payment of the USDA Rural Development Series B loan, in the amount of \$26,812.05, which includes principal and interest due. By roll call vote, unanimous 'Aye'.

3855 Council Report of Meetings:  
Councilmember Marcil participated in the initial meeting with the Police Bargaining unit to begin negotiations on their contract. The current contract expires December 31, 2009.

Mayor Larsen and Councilmembers Marcil and Mask met with department supervisors regarding the 2009 budget.

Councilmember Mask attended the regional meetings pertaining to parks.

- 3910 Marcil distributed a cost summary for the generator project. The gas company will be contacting Vorse to make arrangements for changing the fuel source to natural gas. Marcil estimated that the project will be within the approved total.

In answer to Councilmember Queen's question, Marcil stated the old propane tank will need to be declared as surplus property and disposed of at a later date.

- 4032 City Attorney O'Neill suggested the council table further consideration of proposed Ordinance No. 2009-04 pertaining to parking and vehicle impounds. O'Neill stated that Councilmember Yund had provided additional information pertaining to an amendment to the State law and he would like additional time to review the statutes.

In answer to Mr. Glenn Pingree's question, O'Neill stated the intent of the parking ordinance is to update city code to adhere with State statutes.

- 4172 Councilmember Marcil made a motion, seconded by Reilly to approve Ordinance No. 2009-07, an ordinance amending CRMC Chapter 13.16 Retail Water Sales, on second reading. By roll call vote, unanimous 'Aye'.

- 4191 Councilmember Mask made a motion, seconded by Reilly to approve Resolution No. 2009-07, a resolution proclaiming the 1991 Chevrolet patrol vehicle as surplus property, in second reading. By roll call vote, unanimous 'Aye'.

- 4213 Paul Helenberg, Boat Launch Project Coordinator, reported that they have logged 650 hours of work of which 250 hours was volunteer work to complete the grading of the parking lot, install base rock and prepare an area for Bergerson Construction to access the river. They will begin work on the stormwater and sewer systems and prepare the conduit for the lighting. If funds are available, the access road will be paved and widened.

- 4318 Councilmember Reilly made a motion, seconded by Marcil to approve Ordinance No. 2009-08, an ordinance vacating a section of Maple Street as described in the ordinance, an located between Huntington Avenue North and Front Avenue NW, on first reading.

During discussion, Vorse voiced concern that the ordinance does not define the width of the easement. Covington stated the wording is the same as was

approved by the city attorney in an earlier ordinance pertaining to another street vacation. The city attorney suggested the council approve this ordinance on first reading and clarify the easement width prior to the second reading.

Vote on the motion: Unanimous 'Aye'.

- 4538 Councilmember Marcil announced that the next budget workshop will be held August 24<sup>th</sup> at 6:00 p.m. prior to the regular city council meeting.
- 4629 O'Neill stated that the draft ordinances distributed at the prior meeting relating to Animal Control and Code Compliance were intended for discussion and should be tabled until further review can be completed.
- 4695 Councilmember Mask made a motion, seconded by Reilly to approve the leak adjustment requested by Kenneth Knight, Warren Street SW in the amount of \$169.75. By roll call vote, unanimous 'Aye'.
- 4721 Mr. Vern Davis, Kirby Avenue NE, requested a leak adjustment in the amount of \$81.95 due to extraordinary circumstances. Mr. Davis explained the circumstances and also submitted a letter outlining the issue. He requested an adjustment of his utility bill and also permission to make incremental payment for the remaining balance of the overage.
- 4857 Councilmember Queen made a motion, seconded by Marcil to approve the adjustment to Mr. Davis' utility bill in the amount of \$81.95 due to extraordinary circumstances. By roll call vote, unanimous 'Aye'.
- Councilmembers instructed Mr. Davis to contact the Finance Office to make payment arrangements.
- 4884 Councilmember Marcil made a motion, seconded by Mask to approve Resolution No. 2009-08, a resolution authorizing and providing for the incurrence of indebtedness for the purpose of providing portion of the cost of acquiring, construction, enlarging, improving and/or extending it's water facility to serve an area lawfully within the City's jurisdiction, in the amount of \$300,000, on first reading. By roll call vote, unanimous 'Aye'.
- 4987 Mr. O'Neill stated Kari and Jon Murfitt have not responded to his letter asking if they still wish to pursue their street vacation request. Councilmembers Reilly and Mask felt the applicants had been provided adequate time to respond to Mr. O'Neill's letter, which was sent last month.
- 5047 Councilmember Mask made a motion, seconded by Reilly to deny Mr. and Mrs. Murfitt's request to vacate a portion of a street adjacent to their property. By roll call vote, Councilmember Queen voted Nay;

- Councilmembers Marcil, Mask and Reilly voted 'Aye'. Motion passed.
- 5092 City Attorney O'Neill requested a ten-minute executive session to discuss litigation, with possible action to follow; with session beginning at 9:00 p.m.
- 5119 Mayor Larsen reconvened regular session at 9:09 p.m.
- 5121 O'Neill recommended that the city council direct him to offer a settlement regarding Castle Rock versus Adriatic Incorporated with acceptance of a certified check paid to the city in the amount of \$3500.
- 5133 Councilmember Reilly made a motion, seconded by Mask to direct the city attorney to offer such a settlement as stated above. By roll call vote, unanimous 'Aye.
- 5146 Councilmember Queen requested council approval to seek professional assistance to complete the installation of the council camera recording system. He stated that the video portion of the system is working as needed, however the audio is not clear enough. Councilmember Marcil suggested council hold off on the project until the beginning of the next fiscal year. O'Neill suggested that Charisma, a Longview-based company that specializes in theater equipment, be contacted. By majority consensus, councilmembers directed the city clerk to contact a vendor specializing in sound systems, and to have that vendor provide an estimate to ascertain how much it would cost to repair the system.
- 5353 Mayor Larsen adjourned the meeting at 9:14 p.m.

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Mayor Barbara Larsen

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Clerk-Treasurer