

LEAVENWORTH CITY COUNCIL
Study Session Agenda
City Hall - Council Chambers
April 10, 2018 9:00 a.m.

9:00 – 9:15 Chamber Report

This time is provided for a Chamber of Commerce representative to provide an update to the City Council on items of interest to the Chamber and City.

9:15 – 9:35 Resolution 03-2018 KOA Sewer Connection Exemption

This time is provided to review a request from Recreational Adventures Co. to allow for the KOA Property to be connected to the City's sewer system. The KOA property is currently an operating campground business with wastewater being treated via onsite septic tanks and drain field. The owners of the property are in the process of building onsite utility extensions for eventual connection to City water and sewer utilities. The property owners are requesting emergency access to the City's sewer system so they can complete their onsite utility construction and remain operating during the transition period. Connection fees would be paid prior to the sewer connections being made. Monthly sewer utility fees would be paid at the 125% level for properties using City utilities and not located within the City boundaries. Charges will be calculated based on the measured flow of wastewater from the campground. The stated goal of the property owners is to annex into the City and eliminate the septic tanks and drain fields.

In 2013, the owners of the KOA Campground approached the City requesting annexation into the City. At that time, the City Council identified conditions for annexation prior to the City annexing the property into the City limits. Those conditions identified the construction of a new road (Zelt Strasse) which would provide a new access to the KOA Campground, and that the KOA be in compliance with their Chelan County Conditional Use Permit (CUP). As of this time, the roadway is under construction and as of December 2017, the KOA was in compliance with the Chelan County CUP.

Under LMC 13.68.020 the City Council can allow the connection of City sewer to properties outside of the City municipal boundaries provided the following conditions are met:

- A. The City Council must make a finding that the overall public interest will be served by granting the exemption; and
- B. The property owner, their successors, heirs, and assigns shall record with the Chelan County Auditor's office a notice to title, as approved by the City of Leavenworth, which provides notice of and binds all future property owners to the following waivers of protest and other requirements. It shall also be the obligation of the property owner, their successors, heirs, and assigns to inform potential buyers of these items:
 - 1. Property owners, their successors, heirs, and assigns shall not protest annexation. Provided further, nothing in approval of extension of city sanitary sewer shall bind the City to annex said property nor obligate the City to approve future subdivision

and development of the property, nor impose or not impose any particular conditions or requirements for said development and land use actions, nor implement improvements to its utilities and/or roads that may be required to serve the development. If the City agrees to annex this property, the City does not warrant that existing facilities are adequate to serve this development; and

2. Property owners, their successors, heirs, and assigns agree to participate in future local improvement districts (LID) and/or other similar financing mechanisms for the redevelopment of streets, sidewalks, utilities, and related infrastructure in the area. This participation shall be in accordance with reasonable methods established by Washington State law and/or by local law, and shall be for a pro-rata share of improvements in the geographic area as established by a benefits assessment or other similar mechanism; and
- C. The connection may be allowed provided the applicant upgrades or installs a new eight-inch sanitary sewer main to the property within right-of-way or public utility easement, as necessary and determined by the City; and
- D. The connection may be allowed provided the property requesting the exemption is contiguous with the existing boundaries of the City; and
- E. When the property is approved for connection to the city service, the City sewer connection charges and fees in effect at the time of connection shall apply to the property; and
- F. Connection to city sanitary or storm sewer shall not be allowed outside the urban growth area unless the City Council makes a finding that the connection is necessary to protect basic public health and safety and the environment; the connection is financially supportable at rural densities; and does not permit urban development outside of the urban growth area.

As noted above, the first step in this process is for the City Council to make a finding that the overall public interest will be served by granting the exemption.

The following items are included under **Evening Agenda TAB 1:**

- Resolution 03-2018
- Recreational Adventures Company, March 14, 2018 Utility Connection Request
- LMC 13.68 - Connection exemptions

9:35 – 9:50 Development Agreement Icicle Brewery Sewer Utility

This time is provided to review a request from Aasgard, LLC (Icicle Brewing) to allow for the reconstruction of the City’s sewer system. The sewer is intended to serve a future Icicle Brewing facility and is necessary due to the limitations of an existing two (2) inch PVC pressure sewer that currently serves County Shop Road. The original line was constructed in 1999 by way of an “Interlocal Agreement” whereby costs were shared with Chelan County and the City. The replacement line will be constructed per the attached sewer plans (Tab B). The future action of the Council may be to proceed with the replacement line utilizing a “Development Agreement.”

Due to the fact that the line is within Chelan County Right-of-way, the City desires this type of agreement for construction of a City sewer line. This form of contract must be authorized by the City Council.

- A. “RCW 36.70B.170 authorizes the execution of a development agreement between a local government and a person having ownership or control of real property outside its boundaries and as a service agreement.
- B. This Agreement relates to the installation of sanitary sewer line extension improvements as specifically depicted and described in Exhibit “A” hereto (the “Utility Improvements”), which will be installed by Developer in connection with the construction of an approximately 12,500 square foot building, which requires the ability to discharge industrial waste to the City’s sewer (the “Project”) by the Developer on the real property described in Exhibit “B” hereto (the “Property”).
- C. The following events have occurred in the processing of the Developer’s applications for the Utility Improvements and the Project:
 - a. An application for a right-of-way permit was filed on February 12, 2018 and an application for a building permit was filed on February 2, 2018 with Chelan County.
 - b. The City already serves water to this area. An application for water services was received in March 1990.
 - c. After a public hearing as required by RCW 36.70B.200 by Resolution No. _____, the City Council authorized the Mayor to sign this Agreement with the Developer (the “Adopting Resolution”) and authorized and approved the Mayor to sign Exhibit C: Contract for Discharge of Industrial Wastewater to the City of Leavenworth publicly owned Wastewater Treatment Plant.”

The following items are included under **TAB B**:

- 1999 Interlocal Agreement
- Development Agreement
- Replacement Sewer Plans and Existing Sewer Line

9:50 – 10:05 Resolution 04-2018 – Housing Committee – New Standing Committee

The City Council has previously discussed establishing a standing Housing Committee to continue working on addressing housing affordability within the City of Leavenworth. The Mayor’s Taskforce on Housing Affordability provided recommendations for further exploration in several areas. One area of recommendations focused on changes to the Leavenworth Municipal Code. This set of recommendations was tasked by the City Council to the City’s Planning Commission. Two other areas for further consideration have to do with financing/funding and considering regional solutions.

At the City Council Retreat, there was general consensus by the City Council to form a standing Committee to continue the work on addressing housing affordability. The Council identified three areas of focus for the Committee to work on:

- 1) Initiate the discussion regarding the collaboration on the regional housing issue and potential regional solutions.
- 2) Explore possible funding options for assistance of work force level housing.
- 3) As code language is developed and approved via the City Council and Planning Commission, evaluate the effectiveness of those changes.

The discussion at this time involves the review of the resolution establishing the Housing Committee and identifying City Council members that have the interest and are available to serve on the standing committee.

The recommendation at this time is for three (3) City Council Members to be appointed to the Housing Committee. The Mayor and City Administrator would also be in attendance; other staff members would attend when required. The scheduled meeting time for the Committee would be the 4th Tuesday of each month at 3:00 PM. Meeting location would be the 2nd Floor Conference Room at City Hall.

The following item is located under **Evening Agenda TAB 4:**

- Resolution 04-2018

10:05 – 10:45 Council Retreat Follow-up Discussion

On March 23, 2018 the City Council held the annual Council Retreat; this time is provided to follow-up on the retreat discussions, review minutes, and to review the Council Goals and Objectives Worksheet.

The Goals & Objectives Worksheet is a tool that has been in use since 2016. At the 2016 Council Retreat, the Council identified five areas for goal development: Revenue and Fiscal Health, Infrastructure, Economic Development Growth and Vitality, Transparency and Accountability, and Community Building (no particular order). The Council then established individual goals under each area, and then identified measurements, objectives, or initiatives for each of the goals.

The Council Retreat Minutes are located within the minute's section of the packet material.

The following items are included under **TAB D:**

- Council Retreat Discussion Items
- Council Goals & Objectives Worksheet 2017

10:45 – 11:00 Leavenworth Adventure Park Annexation Follow-up

This time is provided to discuss the status of the Leavenworth Adventure Park Annexation (Ordinance 1560). The Chelan County Assessor is in the process of evaluating the components of the annexation procedures and reviewing the final approval of the annexation.

Pursuant to RCW 35A.14.120, the process starts with notice/request to the City (by 10% of the property owners). The next step is finding if the City wishes to proceed at the first Council meeting following the request. If the decision is to proceed, then under RCW 35A.14.130 a petition is circulated, which needs 60% of property owner signatures. This Petition falls under RCW 35A.01.040, and this is a petition where signatures are to be validated by the Assessor who issues a certificate.

The Assessor believes that the Petition and subsequent certificate of ownership must be in place prior to the Public Hearing, although the City believes that the Petition and subsequent certificate of ownership serves as confirmation of ownership and acknowledgement of the owner's commitment to the City.

The commitment to the City was completed on February 13, 2018 prior to the Public Hearing on February 27, 2018, and ownership is known to be a single person (Larry Langston) with 100% ownership for a single property (the notarized agent authorization satisfied ownership). The City was satisfied with the commitment of the future owner, of their obligations (see the February 13, 2018 meeting), and confirmation paperwork for ownership could be affirmed at any time.

In the event the Assessor disagrees with the procedure used by the City, the assessor would require a new public hearing after confirmation (which is already done) to be consistent with the Assessor's preferred timeline to process the taxation transfer from the County to the City.

The City Staff has been in contact with the Assessor's Office and will have an update on Tuesday regarding the current status of this annexation process.

There are no items included under **TAB E**.

11:00 – 11:20 Varela & Associates Contract Review: Waste Treatment Plant Improvements.

This time is provided to allow for review of the Engineering Contract with Varela & Associates for the design and engineering required for the Wastewater Plant Improvements. The format of the contract is required by United States Department of Agriculture Rural Development Funding Programs. As was discussed at the last City Council meeting, the City was awarded \$10,670,000 in loan funds and \$3,270,000 in grant funding. The Rural Development (RD) funding covers the engineering and improvements for the waste treatment plant and other collection system improvements identified in the Wastewater System Plan. The contract has been reviewed by the City Attorney and the contract language regarding insurance and liability has been reviewed by the City's Insurance provider, Washington Cities Insurance Association (WCIA).

Contract particulars:

- The scope of the contract covers the improvements necessary at the Waste Treatment Plant and collection system improvements. The City has previously identified the South Interceptor Reconstruction as the priority project for the collection system. This project will be scheduled with the waste treatment plant improvements in 2019. Other collection system improvements will follow.

- Article 4 of the contract provides the requirements for submittal of invoices and payments. Payments will require agency concurrence (approval by Rural Development) prior to payment.
- Article 7 (beginning page 9) provides contract definitions.
- Exhibit A of the Contract identifies the engineer responsibilities and scope of work.
- Exhibit A -1 provides a tentative schedule for the completion on contracted work.
- Exhibit A-2 provides the scope and estimated costs for various tasks within the scope of work.
- Exhibit A-3 provides the cost for the professional services and identifies reimbursable costs.
- Exhibit B of the Contract identifies the owner/City responsibilities.
- Exhibit D identifies the responsibility of the Resident Project Representatives. Because of the scope and technical nature of this project, the engineering firm provides an individual that observes, records, and field checks the contractors progress and work quality.

Waste Treatment Plant Project History:

The engineering firm of Varela & Associates has had an ongoing relationship with the City of Leavenworth since 1987. They have been involved with many of the City water and wastewater projects over that period. The City Council approved an initial contract pertaining to the required updates to the Waste Treatment Plant in June of 2014. This initial contract was to initiate discussions with the Department of Ecology on the preliminary review of requirements for the new phosphorous regulations. At that time, the Public Works Committee reviewed the qualifications of several firms and recommended moving forward with Varela because of their past relationship with the City, and specifically because Varela had been the design engineers for the existing waste treatment facility, which has been well received by the community. In addition to the review of qualifications, the City selects consultant engineers via the MRSC Small Works Public Works Roster; Varela & Associates have provided their credentials to MRSC.

The Council approved an amendment to the initial contract in April of 2016 for the Wastewater Facility Plan. The Facility Plan was a requirement by the Department of Ecology (DOE) as one of the first steps in developing a plan to address the new phosphorous requirements. The City was awarded a 50/50 low interest loan and forgivable loan to offset the cost of the development of the Wastewater Facility Plan. In 2017, the Facility Plan was reviewed and accepted by the DOE. The next step in this process is for the development of plans and specifications for the required improvements; the agreement with Varela & Associates being reviewed at this time would cover those next steps.

The following items are included under **Evening Agenda TAB 6:**

- Engineer's Joint Contract Documents Committee (EJCDC) Agreement
- March 16, 2018 Engineering Services Agreement Cover Letter

11:20 – 11:25 Quarterly Update Future Council Agenda Items / Project Tracking

The Council is being provided the quarterly Project Tracking spreadsheets. The Project Tracking is not a comprehensive list of all the work being completed or the tasks underway by the City; however, this does reflect the City projects and tasks that have been directed by the Council as priorities. Each project includes some annotations of status or description, anticipated completion, and stage (progress level). This is intended to relay progress and ensure that the City is on target with the needs of the Community and Council priorities. This document is updated and provided to the Council on a quarterly basis. The current statuses of the projects are listed under the APR column and this document will be distributed again at the beginning of July with updates. In addition, staff has provided the City Council 2018 Future Agenda Items that are subject to changes.

The following items are included under **TAB G:**

- Project Tracker
- City Council 2018 Future Agenda Items

11:25 – 11:30 Quarterly City Newsletter Recommendations – Distribution in May

The City will be publishing the quarterly Mayor and City Council Newsletter in May. Article topics at this time include but are not limited to:

- “A Minute With the Mayor” - City Revenues and Expenditures
- HAWK Pedestrian Crossing Beacon – Sue Cragun
- City Pool & Water Safety – Sue Cragun
- Upcoming Festivals and Events – Sue Cragun
- Leavenworth Recycle Center – Sue Cragun
- Update on current / upcoming City projects – Herb Amick – Sue Cragun

Staff is requesting any additional suggestions from the Council at this time.

The following item is included under **TAB H:**

- Summer 2017 Newsletter

11:30 – 12:00 Committee Reports and Council Open Discussion

a. Committee & Meeting Reports

b. Open Discussion

The remainder of this time slot allows for Council discussion of items not on the agenda.