

LEAVENWORTH CITY COUNCIL
Study Session Agenda
City Hall - Council Chambers
October 10, 2017 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 – 10:15 Utility Rate Study Review with HDR, Inc.

Earlier this year, the City contracted with HDR, Inc to complete a Utility Rate Study. This time is provided to provide an overview on how a rate study is developed and to review the work completed to date by HDR, Inc. Mr. Kevin Lorentz from HDR will make the presentation at the Study Session on Tuesday.

A Utility Rate Study is comprised of several pieces. One of the first tasks is to determine whether the existing rate structure conforms to industry / legal guidelines and achieves other industry or city specific objectives. Based upon the results of this evaluation, a detailed billing analysis is performed to develop a recommended rate structure that will satisfy community objectives while ensuring adequate revenues to satisfy the utility cost requirements. These would include both ongoing operational costs, capital costs, and related debt service costs. The City's last utility rate study was completed in 2011. The recommended time period for a utility rate study is approximately once every five year period. Looking forward, a rate study examines future capital improvements and any known significant changes to the billing calculation or system. In Leavenworth's case, this would include the significant cost of improvements for the waste treatment facility and the study will provide additional information on how the financing option selected by the City will affect the sewer rates. Another question that rate studies typically focus on is the charges for services between rate classes for different utility users; for example, examining the cost of garbage services between residential and commercial users. The goal or metric of a successful utility rate study is to provide the information and justification to the Council and community on rates; the level, what costs they cover, and that they are equitable to all the user groups.

A Utility Rate Study is a tool for the City Council to gain information that the rates established by the City Council cover the cost of service, capital improvements, and debt service for each utility.

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

- PowerPoint Presentation Sheets

10:15 – 10:35 Lions Club Park Pavilion Review – Alison Miller

This time has been provided to allow Ms. Alison Miller, of Alison Miller Architect, LLC, to present to the Council a replacement design for the Lions Club Park pavilion. As Council may

know, the existing structure has reached its final years of structural integrity and will need to be removed and/or replaced in the near future. Staff requested Ms. Miller to review and enhance the design based upon an original replacement design by the late, Mr. Peter DeVries. Ms. Miller initially presented the draft design to the Parks Committee on September 12, 2017, and with their approval, was requested to present the design to the full Council for consideration. A rendering of the design is included in the packet materials. The design has not yet been evaluated by the Design Review Board and a funding plan has not been established. The preliminary construction estimate based upon the design is approximately \$310,000.

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

- Design Rendering

10:35 – 10:50 Highway 2 Annexation

This time is provided to present and discuss the annexation process with the City Council for territory controlled by the Washington State Department of Transportation (Hwy 2). This territory is from the existing City Limits to east of the Marson's Warehouse. This area is solely within Hwy 2 Rights-of-Way, and is for the purposes of municipal control. This annexation would expand the City Limits and Leavenworth jurisdiction to the outer area of land already under City jurisdiction (area surrounding and including Safeway and the new Hampton Inn). A code city may, by majority vote of the Council, annex territory outside its limits for any municipal purpose if it has an ownership interest in the property. The City Attorney deems this to apply to the ownership interest the City will have in this right-of-way.

Review by the boundary review board or by the county annexation review board for code cities is not necessary if the property being annexed for municipal purpose is contiguous to the City.

RCW 35A.14.300

Annexation for municipal purposes.

Legislative bodies of code cities may by a majority vote annex territory outside the limits of such city whether contiguous or noncontiguous for any municipal purpose when such territory is owned by the city.

The following items are included under **TAB 3 (evening meeting):**

- WSDOT letter of consent
- Survey work cost estimate
- Territory to be annexed (concept)

10:50 – 11:10 Water Meter Update

This time has been set aside to review with Council an updated estimate of costs and funding opportunities for city-wide replacement of the City's outdated water meters to a more efficient and accurate single read water meter system. This project is presently listed under the City's Six-Year Capital Facilities Plan. As Council is aware, the City applied for and was recently denied funding for the project through a Water Smart Grant application. In lieu of that denial, staff has requested Tammy Rogers, of Ferguson Waterworks, to update her company's original estimated

quote for complete installation of the meter system as well as update possible avenues available for private funding.

Within the packet materials you will find the original estimate dated January 3, 2017 of \$840,739.32 for complete installation of new meters with a single (City Hall) read radio system. This can be contrasted to the updated estimate dated October 4, 2017 of \$930,293.15. This constitutes a difference of \$89,553.83 from the original quote. In addition, it should be noted that there is a required 5-year agreement in addition to the first-year estimate as shown as an additional estimate for years 2 through 5.

Regarding private financing options, Holman Capital Corporation (in conjunction with Ferguson Waterworks) has provided a chart of indicative rates based upon the loan amount and the term of the loan with semi-annual payments also included within the packet.

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

- January 3, 2017 Estimate
- October 4, 2017 Estimate
- Indicative Rate Chart

11:10 – 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 status of the projects is listed under the OCTOBER column. In addition, staff has provided the City Council 2017 Future Agenda Items that are subject to change.

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

- Project Tracking Document
- City Council 2017 Future Agenda Items

11:25 – 11:30 Quarterly City Newsletter Recommendations

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

- “A Minute With the Mayor” – Topic to be determined
- Winter Parking and Snow Plowing (winter parking ban / snow removal operations)
- Holiday Closures & Garbage Collection Schedules – Sue Cragun
- Winter Events / Festivals – 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 F**:

- Winter 2016 Newsletter

11:30-11:45 Council Open Discussion

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