



# City of Leavenworth

700 HIGHWAY 2 / POST OFFICE BOX 287  
LEAVENWORTH, WASHINGTON 98826  
(509) 548-5275 / FAX: (509) 548-6429  
Web: [www.cityofleavenworth.com](http://www.cityofleavenworth.com)

**City Council**  
Cheryl K. Farivar - *Mayor*  
Tibor Lak  
Michael Molohon  
Elmer Larsen  
Robert Francis  
Larry Meyer  
Carolyn Wilson - *Mayor Pro-Tem*  
John Bangsund  
Joel Walinski - *City Administrator*

## LEAVENWORTH CITY COUNCIL AGENDA

Leavenworth City Hall - Council Chambers  
December 8, 2015 - **6:00 p.m. (Special Early Start)**

### Call to Order

### Flag Salute

### Roll Call

### PUD Presentation

### Consent Agenda

1. Approval of Agenda
2. Approval of November 24, 2015 Regular Meeting Minutes
3. 2015 Claims \$66,627.93
4. November 2015 Payroll \$195,674.70
5. PRSA Voucher Request End of Year Final \$13,250.00

### Public Safety Report: Sargent Bruce Long, Liaison Officer

### Comments from the Public on Items Not on the Agenda

### Councilmember and Committee Reports

### Mayor/Administration Reports

### ~~Public Hearing: Leavenworth Municipal Code Changes - Accessory Dwelling Unit's & Site Development Permits @ 6:30 PM - *Cancelled*~~

### Resolutions, Ordinances, Orders and Other Business

1. Action: Resolution 11-2015 for 2016 Rate & Fee Schedule
2. Action: Ordinance 1515 Budget Amendment 2015/2016 Budget
3. Action: A) Annexation Request - East Pine Street Area
4. Action: B) Motion to Set a Public Hearing on Annexation Request for East Pine Street Area
5. Action: Contract Amendment - IntegriTech On Call Services
6. Action: Letter of Support - Ski Club Snowmaking
7. Action: Resolution 12 - 2015: Icicle Work Group Base Package

### Information Items for Future Consideration

1. Transportation Benefit District Meeting to follow this evening meeting.

### Executive Session: RCW 42.30.140 (4)(b) Collective Bargaining

**(Next Ordinance is 1516- Next Resolution is 13-2015)**

**Council Committees - 2<sup>nd</sup> Tuesday**  
Public Safety 2:00 Parks 3:00 Public  
Works 4:00



**The City  
of Leavenworth  
invites you**

to join us in honoring the  
commitment to public  
service of our departing City  
Council Members. We will  
be holding a public recep-  
tion just prior to the last City  
Council meeting this year:

December 8<sup>th</sup>, 2015  
**5:00 - 6:00 P.M.**  
City Hall Council Chambers

You are all invited!  
Please join us  
for coffee & cake.

*Tibor Lak 2004 - 2015*  
*Larry Meyer 2010 - 2015*  
*John Bangsund 2014 - 2015*

## SUPPLEMENTAL COUNCIL AGENDA

### 1. Resolution 11-2015 for 2016 Rate & Fee Schedule

The City Council is being provided Resolution 11-2015 for the 2016 Rate & Fee Schedule for final approval. Included from prior discussions are the new water rates with a 2% increase as requested by the Council at the November 10 Study Session; no other utilities are being increased for 2016. This 2% increase on water only equates to a total utility bill increase of \$1.16 on a residential home with a ¾ meter. The current base rate bill for a residential home with water, sewer, stormwater and garbage inside the city limits is \$141.72; the new bill will be \$142.88 for a total increase of 0.008%.

Also included are the changes discussed with the Council for Parking rates, the Development Services Department Building Permit Fees section on Fire Code items for Fire Alarms and Smoke Detection System fees, a new compliance fee within the Sewer Rate fees for businesses that are in non-compliance with the requirement for grease traps, and the removal of the Noise Time and Level Extension fee for Special Use Permits that the City has found not necessary to charge. All rates will be effective as of January 1, 2016 with exception to the new Sewer compliance fee that will be effective July 1, 2016 and is noted as such within that section of the resolution.

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

- Resolution 11-2015 Clean and Redline Versions
- **MOTION:** *The Leavenworth City Council moves to approve Resolution 11-2015 for the 2016 Rate & Fee Schedule.*

### 2. Ordinance 1515 Budget Amendment 2015-2016 Budget

The City Council is being asked to adopt Ordinance 1515 – Budget Amendment for the 2015 – 2016 Budget which amends the budget at the fund level. This amendment includes the additional funding of \$40,000 from the Garbage Fund to the ER&R (Equipment Rental and Revolving) Fund for the purchase of the 2007 Garbage Truck approved by Council on November 10<sup>th</sup>, minor adjustments to the 2013 GO Bond Fund for administration costs of the bond, and recognition of additional parking revenues to offset the increase in credit card processing fees and excise taxes.

The final item included in the amendment is changes to the Street Fund to identify a minimum fund balance by year-end of \$0.00. Earlier this year the Street Fund was amended to show a negative ending fund balance until final costs for the Commercial Street 3<sup>rd</sup> – 8<sup>th</sup> Street project were finalized and paid. At this time the project is near completion; however, there are still outstanding costs to be paid, once billed by the contractor and engineers. This was also necessary due to the unknown construction costs of the Chumstick Trail / Utility project outside of the Meadowlark Development area. This amendment recognizes additional retail sales tax revenues that are anticipated, reduces some of the Commercial Street project costs that have finalized, removes way finding dollars not needed this year and removes a portion of the Chumstick Trail project to balance the revenue and expenditure adjustments. The City does anticipate a positive fund balance at year-end so this portion of the amendment is a housekeeping item only.

This final year end amendment does not include the necessary adjustments for the capital related projects within many funds throughout the budget that have not been completed. Due to how the

budget is prepared with a majority of the capital projects showing in 2015, there will need to be an amendment in 2016 to adjust the increased beginning fund balances (from a lack of project costs occurring in 2015) in 2016 that will offset the remaining capital projects that will be transitioned from 2015 to 2016. Below is a list of some of the major capital project costs remaining that will be addressed in 2016:

- DOE Solar/Energy Grant ~ \$130,000 -- General Fund
- Trail Clean-up (was RCO match) ~ \$30,000 -- General Fund
- Chumstick Multi-use Trail / Waterline ~ TBD -- Street Fund
- Festhalle Capital Improvements ~ \$54,000 -- Leavenworth Civic Center Fund
- Parking Improvements ~ \$92,000 -- Capital Projects Fund (Warehouse)
- Meadowlark LID ~ TBD -- Water and Sewer Funds
- TMDL (Total Maximum Daily Load) ~ \$145,000+ -- Sewer Fund

The following items are included under **TAB 2**:

- Ordinance 1515
- Spreadsheet of Detailed Transactions
- **MOTION:** *The Leavenworth City Council moves to adopt Ordinance 1515 Budget Amendment for the 2015 – 2016 Budget.*

### 3. A) Annexation Request – East Pine Street Area

The City Council is being asked to commence annexation proceedings and have the meeting with the property owners,

- 1) Nina Rinke (814 Pine St) Parcel No. 241701910040, described as Varneys Block 2 Lot 5 Lots 5-7 Less E 3.11' Lot 5 and approximately 0.2300 acres in area;
- 2) Heinz Best (826 Pine St) Parcel No. 241701910035, described as Varneys Block 2 Lot 3 Lots 3-4 & E 3.11' Lot 5 and approximately 0.1700 acres in area;
- 3) Shane A Anderson (802 Pine St) Parcel No. 241701910050, described as Varneys Block 2 Lot 10 W 1/2 Lot 9 (BLA 2011-185) and approximately 0.1200 acres in area;
- 4) Lester R & Laurie M Nunn (828 Pine St) Parcel No. 241701910025, described as Varneys Block 2 Lot 1 Lots 1-2 and approximately 0.1600 acres in area; and
- 5) Matthew F & Courtney A Porter (808 Pine St) Parcel No. 241701910045, described as Varneys Block 2 Lot 8 E 1/2 Lot 9 and approximately 0.1200 acres in area.

The property owners submitted an intent letter on September 2, 2015, and is signed by the owner of not less than 10% in assessed value of the approximately 0.80 acre properties sought for annexation. Upon receipt of the requested annexation, the City Council must set a date after having received such notice for a meeting with the initiating parties to determine:

- a. If the City will accept the annexation;
- b. Whether the City will accept, reject, or geographically modify the proposed annexation;
- c. Whether it will require the simultaneous adoption of a proposed zoning regulation, if such a proposal has been prepared and filed (as provided for in RCW 35A.14.330, and RCW 35A.14.340);

- d. Require the assumption of all or any portion of existing city indebtedness by the area to be annexed.

In August 2015, the City initiated contact with property owners for potential annexation. The City Council has never “forced” property owners to annex into the city limits; the annexation is sponsored by the City of Leavenworth and the fees are paid by the City Council for the processing of this annexation with all property owners voluntarily participating in annexation. The Council has carefully weighed the benefits to both property owners and the City and has encouraged annexation for this neighborhood.

The following items are included under **TAB 3**:

- Voluntary annexation letter
  - Signed annexation petition and supporting information
  - Vicinity Map
  - Zoning Map
- **MOTION:** *The Leavenworth City Council moves to: 1) accept for annexation the properties described as Varneys Block 2 Lots 1 - 10; 2) retain the existing zoning of Low Density Residential 6,000 (RL-6); and 3) require the assumption of all or any portion of existing city indebtedness by the area to be annexed.*

#### **4. B) Motion to Set a Public Hearing on Annexation Request for East Pine Street Area**

Upon motion to accept annexation, the City Council is being asked to set a public hearing for January 12, 2016 at 6:30 PM and notice (Fix a date for a public hearing), and provide notice specifying the time and place of the hearing and inviting interested persons to appear and voice approval or disapproval of the annexation. The notice is to be:

1. Published in one or more issues of a newspaper of general circulation in the city; and
2. Posted in three public places within the territory proposed for annexation.

During the City Council Hearing, the City Council:

- a. Gives proponents and opponents an opportunity to speak.
- b. The City Council decides whether to approve the annexation. If the Council decides to approve, the Council must enact an ordinance (motion) to annex the territory (Pursuant to RCW 35A.14.140). Subject to RCW 35.02.170, the ordinance may annex all or any portion of the proposed area but may not include in the annexation any property not described in the petition. Upon passage of the annexation ordinance, a certified copy shall be filed with the Board of County Commissioners of the County in which the annexed property is located.

There are no items included under **TAB 4**.

- **MOTION:** *The Leavenworth City Council moves set a Public Hearing on annexation request for January 12, 2016 at 6:30 PM.*

## 5. Contract Amendment – IntegriTech On Call Services

The City Council approved an On Call Services Contract with IntegriTech on March 10, 2015 for small engineering projects with a not to exceed amount of \$5,000. This contract is effective from April 1, 2015 through March 31, 2016. Earlier this year the Council requested investigation into providing water to the Leavenworth Ski Hill and improvements for the P1/P2 parking lots. At this time the City has expended \$3,216.25 on the parking improvement engineering costs and \$7,668.75 on the water/hydrant investigation for the Ski Hill. Due to minor continued costs prior to the ending of the contract in March 2016, staff is requesting an increase to this contract for a new maximum allowable up to \$15,000.

The following items are located under **TAB 5**:

- Professional Service Agreement Amendment
- Original Professional Service Agreement
- **MOTION:** *The Leavenworth City Council moves to approve and authorizes the Mayor to sign the contract Amendment for IntegriTech On Call Services Contract with a not to exceed amount of \$15,000.*

## 6. Letter of Support – Ski Club Snowmaking

The City Council is being asked to approve a City letter of support, signed by the Mayor, for the Leavenworth Winter Sports Club (LWSC) proposal to the Wenatchee River District of the Forest Service for the allowance of temporary snow making facilities on the Forest Service property currently being used for downhill skiing and tubing. The City has received notice from the Ranger District that they will be requesting public comments regarding this project through December 18, 2015. This letter includes the City's development of plans to install a hydrant at the adjacent reservoir site for fire access as well as use by LWSC snow making efforts. This approved letter from the City, in support of the project, will be forwarded to the Forest Service for their consideration.

The following items are located under **TAB 7**:

- Letter of Support
- **MOTION:** *The Leavenworth City Council moves to authorize the Mayor to sign a letter of support for the Leavenworth Winter Sports Club proposal for temporary snow making at the Ski Hill Forest Service site.*

## 7. Resolution 12 – 2015: Icicle Work Group Base Package

The City Council is being asked to adopt Resolution 12 – 2015 which supports the Icicle Work Group Base Package of projects and supports the next step in the process of having a public review of the workgroup's Guiding Principles and Metrics and Base Package of Projects. That next step is a State Environmental Policy Act (SEPA) review with the lead agencies being the WA Department of Ecology and Chelan County.

The State Environmental Policy Act (SEPA) provides a way to identify possible environmental impacts that may result from governmental decisions. These decisions may be related to issuing

permits for private projects, constructing public facilities, or adopting regulations, policies, or plans. Information provided during the SEPA review process helps agency decision-makers, applicants, and the public understand how a proposal will affect the environment. This information can be used to change a proposal to reduce likely impacts, or to condition or deny a proposal when adverse environmental impacts are identified.

If the City Council approves this resolution and all other stakeholders which make up the Icicle Work Group are in concurrence, the SEPA process will be initiated.

#### History:

Icicle Creek drains a primary sub-basin of Water Resource Inventory Area (WRIA) 45 in Chelan County, and is a major tributary to the Wenatchee River. The Icicle sub-basin encompasses an area approximately 212-square miles most of which is undeveloped and resides in the Alpine Lakes Wilderness and the Wenatchee National Forest. Flow from Icicle Creek supports a range of demands including both instream and out of stream uses which affect a diverse set of stakeholder groups. The City of Leavenworth Water Plant is located on Icicle Creek and Icicle Creek provides approximately 60% of the domestic water supply for the City.

Chelan County and Washington Department of Ecology's (DOE) Office of Columbia River co-convened the Icicle Work Group (IWG) in December 2012 to find collaborative solutions for water management within the Icicle Creek Watershed. Icicle Creek water has been the center for a number of water related legal challenges over time; these include challenges to the Federal Hatchery use of Icicle Creek water and the City of Leavenworth vs DOE Icicle Creek Water Rights dispute. The IWG is made up of a diverse set of stakeholders representing local, state and federal agencies, tribes, irrigation and agricultural interests, and environmental organizations. The IWG follows a set of operating procedures that define its purpose, membership, and the ultimate goals of this effort. The Work Group began developing a comprehensive list of projects that could address Icicle Creek issues; these concerns and issues are identified in their Guiding Principles.

Initially the IWG has identified projects in an effort to develop an integrated project list that met all of the guiding principles and the specific metrics associated with each of the guiding principles. The Icicle Work Group completed some initial data collection and appraisal level evaluations for several projects. Some projects were then removed from the initial list as "fatal flaws" were identified in the initial scope of the project. At the September meeting, the Icicle Work Group approved an Integrated Project List and asked work group stakeholders to review the base package with their agency decision making representatives to consider supporting the base package of projects. SEPA Scoping would be a public process for those individuals, groups of interest, and agencies to review the base package of projects and provide comments on potential issues and/or concerns with the projects listed. Those comments would then be assessed and either additional information developed or changes to the base package of projects would need to be considered to address the concerns.

The work of the Icicle Work Group has been provided to the Council on several occasions, the last being a presentation at the October 2015 Study Session. At that time the Council was presented the list of guiding principles and metrics and the list of projects included in the Integrated Base Package

The following items are located under **TAB 7:**

- Resolution 12 – 2015 Icicle Work Group Base Package Support.

- Icicle Work Group Guiding Principles and Metrics.
  - Icicle Work Group Integrated Base Package.
  - Icicle Creek Strategy Q & A.
  - Icicle Creek Water Resource Management Plan Process Map.
  - Icicle Creek Outreach Information (Examples)
- 
- **MOTION:** *The Leavenworth City Council moves to approve resolution 12 – 2015 in support of the Icicle Work Group and the identified base package of projects.*