



City of Leavenworth

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City Council
Cheryl K. Farivar - *Mayor*
Carolyn Wilson - *Mayor Pro Tem*
Mia Bretz
Margaret Neighbors
Sharon Waters
Clint Strand
Jason Lundgren
Position No. 7 - *Vacant*
Joel Walinski - *City Administrator*

LEAVENWORTH CITY COUNCIL AGENDA

Leavenworth City Hall – Council Chambers

October 8, 2019 – 6:30 PM

Call to Order

Flag Salute

Roll Call

Council Committees – 2nd Tuesday

Economic Development 3:00 PM

Parks 4:00 PM

Public Works 5:00 PM

Consent Agenda

1. Approval of Agenda
2. Approval of September 24, 2019 Regular Meeting Minutes
3. September 2019 Payroll \$267,080.88
4. 2019 Claims \$303,971.16
5. PRSA Voucher Request \$18,000.00

Public Safety Report: Sergeant Scott Lawrence, Liaison Officer

Councilmember and Committee Reports

Mayor / Administration Reports

Comments from the Public on Items Not on the Agenda

Resolutions, Ordinances, Orders, and Other Business

1. Action: Ordinance 1599 – Wastewater Facility Construction Interim Financing
2. Action: Fish Screen Funding
3. Action: Wastewater Lift Station Pump Replacement
 - a. Resolution 15-2019 Sole Source Vendor
 - b. Contract Approval
4. Action: Resolution 16-2019 – Six-Year Transportation Improvement Plan Update
5. Action: Pinegrass Street Resurfacing
6. Action: Authorize the Mayor to Sign Letter of Support Department of Commerce Housing Grant
7. Action: Authorize the Mayor to Sign Letter of Support Community Planning Assistance Wildfire (CPAW) Grant
8. Action: Ordinance 1598 – Quarterly Budget Amendment

Information Items for Future Consideration

1. Public Hearings – Ad Valorem (Property) Tax and Biennial Budget Review on 10/22/2019 at 6:45 PM.

Adjournment

(Next Ordinance is 1600 – Next Resolution is 17-2019)

SUPPLEMENTAL COUNCIL AGENDA

1. Ordinance 1599 – Wastewater Facility Construction Interim Financing

The City Council is being asked to approve Ordinance 1599 that authorizes the interim bank financing for construction purposes related to the Wastewater Treatment Plant Facility Project. The City will need to have this interim construction financing to meet USDA Rural Development Loan requirements for payment to contractors while the City awaits reimbursement from the USDA loan program that will occur near the end of construction. Due to the magnitude of costs during the construction phase, the City will not have the cash on hand to address monthly construction invoices submitted by the contractor. This financing ensures the City’s ability to make those payments in a timely manner and keep the project moving forward.

COUNCIL GOALS

<i>Revenue & Fiscal Health</i>	Is the request/action (Ordinance/Resolution) consistent with the Financial Policy?	✓
<i>Infrastructure</i>	Does the request/action support a safe and efficient infrastructure?	✓
<i>Economic Development Growth and Vitality</i>	Is the request/action supportive of the Old-World Bavarian Theme or promote the diversification of the economic base?	
<i>Transparency and Accountability</i>	Does the request/action further public understanding and engagement?	
<i>Community Building</i>	Is the request/action supporting residential needs for housing, safety, transportation, affordable governmental services?	✓

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

- Ordinance 1599 – Interim Construction Financing
- Cashmere Valley Bank Interim Lender Agreement for Construction Financing
- **MOTION:** *The Leavenworth City Council moves to adopt Ordinance No. 1599 authorizing the use of construction interim financing for the Wastewater Treatment Plant Project.*

2. Fish Screen Funding

The City Council is being asked to provide additional funding for the replacement of the City’s Water Intake Screen on Icicle Creek. Washington State Fish and Wildlife’s (WDFW) estimate of probable cost of the screen replacement project is \$900,100. WDFW has requested that the City consider providing an additional \$200,000 in funding for the project, which would raise the total funding from the City to \$240,000. The original \$40,000 in funding had been identified to cover the cost of City requested improvements to the project. The additional \$200,000 in funding would increase the City proportional cost share of the project to twenty-seven percent (27%) of the project costs.

This project was initiated by Trout Unlimited (TU) in 2014 as a Fish Passage Project on Icicle Creek. At that time, Icicle/Peshastin Irrigation District and the City of Leavenworth provided support of the project and access to the project area with the caveat that full funding would be found for the replacement of the fish screens for the Irrigation District and City water intakes prior to the Boulder Field Project advancing. Early on in the funding and design process, WDFW

contracted to provide the design work for both screen projects, which has since been completed. Design work was funded through a grant received through the Bonneville Power Administration. WDFW and TU have been seeking additional funding for construction of both projects and as of this time, a funding gap continues to be the issue in moving forward with the slate of projects.

The Irrigation District Screen Project is fully funded at this time. The estimate of probable cost is \$1,435,000. The District has committed \$249,000 of in-kind funding toward the project.

The City’s screen project had an initial project estimated cost of \$470,000. The current estimated cost at the completion of the 90% design is \$900,100. The increase was due in part to inflating material costs and design criteria. WDFW has requested additional funding from the City, which will allow them to seek additional funding from their funders and achieve full project funding. The improvement to the intake screens for the Irrigation District and City of Leavenworth are projects that are included in the base package of projects of the Icicle Work Group (IWG). The Office of the Columbia River, which is a funding source of the IWG, has committed \$485,000 in funding to both projects.

There is a benefit for the City to have the new screens in place prior to the fish passage project being completed. Those benefits would include: replacement due to the age of the screens, as they are nearing the end of their operating life cycle period, and changes in the regulation interpretations by regulating agencies regarding fish screen compliance. Operationally, the new screens will require a higher level of maintenance and energy use; however, they are designed to operate year-round.

The issue at hand is the priority of the expenditures. TU and WDFW have identified the Fish Passage project and consequently the Fish Screen project as a top priority project. The Boulder Field and Screen Passage projects were initiated as priority projects in 2014. The City has identified a water meter replacement project as a top priority and has been working on a funding program to complete this project. A new screen project for the City would be a fourth or fifth priority following the water meter project, replacement of distribution lines and necessary improvements to the Water Treatment Plant. Similar to the Fish Passage project/Screen project, the Water Meter Replacement project is an equally ranked priority project for the Icicle Work Group. Since the City has fully funded the Water Meter Project at this time with in-house funding, and with additional funding requests being made, the Administration is recommending that funding be allocated to the Fish Screen Project on the condition that the funding will only be provided if the City receives an equal or greater amount of funding from an outside funding source for the Water Meter project. This outside funding commitment must be made by January 1, 2020 for the City to move forward with the Water Metering project. The funding commitment by the City at this time would assist WDFW and TU to secure additional funding for their project.

COUNCIL GOALS

<i>Revenue & Fiscal Health</i>	Is the request/action (Ordinance/Resolution) consistent with the Financial Policy?	✓
<i>Infrastructure</i>	Does the request/action support a safe and efficient infrastructure?	✓
<i>Economic Development Growth and Vitality</i>	Is the request/action supportive of the Old-World Bavarian Theme or promote the diversification of the economic base?	
<i>Transparency and Accountability</i>	Does the request/action further public understanding and engagement?	
<i>Community Building</i>	Is the request/action supporting residential needs for housing, safety, transportation, affordable governmental services?	✓

The following item is included under **TAB 2:**

- WDFW City of Leavenworth Fish Screen Project Summary Sheet
 - **MOTION:** *The Leavenworth City Council moves to approve the allocation of Two Hundred and Forty Thousand dollars (\$240,000) for the Fish Screen Improvement Project, with the condition that the funding will only be made available if the City receives an equal or greater amount of funding for the City’s Water Meter Replacement Project from a funding agency on or before January 1, 2020.*

3. Wastewater Lift Station Pump Replacement

- A. The City Council is being asked to authorize by Resolution 15-2019 exemption from competitive bidding on the purchase of a replacement pump for the Enchantment Park Wastewater Lift Station. The pump is one specific component of the lift station that was initially installed for the City as a whole package through the competitive bid process. Replacement/purchase in-kind of the specific pump, through the area pump representative, eliminates the need for possible modifications involved in replacement with a different manufacturer pump than was initially specified.

- B. The City Council is being asked to authorize the expenditure of funds for the purchase of a new replacement pump for the Enchantment Park Wastewater Lift Station from Whitney Equipment Company, Inc. in the amount of \$12,574.40 including Washington State Sales Tax. The existing non-functioning pump was removed and taken in for repair/rebuild; however, upon evaluation, it was recommended to the City that due to the existing condition of the pump and the rebuild cost of \$11,128, purchase and replacement with a new pump is advisable. Presently, the lift station is operating without a back-up redundancy pump and should be replaced as soon as feasibly possible.

COUNCIL GOALS

<i>Revenue & Fiscal Health</i>	Is the request/action (Ordinance/Resolution) consistent with the Financial Policy?	✓
<i>Infrastructure</i>	Does the request/action support a safe and efficient infrastructure?	✓
<i>Economic Development Growth and Vitality</i>	Is the request/action supportive of the Old-World Bavarian Theme or promote the diversification of the economic base?	
<i>Transparency and Accountability</i>	Does the request/action further public understanding and engagement?	
<i>Community Building</i>	Is the request/action supporting residential needs for housing, safety, transportation, affordable governmental services?	✓

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

- Resolution 15-2019
- Pump Replacement Quotes
 - **MOTION ITEM A:** *The Leavenworth City Council moves to approve Resolution 15-2019 Sole Source Vendor.*
 - **MOTION ITEM B:** *The Leavenworth City Council moves to authorize the purchase of a Wastewater Lift Station replacement pump, NP488-4 10/460/3 50’ FM FLS FV, in the amount of \$12,574.40 including Washington State Sales Tax.*

4. Resolution 16-2019 Six-Year Transportation Improvement Plan

The City Council is being asked to authorize Resolution 16-2019 amending the 2019 – 2024 Six-Year Transportation Improvement Plan to reflect the change in regard to planning, design, and funding of the Pine Street Phase II project. The change reflects the City application with the Chelan Douglas Transportation Council (CDTC) and subsequent award of a grant for a Pine Street Phase II – Transportation Study in the amount of \$105,000 with a City match of \$20,000. The change also reflects the revised estimated project total of \$5,176,861, including the Transportation Study amount. In addition, projects that have been completed to date have been removed from the amended STIP.

COUNCIL GOALS

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<i>Infrastructure</i>	Does the request/action support a safe and efficient infrastructure?	✓
<i>Economic Development Growth and Vitality</i>	Is the request/action supportive of the Old-World Bavarian Theme or promote the diversification of the economic base?	
<i>Transparency and Accountability</i>	Does the request/action further public understanding and engagement?	
<i>Community Building</i>	Is the request/action supporting residential needs for housing, safety, transportation, affordable governmental services?	✓

The following items are included under **TAB 4:**

- Resolution 16-2019
- Amended 2019-2024 STIP – *redline version*
- 2019-2024 STIP – *clean version*

- **MOTION:** *The Leavenworth City Council moves to approve Resolution 16-2019 revising the 2019 – 2024 Six-Year Transportation Improvement Plan.*

5. Pinegrass Street Resurfacing

The City Council is being asked to consider for approval the expenditure of \$19,655 for the partial resurfacing of Pinegrass Street. The work will be completed by KRCI Construction Company and the reimbursement/payment of funds will be made to McDevitt Land Co. Pinegrass Street is located on the north side of the Pinegrass development and was constructed in 2016. The road was constructed as a half road with the other half of the road being constructed this summer. The initial roadway construction was limited to a half road because of the limited dedication of Right of Way at that time. The future northern half of Pinegrass Street was not located within the City at the time of construction and the owner of the property at that time had no interest in developing the future roadway. Included in the roadway construction were new City water and sewer utilities. Typically, in a full roadway construction, these utilities are located near the center of the roadway; for this project, because of the half road construction, they are located beneath the southern half of the roadway that was constructed in 2016.

In 2018, the northern adjoining property changed ownership and the property was annexed into the City. The owner of the property, McDevitt Land Co, is currently developing the infrastructure for the 15-lot residential subdivision. That infrastructure improvement includes building out the northern half of the roadway and providing water and sewer access to the 15 residential lots.

Providing the utility requires that 11 utility trenches be cut out of the relatively new asphalt on the south half street. While City code does require compaction and repair for these utility trenches, to ensure a longer life span of the roadway, the preferred way would be to remove this section of roadway and apply a new asphalt layer for this section of the street.

McDevitt Land Company has contacted the City and offered to include this work in their completion of Pinegrass Street. Resurfacing the full run of the southern half of Pinegrass would be \$35,055. The cost to McDevitt Land Co. for completing the code required patching of the utility cuts would be \$15,400. That would leave the City of Leavenworth responsible for the remaining \$19,655.

This project would be completed by KRCI Construction, which is the company currently working on site. The project was discussed at the Public Works Committee meeting. From time to time there are opportunities or occasions where the City can participate in a larger project being completed and take advantage of the efficiency of scale. The cost of this project is cost effective; the City is not expending funding on engineering, mobilization, surveying, and the project is being completed as part of a much larger project. The work is scheduled to be completed this fall. Funding for this project is available in the Street Fund/Transportation Benefit District (TBD).

COUNCIL GOALS

<i>Revenue & Fiscal Health</i>	Is the request/action (Ordinance/Resolution) consistent with the Financial Policy?	✓
<i>Infrastructure</i>	Does the request/action support a safe and efficient infrastructure?	✓
<i>Economic Development Growth and Vitality</i>	Is the request/action supportive of the Old-World Bavarian Theme or promote the diversification of the economic base?	
<i>Transparency and Accountability</i>	Does the request/action further public understanding and engagement?	
<i>Community Building</i>	Is the request/action supporting residential needs for housing, safety, transportation, affordable governmental services?	✓

The following item is included under **TAB 5:**

- Invoice Package from McDevitt Land Co.
- **MOTION:** *The Leavenworth City Council moves to approve the expenditure of Nineteen thousand Six Hundred and Fifty-five dollars for the resurfacing of Pinegrass Street.*

6. Authorize the Mayor to Sign Letter of Support Department of Commerce Housing Grant

The City Council is being asked to support a Department of Commerce Housing grant that may provide funding for a Housing Action Plan. The grant would seek money to hire a professional consultant to complete a comprehensive Housing Action Plan that will provide the City with detailed analysis of the existing housing conditions, review of the City housing goals/policies and code requirements, and a list of action steps that the City may consider to improve housing within the City. The letter of support is drafted to reflect the requirements of the grant.

COUNCIL GOALS

<i>Revenue & Fiscal Health</i>	Is the request/action (Ordinance/Resolution) consistent with the Financial Policy?	✓
<i>Infrastructure</i>	Does the request/action support a safe and efficient infrastructure?	✓
<i>Economic Development Growth and Vitality</i>	Is the request/action supportive of the Old-World Bavarian Theme or promote the diversification of the economic base?	
<i>Transparency and Accountability</i>	Does the request/action further public understanding and engagement?	✓
<i>Community Building</i>	Is the request/action supporting residential needs for housing, safety, transportation, affordable governmental services?	✓

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

- Letter of Support
- Scope of Work
- **MOTION:** *The Leavenworth City Council authorizes the Mayor to sign the letter of support for the Department of Housing Grant.*

7. Authorize the Mayor to Sign Letter of Support Community Planning Assistance Wildfire (CPAW) Grant

The City Council is being asked to review and support a grant funding request with the Community Planning Assistance for Wildfire (CPAW). The program includes, in part, a review of current codes and policies, recommendations to address wildfire, and development of a local wildfire hazard assessment and WUI map. CPAW services come at no charge to the City; however, staff time to participate is required, including monthly communications via teleconference and email, participation in up to three site visits during 2020, information sharing and pertinent community updates, and stakeholder outreach and attendance at this year’s Land Use Planning and Wildfire Forum, hosted by Headwaters Economics in December 2019 (travel expenses are paid by CPAW, with additional details provided at time of selection). The letter of support is a recommended part of the application.

COUNCIL GOALS

<i>Revenue & Fiscal Health</i>	Is the request/action (Ordinance/Resolution) consistent with the Financial Policy?	✓
<i>Infrastructure</i>	Does the request/action support a safe and efficient infrastructure?	✓
<i>Economic Development Growth and Vitality</i>	Is the request/action supportive of the Old-World Bavarian Theme or promote the diversification of the economic base?	✓
<i>Transparency and Accountability</i>	Does the request/action further public understanding and engagement?	✓
<i>Community Building</i>	Is the request/action supporting residential needs for housing, safety, transportation, affordable governmental services?	✓

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

- Support letter
- Draft Grant Application
- **MOTION:** *The Leavenworth City Council authorizes the Mayor to sign the letter of support on behalf of the City Council to participate in the CPAW program.*

8. Ordinance 1598 – Quarterly Budget Amendment

The City Council is being asked to adopt Ordinance 1598 Quarterly Budget Amendment, which amends the budget at the fund level. This amendment includes Council approved items throughout the last quarter and recommended staff requests to adjust revenues and expenditures within the General, Transportation Benefit District, Lodging Tax, Festhalle, Pine Street Capital, Pool, Water, Sewer, and Stormwater funds.

Several amendments within the General Fund are being included to recognize increased revenues from development related activities that are also being offset by increased expenses this year; several of these expenditure requests are related to the costs associated with the appeals of the Adventure Park and Widener Apartments, including legal and professional costs that have been or are planned to be incurred over the next quarter. The Transportation Benefit District includes a temporary transfer to assist the Pine Street Capital Project fund with cash flow while awaiting grant revenues; these dollars will be returned to the Transportation District fund upon full completion. Amendments are included for the Pine Street Capital Project fund relating to adjustments needed from Stormwater, Water and Sewer, as well as estimates for final project administration costs; this fund will be considered for a final amendment in December. The Pool fund includes recommended changes for the Pool Resurface Project and the Community Needs Assessment that is yet to be determined; the \$5,000 match from the City’s General Fund is also included to assist the Upper Valley Park and Recreation Service Area Board with this assessment.

COUNCIL GOALS

<i>Revenue & Fiscal Health</i>	Is the request/action (Ordinance/Resolution) consistent with the Financial Policy?	✓
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<i>Transparency and Accountability</i>	Does the request/action further public understanding and engagement?	✓
<i>Community Building</i>	Is the request/action supporting residential needs for housing, safety, transportation, affordable governmental services?	✓

The following items are included under **TAB 8**:

- Ordinance 1598
- Revenue and Expense Line Item Details for Ordinance 1598
- **MOTION:** *The Leavenworth City Council moves to adopt Ordinance 1598 Quarterly Budget Amendment.*