

MINUTES
CITY OF STEVENSON COUNCIL MEETING
August 24, 2017
6:00 pm City Hall

1. **CALL TO ORDER:** Mayor Cox called the meeting to order at 6:00pm
Council members present: Paul Hendricks, Robert Muth, Mark Peterson, Jenny Taylor, Amy Weissfeld.
Staff present: Carla Cosentino, Eric Hansen, Ben Shumaker, Ken Woodrich; Gordy Rosander, Mark Tittle, Tyson Schupbach
Guests: Leana Johnson, Philip Watness (*Pioneer*), Pat Albaugh (Port of Skamania), Kari Fagerness (EDC), Bradlee Seehafer; Rick May, Julie May, Carrie and Bruce Nissan and Steve Funk (Jester & Judge Cidery), Tabatha Wiggins (Walking Man), Tom Meade (Skamania Acupuncture), David Ryan (Ryan's Juice), Kevin Waters and Steve Waters (Backwoods Brewing), Libby Johnson, Ken Daugherty (Skamania Lodge), Cyndy Bratz of Tetra Tech and Katy Isaksen of Katy Isaksen & Associates, and other guests (see sign-n sheet).
2. **CHANGES TO THE AGENDA:** None.
3. **MINUTES:**
 - a) MOTION: **HENDRICKS** moved to approve the July 20, 2017 minutes; **PETERSON** seconded. Unanimously approved
 - b) MOTION: **HENDRICKS** moved to approve the August 16, 2017 Special City Council Meeting Minutes; **PETERSON** seconded. Unanimously approved.
4. **CONSENT AGENDA:** The following items were presented for Council approval:
 - a) Special Occasion Liquor License – #074831 American Legion Auxillary Coy-Catlin Post 137 for August 16-19, 2017 (Skamania County Fair)
 - b) Liquor License Renewal – #078502 El Rio Texicantina
MOTION: **MUTH** moved to approve the August 24, 2017 Consent Agenda; **HENDRICKS** seconded. Unanimously approved.
5. **PUBLIC COMMENTS:** Christine with One Community Health informed council of events and activities around Gorge Happiness Month for the month of October.
6. **PUBLIC HEARINGS:**
 - a) 6:15 P.M. – General Sewer Plan Update: Presentation by Tetra Tech (contracted engineer) and public comment on the draft City of Stevenson General Sewer Plan Update. This was the second of two scheduled public hearings for the General Sewer Plan update.
Cyndy Bratz explained that it is too early to adopt rates and that this was an informational meeting only regarding rates. She presented a history of the project, with many handouts [see City's website for all handouts]. Referencing handout 6a she explained how the scope of her work was developed based on the City's goals and values as a basis for the facility plan. Plan Alternate 1b was chosen by the Council at the last meeting. She explained the Washington State Department of Ecology (DOE) has been monitoring the City's sewer plant BOD (biological oxygen demand) levels from January 2012 to July 2017; BOD is an indication of how much treatment is required to clean the wastewater for discharge to the river. The City's plant was in compliance until 2015 when loads started creeping up. The City is required to develop a new 20 year-plan. BOD is the primary issue at this plant. City is beyond BOD limit most of the time now. The draft

plan predicts what the load levels may be through 2040. The draft plan includes 20% and 80% reduction goals. The NPDES (National Pollutant Discharge Elimination System) permit is issued by DOE; it designates influent limits as well as effluent to river limits. Notification of new discharge, increase in flow, etc. must be given to DOE.

The City is at the beginning of a pretreatment program. The City conducted an industrial user survey in the fall of 2016. Class 2 redundancy and reliability (Orange Book) requirements is what DOE is asking of City. DOE gave notice of violation to City right when the City's draft preliminary general sewer plan was submitted. We responded right away with an NPDES permit compliance schedule on April 25, 2017. The City is on schedule. DOE had issued a July 6 Administrative Order to comply. **Bratz** stressed it is a serious matter. Alternative 1b only requires a 20% BOD reduction from industry, which would happen once industry is meeting source control municipal code. The 85% reduction is administratively difficult to implement. [Referred audience to white boards.]

Bratz explained there is more treatment capacity with the deep tank conventional activated sludge basins. She compared treatment alternatives. Alternative 1b maximizes treatment capacity on current site. Both options require pretreatment programs because of DOE's requirements. There is a cheaper way but she doesn't recommend it. She recommends the 50-year plan. Audience Questions: **Wiggins** asked about projected growth, which has been revised several times; **Nissan** said the green lines don't look like a 2.3% increase. **Mobley** asked Bratz how long her company has been doing this kind of work. **Bratz** said her company is a leader in wastewater treatment plans; 28 years for her, 30 and 40 years for other engineers on the project. **WEISSFELD** explained the consultant is not doing the actual work. **Hansen** explained the process for hiring the construction company, with construction in 2021. **Steve Waters** asked how the City determined BOD load from each company. **Bratz** responded it was done with sample surveys conducted in September 2016 and review of what's typical for the industries. **Libby Johnson** asked what happens if these businesses leave. **Bratz** and **Hansen** explained that the plant needs to be built since it's over capacity currently and also doesn't meet the "orange book" requirements and it is 25 years old with most equipment at the end of its useful life. This is still an unfolding process, more conversations with industry businesses will take place.

MUTH explained he joined Council in 2012 and learned about this issue. He realized in 2016 the City has to do something. He explained that around 1992 was the beginning of microbrew age and Skamania Lodge was completed in 1993. **Daugherty** explained the Lodge contributed a lot financially to the sewer/water system then and another million dollars when they expanded a few years ago; he asked the Council at what point does it occur to them to save some money for infrastructure. He said if the rates go up too much the Lodge may not be able to offset the increase with increased rates for the Lodge's customers; he pondered that Skamania Lodge may have to log its property to pay for the increased rates. He said the City has 300 acres of timber property it could use for this project. He said the owners of Skamania Lodge aren't going to take this. **MUTH** said this is just the worst-case scenario, and no grant funding has been figured in. **Daugherty** said that's what he's worried about. **MUTH** said he will be here and see this through. **Bruce Nissan** said he hears what's being said but that it sounds like a "ready, fire, aim" process. **MUTH** responded that the City has to satisfy DOE immediate requirements to comply so we have to show we're moving forward. **Bruce Nissan** said he is very concerned since there is a new City Manager, people have been cycling through City Council, and this is likely the most important decision the council will make in 20 years. **MUTH** said the City can't afford to have DOE shut down new development. **Bratz** reminded that DOE has mentioned a moratorium several times; there is an opportunity for more conversations with DOE about what this looks like. **Bruce Nissan** expressed more concern saying there's been only one public hearing and his company had a visit from Shumaker once. **Kevin Waters** asked if DOE considers we are a rural community with

economic hardships. **Bratz** said the cost is bad; growth is good. 6:53 pm closed.

- b) 6:45 pm – Sewer Rate Changes: Presentation by **Katy Isaksen** (contracted consultant) and public comment on proposed revisions to sewer system user charges and the rate schedule. This was the first of two public hearings for the proposed sewer system rate changes. Opened at 6:53 pm. **Isaksen** is a specialist in utility financial planning, helping to figure out how to pay for and fairly divide the costs of municipal utilities. She prepared chapter 10 of the draft plan; she reiterated there would be no action on rates at this meeting (October that will happen). She explained that a Utility has to be self-supporting, by state law: rate payer owned facilities. Plan is looking out 6 years financially, as required. Her projections are conservative (ie: planning for 25 new homes per year). She used a loan rate of 2.5% interest plus grants. She used a stepped approach to avoid running into a wall. **Isaksen** said the City's new connections fees need to be increased; high strength customers need to pay surcharge next year. The top rate would be \$114/month. The good news is that this makes it easier to acquire DOE grants and low interest rates. DOE's maximum grant is \$5 million—this would drop monthly rate to \$93/month.

Isaksen encouraged the City to attend the State's utilities financing conference in October, which all the State's granting agencies attend. She's been a specialist in utility financing since 1995—it's all she does. She said Stevenson is very vibrant compared to other cities of its size. She said we have to pay for our own community or go to legislature and ask for an appropriation. USDA looks at other local communities and what their sewer rates are. This will look like a hardship to funding agencies. USDA has worked with this community in the past; looks favorable by their standards for partial grant and low rate/long term loan. DOE looks at median household income, if sewer rate is 2% of one-month median income (here \$69). The draft Plan has to be approved in order to apply for grants and loans. Low income senior discounts are a possible source of funding assistance. **Isaksen** said these grants and a high strength surcharge, plus construction cost coming in lower, and operating and maintenance costs going down, and more than 25 new homes per year, would all improve the burden; **Albaugh** asked why a new facility would cost more to operate. **Bratz** responded the existing facility is understaffed significantly; capacity will be three to four more times what it is now; currently it is a risky situation. **Hansen** noted there is a plan for an onsite lab. **Albaugh** asked, wouldn't we want to go cheapest situation? **Bratz** said Washougal does testing in house; the City could do testing for other local small facilities who currently hire out testing, as Stevenson currently does.

Bratz said, in response to audience questioning of what if the beverage industries left town, that right now, if all BOD loaders left town, the City would still be at capacity. **Bruce Nissan** said at the current proposal without grants etc. this plan would be his number one expense, over employees; the City could end up with a large facility without users. **Kevin Waters** agreed and said it's critical as local business owners to help the city find funds, to literally bang on people's doors to find solutions. **Steve Waters** said breweries have a lot they could control but haven't since they've not been required. **Wiggins** said they've started best practices to try to lower BOD and that Walking Man is a very small operation at only 1200 barrels per year; an increase to \$1700/month sewer bill is not feasible for them. She said they realize they have some accountability. She asked for time to let them get in the game and figure out how to make this workable. She asked how the projected cost of \$15 million would be paid if the beverage industry left town? **Bratz** said the City still has to upgrade the plant. **Mary Repar** noted there are civilians who aren't businesses who will be paying into it as well and asked if the City could leverage its \$1 million of recent timber harvest money toward this project and that no one segment of community should be punished; suffer equally. She said a work group is needed, made of City staff and local people who have connections. The new plant is needed, may as well build it now for future generations. **MUTH** noted a small subcommittee has already been formed of staff and

a few Council members and that they want input from the local businesses and asked that they attend the Council meetings. **David Ryan** asked what the maximum amount of discharge to the river is. He proposed the City go to DOE with a phased plan for reductions.

Bratz explained DOE may want to talk about more creative solutions since they saw how expensive it is. Once the plan is accepted, subject to resolution of DOE review comments, then we go into pre-design (nut and bolts), then back to DOE. We have the ability to go back and make value engineering. **WEISSFELD** explained the Council has been working on this for quite some time, and has narrowed it down to Alternative 1b, but it doesn't necessarily box us in. **Daugherty** explained that Skamania Lodge has already reduced their BOD and water use by making upgrades. **WEISSFELD** reiterated the partnership aspect of this project; we don't want to overbuild or underbuild capacity. **Albaugh** said the financing plan depends heavily on four small family businesses—if we lose them, how will the rest of community pick that up? **PETERSON** said we're going to have to find better solutions. **Fagerness** said the rate structure is not feasible for our town; we can't be compared with larger towns with much more business and population. More analysis on BOD needs to be done. The DOE timeline needs revision. **Bratz** said **Hansen** has already been talking to DOE for 13 years so they're well aware. Is it worth the moratorium to have more time? They want reductions in the next four years. **Isaksen** said the City could send customer input to DOE and let them respond. **Kevin Waters** said it cost his business \$60/70K to move to Stevenson, so they could move again, they can make beer wherever they want to. **Bratz** responded the North Bonneville plant has only 320 pounds per day limited capacity, so there would be the same problem there. **Albaugh** asked if value engineering is on schedule. **Bratz** said it's not in the schedule yet. **Isaksen** said they'll have the best projections in October. **Woodrich** reminded Council it's up to them how long they want the hearing to go. **Mayor Cox** told the audience to tell **Carla Cosentino** at the City if they'd like to join the weekly meetings subcommittee meetings on this project. **Steve Funk** proposed that maybe the plant isn't as broken as thought, since the plant has treated the BOD, even at excess. **Bratz** said the effluent from September 2016 to September 2017 has been exceeded; its 25 years old and needs to be replaced.

Shumaker announced the grant window closes in mid-October and the City needs an approved plan to meet the grant cycle. He said it benefits us to go after this grant combo for design to retire the loan sooner. **WEISSFELD** said the City Council raised all the same issues the audience rightfully brought up and decided it's better to move forward than take a step back. **Wiggins** said we knew last fall when the first testing took place, we knew rates were going to go up, we knew we were going to have to have better practices, we just didn't know we would have to find another place to operate because we'd not be able to pay our sewer bill.

Tom Meade said his rate is going to go up at 386% even though his use doesn't change. This impacts smaller businesses as well. **MUTH** said he'll let those interested know when the next subcommittee meeting is. **Shumaker** reminded the general plan approval and pretreatment are two different items. **Hansen** is trying to get DOE to come out and talk to our users. **David Ryan** said if covered aerators are used they will be very stinky. **Bratz** said they are anaerobic and not stinky. 8:07 pm closed.

7. OLD BUSINESS:

- a) Sewer Plant Update: There was discussion about adopting the General Sewer and Wastewater Facilities Plan. **WEISSFELD**: if we don't approve tonight, we face moratorium? **Bratz** asked, after tonight's input, how do you feel about that? **Hansen** was notified today by DOE they will be here September 6 to talk to the businesses. **Shumaker**: how long would DOE take to approve our plan?

Isaksen: For the first time, funding agencies are now allowing you to apply, and wait for approval of the plan. **Shumaker:** DOE feels they haven't been engaged; should we pause and work with them more? **WEISSFELD:** then we're having the same discussion one month later; she felt they should pause and have the weekly or twice weekly subcommittee meetings.

MOTION: **MUTH** moved to approve Alternative 1b, contingent on resolution of DOE comments; **HENDRICKS** seconded. 3 ayes (**PETERSON, HENDRICKS, MUTH**); 2 nays (**WEISSFELD** and **TAYLOR**); motion carried.

- b) Sewer Rate Changes: A second public hearing will be held September 21, 2017. **Shumaker** said the SDC (system development charge) addresses capacity for the future. His analysis recommends raising the connection fees from \$2,800 to \$4,750. The city can also offer a grace period for permits to come in, which happened with the last increase from \$500 to \$2,800, some still can pay the \$500. **PETERSON:** in Colorado performed rate study because of growth. SDC is buying a share of the system. **Isaksen** didn't calculate that—not in her Scope of Work. **Shumaker** looked at the inventory of all our facilities since 2013 and used that information as part of the \$4,750 calculation. **PETERSON:** what is the service life of pipes and value, per sf. **Shumaker:** we only have that detail up to 2013. **Cosentino:** we can still run depreciation schedules, rebuild from 2013. Carson, just water connection, is \$10,000. **Isaksen** has connection charge comparisons in her report.
- c) City Administrator Employment Contract: **Mayor Cox's** selection for appointment of **Leana Johnson** as City Administrator was confirmed by the City Council at the August 16, 2017 Special Meeting. An employment contract was presented for approval. **Woodrich** has reviewed the agreement. Terms include a starting salary at \$87,954 (Step 6 of the City Administrator Salary Range), 10 days vacation, and 5 days sick leave. Additional leave to accrue at 10 hrs/mo vacation and 8 hrs/mo sick leave. Agreement includes a 90-day probation period and severance pay equal to 6 months of the employee's current annual gross salary in the event of termination without cause or a request to resign for the convenience of the City. Other standard health and retirement benefits, as well as standard limitations on vacation and sick leave accruals. **Cosentino** noted corrections are needed in the contract's language about vacation leave to coincide with the personnel policy, and item c should be amended to "employer shall provide health benefits" (the City does not have a vision plan). **Woodrich** said he prefers to have employment contracts for directors. **Johnson** responded to **WEISSFELD's** objection to 6 months of severance pay, saying she saw it as a standard amount in her research. **Woodrich and WEISSFELD** cited the John McSherry [past Port Director] example is a good reason to have a contract. **WEISSFELD** said Council was reluctant to release the previous City Director because of the cost of severance pay. The severance provision was reduced to 3 months, and after 5 years changes to 6 months. Salary was slightly more than she was making in White Salmon.

MOTION: **WEISSFELD** moved to approve the employment contract with Leana Johnson, subject to corrections noted above; **HENDRICKS** seconded. All approved.

8. NEW BUSINESS:

- a) Ordinance 2017-1107 Wave Franchise Extension: City Attorney **Ken Woodrich** updated the Council on Wave Broadband's request for an extension of its cable television franchise. **Woodrich** said it's good through the end of January already through the ordinance. **MOTION:** **MUTH** moved to approve Ordinance 2017-1107; **HENDRICKS** seconded. All approved.
- b) Interlocal Agreement Port of Skamania: **Cosentino** requested Council approval of the 1) Interlocal Agreement, and 2) Restrictive Covenant with the Port of Skamania for purchase of property at 21 NE Cascade (Tax Lot 03753633060000); City will pay \$200,000 at closing with the intent that the property will be maintained in perpetuity by the Port as a public waterfront park

until the Port reimburses the City the sum of \$200,000. The purchase will come from Fund 103 (Tourism Promotion Fund).

Mary Repar said in perpetuity means forever, not until paid off. **Woodrich** said the Port could trigger the change by paying \$200,000, with no interest since the Port will maintain it for the City as a park. **MUTH** said he'd like to force incentivize the Port to keep it as park by requiring interest if they flip it within the short term (i.e. 2 years). **WEISSFELD** noted she missed the June meeting and thought the Port was going to use this as parking. Does this wording preempt us from putting more parking up there? **Woodrich** said the City holds the hammer on that use. The City could modify the agreement to allow for more use; there is no design of this facility that goes along with it. **TAYLOR** said she didn't think the Port has the money to improve it. The Port paid \$180,000 of its own cash for it.

MOTION: **PETERSON** moved to approve the Interlocal Agreement including Restrictive Covenant with the Port of Skamania County; **HENDRICKS** seconded. All approved.

9. **INFORMATIONAL ITEMS:**

- a) Financial Report: Acting City Administrator **Carla Cosentino** presented the City's Financial Report for year-to-date revenues and expenditures through July 31, 2017.
- b) Sheriff's report: presented for July 2017.
- c) Municipal Court Cases Filed: Summary through July 31, 2017 presented.
- d) Chamber of Commerce Activities: Summary for July 2017 presented.
- e) SW WA Regional Transportation Council (RTC) Report: report and invitation to discuss future projects was presented.

10. **ACTING CITY ADMINISTRATOR AND STAFF REPORTS:**

- a) **Carla Cosentino**, Acting City Administrator: The past month's activity was heavily focused on recruitment, sewer plan and preparing for this hearing. She will attend an Insitu Scan Eagle flight demo in Arlington, OR on 8/29. The State Audit started Tuesday and will last 3 weeks.
- b) **Eric Hansen**, Public Works Director: Reported Clark County striped out roads today; some traffic calming was implemented. The Kanaka Creek project has taken a lot of staff time; there were survey discrepancies; 750 feet of curb had to be torn out at the contractor's expense—there will be change orders next month; will be close to or under project amount.
- c) **Ben Shumaker**, Planning Director: sewer issues took most of his time, planning commission met: downtown issues brought up by Melissa Still were discussed. The private driveway road standards plan is a priority, they will work on the downtown issues at a later time. A skeletal scope of work will be brought to them for how deep they want to go—three options were presented to them, and they chose the deepest option. Planning will have a future request to Council to retain consulting services. **WEISSFELD** asked if Planning feels in general they are supported by Council. **Shumaker** said the results of the recent joint meeting were good; discord is in effort to align water use system with the Comprehensive plan. **WEISSFELD** asked if **Shumaker** is feeling supported, if he has a manageable work load. Shumaker said as can be, and he hasn't had any time to work on the new Fire Hall. **TAYLOR** thanked him for going to the "lions den" with customers and community members tonight.

11. **VOUCHER APPROVAL AND INVESTMENTS UPDATE**: July 2017 payroll checks and August 2017 A/P checks have been audited and were presented for approval. July payroll checks 11610 through 116420 total \$90,745.70, which includes one EFTPS and two ACH payments. Checks 11618, 11625, 11632,

11633, 11634, 11635 & 11638 were voided due to a clerical error. A/P Checks 11643 thru 11697 total \$372,532.99 which includes two ACH payments. The A/P Check Register and Fund Transaction Summary are attached. Detailed claims vouchers were available for review at the Council meeting. No investment activity occurred in July. MOTION: **MUTH** moved to approve; **WEISSFELD** seconded; all approved.

12. **MAYOR AND COUNCIL REPORTS. PETERSON** tested Kanaka Creek for bacteria. He wants it put on agenda for next meeting; said it warrants additional testing. **Shumaker** the sewer plan includes expanding the collection system up Frank Johns Road; fish habitat water quality funding is part of the grant application being prepared for the private users with a minimal cost to users. **HENDRICKS** asked all to look at the sign on courthouse lawn about needing funding for the Downtown improvements. **WEISSFELD** said a communications plan for wastewater treatment plan is needed, with milestones for getting info to public—put notification of meetings in water bills. **Shumaker** will draft a website as a project information repository.

13. **ISSUES FOR THE NEXT MEETING:**

SR 14 parking sign at A&J Market—**Hansen** will look into and notify owner John Mobley. **Shumaker**: long-term and short-term strategies for BOD load reductions before the new plan goes into effect. City needs to provide options for composting, etc.

14. **ADJOURNMENT**: **Mayor Cox** adjourned the meeting at 8:49 pm.

_____ approved; _____ approved with revisions

Frank Cox, Mayor

Date

Minutes by Julie Mayfield