

CITY OF SHELTON, WASHINGTON - CITY COMMISSION

Business Meeting Minutes – March 21, 2011

Shelton Civic Center - 6 P.M.

Presiding: Mayor Tarrant, Commissioner Byrne and Commissioner Pannell
Staff Present: Dave O'Leary, Steve Goins, and Lesleann Kangas

Commission Reports

One or more Commissioners will attend the following activities this week:

- Shelton Mason County Chamber of Commerce Board Meeting
- Missoula Children's Theatre
- Community Action Council
- Reserve Officers Academy Graduation

Public Comment - None

Consent Agenda

1. Vouchers numbered 74926 through 75036 and in the amount of \$293,833.36
2. Manual Warrants:
 - numbered 74923 in the amount of \$410.91 to WalMart
 - numbered 74924 in the amount of \$5,546.53 to Department of Revenue
3. Commission Meeting of:
 - Business Meeting of March 7, 2011
 - Study Session of March 14, 2011
4. 2010 Budget Modifications – Water Utility, Sewer Utility and Street Fund – Authorize the City Administrator to make necessary budget modifications

Commissioner Byrne moved to approve the consent agenda as read, Commissioner Pannell seconded the motion. A vote was taken and the motion passed.

Old Business

Resolution #1018-0311- A Resolution of the City of Shelton, Washington to Purchase Refuse Containers from Schaefer Systems International - Sole Source 2011 Schaefer Refuse Containers Purchase – Public Works and Community and Economic Development Director Goins reported that this was presented in detail last week. A question was asked as to whether the current resolution for sole source containers is in effect. The resolution is still in place. The reason for a new resolution for this purchase request is due to the dollar amount of the purchase. This request exceeds staff's signing authority. DH Goins requested the Commission approve Resolution #1018-0311 and sign the Vendor Award Form.

Mayor Tarrant requested a reading of Resolution #1018-0311 as follows:

A Resolution of the City of Shelton, Washington to Purchase Refuse Containers from Schaefer Systems International

Commissioner Pannell moved to approve Resolution #1018-0311 and authorize the Commission to sign the Vendor Award Form, Commissioner Byrne seconded the motion. A vote was taken and the motion passed.

New Business

1. Satellite Water Reclamation Plant Project – Public Works Trust Fund Loan Project Completion Amendment – Public Works and Community and Economic Development Director Goins reported that the City secured a Public Works Trust Fund Loan (PWTFLL) as part of the funding source for the Satellite Water Reclamation Plant. The project is complete and the Public Works Board requires this Amendment to verify the project has been certified completed and complete final documentation on agreed upon financial information. This is the

only loan for this project. The loan amount is just over 2 million dollars with an interest rate of 0.50 percent per year with a term of 20 years.

Commissioner Pannell asked if the date of completion should be filled in before the Mayor's signature. DH Goins responded that yes, the date should be filled in, the City Engineer signature is also required and there is no order for the signatures.

Mayor Tarrant instructed staff to bring this back under Old Business for the meeting of March 28, 2011.

2. **Angleside Booster Pump Design – Brown & Caldwell Professional Services Contract** – Public Works and Community and Economic Development Director Goins reported that this is a design contract for work related to the Angleside Booster Pump project. The Comprehensive Plan/Water Rate Study identified this project. One reason for the detail tonight is additional details were presented as the project scope has changed from the initial planning work that went into the Capital Improvement Plan (CIP). Staff anticipated a more modest project in terms of scope and cost when this was initially conceived. What has happened is through further analysis of what is trying to be accomplished in talking with consultants; this project is a portion of other projects that are identified in the CIP that address a lot of fire protection issues, particularly in the lower reaches of this pressure zone. Presently, about 64 percent of the volume within the Angleside Reservoir is designated as “dead volume” (not actively available for beneficial uses). The addition of a booster pump station within this system will increase the active storage volume to about 266,000 gallons, and will address an identified volume deficiency of about 200,000 gallons in this pressure zone. The new Angleside Booster Pump Station will resolve a storage deficit by making use of existing dead storage in the reservoir. This contract is not to exceed \$291,808 and is included in the 2011 water utility budget. This contract is solely for design, but includes other features not specifically included in the planning level estimate. DH Goins recommended that the Commission place the contract with Brown & Caldwell under the consent agenda for March 28, 2011 and authorize the Mayor to sign when executed by the contractor.

The Commission concurred to place the contract with Brown & Caldwell under the consent agenda for March 28, 2011 and authorize the Mayor to sign when executed by the contractor.

3. **Resolution # 1017-0311- A Resolution of the City of Shelton, Washington Adopting the Waster Water System Plan 2010 Update** - Public Works and Community and Economic Development Director Goins reported that the Water System Plan (WSP) Update has been discussed at previous meetings. The FCS Group discussed the water rate component of this at two previous meetings. Items summarized in the WSP and Rate Study is Mandatory Plan Update, Standby Storage, Source Capacity, Assumed Growth Rate, Fire Protection, Fund Reserves and System Reinvestment, Debt Capacity, Retail and Wholesale Rates and General Facility Charges. This is a seven year scope of work beginning in 2009. The projects are reestablishing the Shelton Springs as a water source, slip lining the gravity fed main to the High School tank that will improve the water quality and reliability. Others upgrades are to Well #3, new water source Angleside area, regional storage effort, and upgrades on 12th and 13th Streets. The details will be reviewed at the Public Hearing scheduled for March 28, 2011.

Ordinance No. 1782-0311 – An Ordinance of the City of Shelton, Washington, Amending Chapter 15.28 of the Shelton Municipal Code Relating to Water Rates – DH Goins said this draft ordinance would upgrade the Shelton Municipal Code relating to water rates. In simple terms this is a reallocation of our customer base to four categories, four classes that include: single family residential, multi family residential, commercial base and irrigation customers. The rates will be based on the use in peak demand, residential being the least and irrigation being the highest. The current two tier residential base will change to a three tier, encouraging water usage conservation. A wholesale rate will be established specific to John's Prairie. A reinvestment account would be started to take care of future needs. In summary, the overall rate for the utility as a whole is increasing nine percent for 2011, 2012 and 2013. This represents a ramping up of rates. The three years included in the ordinance included this year, we are behind in implementing this, which may have affect on the revenues we generate. By the end of 2013 we will need to reassess, how much capital will be needed for projects. The proposal is to have this effective May of this year. The details will be reviewed at the Public Hearing scheduled for March 28, 2011.

The Commission suggested that presenting this as a 73 cent rate increase from 2011-2012 and it would be approximately \$1.50 in the years 2011-2013 instead of presenting this as a nine percent is more understanding. Rates have not been adjusted since 2008. City Administrator suggested using the power point slides from the consultant that would help the community understand the bottom line. Another good point is encouraging conservation.

Ordinance No. 1783-0311 – An Ordinance of the City of Shelton, Washington, Amending Chapter 3.51 of the Shelton Municipal Code Relating to Utility Tax – DH Goins said this draft ordinance will raise the utility tax on the City’s water utility to compensate the general fund for providing fire suppression services, consistent with the Washington Supreme Court’s decision in *Lane v. City of Seattle*. The utility tax will increase from five percent to 11.63 percent covering fire protection services. The details will be reviewed at the Public Hearing scheduled for March 28, 2011.

DH Goins said a direct link for all this information will be available on the City of Shelton Website.

The Commission concurred to schedule a Public Hearing for March 28, 2011 at 6:00 p.m. to present Resolution #1017-0311, Ordinance No. 1782-0311 and Ordinance No. 1783-0311 to the public.

Administration Reports

City Administrator O’Leary said he would be out of the office the rest of the week attending the Northwest Regional Managers Conference. Chief Davenport will be Acting City Administrator in his absence.

Public Comment - None

Administrative Final Touches – None

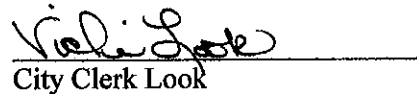
Announcement of Next Meeting

Mayor Tarrant announced the next regular Commission meeting of Monday, March 28, 2011, 6:00 p.m.

Adjournment

As there was no further business the meeting was adjourned at 6:52 p.m.


Mayor Tarrant


City Clerk Look