

City Council Minutes – October 2, 2017

Mayor Laurie Gere called to order the regular Anacortes City Council meeting of October 2, 2017 at 6:00 p.m. Councilmembers Eric Johnson, Ryan Walters, Erica Pickett, Brad Adams, Bruce McDougall and Matt Miller were present. Councilmember Liz Lovelett was absent.

Mr. Johnson moved, seconded by Mr. Walters, to excuse the absence of Ms. Lovelett who was attending a conference on city business. The motion carried unanimously by voice vote.

The assembly joined in the Pledge of Allegiance.

Announcements and Committee Reports

ADA Self-Assessment Volunteer Appreciation Certificates: Sylvia Cooper, Wastewater Treatment Plant Secretary and ADA Self-Assessment coordinator, followed up on her presentation at the September 11, 2017 City Council with a report on projects completed since the self-assessment was performed. Ms. Cooper recognized volunteers Colleen Arvidson and Mike Gibson who were in the audience. The list of completed projects was added to the packet materials for the meeting. Ms. Cooper indicated that the self-assessment documentation and ongoing reports of projects completed would be posted on the city website.

Finance Committee: Mr. Johnson reported from the committee meeting the prior Wednesday at which those present discussed water rates, which would be addressed later on the agenda, and agricultural water rates which would be discussed at a City Council meeting in the near future.

Public Works Committee: Mr. Johnson reported from the committee meeting earlier in the evening at which those present discussed increasing interest in using excess capacity of the city's new fiber optic network, good results on the small scale paving projects undertaken by the Street Department with the new paving machine, and superloads that would be moving through Anacortes from the Port of Anacortes to the Andeavor refinery on March's Point Road the week of October 6 through October 14. He referred the public to the public service announcement on the city website for more information.

Mr. Walters reported that the Planning Committee had met with three members of the Planning Commission earlier in the day to review an initial draft of the development standards. He outlined some of the features of the draft, emphasizing that the focus was changes required by statute, internal consistency, case law and the comprehensive plan. Mr. Walters outlined the next steps including a second work session on the draft, then releasing a draft to the public for feedback at public meetings, then Planning Commission review with public comment, then eventual City Council review and adoption.

Mr. Johnson listed several topics about which he had received constituent questions and expressed the hope that the new city website would provide better communication to the public. He suggested hiring a part time public relations staffer to speak in a consistent voice on behalf of the city and proactively address public questions and concerns.

Public Comment

Ian Munce, 1711 Quail Drive, extended his thanks to City Council, the Public Safety Committee and staff for addressing traffic safety concerns on H Avenue from 41st Street south to the bottom of the hill. Mr. Munce explained that although Council had lowered the speed limit on that section to 25 mph it was rarely observed and indicated that the neighbors had been concerned about both speeding and reckless drivers on a roadway with no shoulders to accommodate pedestrians and cyclists. Mr. Munce thanked the

Public Works department for adding speed limit signage and rumble strips and agreeing to monitor the situation. Mr. Munce reported anecdotally that those measures seemed to be having some effect but said additional traffic calming measures might be appropriate in the future.

Linda Lemberg Ross, 1601 Quail Drive, talked about safety issues in the same area. Ms. Lemberg Ross noted the very narrow shoulders on the east side of Heart Lake Road and expressed concern about the safety of pedestrians and equestrians in that area as they travel to and from the forestlands.

Erik Schorr, 1705 Quail Drive, thanked the city for installing rumble strips on H Avenue approaching 41st Street from the south but reported that now many cars were moving into the oncoming lane to avoid the rumble strips. Mr. Schorr said he was concerned for the safety of children walking and cycling along that road, where there is no shoulder, particularly now that vehicles were choosing to travel in the oncoming lane. Ms. Lemberg Ross confirmed Mr. Schorr's observation of vehicles traveling in the opposite lane to avoid the rumble strips.

Janet Moore, 22nd Street, spoke regarding the leash law on the Tommy Thompson Trail. Ms. Moore reported that when she took her small dog walking on the trail on Saturday they encountered a very large dog off leash on the trestle. She said the owner did not leash his dog even though he had a leash in hand. Ms. Moore said it was a scary experience and could have turned into a nasty situation. She said most Anacortes residents are aware of the city-wide leash law but that visitors to the adjacent RV park may not be. She urged the city to add signage along the trail explaining the leash law. Mt. Walters supported Ms. Moore's request that leash law signs be posted on the Tommy Thompson trail.

Consent Agenda

Ms. Pickett removed Item 5e, Contract Modification: Fiber Materials: Microfiber 14-056-IDS-004, Modification 01, from the Consent Agenda. Mr. Johnson moved, seconded by Mr. Adams, to approve the following Consent Agenda items. The motion carried unanimously by voice vote.

- a. Minutes of September 25, 2017
- b. Approval of Claims in the amount of: \$693,390.64
- c. Contract Award: 41st Street Sanitary Sewer Extension 17-113-SEW-001
- d. Contract Modification: Emergency Sewer Repair Project 17-094-SEW-001, Mod 02
- f. Contract Modification: Crane Flat Deck & Crane 17-036-ERR-001, Mod 2

The following vouchers/checks were approved for payment:

EFT numbers: 86549 through 86584, total \$538,604.52

Check numbers: 86585 through 86621, total \$157,163.87

Wire transfer numbers: 221295 through 222199, total \$3,672.11

- e. Contract Modification: Fiber Materials: Microfiber 14-056-IDS-004, Mod 01

Ms. Pickett requested more information on this item. Public Works Director Fred Buckenmeyer explained that the city appeared to have underestimated the potential demand for additional bandwidth in the fiber optic line currently being installed between the water treatment plant in Mount Vernon and the Whistle Lake water tank. He said staff believed demand would exceed the capacity of the current 144-strand design. He said the proposed change order would increase the fiber size for that stretch of the project to 288 strands, adding that the previously ordered 144-strand fiber would be used elsewhere in the network and would not go to waste. Mr. McDougall agreed that demand would continue to increase in response to evolving technologies and strongly supported increasing the fiber capacity. Ms. Pickett moved, seconded by Mr. Johnson, to approve Consent Agenda Item 5e. The motion carried unanimously by voice vote.

PUBLIC HEARINGS

Public Hearing: Resolution 1995: Moratorium on the receipt and processing of applications to site wireless communications towers and antennas pursuant to Chapter 17.63 of the Anacortes Municipal Code and on the receipt and processing of applications for telecommunications franchises or master permits pursuant to Chapter 5.36 of the Anacortes Municipal Code, per Ordinance 3010 adopted August 28, 2017

City Attorney Darcy Swetnam presented a resolution to reaffirm Ordinance 3010 and adopt a work plan for updating wireless telecommunications code sections. Ms. Swetnam's slide presentation was added to the packet materials for the meeting. She summarized the background of the moratorium and the requirement to adopt a work plan. Ms. Swetnam reviewed the work plan as proposed, including both Planning Commission and City Council public hearings, with anticipated adoption by May 2018. She recommended adopting Resolution 1995 to affirm Ordinance 3010 and adopt the work plan.

Mr. McDougall asked if there was a backlog of pending applications. Ms. Swetnam said that one potential applicant had held a pre-application hearing but that no applications submitted applications were pending. She noted that per FCC guidance, the city would continue to accept applications during the moratorium but would make it clear that applications would be processed pursuant to the new regulations once those were adopted.

At approximately 6:36 p.m. Mayor Gere opened the public hearing. No one present wishing to address the Council, the mayor closed the public hearing.

Mr. Adams moved, seconded by Mr. McDougall, to adopt Resolution 1995 adopting a work plan for adopting city rules on wireless facilities and telecommunications franchises. Vote: Ayes - Walters, Pickett, Adams, McDougall, Miller and Johnson. Motion carried.

OTHER BUSINESS

Final Plat Approval, Phase IV of Rock Ridge South Subdivision

Associate Planner Kevin Cricchio presented a final plat request for Rock Ridge Subdivision, Phase IV. Mr. Cricchio's slide presentation was added to the packet materials for the meeting. He displayed a tabulation of the number of lots included in each phase of the project. He also clarified that after the Planning Commission consideration and recommendation on the final plat request, it had come to staff's attention that there was an error on the final plat map for Phase IV of Rock Ridge South subdivision in that Lot 8 didn't have the required minimum 30-feet of panhandle width and frontage on to a city street. Mr. Cricchio said the final plat map, which had been provided to Council, was corrected so that Lot 8 now met the minimum panhandle width and frontage on to a city street. Mr. Cricchio reminded that City Council conducted a public meeting on September 25, 2017 to determine if the conditions of approval for the preliminary plat of the Rock Ridge South subdivision had been met and had tabled the matter for further consideration to October 2, 2017.

Mr. Walters, Mr. Adams and Mr. McDougall all expressed that the additional week to study the record had been useful to them and that they were now satisfied that the final plat for Phase IV met the requirements of the preliminary plat.

Mayor Gere reminded Council that a motion remained on the floor from the September 25, 2017 meeting, moved by Ms. Pickett and seconded by Mr. Johnson, to approve the final plat. The clerk restated the motion: to approve the final plat of Rock Ridge South, Phase IV. Vote: Ayes – Pickett, Adams, McDougall, Miller, Johnson and Walters. Motion carried.

Water Rate Study Presentation

Mr. Buckenmeyer recalled that in 2015 the city contracted with Financial Consulting Solutions Group, Inc. (FCS) for a water revenue requirement study and that based on the FCS study, Council had established new water rates through 2021. He reminded that Council had also requested more research on single/multifamily/commercial rates and on residential block rates. Mr. Buckenmeyer introduced Gordon Wilson and Tage Aaker from FCS to present their findings on the additional research.

Mr. Wilson explained that the purpose of the present study was to determine the fairest allocation of the water rate burden across different customer classes based on the actual cost of serving those classes, as well as to develop a proposal for a residential “block” or tiered rate structure. Mr. Aaker then presented the results of the analyses, referencing the slides included in the packet materials for the meeting. He referenced the 2015 revenue requirements study and underscored that the current analyses were revenue neutral based on that earlier work; FCS did not recommend increasing the total water revenue, only possibly redistributing the rate burden among different customer classes. Mr. Aaker explained the cost of service study methodology to determine the actual cost of serving different customer classes and the finding that multi-family customers should be a distinct rate class based largely on their different peak use pattern. FCS recommended reducing rates for multi-family customers by 24% and noted that due to the low number of such customers, single family residential and commercial customers would experience only slightly higher rates (less than 2% increase) for the system to remain revenue neutral. Mayor Gere clarified that the multi-family rate would not include irrigation accounts. In response to a question from Mr. Johnson, Mr. Aaker explained that a multi-family rate reduction could be structured in different ways, likely by reducing the base rate charged to those customers. The consumption rate per cubic foot of water used could remain consistent across all residential rate classes.

Mr. Aaker then shared the results of the single family residential block rate study. He explained that currently all residential users paid the same consumption rate for each cubic foot of water purchased but that Council had asked FCS to investigate a tiered rate structure. Mr. Aaker listed reasons to consider block rates including encouraging water conservation and achieving rate equity for customers who cause high peak demands on the system. FCS proposed a three-block rate structure which Mr. Aaker said was typical among utilities that adopt block rates. He reminded that the proposed rates were designed to be revenue neutral and said they did include an elasticity adjustment to account for some users decreasing their consumption in response to higher peak rates. Under the proposal, customers who purchased more than 1000 cf of water in a month would pay more than currently, those who use less than 1000 cf would pay less than currently.

Mr. Johnson noted that the water utility has more than sufficient supply and questioned the value of encouraging conservation through the rate structure. Ms. Pickett argued that a lower rate for low volume customers was an equity issue for smaller households on fixed incomes. Mr. Walters observed that under the block rates most users would pay less for water and a few very large users would pay more. Mr. Miller observed that block rates would give citizens some control over their water bills by managing their summer consumption. Mr. Johnson and Mr. Adams voiced support for the current uniform consumption rate.

Mayor Gere invited members of the audience to address this agenda item.

Bill Dorrance, 1908 Creekside Place, representing the Creekside Village Homeowners Association, requested a rate reduction or elimination of the base fee during the winter months for the association’s four irrigation meters, referencing his four-page submission that was included in the packet materials for the meeting. He asked Council to move to restore the HOA’s water meter billing to residential rates or to the new multi-family rate presented by FCS earlier in the evening.

Councilmembers questioned Mr. Dorrance about the particulars of the Creekside situation. Many voiced support for billing HOA irrigation meters at the residential rather than the commercial rate and asked that staff investigate further what the revenue impacts would be. Mayor Gere said the matter would come back before Council in the near future for more discussion, public input and action.

Richard Walsh, 1813 Creekside Place, vice president of the Creekside HOA, asked if HOA members could attend to offer public input. Mayor Gere confirmed that all meetings would be open to the public.

Councilmembers questioned Mr. Wilson at length about the theoretical basis for adopting residential vs. commercial rates for irrigation meters. Mr. Wilson elaborated on the costs to build and maintain a system capable of meeting very high peak demand for only a portion of the year and the equity argument of recouping that cost from high peak users. Councilmembers wondered about creating a separate rate class for HOAs and asked staff and/or FCS to propose a more equitable alternative for HOAs that water public landscaping with irrigation meters.

Mr. Walsh reiterated that Creekside residents wanted to pay the residential water rate to water the landscaping around their homes, just as any single family resident would do.

Grace Glasgow, 1806 Creekside Place, secretary of the Creekside HOA, stated that irrigation water shouldn't and didn't incur a sewer charge. She said the board was trying to keep the HOA fees low for its members but that increasing water rates had made that difficult.

Mayor Gere indicated that Council would consider the matter again and make a decision at a future meeting.

There being no further business, at approximately 7:55p.m. the Anacortes City Council meeting of October 2, 2017 was adjourned.