

Kelso City Council Agenda

Regular Meeting, 6:00 pm
November 3, 2015
City Hall, Council Chambers
203 South Pacific
Kelso, WA 98626



**Special accommodations for the handicapped and hearing impaired are available
by special arrangement through the City Clerk's Office at 360-423-0900**

Invocation:

Pastor Russ Jorgenson from Kelso Assembly of God

Roll Call to Council Members:

1. Approve Minutes:

1.1. October 20, 2015 – Regular Meeting

2. Proclamation:

2.1. National Adoption Day

3. Presentation:

3.1. SR 432/433 Industrial/Oregon Way Intersection Project

3.2. 2016 Southwest Washington Regional Airport Budget

4. Public Hearing:

4.1. Assumption of the Transportation Benefit District

5. Consent Items:

5.1. Agreement Amendment – Dutch Brother Lease Extension

5.2. Contract Closeout – Mt. Brynion & Minor Rd. Intersection Repair Project

5.3. Contract Closeout – Talley Way Overlay Project

6. Citizen Business:

Kelso City Council Agenda

Regular Meeting, 6:00 pm
November 3, 2015
City Hall, Council Chambers
203 South Pacific
Kelso, WA 98626



7. Council Business:

7.1. Discussion – South Kelso Annexation

8. Action/Motion Items:

8.1. Resolution

8.1.1. Declaration of Substantial Need for the purpose of setting the Limit Factor for the Property Tax Levy for 2016

8.2. Resolution

8.2.1. Authorize the Increase in the Property Tax Levy

8.3. Resolution

8.3.1. Setting a Date for Public Hearing regarding Street Vacation

8.4. Ordinance, 1st Reading

8.4.1. Setting 2016 Property Tax Levy Amount

8.5. Ordinance, 1st Reading

8.5.1. Updating Water & Sewer Rates

8.6. Ordinance, 1st Reading

8.6.1. Assumption of the Transportation Benefit District

Other Items:

- City Manager Report
- Staff/Dept Head Reports
- Council Reports
- Other Business
- Executive Session

Mayor David Futcher led the flag salute. The Regular Meeting of the Kelso City Council was called to order by Mayor Futcher. Councilmembers in attendance were Gary Schimmel, Todd McDaniel, Dan Myers, David Futcher, Jared Franklin, and Gary Archer. Councilmember Rick Roberson was absent.

Minutes: Upon motion by Councilmember Myers, seconded by Councilmember Schimmel, 'Approve the Minutes of the 10/06/15 Regular Meeting,' motion carried, all voting yes.

PRESENTATIONS:

Professional Finance Officers Award: City Manager Steve Taylor presented the award from the Washington Finance Officers Association to Finance Director Brian Butterfield for his excellence in achieving educational and professional requirements. This is the 13th consecutive year that Mr. Butterfield has received this award.

West Kelso Sub Area Plan: BERK Consulting, Inc. Urban Planner Jeff Arango provided an update on their work conducting a plan to develop the West Kelso neighborhood.

PUBLIC HEARING:

Declare as Surplus Public Works Utility Vehicle: Mayor Futcher opened the public hearing at 6:27 p.m. There being no comment from the public, Mayor Futcher closed the public hearing at 6:27 p.m.

CONSENT AGENDA:

1. **Contract Closeout:** West Main Realignment Construction Project – Rotschy, Inc.
2. **Auditing of Accounts:** \$2,140,240.86

Upon motion by Councilmember Franklin, seconded by Councilmember Schimmel, 'Approve the Consent Agenda and the Auditing of Accounts in the amount of \$2,140,240.86,' motion carried, all voting yes.

CITIZEN BUSINESS:

Ronald Madderra, 5400 Meeker Drive #77, Kalama, WA, spoke about water fluoridation and federalization of local police officers.

Gregg Donges, 606 North 23rd Avenue, spoke about the Kelso Public Library budget. He requested information regarding the library's expenses. Mr. Butterfield took Mr. Donges's contact information to follow up on his request.

Curtis Hart, 115 Williams Avenue, spoke about water fluoridation. He read aloud a quote by Dr. Timothy Leary.

COUNCIL BUSINESS:

Three Rivers Regional Wastewater Authority (TRRWA) Agreement: TRRWA Board Chairman Jeff Cameron provided an update on the amendments to the proposed Joint Municipal Utility Services Agreement, Board of Directors Bylaws, and the Operating Board Bylaws. Discussion followed.

Shopping Cart Regulations: City Manager Taylor provided an overview of the provisions in the proposed ordinance. He presented the municipal codes on shopping cart regulations from Auburn and Yakima as models. He commented that the City would be mailing a letter, with the proposed ordinance, to business owners for their input. After a lengthy discussion, the consensus of the Council was for the Staff to wait for input from the business owners and to use the Yakima model as a start for the proposed ordinance.

The Regular Session recessed at 7:30 p.m. to convene into the Transportation Benefit District Meeting. At 7:35 p.m., the Council reconvened into Regular Session.

MOTION ITEMS:

Ordinance No. 15-3853 – Nuisance Abatement Code Enforcement Chapter 10.06 Junk Vehicles: The Deputy Clerk read the proposed ordinance by title only. Upon motion by Councilmember McDaniel, seconded by Councilmember Archer, ‘Adopt Ordinance No. 15-3853, ‘AN ORDINANCE OF THE CITY OF KELSO AMENDING KELSO MUNICIPAL CODE CHAPTER 10.06 RELATING TO THE ABATEMENT AND REMOVAL OF JUNK VEHICLES,’ motion passed, all voting yes.

Resolution No. 15-1139 – Setting Public Hearing for City Assumption of the Transportation Benefit District: The Deputy Clerk read the proposed resolution by title only. Upon motion by Councilmember McDaniel, seconded by Councilmember Archer, ‘Pass Resolution No. 15-1139, ‘A RESOLUTION OF THE CITY OF KELSO, WASHINGTON, SETTING THE DATE FOR A PUBLIC HEARING CONCERNING THE CITY’S INTENT TO ASSUME THE RIGHTS, POWERS, FUNCTIONS, AND OBLIGATIONS OF THE BOARD OF THE KELSO TRANSPORTATION BENEFIT DISTRICT AS OF DECEMBER 31, 2015.’ Motion passed, all voting yes.

Resolution No. 15-1140 – Declare Surplus of Personal Property: The Deputy Clerk read the proposed resolution by title only. Upon motion by Councilmember Archer, seconded by Councilmember McDaniel, ‘Pass Resolution No. 15-1140, ‘A RESOLUTION OF THE CITY OF KELSO, WASHINGTON, DECLARING CERTAIN PERSONAL PROPERTY OF THE CITY OF KELSO TO BE SURPLUS AND

DIRECTING THE DISPOSITION THEREOF.’ Motion passed, all voting yes.

Resolution No. 15-1141 – Declare Surplus of Personal Property: The Deputy Clerk read the proposed resolution by title only. Upon motion by Councilmember Archer, seconded by Councilmember Myers, ‘Pass Resolution No. 15-1141, ‘A RESOLUTION OF THE CITY OF KELSO, WASHINGTON, DECLARING CERTAIN PERSONAL PROPERTY OF THE CITY OF KELSO TO BE SURPLUS AND DIRECTING THE DISPOSITION THEREOF.’ Motion passed, all voting yes.

MANAGER’S REPORT:

Steve Taylor: 1) Announced that this is the 33rd year that Library Manager Cindy Donaldson has been with the City. 2) Announced that the City of Kelso has been chosen by the Association of Washington Cities to host a webinar for current and newly elected city officials from the Southwest Washington region on December 5, 2015. 3) Presented a new enhancement to the Open Kelso Budget application on the city website. 4) He reported that the Comcast Franchise Agreement is nearly ready to bring forward to the Council for their consideration. 5) Provided an update on the renaming of the Commons Park.

STAFF REPORT:

Chief of Police Andrew Hamilton: Reported on the graduation of Kelso’s two newest police officers from the academy at the Washington State Criminal Justice Training Commission.

COUNCIL REPORTS:

Gary Archer: No report.

Jared Franklin: No report.

Dan Myers: Commented that he will be working on the election board starting this week.

Todd McDaniel: 1) Commented that the Cowlitz Transit Authority is holding a public hearing at Longview City Hall on November 14, at 4:00 p.m., to discuss raising ridership fees. 2) Asked everyone to think of Longview Police Officer Deisher who was in an auto accident yesterday.

Gary Schimmel: No report.

David Fletcher: Reported on his recent visit to Kelso’s Sister City, Makinohara, Japan.

There being no further business, Mayor Fatcher adjourned the meeting at 7:50 p.m.

MAYOR

CITY CLERK

Proclamation
City of Kelso, Washington
National Adoption Day
November 17, 2015

WHEREAS, City of Kelso recognizes the critical importance of helping children find permanent, safe and loving families through adoption; and

WHEREAS, more than 10,000 children are currently in foster care in Washington state; and

WHEREAS, more than 2,000 of those children currently in foster care have been legally and permanently separated from their parents and are waiting for families to adopt them; and

WHEREAS, National Adoption Day was established in November 2000 by the Alliance for Children's Rights to raise awareness of more than 123,000 foster children across the United States who are waiting for "forever families;" and

WHEREAS, Since 2000, more than 30,000 children have been adopted from foster care on National Adoption Day; and

WHEREAS, more than 350 events are held each year throughout the country to finalize adoptions of children in foster care; and

*NOW, THEREFORE, be it resolved, that I, David Fatcher, Mayor of the City of Kelso, do hereby proclaim **November 17, 2015**, as*

"National Adoption Day"

in Kelso, Washington, and I urge all citizens to join in the national effort to raise awareness about the importance of adoption.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Kelso to be affixed this 3rd day of November, 2015.

David Fatcher, Mayor

AGENDA SUMMARY SHEET

Business of the City Council City of Kelso, Washington

**SUBJECT TITLE: SR 432/433 Industrial
Way/Oregon Way Intersection Project
Presentation**

Agenda Item: _____

Dept. of Origin: City Manager's Office

For Agenda of: November 3, 2015

Originator: Steve Taylor

PRESENTED BY:

Claude Sakr, Cowlitz County

City Attorney: **Janean Parker**

City Manager: **Steve Taylor**

Agenda Item Attachments:

SUMMARY STATEMENT:

Claude Sakr, Cowlitz County Project Manager for the Industrial Way/Oregon Way Intersection Project (SR 432/433), will provide the Council with an overview and status update of the regional grade separation project. The project received \$85 million in funding within the Transportation Revenue Package adopted by the state legislature this summer. When completed, it will reduce traffic congestion and improve both rail and highway capacity along the region's primary industrial corridor. A NEPA environmental impact statement is being prepared which allows the opportunity for public comment on the proposed design alternatives.

RECOMMENDED ACTION:

None

AGENDA SUMMARY SHEET
Business of the City Council
City of Kelso, Washington

**SUBJECT TITLE: 2016 SW Wa Regional
Airport Budget**

Agenda Item: _____

Dept. of Origin: _____ City Manager _____

For Agenda of: _____ November 3, 2015 _____

Originator: _____ Steve Taylor _____

PRESENTED BY:

Steve Taylor

City Attorney: Janean Parker

City Manager: Steve Taylor

Agenda Item Attachments:

SWRA Board 2016 Budget

Summary Statement:

In accordance with Article VI, Section F Budget of the Interlocal Agreement pertaining to the Southwest Washington Regional Airport Authority, the legislative bodies of at least three of the four member entities are required to approve the Airport's annual budget. The SWRA's 2016 proposed budget is included with this memo for consideration and consists of \$431,000 in operating and \$990,137.55 in capital expenditures. Revenues of \$1,421,137.55 consist of building and hangar lease rents, leasehold excise taxes, local and federal capital grants, and member contributions. The member entities' contributions are proposed at \$76,000, an increase of \$11,000 from 2015.

SWRA Interim Manager Sharon Zimmerman will be at the meeting to discuss the budget and answer questions from the Council.

OPTIONS:

- 1) Move to approve the 2016 Proposed Budget for the Southwest Wa Regional Airport Authority in the amount of \$1,421,137.55.;
- 2) Do not approve the 2016 SWRA Proposed Budget;
- 3) Provide recommendations to the SWRA Board to amend the 2016 budget, and bring back for further consideration at a later meeting.

RECOMMENDED ACTION:

Approve the 2016 Proposed Budget for SWRA.

RESOLUTION 15-006

A RESOLUTION of the Southwest Washington Regional Airport Operating Board
establishing the 2016 Budget

The Southwest Washington Regional Airport Operating Board does hereby adopt and enact the following:

WHEREAS, the Southwest Washington Regional Airport Operating Board, located in Kelso, Cowlitz County, Washington (hereinafter "the SWRA"), has reviewed and considered the proposed budget for the SWRA for 2016; Now, Therefore,

BE IT RESOLVED by the SWRA, as follows:

Section 1. Necessity. It is hereby determined by the SWRA that it is reasonable and necessary to adopt the Budget for the SWRA for 2016, as herein stated.

Section 2. Budget. The SWRA does hereby adopt the Budget for the Southwest Washington Regional Airport Operating Board for 2016, the details of which are attached hereto as Exhibit "A, pp 1, 2 and 3", which exhibits are incorporated herein by this reference. The Budget is summarized as follows:

<u>Budget Item</u>	
Operating Budget	\$ 431,000.00
Capital Improvements Budget	<u>\$ 990,137.55</u>
Total:	\$1,421,137.55

Section 3. Effective Date. The Budget for 2016 of the SWRA shall be effective upon adoption of this Resolution for the period of January 1, 2016 through December 31, 2016.

ADOPTED by the SOUTHWEST WASHINGTON REGIONAL AIRPORT OPERATING BOARD on this _____ day of October, 2015.

Darold Dietz, Chairperson, Port of Longview

Chet Makinster, City of Longview

David Futcher, City of Kelso

Dennis Weber, Cowlitz County

Norm Krehbiel, Port of Longview

Attest:

Approved as to Form:

Sharon Zimmerman, Interim Manager

Paul R. Roesch, Jr., Attorney for SWRA

EXHIBIT A

Southwest Washington Regional Airport Operating Board

Airport Fund 2016 Budget -- Revenue (1) -- Fund 602 Dept: 59					
602 59	BASU	ELE	OBJ	Account Description	2016
	317	20	00	Leasehold Excise -- Leasehold excise from State	4,000.00
	317	90	00	Flowage Fee	1,000.00
	330	00	01	Intergovt - City of Kelso (3)	76,000.00
	330	00	00	Intergovt - Cowlitz County (3)	76,000.00
	330	00	02	Intergovt - City of Longview (3)	76,000.00
	330	00	03	Intergovt - Port of Longview (3)	76,000.00
	331	20	00	FAA Airport Improvement Grant	564,777.50
	334	03	60	WSDOT - Airport Improvement Grant (CIP)	31,376.53
				Port of Longview - Local Match for FY 2015 FAA Grant related project	16,376.52
	336	00	00	CC Rural Development Grant Stopway (CIP) (2)	331,607.00
				SWRA Fund commitment - Stopway (CIP) (2)	46,000.00
	361	11	00	Interest Income	100.00
	362	30	01	Tie Down Fees	100.00
	362	50	00	Hangar Leases	102,000.00
	362	50	01	Land Leases	13,000.00
	362	60	00	Rentals - Apartment	6,800.00
				Temporary Land Use Agreement	0.00
Airport Total Revenue					\$1,421,137.55

Note

1. 2014 Carryover Airport Fund of \$60,857.49 (assumed \$46,000 set-aside for Stopway project with \$14,857.49 remaining).

2. Cowlitz County Rural development funds restricted to stopway project

Stopway Project - Original Cowlitz County grant balance for stopway project is county grants \$431,607 and Airport fund commitment \$46,000. (Airport fund match for 2010 (\$15,000), 2011 (\$20,000), and 2013 (\$11,000)).

Current Contract for stopway design/permitting phase is \$402,965 with \$74,642 remaining (allocated not yet obligated).

For 2016 Budget purposes, assumed \$100,000 spent in FY 2015.

3. Partnership (intergovt) funding includes \$65,000 toward Direct Operating Expenditures and the additional \$11,000 allocated to maintenance projects. Resulting in a total of \$76,000 from each partner agency.

Southwest Washington Regional Airport Operating Board

Airport Fund 2016 Budget -- EXPENDITURES -- Fund 502 Dept: 59					
602 59	BASUB	ELE	OBJ	ACCOUNT DESCRIPTION	2016
	546	10	100	Salaries - Permanent Employee, Administrative	0.00
	546	10	200	Benefits - Permanent Employee, Administrative	0.00
	546	10	310	Office Supplies	1,500.00
	546	10	410	Professional Services (part-time Airport Manager and Property Manager)	120,000.00
	546	10	411	Professional Services (Accounting)	30,000.00
	546	10	412	Professional Services (Legal)	10,000.00
	546	10	413	Professional Services (FBO)	10,000.00
	546	10	420	Telephone, Postage, Copying, Internet (mngmt office)	2,000.00
	546	10	430	Travel/Seminars	1,000.00
	546	10	490	Membership Dues and Fees	1,000.00
	546	10	510	State Examiner's Charges	0.00
	546	10	530	Leasehold Taxes	150.00
	546	40	530	Diking Assessment	22,000.00
	546	50	100	Maintenance Permanent Employee Wages	0.00
	546	50	200	Maintenance Permanent Employee Benefits	0.00
	546	50	410	Professional Services Maintenance (City of Kelso)	36,000.00
				Professional Services Mowing & Herbicide	48,000.00
				Professional Services USDA Depredation services	4,000.00
	546	50	480	Repairs to Buildings (non-hangar) (2)	6,000.00
	546	50	481	Repairs to Landing Field (brush clearing and tree clearing) (2)	10,000.00
				Repairs to Asphalt (includes Crack seal Taxiway A of \$12,000) (2)	20,000.00
	546	50	485	Repairs to Hangars (gutter repair, roof, doors, accesses) (2)	15,250.00
	546	50	487	Repairs to Electrical (Runway lighting) (2)	10,000.00
	546	50	488	Repairs to Equipment (tractor, mower deck, riding mower)	750.00
	546	50	489	Vehicle Maintenance	200.00
	546	70	440	Advertising / Promotions	1,200.00
	546	80	049	Miscellaneous	5,650.00
	546	80	310	Operating Supplies	4,000.00
	546	80	311	Safety Supplies - (Decoys, Signing, Windsocks)	1,000.00
	546	80	320	FUEL	200.00
	546	80	350	Small Tools and Equipment	100.00
	546	80	460	Property Insurance	19,200.00
				Director's and Officers Liability	
				Automobile/Truck Insurance	
				Aviation Commercial Gen. Liability	
				Airport Management Insurance (paid by Airport Manager)	
				Underground Storage Tank	
				WCIA Property (City of Kelso)	
	546	80	471	Electricity	10,000.00

	546	80	472	Garbage/Water/Stormwater Management	20,500.00
				Garbage/Water	
				Stormwater Management Fee	
	546	80	473	Sanitation	2,100.00
	546	80	490	BNSF Easement Annual Contract	700.00
	582	46	771	Note Payable Longview (paid off FY 2015)	0.00
	594	11	002	Airport Sullivan Hangar Demolition	227,573.32
				Airport Beacon Tower Replacement	195,307.54
				Airport Talley Way Fencing and Security Gate	204,649.69
	594	11	004	CIP Stopway (1)	377,607.00
	594	46	630	Underground Storage Tanks/Compliance/Inspection (includes second opinion)	3,000.00
				Underground Storage Tanks Cathodic Protection	0.00
	594	46	630	Department of Ecology Business License (UST)	500.00
				AIRPORT TOTAL EXPENDITURES	\$1,421,137.55

Note

1. Cowlitz County Rural development funds restricted to stopway project

Stopway Project - Original Cowlitz County grant balance for stopway project is county grants \$431,607 and Airport fund commitment \$46,000. (Airport fund match for 2010 (\$15,000), 2011 (\$20,000), and 2013 (\$11,000)).

Current Contract for stopway design/permitting phase is \$402,965 with \$74,642 remaining (allocated not yet obligated).

For 2016 Budget purposes, assumed \$100,000 spent in FY 2015.

2. Reflects \$44,000 allocation toward maintenance projects and adjustment in delivery of maintenance services.

Increases between FY 2015 Amended Budget to FY 2016 Approved Budget line items include: Repairs to Buildings \$4000, Repairs to Landing Field \$8800, Repairs to Asphalt \$20000, Repairs to Hangars \$12750, Repairs to Electrical \$7000.

AGENDA SUMMARY SHEET
Business of the City of Kelso
City of Kelso, Washington

SUBJECT TITLE:

A PUBLIC HEARING CONCERNING THE CITY'S INTENT TO ASSUME THE RIGHTS, POWERS, FUNCTIONS, AND OBLIGATIONS OF THE BOARD OF THE KELSO TRANSPORTATION BENEFIT DISTRICT AS OF DECEMBER 31, 2015.

Agenda Item: _____

Dept. of Origin: City Attorney

For Agenda of: November 03, 2015

Cost of Item: _____

PRESENTED BY: Janean Parker

City Manager: Stephen Taylor _____

AGENDA ITEM ATTACHMENTS:

None

SUMMARY STATEMENT:

In 2012, the City Council created a Transportation Benefit Area or "TBD" for the City of Kelso as authorized under RCW 36.73. In this TBD, having boundaries coterminous with the Kelso city limits, the City Council acts in an ex officio and independent capacity as the TBD governing board. Later in 2012, the TBD imposed a \$20 vehicle license fee as authorized by the statute. To date, the TBD has exercised its power by collecting the car tab fees and remitting the funds to the City to construct certain transportation improvement projects. The TBD has not incurred any indebtedness or let any contracts directly for such projects.

In 2015, the State Legislature amended RCW 36.73 to allow a city, which has a TBD that has boundaries coterminous with the city the right to assume the rights, powers, functions, and obligations of the TBD. **To accomplish this, the City must pass a resolution or ordinance indicating its intent to conduct a public hearing, and then after the hearing may adopt an ordinance that assumes these rights, powers, functions, and obligations.**

In administering the TBD, the City has incurred some administrative costs in creating independent financial reports for the TBD and separately insuring the TBD, since the TBD is a separate entity and separate taxing authority. Staff recommends exercising the authority recently granted under RCW 36.73 to assume the rights, powers, and functions of the TBD into the City. This action will simplify and improve efficiencies for performing the function authorized under the statute without unnecessary duplication. In the event that this resolution is passed, staff will bring to Council a proposed ordinance for the assumption of the TBD for a public hearing on November 3rd.

FINANCIAL SUMMARY:

No direct financial impacts

AGENDA SUMMARY SHEET

Business of the City Council City of Kelso, Washington

SUBJECT TITLE:

Dutch Bros. Lease Amendment/Extension Agreement

Agenda Item: _____

Dept. of Origin: _____ City Manager _____

For Agenda of: _____ November 3, 2015 _____

Cost of Item: _____

PRESENTED BY: Steve Taylor

City Manager: Steve Taylor _____

AGENDA ITEM ATTACHMENTS:

Proposed Lease Amendment/Extension Agreement

SUMMARY STATEMENT:

Council approved the original Ground Lease with Dutch Bros. November 2010 ending October 31, 2015 with two additional five (5) year extensions upon the same terms and conditions as provided in the full Lease Agreement. Mark Luna (Dutch Bros.) is requesting the first of the two five (5) year extensions for a time frame of November 1, 2015 and ending October 31, 2020.

FINANCIAL SUMMARY:

The monthly rent for this 60 month lease term will be \$1,965.71, which is the base rent amount of \$1,742.03 plus leasehold tax of \$223.68 at the current 12.84%. This is a 5% increase per the original lease agreement.

RECOMMENDED ACTION:

Approve the Lease Amendment / Extension Agreement for the term of November 1, 2015 and ending October 31, 2020.

LEASE AMENDMENT / EXTENSION AGREEMENT

THIS LEASE AMENDMENT / EXTENSION AGREEMENT is made and entered into this _____ day of November, 2015 by and between **DUTCH BROS. COFFEE SYSTEM**, hereinafter referred to as "Lessee," and the City of Kelso, hereinafter referred to as "Lessor."

WHEREAS, Lessor and Lessee have entered into a certain Ground Lease dated November 1, 2010, wherein Lessor leased to Lessee certain property located within the City of Kelso, County of Cowlitz, State of Washington, situated at the southeast corner of Allen Street and Kelso Drive; and

WHEREAS, the Lease and subsequent renewal options expire on October 31, 2015; and

WHEREAS, Lessor and Lessee desire to amend and extend the Lease for a new five-year period commencing on November 1, 2015 and ending on October 31, 2020;

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants herein contained and of good, lawful and valuable considerations moving to and received by each of the parties to be bound hereby, the receipt and sufficiency of which is hereby acknowledged, Lessor and Lessee agree as follows:

1. Effect of this Document: This Lease Amendment / Extension Agreement shall operate to amend the Lease only to the extent that the terms of the Lease are consistent with the provisions of this Lease Amendment / Extension Agreement. Except as amended or modified by the Lease Amendment / Extension Agreement, all terms and conditions of the Lease shall remain in full force and effect and Lessor and Lessee shall be bound thereby. Lessee's execution of this Lease Amendment / Extension Agreement or exercise of any option to extend the term of this Lease shall not be deemed a waiver of its cancellation rights, if any, under the terms of this Lease.

2. Extension: The term of the Lease shall be extended for a period of five (5) years, commencing November 1, 2015 and expiring October 31, 2020, upon the same terms and conditions as provided in the Lease except as same are amended, modified, and/or changed by this Lease Amendment / Extension Agreement.

3. Rent: Monthly rent for the 60-month lease term shall be \$ 1,965.71 which is the base rent amount of \$1,742.03 plus leasehold tax of \$223.68 at the current rate of 12.84%.

IN WITNESS WHEREOF, the parties have executed this Lease Amendment / Extension Agreement on the corresponding dates as shown below

CITY OF KELSO, LESSOR

DUTCH BROS., LESSEE

BY: _____
City Manager, Stephen A. Taylor

BY: _____
Mark Luna

DATED: _____

DATED: _____

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

AGENDA SUMMARY SHEET

Business of the City Council

City of Kelso, Washington

SUBJECT TITLE:

Closeout Contract for:
2015 Intersection Reconstruction
Project #581504

Agenda Item: _____

Dept. of Origin: Community Development/Eng

For Agenda of: Nov 3, 2015

PRESENTED BY:

Michael Kardas, P.E.
Community Development Director / City Engineer

Cost of Item: \$94,925.02

City Manager: Steve Taylor

AGENDA ITEM ATTACHMENTS:

Reconciliation Change Order
Final Estimate/Quantities

SUMMARY STATEMENT:

The 2015 Intersection Reconstruction project, Schedule 'A', provides for the roadway intersection reconstruction at Minor Road & Brynion Street. The major work elements being 205 CY of road base repair and 155 tons of hot mix asphalt (HMA). Schedule 'B' provides for the roadway intersection reconstruction at Sunrise Street and Miller Drive with the major work elements being 145 CY of road base repair and 105 tons of hot mix asphalt (HMA).

Schedule 'B' was removed from the project due to budget constraints.

Work on this project began on August 10, 2015 and ended on August 19, 2015

FINANCIAL SUMMARY:

Original Contract Amount:	\$164,897.00
Change Orders:	\$(77,002.00)
Quantity Over/Under Run:	\$595.32
Final Contract Amount:	\$94,925.02

RECOMMENDED ACTION:

Staff recommends Council make a motion to closeout the 2015 Intersection Reconstruction Project and authorize release of the retainage bond upon receipt of final approval from the State of Washington Department of Labor and Industries, Department of Revenue, and Employment Security Department.

CITY OF KELSO CONTRACT MINOR CHANGE ORDER

Change Order No. **2 - Reconciliation**

Date: 28-Aug-15

Project Name: 2015 Intersection Reconstruction

Project Number: 581504

Federal Aid Number: _____ (if applicable)

Advanced Excavating Specialists, LLC

Prime Contractor

You are hereby requested to comply with the following changes from the contract plans and Specifications:

Bid Item No:	Description of Changes	Change in Contract Price
3	Overrun for Flaggers/Spotter hours	\$ 3,475.00
4	Overrun for Adjust Manhole Ring & Cover	\$ 950.00
7	Underrun for RP & Reset Monument - only remove	\$ (903.60)
8	Qty Adjustment/Price increase for Planning	\$ (1,943.88)
9	Underrun for Roadway Excavation & Haul	\$ (2,940.00)
10	Underrun for Crushed Surfacing Top Course	\$ (1,415.25)
12	Underrun for Construction Geotextile	\$ (686.25)
14	Overrun for HMA	\$ 12,084.00
18	Overrun for Temporary Pavement Marking	\$ 210.00
20	Underrun (not needed) for Erosion Control	\$ (1,800.00)
SUB TOTAL		\$ 7,030.02
Net Change in Contract Amount:		\$ 7,030.02

Justification for Change:

3 - Additional flaggers required for safety. 4 - Manhole cover was req'd over existing water valve. 7 - Monument was not disturbed during construction. 8 - Additional planning req'd to extend new asphalt to bridge abutment. 9 - Existing base did not require removal in all areas as anticipated. 10 - quantities for CSBC was less than anticipated. 12 - 9 - Existing base did not require removal in all areas as anticipated. Therefore less geotextile was needed. 14 - Extended paving limits to bridge abutment. 18 - Extra temp. pavement markings due to extended paving limits. 20 - Erosion control measures not required for this specific project

Justification of Cost:

Changes in quantity.

Original Contract Amount:	\$ 164,897.00
This Change Order:	\$ 7,030.02
Previous Change Order(s):	\$ (77,002.00)
Total Revised Contract Amount:	\$ 94,925.02

Verbal approval for change given on: _____

By: _____

Work began on: _____

Work completed on: _____

Number of additional working days allowed: 0


This document will become a supplement to the contract and all provisions of the contract will apply hereto.

Accepted: 
Contractor Representative

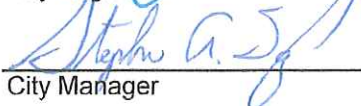
Date: 8/28/15

Reviewed: 
City's Inspector/Project Manager

Date: 8/28/15

Recommended: 
City Engineer

Date: 9-2-15

Approved: 
City Manager

Date: 9/3/15

Item No.	Description	Quan	Unit	Price	Bid Amount	Quantity	This Estimate		Previous Estimate		Total to Date	
							Pay Amount	Quantity	Pay Amount	Quantity	Pay Amount	Quantity
1	Mobilization	LS	1	\$ 8,800.00	\$ 8,800.00	1	LS	\$ 8,800.00	1	LS	\$ 8,800.00	
2	Project Temporary Traffic Control	LS	1	\$ 2,700.00	\$ 2,700.00	1	LS	\$ 2,700.00	1	LS	\$ 2,700.00	
3	Flags & Spotters	HR	200	\$ 50.00	\$ 10,000.00	269.5	HR	\$ 13,475.00	269.5	HR	\$ 13,475.00	
4	Adjust Manhole Ring & Cover	EA	1	\$ 950.00	\$ 950.00	2	EA	\$ 1,900.00	2	EA	\$ 1,900.00	
5	Remove Valve Box & Cover	EA	6	\$ 350.00	\$ 2,100.00	6	EA	\$ 2,100.00	6	EA	\$ 2,100.00	
6	Install Valve Box & Cover	EA	5	\$ 480.00	\$ 2,400.00	5	EA	\$ 2,400.00	5	EA	\$ 2,400.00	
7	RP & Reset Existing Surface Monument	EA	1	\$ 1,400.00	\$ 1,400.00	0.354568	EA	\$ 496.40	0.354568	EA	\$ 496.40	
8	Planning Bituminous Pavement Incl. Haul	SY	670	\$ 6.75	\$ 4,522.50	1111	SY	\$ 7,499.25	1111	SY	\$ 7,499.25	
9	Roadway Excavation Incl. Haul	CY	220	\$ 30.00	\$ 6,600.00	122	CY	\$ 3,660.00	122	CY	\$ 3,660.00	
10	Crushed Surfacing Top Course	TON	100	\$ 37.00	\$ 3,700.00	61.75	TON	\$ 2,284.75	61.75	TON	\$ 2,284.75	
11	Crushed Surfacing Base Course	TON	670	\$ 35.00	\$ 23,450.00	148.83	TON	\$ 5,209.05	148.83	TON	\$ 5,209.05	
12	Construction Geotextile for Soil Stabilization	SY	670	\$ 2.25	\$ 1,507.50	365	SY	\$ 821.25	365	SY	\$ 821.25	
13	Cement Conc. Curb Ramp	EA	2	\$ 2,800.00	\$ 5,600.00	2	EA	\$ 5,600.00	2	EA	\$ 5,600.00	
14	HMA for Pavement Repair Cl., PG	TON	155	\$ 150.00	\$ 23,250.00	235.56	TON	\$ 35,334.00	235.56	TON	\$ 35,334.00	
15	Install Painted Cross Walk Striping	LF	110	\$ 27.00	\$ 2,970.00	0	LF	\$ -	0	LF	\$ -	
16	Install Painted Stop Line	LF	20	\$ 27.00	\$ 540.00	0	LF	\$ -	0	LF	\$ -	
17	Install Centerline Stripe	LF	20	\$ 27.00	\$ 540.00	0	LF	\$ -	0	LF	\$ -	
18	Temporary Pavement Marking	LF	80	\$ 3.00	\$ 240.00	150	LF	\$ 450.00	150	LF	\$ 450.00	
19	Trimming and Cleanup	LS	1	\$ 1,600.00	\$ 1,600.00	1	LS	\$ 1,600.00	1	LS	\$ 1,600.00	
20	Erosion Control	LS	1	\$ 1,800.00	\$ 1,800.00	0	LS	\$ -	0	LS	\$ -	
					Sub Total			\$ 94,329.70			\$ 94,329.70	
					Contract Amount			\$ 104,670.00			\$ 104,670.00	
SCHEDULE 'B'												
1	Mobilization	LS	1	\$ 8,800.00	\$ 8,800.00		LS			LS		
2	Project Temporary Traffic Control	LS	1	\$ 2,700.00	\$ 2,700.00		LS			LS		
3	Flags & Spotters	HR	150	\$ 50.00	\$ 7,500.00		HR			HR		
4	Adjust Manhole Ring & Cover	EA	1	\$ 950.00	\$ 950.00		EA			EA		
5	Planting Bituminous Pavement Incl. Haul	SY	444	\$ 7.25	\$ 3,219.00		SY			SY		
6	Roadway Excavation Incl. Haul	CY	145	\$ 40.00	\$ 5,800.00		CY			CY		
7	Crushed Surfacing Top Course	TON	70	\$ 45.00	\$ 3,150.00		TON			TON		
8	Crushed Surfacing Base Course	TON	185	\$ 39.00	\$ 7,215.00		TON			TON		
9	Construction Geotextile for Soil Stabilization	SY	444	\$ 2.25	\$ 999.00		SY			SY		
10	HMA for Pavement Repair Cl., PG	TON	105	\$ 150.00	\$ 15,750.00		TON			TON		
11	Install Painted Stop Line	LF	12	\$ 27.00	\$ 324.00		LF			LF		
12	Install Centerline Stripe	LF	30	\$ -	\$ -		LF			LF		
13	Temporary Pavement Marking	LF	140	\$ 3.00	\$ 420.00		LF			LF		
14	Trimming and Cleanup	LS	1	\$ 1,600.00	\$ 1,600.00		LS			LS		
15	Erosion Control	LS	1	\$ 1,800.00	\$ 1,800.00		LS			LS		
					Sub Total			\$ 60,227.00			\$ 60,227.00	
					Subtotal			\$ 164,897.00			\$ 164,897.00	
					Contract Amount			\$ 164,897.00			\$ 164,897.00	

AGENDA SUMMARY SHEET

Business of the City Council City of Kelso, Washington

SUBJECT TITLE:

Final Construction Project Closeout for
Talley Way Overlay Project No. 581502

Agenda Item: _____

Dept. of Origin: Nov. 3, 2015

For Agenda of: Community Development

PRESENTED BY:

Michael G. Kardas, Community Development
Director/City Engineer

Cost of Item: \$327,797.38

City Manager: Steve Taylor

AGENDA ITEM ATTACHMENTS:

Final Pay Estimate/Quantities
Reconciliation Change Order

SUMMARY STATEMENT:

Council awarded the contract for the Talley Way Overlay Project to Lakeside Industries, Inc. of Longview, Wa. during the July 7, 2015 council meeting in the amount of \$338,165.00. Work started on August 17, 2015 and the project was completed on September 3, 2015.

The 2015 Talley Way Overlay provided for the planning and removal of the existing asphalt surface and an inlay of new street surface on Colorado Street from Clinton Street to Talley Way and on Talley Way from Colorado Street to a point approximately 250 feet south of the southerly intersection of Talley Way and Bakers Way Loop. The major work elements being 12,500 SY of Pavement planning and 2,950 Tons of Hot Mix Asphalt. Existing subsurface conditions allowed for the extension of the project resulting in modification of work element totals.

FINANCIAL SUMMARY:

Original Contract Amount: \$338,165.00

Quantity Over/Under Run: \$(10,367.62)

Final Contract Amount: \$327,797.38

**Bond = \$0 retainage held

This project was funded by the Arterial Streets Fund.

RECOMMENDED ACTION:

Staff recommends Council make a motion to close out the Talley Way Overlay Construction Project and authorize release of the retainage bond upon receipt of final approval from the State of Washington Department of Labor and Industries, Department of Revenue, and Employment Security Department.

CITY OF KELSO CONTRACT MINOR CHANGE ORDER

Change Order No. **1 - Reconciliation**

Date: 21-Oct-15

Project Name: Talley Way Overlay

Project Number: 581502

Federal Aid Number: _____ (if applicable)

Lakeside Industries, Inc.

Prime Contractor

You are hereby requested to comply with the following changes from the contract plans and Specifications:

Bid Item No:	Description of Changes	Change in Contract Price
4	Flaggers & Spotters	\$ (702.00)
8	Driveway Approach	\$ (6,750.00)
9	HMA Pre-Level	\$ (3,900.00)
10	Hot Mix Asphalt	\$ 542.88
11	Cross Walk Striping	\$ (1,020.00)
13	Painted Line - Centerline	\$ 395.00
14	Painted Line - Fog Line	\$ 790.00
15	Temporary Pavement Marking	\$ 276.50
SUB TOTAL		\$ (10,367.62)
Net Change in Contract Amount:		\$ (10,367.62)

Justification for Change:

Based on the pricing bid by Lakeside Industries and the subsurface conditions identified once the project began it was possible to modify the planned inlay and extend the project limits south to reach the intersection with Parrott Way.

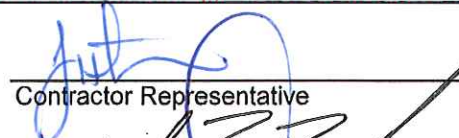

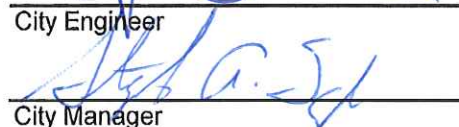

Justification of Cost:

Based on the subsurface conditions we were able to lower the pre-level quantity allowing for the extension of the finished product. This increase added to HMA and pavement marking totals. Driveway approaches were modified based on field conditions lowering the approach total. Due to the diligence of Lakeside Industries the project was completed in a timely manner that lowered the need for Flagger & Spotter hours.

Original Contract Amount:	\$	338,165.00
This Change Order:	\$	(10,367.62)
Previous Change Order(s):	\$	-
Total Revised Contract Amount:	\$	327,797.38

Verbal approval for change given on: As needed By: M. Busley
 Work began on: 17-Aug-15 Work completed on: 26-Aug-15
 Number of additional working days allowed: 0

This document will become a supplement to the contract and all provisions of the contract will apply hereto.

Accepted:		Date: <u>10/26/15</u>
Reviewed:		Date: <u>10/27/15</u>
Recommended:		Date: <u>10-27-15</u>
Approved:		Date: <u>10/27/15</u>

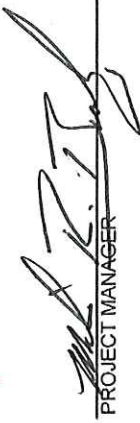
2015 Talley Way Overlay
 Project # 581502
 Lakeside Industries, Inc.

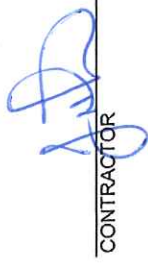
FINAL QUANTITIES - OCTOBER 21, 2015

Item No.	Description	Quan	Unit	Contract		This Estimate		Previous Estimate		Total to Date
				Price	Bid Amount	Quantity	Pay Amount	Quantity	Pay Amount	
1	Mobilization	1	LS	\$ 15,500.00	\$ 15,500.00	1	LS \$ 15,500.00	1	LS \$ 15,500.00	LS \$ 15,500.00
2	Construction Surveying	1	LS	\$ 2,000.00	\$ 2,000.00	1	LS \$ 2,000.00	1	LS \$ 2,000.00	LS \$ 2,000.00
3	Project Temporary Traffic Control	1	LS	\$ 9,400.00	\$ 9,400.00	1	LS \$ 9,400.00	1	LS \$ 9,400.00	LS \$ 9,400.00
4	Flaggers and Spotters	250	HR	\$ 52.00	\$ 13,000.00	236.5	HR \$ 12,298.00	236.5	HR \$ 12,298.00	HR \$ 12,298.00
5	RP & Reset Existing Surface Monuments	1	EA	\$ 550.00	\$ 550.00	1	EA \$ 550.00	1	EA \$ 550.00	EA \$ 550.00
6	Adjust Manhole Ring & Cover	1	EA	\$ 550.00	\$ 550.00	1	EA \$ 550.00	1	EA \$ 550.00	EA \$ 550.00
7	Planning Bituminous Pavement Inc. Haul	12,500	SY	\$ 3.65	\$ 45,625.00	12,500	SY \$ 45,625.00	12,500	SY \$ 45,625.00	SY \$ 45,625.00
8	Driveway Approach	13	EA	\$ 750.00	\$ 9,750.00	4	EA \$ 3,000.00	4	EA \$ 3,000.00	EA \$ 3,000.00
9	HMA Pre-Level	650	TON	\$ 78.00	\$ 50,700.00	600	TON \$ 46,800.00	600	TON \$ 46,800.00	TON \$ 46,800.00
10	Hot Mix Asphalt	2,300	TON	\$ 78.00	\$ 179,400.00	2,306.96	TON \$ 179,942.88	2,306.96	TON \$ 179,942.88	TON \$ 179,942.88
11	Cross Walk Striping	60	SF	\$ 17.00	\$ 1,020.00	0	SF \$ -	0	SF \$ -	SF \$ -
12	Thermo Plastic Stop Line	24	LF	\$ 40.00	\$ 960.00	24	LF \$ 960.00	24	LF \$ 960.00	LF \$ 960.00
13	Painted Line - Centerline	3,600	LF	\$ 0.50	\$ 1,800.00	4,390	LF \$ 2,195.00	4,390	LF \$ 2,195.00	LF \$ 2,195.00
14	Painted Line - Fog Line	7,200	LF	\$ 0.50	\$ 3,600.00	8,780	LF \$ 4,390.00	8,780	LF \$ 4,390.00	LF \$ 4,390.00
15	Temporary Pavement Marking	3,600	LF	\$ 0.35	\$ 1,260.00	4,390	LF \$ 1,536.50	4,390	LF \$ 1,536.50	LF \$ 1,536.50
16	Trim and Cleanup	1	LS	\$ 2,750.00	\$ 2,750.00	1	LS \$ 2,750.00	1	LS \$ 2,750.00	LS \$ 2,750.00
17	Erosion Control	1	LS	\$ 300.00	\$ 300.00	1	LS \$ 300.00	1	LS \$ 300.00	LS \$ 300.00
	Sub Total				\$338,165.00					\$327,797.38
	Contract Amount				\$338,165.00					\$327,797.38
CO 1	CHANGE ORDERS									
	Reconciliation - Quantity over/under run total	1	ea	\$ (10,367.62)	\$ (10,367.62)					
	Revised Contract Total				\$327,797.38					
	Sub Total									\$327,797.38
	Due to Contractor									\$327,797.38

City of Kelso

Lakeside Industries, Inc.


 PROJECT MANAGER


 CONTRACTOR

10/27/15
 DATE

10/26/15
 DATE

AGENDA SUMMARY SHEET

Business of the City Council City of Kelso, Washington

SUBJECT TITLE: South Kelso Annexation
Discussion

Agenda Item: _____

Dept. of Origin: _____

For Agenda of: November 3, 2015

Originator: _____

PRESENTED BY:

Steve Taylor

City Attorney: **Janean Parker**

City Manager: **Steve Taylor**

SUMMARY STATEMENT:

Exploring the mutually beneficial annexation of the isolated pockets of unincorporated Cowlitz County in South Kelso was identified as a policy in the City's recently adopted Comprehensive Plan. In early 2015 City staff began discussing the unknowns and challenges associated with this potential annexation with our planning consultant, Gregg Dohrn. With the help of EWU planning student and intern, Anthony Taylor, they began researching and compiling relevant data such as land use regulations, infrastructure, nuisance abatement, and financial implications.

Anthony Taylor will give a presentation on the findings contained within the South Kelso Annexation Study. Staff would like to have further discussion and deliberation on the options and implications of annexing these unincorporated pockets.



Preliminary Research on the
Potential for Annexation in South Kelso

Prepared September 15th, 2015 by Anthony Taylor

Contents

1.0 Introduction 3

2.0 Methodology..... 3

3.0 Data 4

3.1 Parcel Data 5

 3.1.1 Current Uses 6

 3.1.2 South Kelso Future Land Use 9

 3.1.3 South Kelso Zoning..... 9

3.2 Infrastructure 9

 3.2.1 Water, Well, and Sewer Systems 14

 3.2.2 Gutter, Swale, and Storm Water..... 14

 3.2.3 Emergency Services 14

 3.2.4 Road Conditions and Sidewalks 17

3.3 Potential Implications 17

 3.3.1 Septic Code Compliance and Failures 20

 3.3.2 Nuisance Abatement Issues..... 20

 3.3.3 Brownfield and Contaminated Sites 20

3.4 Financial Analysis 21

 3.4.1 Levy Rates 21

 3.4.2 Utility Rates..... 22

4.0 Financial Summary & Conclusion..... 23

1.0 Introduction

This report has been compiled for City Manager, Steve Taylor, and the City of Kelso. This report highlights the potential for annexation in four pockets of unincorporated South Kelso, and will go over the properties in their current state and infrastructure, the financial gains and costs, and the effects of annexation.

2.0 Methodology

To conduct this report, Professor Gregg Dohrn of Eastern Washington University brought undergraduate student, Anthony Taylor, to conduct the bulk of data collection, acquiring information on the four study areas and the effects of their potential annexation. For each of the four study areas, parcel data was collected through the Cowlitz County Assessors website with the help of NetMaps. Information was gathered on each parcel's: address, parcel number, property owner, neighborhood code, tax code, land and improvement value assessment, and the current and future land use. This data was entered into a master spreadsheet on Microsoft Excel.

Data on water, sewer, and storm water systems were obtained through the City of Kelso and mapped onto ArcMap, visually displaying the geospatial data. Using the current and previous Levy and Property Tax rates, obtained from the Cowlitz County Assessor, income for these specific study areas were calculated onto the master spreadsheet.

To gather information on the area's sidewalk and road conditions, Anthony Taylor, with help from Skylar Masters, conducted on the ground surveying of the sidewalk and current road conditions. The road conditions were rated from 1-3. A 1 on the scale was a road with significant structural and surface damage, a 2 was one with moderate to light structural and surface damage, and a 3 were roads with little to no damage whatsoever. This survey was then plotted onto ArcMap to display the data geospatially.

Information on septic tank systems within the area were collected by Anthony Taylor, with the help of Megan Erickson from the Cowlitz County Health Department. The County Health Department provided data on which parcels in the study area: (1) contained septic tanks systems, (2) which septic tank systems had a previous code compliance issue, and (3) which septic systems have failed or been repaired. This data was added to the master spreadsheet and then applied to ArcMap, providing a geospatial visual of the septic tank systems in the area.

Data on water and sewer services were obtained through the City of Kelso's Department of Finance, with the help of Brian Butterfield. Using the Finance Department's network, Anthony Taylor, calculated 2013 and 2014 annual water and sewer rates for each utility account within the study area, by adding up the sum of these monthly bills for the years of 2013 and 2014 and then recording that data on the master spreadsheet.

Information on Per Capita Revenues and Transportation Benefit Districts were collected from the Municipal Research and Services Center's Budget Suggestions for 2016.

3.0 Data

Figure 1.1: South Kelso Annexation Study Area

Figure 1.1



3.1 Parcel Data

The 198 acre study area is home to 266 households, or 612 individuals (2010 Census). Most of the area is residential properties, with a few commercial uses, located on South Pacific. The study area is composed of four areas located within the surrounding City of Kelso. These areas can be seen above in Figure 1.1 as the four highlighted areas. The areas have been labeled 1-4, starting from the western most parcels and moving east. The largest of the areas is the second, with the fourth area being the second largest, followed by the first and then third areas. Parcel Data was collected using the Cowlitz County Assessor’s NetMaps, a web based GIS service in which users can obtain parcel data by finding their specific parcel on the parcel layer. The information provided, and recorded onto the master spreadsheet, for each parcel were a parcel’s address, parcel number, property owner, neighborhood code, tax code, assessed land and improvement values, and current use. Information on the county future land uses has been provided by the Cowlitz County Building and Planning’s County Future Land Use Map (March 2015), while information on the City of Kelso’s future land use in the area has been provided by the City of Kelso.

Table 1.1: South Kelso Annexation Area Parcel Assessed Values

Area #	Parcels	Land Values	Improvement Values	Total Assessed Values (Land + Improvements)
Area #1	12	\$346,250	\$148,960	\$ 497,690
Area #2	295	\$9,258,720	\$13,602,110	\$22,860,830
Area #3	2	\$26,450	\$100,220	\$126,670
Area #4	15	\$494,340	\$1,204,080	\$1,698,420
TOTAL	323	\$10,125,760	\$15,055,370	\$25,183,610

As seen above in Table 1, the entire study area contains 323 parcels, with almost all of the parcels located in the second area. Because of this the area with the highest value is the second area followed by the fourth, then first, then third. The total land value within the study areas amount to \$10, 125,760, and with the total improvement of \$15,055,370 the total sum is \$25,183,610.

3.1.1 Current Uses

The following subsection will detail each study area’s current uses. To make this examination more concise current use codes have been grouped according to the activity of the use.

Table 1.2: South Kelso Annexation Area #1 Current Uses

Area #1	Count	Percentage
Residential Activities	5	45.5%
Travel or Movement Activities	1	9.1%
Vacant Land	5	45.5%
TOTAL	11	100.0%

Within Area #1, as seen in Table 1.2 above, out of the total 11 parcels, 45.5% or 5 of the total parcels were used for Residential Activities, with the same amount of parcels, 5, being used as vacant land. The remaining parcel was used as a railroad right of way, and classified under Travel or Movement Activities, at 9.1% of the total parcels. The 2010 Census reported 4 residents within this area.

Table 1.3: South Kelso Annexation Area #2 Current Uses

Area #2	Count	Percentage
Residential Activities	221	75.2%
Vacant Land	45	15.3%
Industrial Activities	21	7.1%
Commercial Activities	6	2.0%
Social, Cultural or Religious Activities	1	0.3%
Institutional Activities	1	0.3%
TOTAL	294	100.00%

Within Area #2, as seen in Table 1.3 above, the total amount of parcels were 294. Of those 294, 75.17% or around ¾ of them were used for residential purposes. The second largest use group were Vacant Lands at, 15.31%. The following uses in descending order were Industrial Activities (7.14%), Commercial Activities (2.04%), Religious Activities (0.34%), and Institutional Activities (0.34%). In 2010 the US Census Bureau reported 590 residents, and 251 households.

Table 1.4: South Kelso Annexation Area #3 Current Uses

Area #3	Count	Percentage
Residential Activities	1	50%
Travel or Movement Activities	1	50%
TOTAL	2	100%

Within Area #3, as seen in Table 1.4, there were two parcels, of which one was classified as a single family residence (Residential Activity), and the other a Diking Right of Way (Travel or Movement Activities). In 2010, the US Census Bureau reported 2 residents in this area.

Table 1.5: South Kelso Annexation Area #4 Current Uses

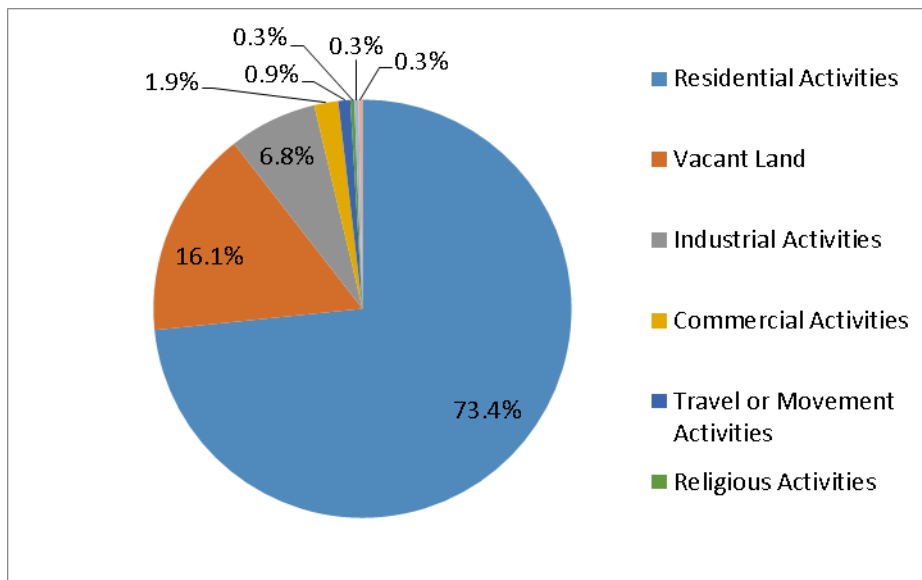
Area #4	Count	Percentage
Residential Activities	10	66.7%
Industrial Activities	1	6.7%
Travel or Movement Activities	1	6.7%
Emergency Response Activities	1	6.7%
Vacant Land	2	13.3%
TOTAL	15	100.0%

Finally, within area #4, as seen in Table 1.5, there was a total amount of 15 parcels. Of these 15 parcels, 10 of them, or 66.7% were being used as Residential Activities. The second largest use was Vacant Lands, at 2, or 13.3% of the total parcels. These were then followed by the remaining three uses which each had one parcel. In 2010, the US Census Bureau reported 16 residents, and 10 households in this fourth study area.

Table 1.6: South Kelso Annexation Area Total Uses

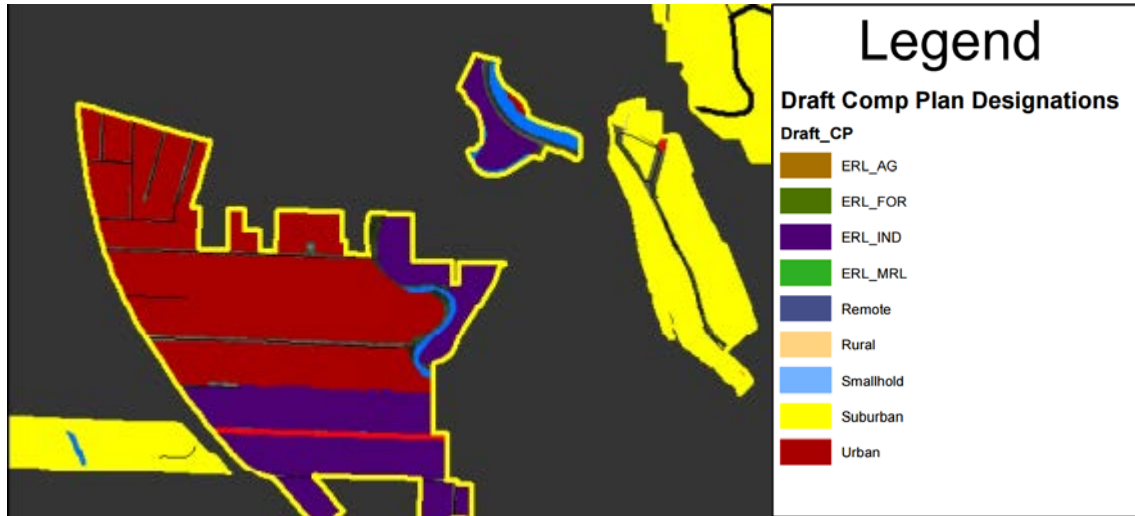
Total Activities	Count	Percentages
Residential Activities	237	73.4%
Vacant Land	52	16.1%
Industrial Activities	22	6.8%
Commercial Activities	6	1.9%
Travel or Movement Activities	3	0.9%
Religious Activities	1	0.3%
Institutional Activities	1	0.3%
Emergency Response Activities	1	0.3%
TOTAL	323	100.0%

Figure 1.6: South Kelso Annexation Area Total Uses Pie Chart



As seen in both Table and Figure 1.6, of the total 323 parcels, the majority of the parcels at 237 or 73.4%, are being used for residential activities. The second largest use at 52 parcels or 16.1% are Vacant Lands, followed by Industrial Activities (6.8%), Commercial Activities (1.9%), Travel or Movement Activities (0.9%), Religious Activities, (0.3%), Institutional Activities (0.3%), and Emergency Response Activities (0.3%).

Figure 1.7: Cowlitz County Future Land Use Map



3.1.2 South Kelso Future Land Use

The future land use designations within the study area have been classified by the City of Kelso into the following uses: Low and High Density Residential, and Industrial. The Cowlitz County Future Land Use Map as seen above in Figure 1.7, is identical to that of the City of Kelso’s, with only a few minor difference, in which Cowlitz County uses Urban and Suburban instead of High and Low Density Residential.

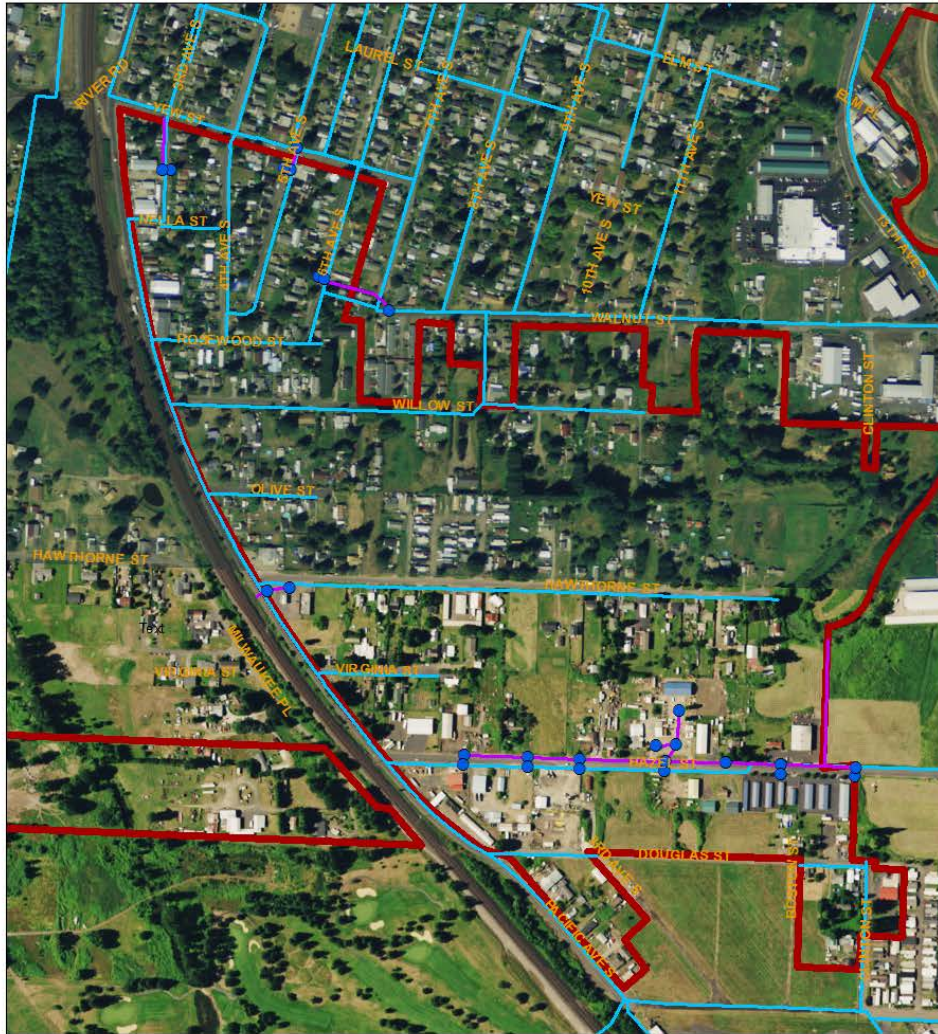
3.1.3 South Kelso Zoning

Cowlitz County Building and Planning do not have a digitized zoning map of the area, however, they do have Section and Township Ranges included in the Cowlitz County website. The study areas encompass four Section Township and ranges: ([34-8-2W](#), [35-8-2W](#), [3-7-2W](#), and [2-7-2W](#)). The first study area is zoned AG-Agriculture. Within the second study area, all lots located on South Pacific until Hazel are zoned C2-Urban Commercial, lots located north of Hawthorne are UR-Urban Residential, and those south of Hawthorne are a mix of ML-Light Manufacturing, and MH-Heaving Manufacturing.

3.2 Infrastructure

For this section we will be examining the current water and sewer systems within the area, the road and sidewalk conditions, emergency services, and storm water infrastructure.

South Kelso County Storm Water and Water for Areas 1 & 2

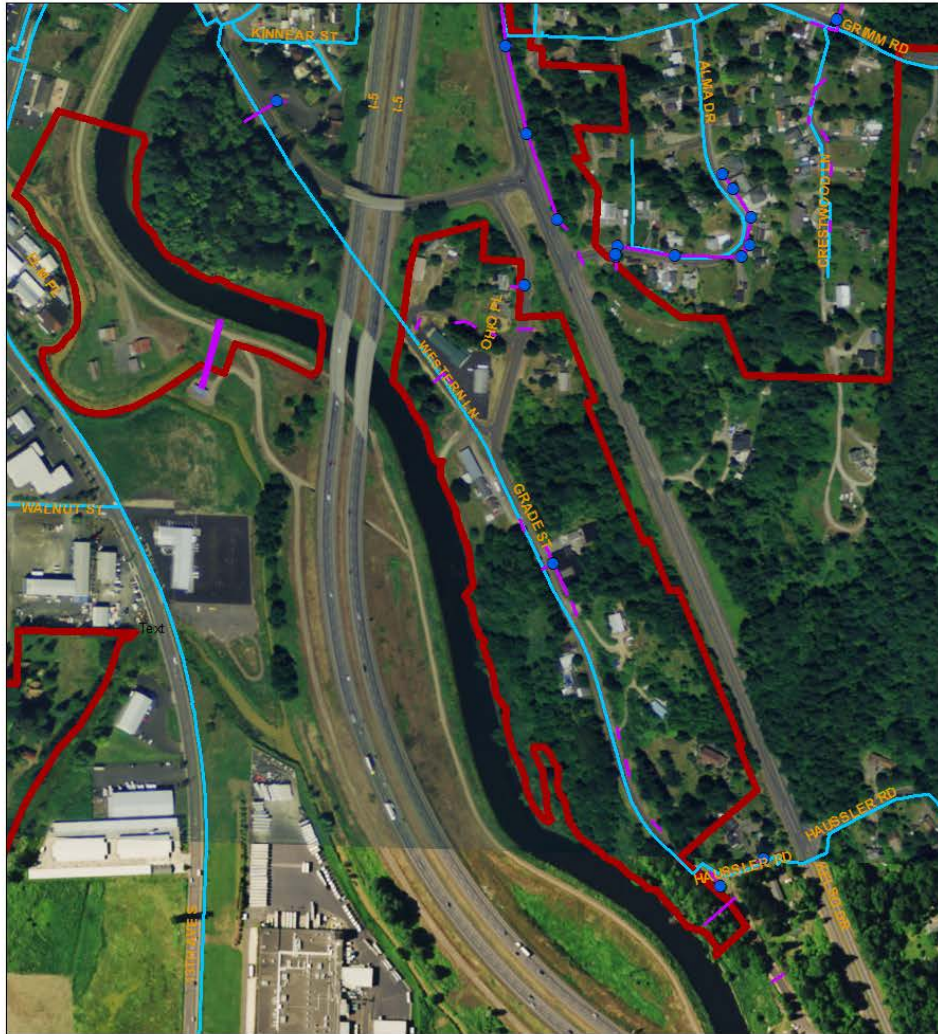


Legend

- Inlets
- StormWaterPipes County Data
- Waterlines



South Kelso County Storm Water and Water for Areas 3 & 4

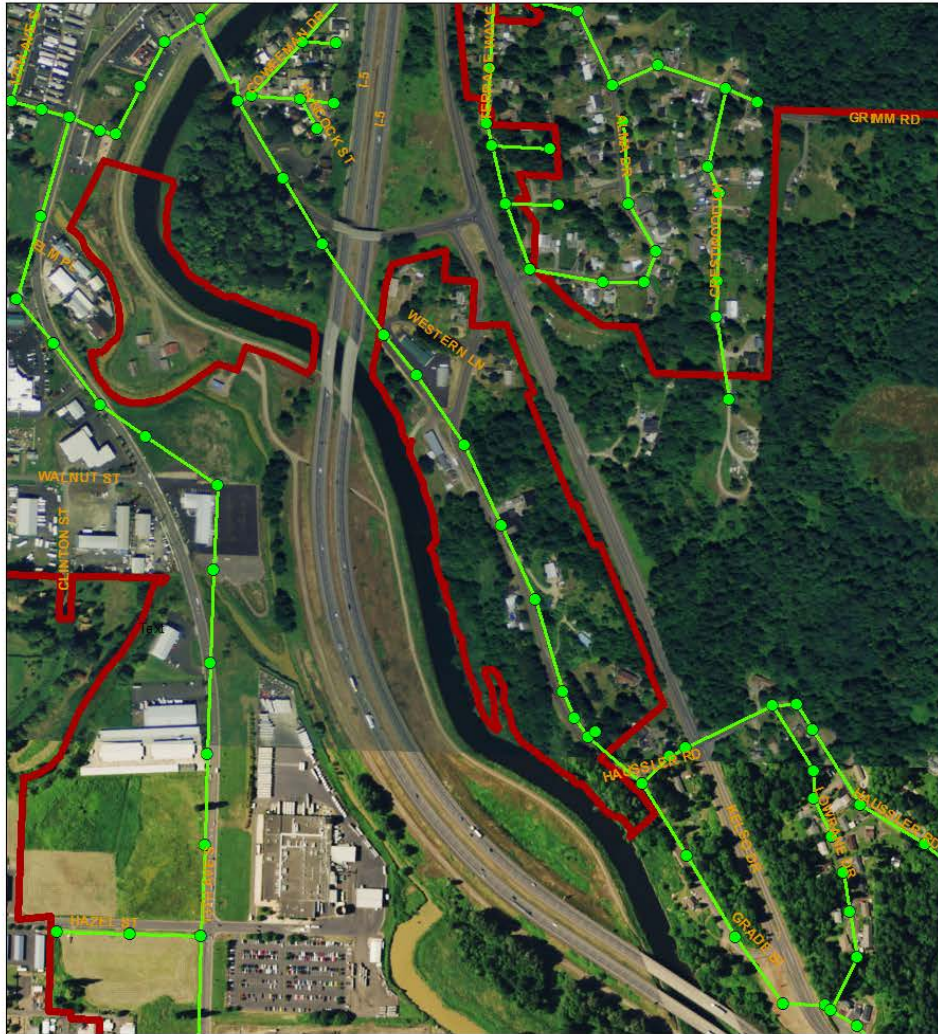


Legend

- Inlets
- StormWaterPipes County Data
- Waterlines



South Kelso County Sewage for Areas 3 & 4



Legend

- Man Holes
- Sewage Pipes



3.2.1 Water, Well, and Sewer Systems

As seen in the GIS Map on the previous page, all of the areas, except Area #1 have existing water infrastructure. The only area serviced by a sewer system is Area #4, and a few properties in Area #2. The rest of the parcels rely off of septic systems for waste disposal.

3.2.2 Gutter, Swale, and Storm Water

As seen in both the South Kelso County Sewer and Water Infrastructure maps, storm water inlets are located primarily along Hazel, and in the northeast corner of the second study area. Storm water systems such as gutters and piping along Hazel, and Walnut, with another located in the third area, with a runoff into the Coweeman River. The fourth study area contains multiple storm water pipes and inlets

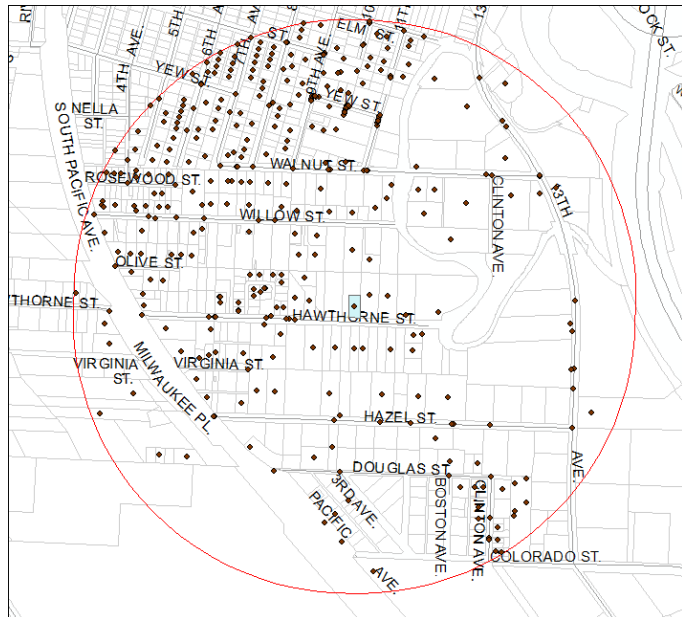
3.2.3 Emergency Services

With the help of Deanna Wells from Cowlitz County 9-1-1, information on 911 calls from 2014 was obtained on the vicinity of Area #2. A 2,000 foot radius was drawn from a central parcel in the study area to get information on the calls in the area. Therefore there is some overlap into city boundaries. Calls made to the 9-1-1 center are rated by priority from 1-4, with 1 being of the highest priority.

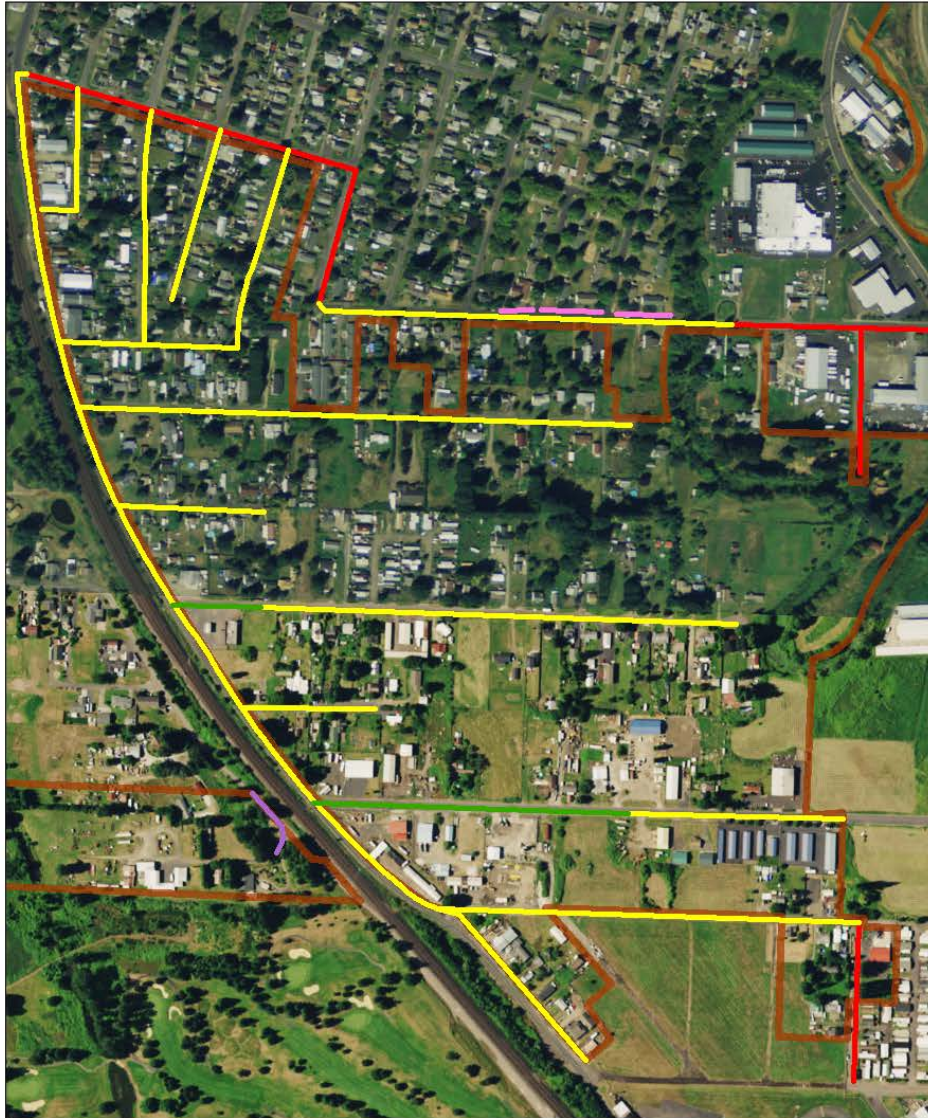
There were 1276 calls in 2014 from this radius, of those calls, 174 were priority 1 calls, of which a majority or 131 were EMS and Fire Department related (these are always ranked priority level 1), leaving the remaining 43 which were police responses. This area also had 306 priority level 2 calls, 333 priority level 3 calls, and 458 priority level 4 calls.

Of these 1276 calls, 647 were responded to by Kelso Police Department, 486 by Cowlitz County Sherriff's Office, 131 by EMS/Fire, and 12 by Longview Police Department. When only looking at law enforcement, 57% of all calls in the area were responded to by Kelso Police Department, followed by the Sherriff's Office at 42%.

Responses are determined by the Master Street Address Guide, GIS, and by tax base. However, sometimes responses to in progress calls are responded to by both the closest law enforcement officer and the jurisdictional office.



South Kelso County Road Conditions for Areas 1 & 2

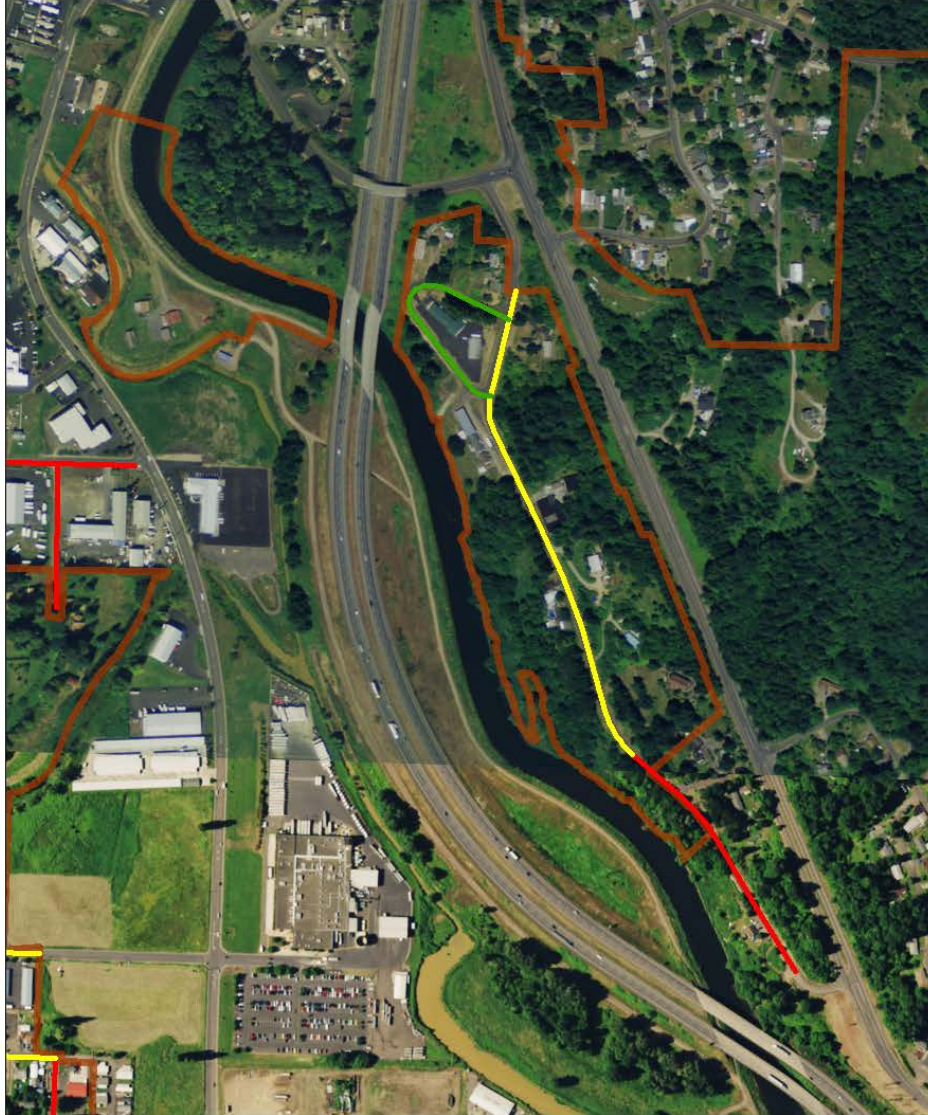


Legend

- Unpaved
- Sidewalks
- Good Road Conditions
- Moderate Road Conditions
- Severe Road Conditions



South Kelso County Road Conditions for Areas 3 & 4



Legend

- Unpaved
- Sidewalks
- Good Road Conditions
- Moderate Road Conditions
- Severe Road Conditions



3.2.4 Road Conditions and Sidewalks

Road Conditions in the area were recorded and ranked from 1-3. A 1 on the scale was a road with significant structural and surface damage, a 2 was one with moderate to light structural and surface damage, and a 3 were roads with little to no damage whatsoever.

Most of the level 1's, or severely damaged roads, were located in the northern part of area #2 along Yew, and down 7th. Another area of severe damage was on the eastern most part of Walnut and down Clinton Street. Within Area #4, there was an area of major severe damage in which the road appears to be sliding down the cliff and has been severely distorted; this is half way down Grade Street, heading south.

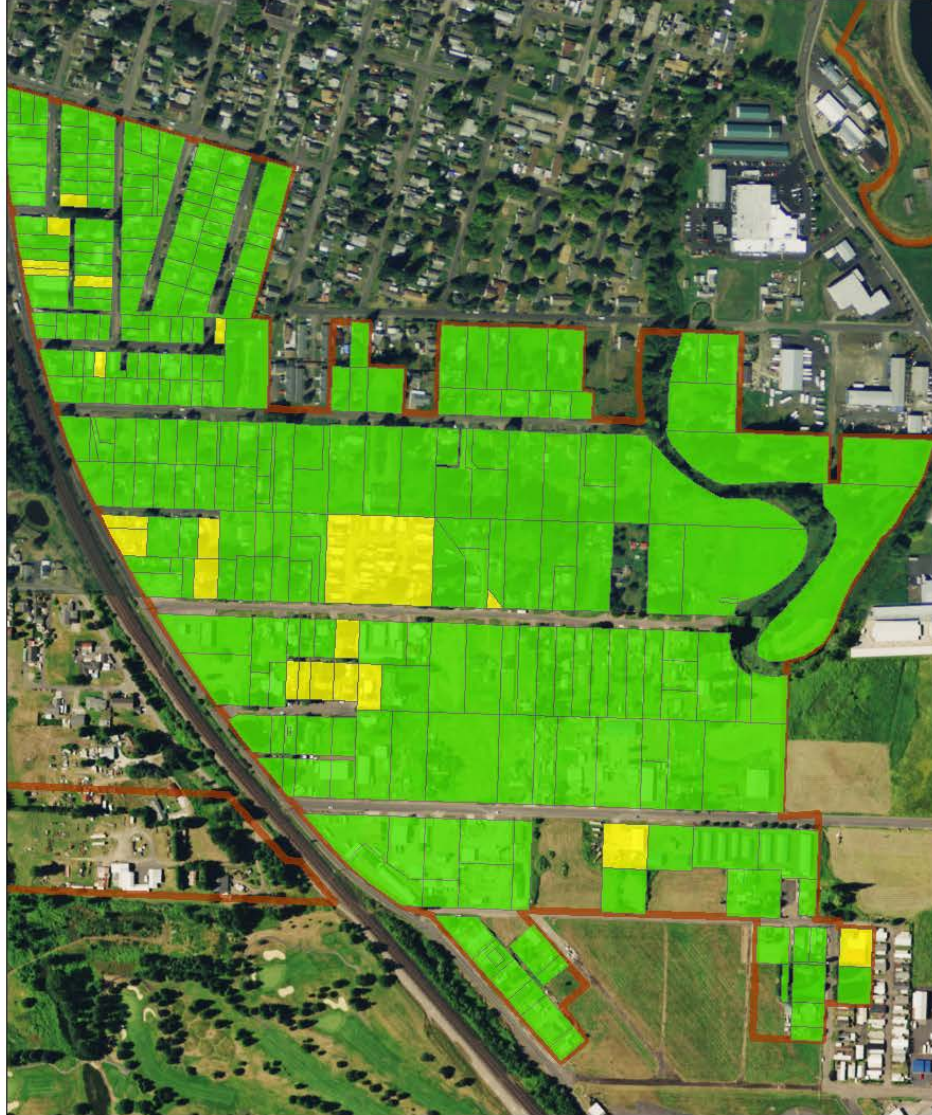
As seen in the map on the previous page. Most of the study area was Level 2; there were mainly surface damages that had been recently covered with chip seal. Because of this, and the nature of the survey, there could possibly be structural damage but this could not be found out through a quick visual survey.

Only a few areas, as seen on the previous page, were Level 3. In particular, the beginning of Hawthorne, half of Hazel, and all of Western Lane were all Level 3. The only sidewalk located within the vicinity is on the other side of the 2nd study area along, Walnut.



3.3 Potential Implications

The following section shall conduct an investigation into the potential implications annexation would present to the City of Kelso. Of these implications, the current state of septic tank systems and the effects on community health, and the potential for nuisance abatement issues will be examined further.

South Kelso County Septic Code Compliance



Legend

-  Code Compliance Issue
-  No Code Compliance Issue



South Kelso County Septic System Failures



Legend

 Septic Repairs or Failures



3.3.1 Septic Code Compliance and Failures

The first map highlights parcels with current or former Code Compliance Issues. Code compliance issues are determined by code enforcement through complaints on a system that is dysfunctional to the code, whether that be an unreported failure, or incorrect tank and drain field size. The second map which highlights failures or repairs have been reported to the Cowlitz County Environmental Health Unit and documented as a failure or repair. Because of the lack of sewer systems within the majority of the study area, most of the properties are utilizing septic tank systems. Unfortunately, most of these septic systems are past their suggested lifetime of 30 years, and are located on very dense and small parcels. It is not unreasonable to assume that there have or will be more septic failures. This poses a problem for the future health in the area, as the land and the parcels themselves are not suitable for septic tanks. The installation of a sewage system would have to be seriously considered in the area, and could end up with a very high but necessary cost.

3.3.2 Nuisance Abatement Issues

Another issue that may arise during annexation is the processing of nuisance abatements. Just recently Cowlitz County has begun a code enforcement program coordinated between Building and Planning, the Environmental Health Unit, the Sheriff's Office, and the Humane Society. Before this code enforcement was done through local complaints which were directed towards specific agencies. Because these areas have been living under a different set of codes, the city of Kelso would have to undertake a coordinated effort with the county and other local actors to help raise awareness on code enforcement and nuisance abatement issues.

3.3.3 Brownfield and Contaminated Sites

After checking with the Washington State of Ecology, there were no known brownfields or contaminated sites within or around the study areas.

3.4 Financial Analysis

This section of the report shall serve as a financial analysis of the four areas, and their levy and utility rates, currently and after annexation. This analysis will be examining the net gains and losses on three actors: the City of Kelso, Cowlitz County, and the property owner. The property owner used in this study is an individual who lives in the second study area, has a total assessed value of \$71,330, and pays \$462 for water and \$1076 for sewer.

3.4.1 Levy Rates

Table 1.7: Pre and Post Annexation 2015 Consolidated Levies

Levy Rates	Pre-Annexation	Post-Annexation	Change
City of Kelso	N/A	\$335,057	\$55,090
Cowlitz County	\$317,961	\$279,967	\$ -37,994
Property Owner	\$969	\$1,000	\$31

Within Cowlitz County, the entire county is separated into Tax Code Areas, or TCAs. These TCAs are determined by geography, and each has their own specific levy rates. These Levy Rates are unique in their coding, which is determined by their geographic area. These codes are broken down into taxing districts which include the county current expense, state levy, county or city, school district, port district, fire district, cemetery district, and E.M.S. Not included in these consolidation rates are the dike rates, mosquito control, noxious weed, and storm water utility. **These additional rates would not change upon annexation and are therefore excluded from the totals.**

The areas under examination are in TCA 830. In TCA 830 for the year of 2015, the consolidated levy is made up of the County Current Expense, State Levy, County Road Tax, Kelso School District, Port of Longview District, and Fire District #2. Properties falling under TCA 830 pay 13.598590 dollars for every 1,000 dollars of properties total assessed value, not including diking, mosquito control, noxious weed, and storm water utility.

Some properties where the property owner is disabled, or elderly, the owner is eligible for an exemption from paying for the school districts, these properties within the study area are listed as 830E and their consolidated levy rate is 7.97995. However, their real rate of taxation is determined by their income, and property value, therefore tax payments vary for those under tax code 830E. Billing information pertaining to these properties has been retrieved on an individual basis, with the help of the Cowlitz County Assessor.

If annexed these properties would fall under the 800 tax code and pay an increase of 0.439586 cents, to a total of 14.038176 dollars for every 1,000 dollars of total property value.

If these areas were to undergo annexation, based on the 2015 payables, **Cowlitz County would experience a net loss of \$37,994**, as a result of losing the County Road tax. In turn, **the City of Kelso would end with a net gain of \$55,090** in new property taxes.

At the property owner level, a household with an 830 TCA, with a total assessed value of \$71,330 who would pay \$969.00 for 2015 within the county, would experience an increase of \$31 on their property tax after annexation into the City of Kelso.

3.4.2 Utility Rates

With the help of the City of Kelso’s Finance Department, the utility rates for the four areas were collected for the financial years of 2013 and 2014. For the financial year of 2013 water service to those outside the city limits was charged at a rate of \$30.97 plus an additional \$4.54 for every 100 cubic feet of water. This rate compared to those in the city (\$20.65 plus \$3.03) is a third more than what it would be if these properties were within the city. The same goes for the 2014 rates of \$33.30 plus \$4.89 for those outside the city, and \$22.20 plus \$3.26 for those within. Included within these calculations is the city’s 10% utility tax rate.

In 2013 the city of Kelso collected approximately \$115, 275.63 in water utilities and \$21,406.23 in sewer utilities, from the study area. In 2014 these were increased to approximately \$121,905.02 for water utilities, and \$22,766.56 for sewer utilities.

Table 1.8: South Kelso 2013 Utility Rates Pre and Post Annexation

Utility Type	2013	Annexed 2013	2014	Annexed 2014
Water	\$115,276	\$76,850	\$121,905	\$81,270
Sewer	\$21,406	\$14,271	\$22,767	\$15,178

If these areas were annexed these rates would drop as seen in Table 2.1, **the city would see a net loss of a 1/3 or approximately \$38,425 to \$40,635 in water utilities and approximately, \$7,135 to \$7,589 in sewer utilities.** In turn, these parcels if annexed would be subject towards the City of Kelso Storm water utility fee. In \$2015 this bimonthly fee was \$17.82. These 323 parcels would each pay an annual rate of \$107, **adding up to approximately \$34,535 in potential revenue to the city.**

At the property owner level, a household in the county paying \$462 for water and \$1076 for sewer would pay \$308 for water and \$718 for sewer, and an additional \$107 for stormwater, after annexation.

4.0 Financial Summary & Conclusion

If annexation were to occur this table summarizes both the net losses and gains with three parties: the City of Kelso, Cowlitz County, and the property owner. For the purposes of this summary the property owner is the one used in the previous financial analysis with a total assessed value of \$71,330, and \$462 for water and \$1076 for sewage. For this summary the values for the 2015 consolidated city of Kelso levy, 2014 water and sewer utilities, 2016 per capita revenue for towns and cities, and the Transportation Benefit District (TBD) fee have all been included for each three parties. The 2016 Per Capita Revenue was obtained from the Municipal Research and Services Center’s Budget Suggestions for 2016, and then multiplied by the 2010 Census count of 612 individuals to get the increase in funds for the City of Kelso, and loss of funds from Cowlitz County. The Transportation Benefit District totals were determined by multiplying the 2010 Census count of 612 by \$20, the TBD fee for the City of Kelso.

Table 1.9: South Kelso Finance Summary Table

	2015 Consolidated Levy	2014 Water Utility	2014 Sewer Utility	2015 Stormwater Utility	2016 Per Capita Revenue	TBD	Totals
City of Kelso	\$55,090.00	\$-40,635	\$-7,589	\$34,535	\$21,946	\$12,240	\$75,587
Cowlitz County	\$-37,994	N/A	N/A	N/A	\$-3,512	N/A	\$-41,506
Property Owner	\$31	\$-154	\$-359	\$107	N/A	\$20	\$-355

As seen above in Table 1.9, if all of the four study areas were annexed into the city of Kelso, the city would experience a net gain of \$75,587; Cowlitz County would experience a net loss of \$41,506 in both County Road tax and 2016 per capita revenues; and the property owner would experience a decrease in living cost as a result of a dramatic decrease in utility cost.

Both the city of Kelso and property owner come out ahead in terms of net gains and losses. The city experiences an increase in revenues from the Stormwater utility fee, levy tax, per capita revenues, and transportation benefit district fees, while the property owner experiences a dramatic decrease in utilities. The property owner will also have access to the Kelso City Library which is \$70 a year for non residents.

Although the city of Kelso would experience an increase in revenue, the costs associated with the installation of a sewer pump and sewage infrastructure in the area and road repairs can easily eclipse this net gain with a high price tag. However, something needs to be done for the residents living in this area it is only a matter of who and when.

AGENDA SUMMARY SHEET

AGENDA ITEM: A Resolution making
a declaration of substantial need for the
purposes of setting the limit factor for
the property tax levy for 2016.

SUBMITTED BY: Brian Butterfield

AGENDA ITEM # _____
FOR AGENDA OF: 11/3/15
ORIGINATING DEPT: Finance
DATE SUBMITTED: 10/29/15
COST OF ITEM: _____
AMT. BUDGETED _____
CITY ATTY. APPROVAL _____
CITY MGR. APPROVAL _____

AGENDA ITEM PAPERWORK:

See Resolution

SUMMARY STATEMENT

In taxing districts with a population of under 10,000, the legislative body may, by a simple majority, vote to increase its levy by a maximum of one percent of the highest levy of the past three years plus the revenue resulting from new construction and improvements to property, and any increase in the assessed value of state-assessed property. If the taxing district has a population of 10,000 or more, it can only increase its levy by an amount equal to the increase in the implicit price deflator (IPD) from the prior July or one percent, whichever is less, plus new construction and state-assessed utility revenue. This can be done with a simple majority vote. RCW 84.55.010.

When the increase in the IPD is less than one percent, if a majority plus one of the city council finds substantial need, it can increase its levy by an amount up to one percent, assuming that its maximum statutory rate is not reached.

July's IPD rate was .251 percent and the City has not reached it's maximum statutory rate.

OPTIONS:

- 1) Move to approve resolution
- 2) Do not approve resolution.
- 3) Provide direction to staff regarding desired level of increase to property taxes.

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY OF KELSO, WASHINGTON,
DECLARING A SUBSTANTIAL NEED FOR PURPOSES OF
SETTING THE LIMIT FACTOR FOR THE PROPERTY TAX LEVY
AND AUTHORIZING THE INCREASE IN THE 2016 REGULAR
PROPERTY TAX LEVY LIMIT DUE TO SUBSTANTIAL NEED**

WHEREAS, State law at Chapter 84.55 provides that a taxing jurisdiction may levy taxes in an amount no more than the limit factor (which is the lesser of 101% or 100% plus inflation) multiplied by the highest levy of the most recent three years plus additional amounts resulting from new construction and improvements to property, newly constructed wind turbines, and any increase in the value of state-assessed utility property; and

WHEREAS, RCW 84.55.0101 provides that upon finding of substantial need by a majority plus one members of Council, the City may use a limit factor of 101% or less in the levy of property tax; and

WHEREAS, inflation for 2015 is .251 percent (.251%) and the limit factor is 100.251 percent, meaning that the taxes levied in the City of Kelso for 2015 for collection in 2016 can only be increased by .251 percent except for the amounts resulting from new construction and improvements to property, newly constructed wind turbines, and any increase in the value of state-assessed utility property; and

WHEREAS, the City of Kelso continues to recover from the severe economic downturn, but has not yet recovered to its pre 2009 service levels, leading to deteriorating infrastructure and reduced staffing; and

WHEREAS, the City of Kelso continues to have increased personnel and operations costs which are higher than the rates used to calculate the limit factor; and

WHEREAS, certain utility taxes will expire in 2016 leaving a further revenue shortfall; and

WHEREAS, the City has given notice of a public hearing held on October 6, 2015 to consider the City's current expense budget for the 2016 calendar year pursuant to RCW 84.55.120;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF KELSO DO HEREBY RESOLVE:

SECTION 1. Finding of Substantial Need. Based upon the findings set forth in the recitals above, hereby incorporated fully by this reference, and after consideration of the relevant evidence and testimony related to the City's expected revenues and expenses, the City Council finds and determines that there is a substantial need to set the 2016 tax levy limit at 1%.

ADOPTED by the City Council and **SIGNED** by the Mayor this _____ day of _____, 2015.

MAYOR

ATTEST/AUTHENTICATION:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

AGENDA SUMMARY SHEET

AGENDA ITEM: A Resolution authorizing
an increase in the regular property tax
levy in addition to any amount resulting
from new construction etc.

SUBMITTED BY: Brian Butterfield

AGENDA ITEM # _____
FOR AGENDA OF: 11/3/15
ORIGINATING DEPT: Finance
DATE SUBMITTED: 10/23/15
COST OF ITEM: _____
AMT. BUDGETED _____
CITY ATTY. APPROVAL _____
CITY MGR. APPROVAL _____

AGENDA ITEM PAPERWORK:

See attached resolution.

SUMMARY STATEMENT/DEPT. RECOMMENDATION:

The total increase is set forth
as follows:

1) 1.00% increase over prior levy	\$14,127
2) New construction	20,044

Total Increase	<u>\$34,171</u>
----------------	-----------------

Staff recommends approval of this resolution.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KELSO AUTHORIZING AN INCREASE IN THE REGULAR PROPERTY TAX LEVY IN ADDITION TO ANY AMOUNT RESULTING FROM NEW CONSTRUCTION AND IMPROVEMENTS TO PROPERTY, NEWLY CONSTRUCTED WIND TURBINES, AND ANY INCREASE IN THE VALUE OF STATE ASSESSED UTILITY PROPERTY.

WHEREAS, the City Council of the City of Kelso, Washington, a city of more than 10,000 population, has properly given notice of the public hearing held on October 6, 2015, to consider the City's current expense budget for the 2016 calendar year, pursuant to RCW 84.55.120; and

WHEREAS, the City Council, after hearing and after duly considering all relevant evidence and testimony presented, determined that the City requires an increase in property tax revenue from the previous year in addition to that resulting from new construction and improvements, newly constructed wind turbines, and any increase in the value of state-assessed utility property; in order to discharge the expected expenses and obligations of the City and in its best interest; now, therefore,

THE CITY COUNCIL OF THE CITY OF KELSO DO RESOLVE AS FOLLOWS:

SECTION 1. That an increase in the regular property tax levy, in addition to any amount resulting from new construction and improvements, newly constructed wind turbines, and any increase in the value of state-assessed utility property, is authorized by the 2016 levy which is the amount of \$14,127.00 a percentage increase of 1.00% from the previous year.

ADOPTED by the City Council and **SIGNED** by the Mayor this ____ day of _____, 2015.

MAYOR

ATTEST/AUTHENTICATION:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

AGENDA SUMMARY SHEET

Business of the City Council City of Kelso, Washington

SUBJECT TITLE:

A RESOLUTION OF THE CITY OF KELSO, WASHINGTON, INITIATING THE PROCESS TO VACATE PORTIONS OF 2nd AVENUE, AND SETTING A DATE FOR A PUBLIC HEARING.

Agenda Item: _____

Dept. of Origin: Community Dev\Engineering

For Agenda of: November 3, 2015

PRESENTED BY:

Michael Kardas, PE
Community Development Director/City Engineer

Cost of Item: _____

City Manager: Steve Taylor

AGENDA ITEM ATTACHMENTS:

Proposed resolution
Exhibit of proposed vacation

SUMMARY STATEMENT:

As a result of the realignment of West Main, there is a portion of 2nd Avenue that is no longer to be used for street purposes. As a result, staff proposes vacating this portion of 2nd avenue back to the abutting property owners. The City would, as a part of the vacation process hold back an easement (as allowed by state law) for the public utilities and services that may remain in the vacated area.

Under state law at RCW 35.79, the process for vacation is by a petition of the abutting property owners (or a resolution of the legislative authority.) to initiate the process. Then a public hearing must be held on the vacation and the City may adopt an ordinance vacating the street or any part thereof. The adoption of this resolution setting the public hearing date is the first step in this process.

FINANCIAL SUMMARY:

After the public hearing, the council will have an ordinance to consider regarding the vacation of the described property. If council approves the vacation, it may require the abutting property owners to compensate the city for the vacated right of way. Under the statute, the City may collect up to one-half of the appraised value from abutting property owners.

OPTIONS

Do nothing - under this option, this unused portion of the street would remain property of the city and subject to our control and responsibility for its use, repair, and maintenance.

Initiate the vacation process - under this option, a hearing would be set to consider the value of vacating the property. Then, by separate action, the City can consider the ordinance to vacate.

RECOMMENDED ACTION:

Move to pass the Resolution

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY OF KELSO, WASHINGTON,
INITIATING THE PROCESS TO VACATE PORTIONS OF 2nd
AVENUE, AND SETTING A DATE FOR A PUBLIC HEARING.**

WHEREAS, the City of Kelso has constructed the West Main Realignment Project to provide roadway improvements from the west city limits of Kelso at West Cowlitz Way to the west end of the Allen Street Bridge at 1st street and to realign a portion of West Main therein for improved traffic flow; and

WHEREAS, as a result of this construction a portion of 2nd Avenue is no longer required by the City for street purposes; and

WHEREAS, pursuant to RCW 35.79, the City Council may initiate by Resolution a vacation procedure to vacate the right-of-way; and

WHEREAS, after adopting the resolution initiating the street vacation process, the City Clerk shall fix a time when the petition will be heard;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF KELSO DO

HEREBY RESOLVE:

Section 1. The City hereby initiates the street vacation procedures set forth in RCW 35.79 and KMC 12.16 to vacate portions of 2nd Avenue legally described as follows.

A portion of West Second Street as shown on the Plat of River View Addition to Marysville as recorded in Volume 3 of Plats at Page 69, Cowlitz County Records, located in the Southeast Quarter of Section 27, Township 8 North, Range 2 West of the Willamette Meridian and more particularly described as follows:

Beginning at a point on the West line of Block 9, said Plat of River View Addition to Marysville, said point being North 17°18'37" East, 9.17 feet from the Southwest corner of said Block 9;

Thence along the West line of said Block 9, North 17°18'37" East, a distance of 215.30 feet to a point which is South 17°18'37" West, 4.96 feet from the Northwest corner of said Block 9;

Thence on a 284.00 foot radius circular curve to the left, through a central angle of 10°14'00" (the chord of which bears South 81°55'19" West, 50.65 feet), an arc distance of 50.72 feet to a point on the East line of Block 10, said Plat of River View Addition to Marysville;

Thence along the East line of said Block 10, South 17°18'37" West, a distance of 104.70 feet to a point;

Thence on a 130.00 foot radius circular curve to the right, through a central angle of 52°01'12" (the chord of which bears South 08°41'59" East, 114.02 feet), an arc distance of 118.03 feet to the **Point of Beginning.**

Containing 7,027 square feet or 0.161 Acres, more or less.

Section 2. The City Clerk is directed to set a public hearing on December 1, 2015 on this petition for vacation of portions of 2nd Avenue as set forth in Section 1. Furthermore, the City Clerk shall publish an official notice of the public hearing date and shall post a notice of the public hearing on this petition to vacate in three of the most public places of the City as required by RCW 35.79.020.

Section 3. The Community Development Department shall post prominent notices of the public hearing and the date of the hearing in close proximity to the portion of the right-of-way subject to the petition which shall be readily observable by the general public in the vicinity. The Community Development Department shall also provide written notice to abutting property owners of the subject right-of-way as required in RCW 35.79.020.

ADOPTED by the City Council and **SIGNED** by the Mayor this _____ day of _____, 2015.

MAYOR

ATTEST/AUTHENTICATION:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

LEGAL DESCRIPTION

PORTION OF WEST SECOND STREET TO BE VACATED

FOR CITY OF KELSO, WA

AUGUST 14, 2015

A portion of West Second Street as shown on the Plat of River View Addition to Marysville as recorded in Volume 3 of Plats at Page 69, Cowlitz County Records, located in the Southeast Quarter of Section 27, Township 8 North, Range 2 West of the Willamette Meridian and more particularly described as follows:

Beginning at a point on the West line of Block 9, said Plat of River View Addition to Marysville, said point being North 17°18'37" East, 9.17 feet from the Southwest corner of said Block 9;

Thence along the West line of said Block 9, North 17°18'37" East, a distance of 215.30 feet to a point which is South 17°18'37" West, 4.96 feet from the Northwest corner of said Block 9;

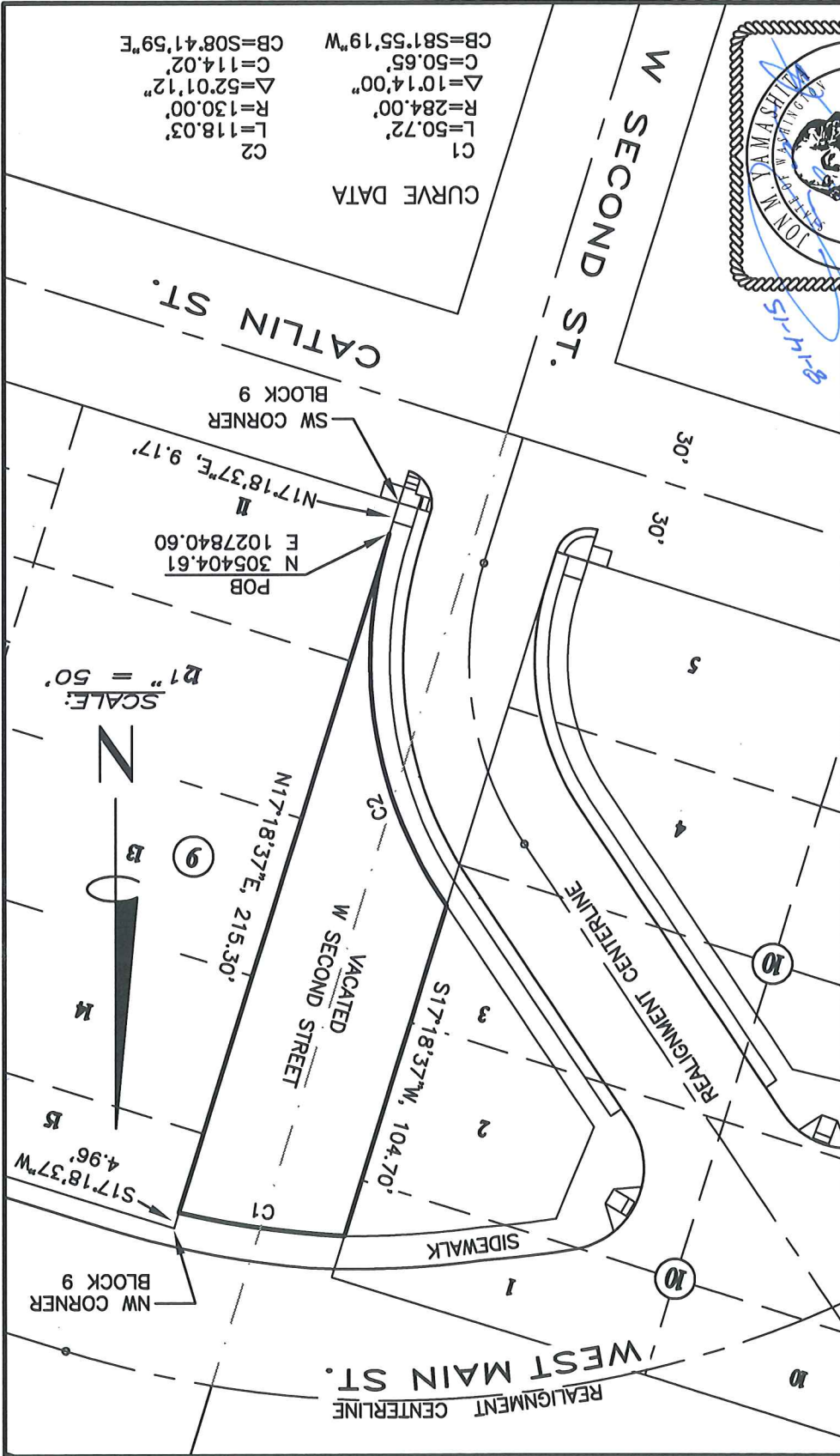
Thence on a 284.00 foot radius circular curve to the left, through a central angle of 10°14'00" (the chord of which bears South 81°55'19" West, 50.65 feet), an arc distance of 50.72 feet to a point on the East line of Block 10, said Plat of River View Addition to Marysville;

Thence along the East line of said Block 10, South 17°18'37" West, a distance of 104.70 feet to a point;

Thence on a 130.00 foot radius circular curve to the right, through a central angle of 52°01'12" (the chord of which bears South 08°41'59" East, 114.02 feet), an arc distance of 118.03 feet to the **Point of Beginning**.

Containing 7,027 square feet or 0.161 Acres, more or less.





- SURVEYING
- CIVIL ENGINEERING
- PLANNING
- WATER & NATURAL RESOURCES
- WETLAND CONSULTING



S135664FB165.DWG

WWW.OTAK.COM

STREET VACATION
PORTION W. SECOND STREET
RIVER VIEW ADD. TO MARYSVILLE
SECTION 27, T8N, R2W, W.M.
CITY OF KELSO, COWLITZ COUNTY, WASHINGTON

AGENDA SUMMARY SHEET

AGENDA ITEM: An ordinance setting
the 2016 property tax levy amount.

First reading.

SUBMITTED BY: Brian Butterfield

AGENDA ITEM # _____

FOR AGENDA OF: 11/3/15

ORIGINATING DEPT: Finance

DATE SUBMITTED: 10/23/15

COST OF ITEM: _____

AMT. BUDGETED _____

CITY ATTY. APPROVAL _____

CITY MGR. APPROVAL _____

AGENDA ITEM PAPERWORK:

See attached ordinance.

SUMMARY STATEMENT/DEPT. RECOMMENDATION:

The levy amount for the 2016 General Levy is \$1,446,853

This represents a dollar increase of \$34,171 over the 2015 General Levy. The increase is made up of two components:

1) New Construction: \$20,044

2) 1.00% increase over prior
year levy: \$14,127

Total Increase \$34,171

Staff recommends approval of this ordinance on first reading.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF KELSO FIXING THE ESTIMATED AMOUNT TO BE RAISED BY AD VALOREM TAXES AT \$1,446,853 FOR THE 2016 BUDGET OF THE CITY.

THE CITY COUNCIL OF THE CITY OF KELSO DO ORDAIN AS FOLLOWS:

SECTION 1. The estimated dollar amount to be raised upon real and personal property in Cowlitz County, Washington, to raise said dollar amount to cover the estimated budget needs of the City of Kelso for calendar year 2016 are as follows:

DOLLAR AMOUNT

General Levy \$1,446,853 or maximum allowed by law

SECTION 2. This Ordinance shall be in full force and effect five (5) days from and after its passage and publication of summary as required by law.

ADOPTED by the City Council and **SIGNED** by the Mayor this _____ day of _____, 2015.

MAYOR

ATTEST/AUTHENTICATION:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

PUBLISHED: _____

AGENDA SUMMARY SHEET

Business of the City Council City of Kelso, Washington

SUBJECT TITLE: An Ordinance of the City of Kelso Amending Ordinance No. 14-3832 Updating Water and Sewer Rates.

Agenda Item: _____

Dept. of Origin: _____ City Manager _____

For Agenda of: November 3, 2015

Originator: _____ Engineering _____

PRESENTED BY:

Steve Taylor

City Attorney: Janean Parker

City Manager: Steve Taylor

Agenda Item Attachments:

Proposed Ordinance Amending Water and Sewer Rates (Red-lined and final)

SUMMARY STATEMENT:

The City Council adopted water and sewer utility rates for 2015-2019 last November following the acceptance of the utility rate study conducted by FCS Group. While the rates covered a five-year period, Council included a provision requiring the annual review of the water and sewer utilities' financial condition by November 30th, with the possibility of adjusting rates upward or downward depending upon revenue and expense forecasts, capital needs, and reserve balances. Staff has performed the financial condition analysis and recommends the rate percentage adjustments below:

2016 Water Charges

Residential/Commercial Base
Residential/Commercial Volume
Industrial Base
Industrial Volume

2016 Adopted

6%
6%
6%
6%

Proposed

2%
2%
2%
2%

2016 Sewer Charges

Single Family Residential
Residential Standby
Commercial/Multi-family
Commercial Volume
Industrial Volume
Industrial Base (fixed)

2%
7%
2%
0.7%
5.9%
\$379.76 (bi-month)

3%
7%
3%
1%
5.9%
\$379.76 (bi-month)

The rate percentage increases adopted for years 2017-2019 will remain the same within the proposed ordinance.

Additionally, the ordinance establishes a separate irrigation water rate for Youth Athletic Leagues who have a Facility Use Agreement to operate City-owned recreational facilities. The rate is 25% of the base and volume charges for Residential/Commercial water accounts established in the ordinance.

The Wholesale and Bulk Water Rate section is also amended to reflect the volume charge that is assessed for residential and commercial customers. The section also reiterates the requirement of obtaining a Fire Hydrant Permit which allows for the rental of a hydrant meter. The hydrant meter rental fees and deposits are included within the Master Fee Schedule, and amendments to those fees are planned to be brought forward for Council consideration on November 17th.

OPTIONS:

- 1) Move to approve the Ordinance on first reading amending rates and fees for the Sewer and Water Utilities.
- 2) Do not approve the Ordinance.
- 3) Delay action on the Ordinance and bring back for consideration following further revision.

RECOMMENDED ACTION:

Approve the ordinance on first reading amending rates and fees for the Sewer and Water Utilities.

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY OF KELSO AMENDING
ORDINANCE NO. 14-3832 UPDATING WATER AND SEWER
RATES.**

WHEREAS, the City operates utilities for the provision of water and sewer services and has set rates and fees to fund the costs of these services; and

WHEREAS, the regular review and adjustment of rates and fees are necessary to maintain the fiscal sustainability of the sewer and water utilities, and the City commissioned a study to provide rate adjustment recommendations for the utilities; and

WHEREAS, the rate study conducted by FCS Group and presented to the City Council on July 15, 2014 recommended adjustments to water and sewer rates and capital recovery fees; and

WHEREAS, the City Council accepts the recommendations of the rate study to adjust rates and fees in amounts necessary to fund the operations and capital improvements of the utilities; and

WHEREAS, the City Council desires to review the financial condition of the water and sewer utilities no later than November 30th of each year to consider potential adjustments to the rates established within this ordinance;

**NOW THEREFORE THE CITY COUNCIL OF THE CITY OF KELSO DO
ORDAIN AS FOLLOWS:**

SECTION 1. That Ordinance No. 14-3832 is hereby amended to provide as follows:

1. Water Rates for All Residential and Commercial Users within the Corporate Limits:

BI-MONTHLY CHARGES:

		2015	2016	2017	2018	2019
	3/4" & 5/8"	\$22.64	\$23.09	\$24.82	\$26.68	\$28.68
Meter Size (In Inches)	1"	\$46.78	\$47.72	\$51.30	\$55.15	\$59.29
	1.5"	\$87.61	\$89.36	\$96.06	\$103.26	\$111.00
	2"	\$136.16	\$138.88	\$149.30	\$160.50	\$172.54
	3"	\$265.90	\$271.22	\$291.56	\$313.43	\$336.94
	4"	\$412.24	\$420.48	\$452.02	\$485.92	\$522.36
	6"	\$1,305.76	\$1,331.88	\$1,431.77	\$1,539.15	\$1,654.59
	8"	\$1,815.11	\$1,851.41	\$1,990.27	\$2,139.54	\$2,300.01
	10"	\$2,609.19	\$2,661.37	\$2,860.97	\$3,075.54	\$3,306.21

In addition to the fixed charge set forth above, each residential and commercial water customer of the utility shall pay an additional sum for every 100 cubic feet of water consumed.

	2015	2016	2017	2018	2019
	\$ 3.33	\$ 3.40	\$ 3.66	\$ 3.93	\$ 4.22

2. Water Rates for all Industrial Users within the Corporate Limits:

BI-MONTHLY CHARGES

		2015	2016	2017	2018	2019
Meter Size (In Inches)	2"	\$3,630.93	\$3,703.55	\$3,981.32	\$4,279.92	\$4,600.91
	3"	\$7,263.62	\$7,408.89	\$7,964.56	\$8,561.90	\$9,204.04
	4"	\$11,351.91	\$11,578.95	\$12,447.37	\$13,380.92	\$14,384.49
	6"	\$22,719.68	\$23,174.07	\$24,912.13	\$26,780.54	\$28,789.08
	8"	\$36,318.01	\$37,044.37	\$39,822.70	\$42,809.40	\$46,020.11
	10"	\$52,203.28	\$53,247.35	\$57,240.90	\$61,533.97	\$66,149.02

In addition to the fixed charge above, each industrial water customer of the utility shall pay an additional sum for every 100 cubic feet of water consumed.

	2015	2016	2017	2018	2019
	\$ 2.27	\$ 2.32	\$ 2.49	\$ 2.68	\$ 2.88

Customers must consume a minimum of 25,000 cubic feet per day of water to qualify as an industrial user.

3. Youth Athletic Leagues:

Water consumed for irrigation purposes by youth athletic leagues utilizing a current Facility Use Agreement shall be charged at twenty-five percent (25%) of the rates set forth in this Ordinance. In order to qualify for this reduced rate, the youth athletic league facilities must be the account customer and must be metered to determine actual usage. Penalties, turn on charges, and other related charges shall be billed at one hundred percent (100%) of the amounts as set forth in the Master Fee Schedule.

4. Private Fire System Connections (including sprinklers) shall be as follows:

“Connection” shall mean individual line size (not size of water appurtenance).

BI-MONTHLY CHARGES

		2015	2016	2017	2018	2019
Size (In Inches)	1"	\$3.49	\$3.56	\$3.83	\$4.12	\$4.43
	2"	\$13.97	\$14.25	\$15.32	\$16.47	\$17.71

3"	\$31.43	\$32.06	\$34.46	\$37.04	\$39.82
4"	\$55.87	\$56.99	\$61.26	\$65.85	\$70.79
6"	\$111.63	\$113.86	\$122.40	\$131.58	\$141.45
8"	\$192.10	\$195.94	\$210.64	\$226.44	\$243.42
10"	\$267.18	\$272.52	\$292.96	\$314.93	\$338.55

These charges also apply to references regarding fire services, fire standby fees, and fire monthly service charge.

5. Service Outside City Limits:

The normal rates for water and sewer service to individual accounts located outside the City boundaries shall be 1.5 times the in-City rate.

6. Wholesale or Bulk Rates:

Water rates charged for wholesale or bulk use purposes shall be at a rate for every 100 cubic feet of water delivered as follows:

2015	2016	2017	2018	2019
\$ 3.33	\$ 3.40	\$ 3.66	\$ 3.93	\$ 4.22

A Fire Hydrant Use Permit is required to obtain water from hydrants connected to the City of Kelso water supply. The permit shall be on site at any time water is to be withdrawn from the hydrant and shall be subject to examination on request of employees of the City. The Public Works Director or his/her designee shall have the authority to limit the amount of water used, or temporarily suspend hydrant meter service, in order to maintain system capacity and continuity of service to customers. Permit fees and use deposits will be assessed as set forth in the Master Fee Schedule.

7. Sewer Rates for All Residential and Commercial Users within the Corporate Limits

BI-MONTHLY CHARGES

SERVICE TYPE

A. Residential standby only (use less than 200 cf/ Bi-monthly)

2015	2016	2017	2018	2019
\$ 17.93	\$ 19.19	\$ 20.53	\$ 21.97	\$ 23.51

B. All other residential dwellings

2015	2016	2017	2018	2019
\$ 111.14	\$ 114.47	\$ 116.76	\$ 119.10	\$ 121.48

C. (1) All Commercial Users

2015	2016	2017	2018	2019
-------------	-------------	-------------	-------------	-------------

\$ 111.14 \$ 114.47 \$ 116.76 \$ 119.10 \$ 121.48

(2) In addition, all commercial users consuming a quantity of water greater than 1100 cubic feet per Bi-month shall be charged for every 100 cubic feet of water consumed in excess of 1100 cubic feet per Bi-month.

2015	2016	2017	2018	2019
\$ 6.75	\$ 6.82	\$ 6.87	\$ 6.92	\$ 6.97

8. Sewer Rates for All industrial Users within the Corporate Limits:

All industrial customers shall pay the following sewer rates based on water consumption:

BI-MONTHLY FIXED CHARGE

2015	2016	2017	2018	2019
\$ 194.19	\$ 379.76	\$ 565.33	\$ 750.90	\$ 936.74

VOLUME CHARGE

2015	2016	2017	2018	2019
\$ 3.50	\$ 3.71	\$ 3.93	\$ 4.16	\$ 4.41

Customer must consume a minimum of 25,000 cubic feet per day of water to qualify as an industrial customer.

9. Treatment of “High Strength Waste” – Surcharge:

In the event that “high strength waste” is accepted for treatment by the Facilities, a surcharge shall be imposed and paid to the TRRWA in addition to any other charges for sewage treatment as follows:

BOD:	\$ 0.40 per pound
Suspended Solids (SS):	\$ 0.55 per pound

Such surcharge shall be assessed to “high strength waste” which is hereby defined to be waste that is in excess of a baseline concentration of 250 mg/l.

Such surcharge shall be calculated as follows:

BOD: (concentration [mg/l] – 250 mg/l) x 8.34 x flow (mgd) x \$0.40
 SS: (concentration [mg/l] – 250 mg/l) x 8.34 x flow (mgd) x \$0.55

10. Miscellaneous

A. Irrigation meter: Standard bi-monthly water use rates as listed in this ordinance shall apply.

11. Capital Recovery Fees – Water Connections:

	2015	2016	2017	2018	2019
Meter Size (In Inches) 3/4" & 5/8"	\$ 2,644.00	\$ 2,930.00	\$ 3,217.00	\$ 3,504.00	\$ 3,791.00
1"	\$ 6,610.00	\$ 7,325.00	\$ 8,042.50	\$ 8,760.00	\$ 9,477.50
1.5"	\$ 13,220.00	\$ 14,650.00	\$ 16,085.00	\$ 17,520.00	\$ 18,955.00
2"	\$ 21,152.00	\$ 23,440.00	\$ 25,736.00	\$ 28,032.00	\$ 30,328.00
3"	\$ 42,304.00	\$ 46,880.00	\$ 51,472.00	\$ 56,064.00	\$ 60,656.00
4"	\$ 66,100.00	\$ 73,250.00	\$ 80,425.00	\$ 87,600.00	\$ 94,775.00
6"	\$ 132,200.00	\$ 146,500.00	\$ 160,850.00	\$ 175,200.00	\$ 189,550.00
8"	\$ 211,520.00	\$ 234,400.00	\$ 257,360.00	\$ 280,320.00	\$ 303,280.00
10"	\$ 304,060.00	\$ 336,950.00	\$ 369,955.00	\$ 402,960.00	\$ 435,965.00

12. Capital Recovery Fees – Sewer Connections:

	2015	2016	2017	2018	2019
Meter Size (In Inches) 3/4" & 5/8"	\$ 1,721.00	\$ 1,721.00	\$ 1,721.00	\$ 1,721.00	\$ 1,721.00
1"	\$ 4,302.00	\$ 4,302.00	\$ 4,302.00	\$ 4,302.00	\$ 4,302.00
1.5"	\$ 8,605.00	\$ 8,605.00	\$ 8,605.00	\$ 8,605.00	\$ 8,605.00
2"	\$ 13,768.00	\$ 13,768.00	\$ 13,768.00	\$ 13,768.00	\$ 13,768.00
3"	\$ 27,536.00	\$ 27,536.00	\$ 27,536.00	\$ 27,536.00	\$ 27,536.00
4"	\$ 43,025.00	\$ 43,025.00	\$ 43,025.00	\$ 43,025.00	\$ 43,025.00
6"	\$ 86,050.00	\$ 86,050.00	\$ 86,050.00	\$ 86,050.00	\$ 86,050.00
8"	\$ 137,680.00	\$ 137,680.00	\$ 137,680.00	\$ 137,680.00	\$ 137,680.00
10"	\$ 197,915.00	\$ 197,915.00	\$ 197,915.00	\$ 197,915.00	\$ 197,915.00

In addition to all “hook-up” charges, sanitary sewer service charges and other existing charge and fees imposed by a member entity or by the TRRWA, a System Development Charge (SDC) for waste water treatment in the sum of \$1,957.00 will be charged for each new Equivalent Residential Unit (ERU) hereafter connected to the facilities of the TRRWA through the sanitary sewer lines of the member entities in accordance with the following conversion tables:

RESIDENTIAL

COMMERCIAL

INDUSTRIAL

<u>Dwelling</u>	ERU's per <u>Dwelling Unit</u>	Water Meter <u>Size (Inches)</u>	ERU's <u>Per Meter</u>	
Single family	1.00	5/8	1.00	1 ERU per each 300 gallons /day flow
Duplex, 3 or 4-plex	0.86	3/4	1.50	
Apartment (5 or more)	0.67	1	2.50	

1.5	5.00
2	8.00
3	16.00
4	25.00
6	50.00
8	80.00

13. Senior Citizens Reduction:

Senior Citizens occupying residential dwellings shall be eligible for a reduction of the water/sewer portion of their utility bill of four dollars (\$4.00) per billing period, provided they apply and are qualified for such a reduction pursuant to the authority contained in RCW 74.38.070 as a low-income senior citizen. Further, for purposes of implementing this section, the rate reduction will be applied at \$2.00 for water service and \$2.00 for sewer service per billing period. Those customers receiving either water service or sewer service will only receive a \$2.00 reduction per billing period.

For purposes of implementing this section, “low-income senior citizen” means a person who is sixty-one-(61) years of age or older and whose total income, including that of his or her spouse or co-tenant, does not exceed the amount specified in RCW 84.36.381(5) as it now exists or is hereafter amended. Further, for purposes of implementing this section, the definitions of “combined disposable income,” “disposable income” and “co-tenant” shall be as defined in RCW 84.36.383(5), (6), and (7), as they now exist or are hereafter amended.

SECTION 2. Beginning in the year 2015, the rates and fees established within Section 1 of this ordinance shall be annually reviewed by the City Council no later than November 30th of each year this ordinance to evaluate the effectiveness of the rate structure and determine if adjustments to the ordinance are necessary.

SECTION 3. This Ordinance shall be in full force and effect forty-three days after its passage and publication of summary as required by law.

ADOPTED by the City Council and **SIGNED** by the Mayor this _____ day of _____, 2015.

MAYOR

ATTEST/AUTHENTICATION:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

PUBLISHED:

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY OF KELSO AMENDING
ORDINANCE NO. ~~10-373314-3832~~ UPDATING WATER AND
SEWER RATES.**

WHEREAS, the City operates utilities for the provision of water and sewer services and has set rates and fees to fund the costs of these services; and

WHEREAS, the regular review and adjustment of rates and fees are necessary to maintain the fiscal sustainability of the sewer and water utilities, and the City commissioned a study to provide rate adjustment recommendations for the utilities; and

WHEREAS, the rate study conducted by FCS Group and presented to the City Council on July 15, 2014 recommended adjustments to water and sewer rates and capital recovery fees; and

WHEREAS, the City Council accepts the recommendations of the rate study to adjust rates and fees in amounts necessary to fund the operations and capital improvements of the utilities; and

WHEREAS, the City Council desires to review the financial condition of the water and sewer utilities no later than November 30th of each year to consider potential adjustments to the rates established within this ordinance;

**NOW THEREFORE THE CITY COUNCIL OF THE CITY OF KELSO DO
ORDAIN AS FOLLOWS:**

SECTION 1. That Ordinance No. ~~10-373314-3832~~ is hereby amended to provide as follows:

1. Water Rates for All Residential and Commercial Users within the Corporate Limits:

BI-MONTHLY CHARGES:

		2015	2016	2017	2018	2019
			\$23.09	\$24.82	\$26.68	\$28.68
	3/4" & 5/8"	\$22.64	24.00	25.80	27.74	29.82
			\$47.72	\$51.30	\$55.15	\$59.29
	1"	\$46.78	49.58	53.30	57.30	61.60
			\$89.36	\$96.06	\$103.26	\$111.00
	1.5"	\$87.61	92.86	99.83	107.32	115.36
			\$138.88	\$149.30	\$160.50	\$172.54
	2"	\$136.16	144.33	155.15	166.79	179.30
			\$271.22	\$291.56	\$313.43	\$336.94
	3"	\$265.90	281.86	303.00	325.72	350.15
			\$420.48	\$452.02	\$485.92	\$522.36
	4"	\$412.24	436.98	469.75	504.98	542.86
			\$1,331.88	\$1,431.77	\$1,539.15	\$1,654.59
	6"	\$1,305.76	1,384.11	1,487.92	1,599.51	1,719.47

		\$1,851.41	\$1,990.27	\$2,139.54	\$2,300.01
8"	\$1,815.11	4,924.02	2,068.32	2,223.44	2,390.20
		\$2,661.37	\$2,860.97	\$3,075.54	\$3,306.21
10"	\$2,609.19	2,765.74	2,973.17	3,196.16	3,435.87

In addition to the fixed charge set forth above, each residential and commercial water customer of the utility shall pay an additional sum for every 100 cubic feet of water consumed.

	2015	2016	2017	2018	2019
	\$ 3.33	\$ <u>3,523.40</u>	\$ <u>3,793.66</u>	\$ <u>4,073.93</u>	\$ <u>4,384.22</u>

2. Water Rates for all Industrial Users within the Corporate Limits:

BI-MONTHLY CHARGES

	2015	2016	2017	2018	2019	
Meter Size (In Inches)	2"	\$3,630.93	\$3,703.55 3,848.79	\$3,981.32 4,137.45	\$4,279.92 4,447.76	\$4,600.91 4,781.34
	3"	\$7,263.62	\$7,408.89 7,699.44	\$7,964.56 8,276.90	\$8,561.90 8,897.67	\$9,204.04 9,565.00
	4"	\$11,351.91	\$11,578.95 12,033.02	\$12,447.37 12,935.50	\$13,380.92 13,905.66	\$14,384.49 14,948.58
	6"	\$22,719.68	\$23,174.07 24,082.86	\$24,912.13 25,889.08	\$26,780.54 27,830.76	\$28,789.08 29,918.06
	8"	\$36,318.01	\$37,044.37 38,497.09	\$39,822.70 41,384.37	\$42,809.40 44,488.20	\$46,020.11 47,824.82
	10"	\$52,203.28	\$53,247.35 55,335.48	\$57,240.90 59,485.64	\$61,533.97 63,947.06	\$66,149.02 68,743.09

In addition to the fixed charge above, each industrial water customer of the utility shall pay an additional sum for every 100 cubic feet of water consumed.

	2015	2016	2017	2018	2019
	\$ 2.27	\$ <u>2,412.32</u>	\$ <u>2,592.49</u>	\$ <u>2,782.68</u>	\$ <u>2,992.88</u>

Customers must consume a minimum of 25,000 cubic feet per day of water to qualify as an industrial user.

3. Youth Athletic Leagues:

Water consumed for irrigation purposes by youth athletic leagues utilizing a current Facility Use Agreement shall be charged at twenty-five percent (25%) of the rates set forth in this Ordinance. In order to qualify for this reduced rate, the youth athletic league facilities must be the account customer and must be metered to determine actual usage. Penalties, turn on charges, and other related charges shall be billed at one hundred percent (100%) of the amounts as set forth in the Master Fee Schedule.

34. Private Fire System Connections (including sprinklers) shall be as follows:

“Connection” shall mean individual line size (not size of water appurtenance).

BI-MONTHLY CHARGES

	2015	2016	2017	2018	2019	
Meter Size (in Inches)	1"	\$3.49	\$3.56 3.70	\$3.83 3.98	\$4.12 4.28	\$4.43 4.60
	2"	\$13.97	\$14.25 14.84	\$15.32 15.92	\$16.47 17.11	\$17.71 18.40
	3"	\$31.43	\$32.06 33.32	\$34.46 35.84	\$37.04 38.50	\$39.82 41.39
	4"	\$55.87	\$56.99 59.22	\$61.26 63.66	\$65.85 68.44	\$70.79 73.57
	6"	\$111.63	\$113.86 118.33	\$122.40 127.20	\$131.58 136.74	\$141.45 147.00
	8"	\$192.10	\$195.94 203.63	\$210.64 218.90	\$226.44 235.32	\$243.42 252.96
	10"	\$267.18	\$272.52 283.24	\$292.96 304.45	\$314.93 327.29	\$338.55 351.83

These charges also apply to references regarding fire services, fire standby fees, and fire monthly service charge.

45. Service Outside City Limits:

The normal rates for water and sewer service to individual accounts located outside the City boundaries shall be 1.5 times the in-City rate.

56. Wholesale or Bulk Resale Rates:

~~Water R~~rates charged ~~to other public entities~~ for wholesale or bulk use water for resale purposes shall be at a rate for every 100 cubic feet of water delivered, ~~plus the applicable minimum service charge for the metered connection,~~ as follows:

2015	2016	2017	2018	2019
\$ 3.33 1.40	\$ 3.40 1.48	\$ 3.66 1.60	\$ 3.93 1.71	\$ 4.22 1.84

BI-MONTHLY CHARGES

	2015	2016	2017	2018	2019	
Meter Size (in Inches)	1"	\$ 36.34	\$ 38.52	\$ 41.41	\$ 44.52	\$ 47.86
	1 1/2"	\$ 54.20	\$ 57.45	\$ 61.76	\$ 66.40	\$ 71.38
	2"	\$ 80.88	\$ 85.73	\$ 92.16	\$ 99.07	\$ 106.50
	3"	\$ 163.09	\$ 172.87	\$ 185.84	\$ 199.78	\$ 214.76
	4"	\$ 271.42	\$ 287.74	\$ 309.29	\$ 332.48	\$ 357.42
	6"	\$ 407.63	\$ 432.09	\$ 464.50	\$ 499.33	\$ 536.79

A Fire Hydrant Use Permit is required to obtain water from hydrants connected to the City of Kelso water supply. The permit shall be on site at any time water is to be withdrawn from the hydrant and shall be subject to examination on request of employees of the City. The Public Works Director or his/her designee shall have the authority to limit the amount of water used, or temporarily suspend hydrant meter service, in order to maintain system capacity and continuity of service to customers. Permit fees and use deposits will be assessed as set forth in the Master Fee Schedule.

67. Sewer Rates for All Residential and Commercial Users within the Corporate Limits

BI-MONTHLY CHARGES

SERVICE TYPE

A. Residential standby only (use less than 200 cf/ Bi-monthly)

2015	2016	2017	2018	2019
\$ 17.93	\$ 19.19	\$ 20.53	\$ 21.97	\$ 23.51

B. All other residential dwellings

2015	2016	2017	2018	2019
\$ 111.14	413.36 114.47	415.63 116.76	417.94 119.10	420.30 121.48

C. (1) All Commercial Users

2015	2016	2017	2018	2019
\$ 111.14	413.36 114.47	415.63 116.76	417.94 119.10	121.48 120.30

(2) In addition, all commercial users consuming a quantity of water greater than 1100 cubic feet per Bi-month shall be charged for every 100 cubic feet of water consumed in excess of 1100 cubic feet per Bi-month.

2015	2016	2017	2018	2019
\$ 6.75	6.79 6.82	6.84 6.87	6.89 6.92	6.94 6.97

78. Sewer Rates for All industrial Users within the Corporate Limits:

All industrial customers shall pay the following sewer rates based on water consumption:

BI-MONTHLY FIXED CHARGE

2015	2016	2017	2018	2019
\$ 194.19	\$ 379.76	\$ 565.33	\$ 750.90	\$ 936.74

VOLUME CHARGE

	2015	2016	2017	2018	2019
	\$ 3.50	\$ <u>3,713.70</u>	\$ <u>3,923.93</u>	\$ <u>4,154.16</u>	\$ <u>4,404.41</u>

Customer must consume a minimum of 25,000 cubic feet per day of water to qualify as an industrial customer.

89. Treatment of “High Strength Waste” – Surcharge:

In the event that “high strength waste” is accepted for treatment by the Facilities, a surcharge shall be imposed and paid to the TRRWA in addition to any other charges for sewage treatment as follows:

BOD:	\$ 0.40 per pound
Suspended Solids (SS):	\$ 0.55 per pound

Such surcharge shall be assessed to “high strength waste” which is hereby defined to be waste that is in excess of a baseline concentration of 250 mg/l.

Such surcharge shall be calculated as follows:

BOD:	(concentration [mg/l] – 250 mg/l) x 8.34 x flow (mgd) x \$0.40
SS:	(concentration [mg/l] – 250 mg/l) x 8.34 x flow (mgd) x \$0.55

910. Miscellaneous

A. Irrigation meter: Standard bi-monthly water use rates as listed in this ordinance shall apply.

1011. Capital Recovery Fees – Water Connections:

	2015	2016	2017	2018	2019
3/4" & 5/8"	\$ 2,644.00	\$ 2,930.00	\$ 3,217.00	\$ 3,504.00	\$ 3,791.00
1"	\$ 6,610.00	\$ 7,325.00	\$ 8,042.50	\$ 8,760.00	\$ 9,477.50
1.5"	\$ 13,220.00	\$ 14,650.00	\$ 16,085.00	\$ 17,520.00	\$ 18,955.00
2"	\$ 21,152.00	\$ 23,440.00	\$ 25,736.00	\$ 28,032.00	\$ 30,328.00
3"	\$ 42,304.00	\$ 46,880.00	\$ 51,472.00	\$ 56,064.00	\$ 60,656.00
4"	\$ 66,100.00	\$ 73,250.00	\$ 80,425.00	\$ 87,600.00	\$ 94,775.00
6"	\$ 132,200.00	\$ 146,500.00	\$ 160,850.00	\$ 175,200.00	\$ 189,550.00
8"	\$ 211,520.00	\$ 234,400.00	\$ 257,360.00	\$ 280,320.00	\$ 303,280.00
10"	\$ 304,060.00	\$ 336,950.00	\$ 369,955.00	\$ 402,960.00	\$ 435,965.00

1112. Capital Recovery Fees – Sewer Connections:

		2015	2016	2017	2018	2019
Meter Size (In Inches)	3/4" & 5/8"	\$ 1,721.00	\$ 1,721.00	\$ 1,721.00	\$ 1,721.00	\$ 1,721.00
	1"	\$ 4,302.00	\$ 4,302.00	\$ 4,302.00	\$ 4,302.00	\$ 4,302.00
	1.5"	\$ 8,605.00	\$ 8,605.00	\$ 8,605.00	\$ 8,605.00	\$ 8,605.00
	2"	\$ 13,768.00	\$ 13,768.00	\$ 13,768.00	\$ 13,768.00	\$ 13,768.00
	3"	\$ 27,536.00	\$ 27,536.00	\$ 27,536.00	\$ 27,536.00	\$ 27,536.00
	4"	\$ 43,025.00	\$ 43,025.00	\$ 43,025.00	\$ 43,025.00	\$ 43,025.00
	6"	\$ 86,050.00	\$ 86,050.00	\$ 86,050.00	\$ 86,050.00	\$ 86,050.00
	8"	\$ 137,680.00	\$ 137,680.00	\$ 137,680.00	\$ 137,680.00	\$ 137,680.00
	10"	\$ 197,915.00	\$ 197,915.00	\$ 197,915.00	\$ 197,915.00	\$ 197,915.00

In addition to all “hook-up” charges, sanitary sewer service charges and other existing charge and fees imposed by a member entity or by the TRRWA, a System Development Charge (SDC) for waste water treatment in the sum of \$1,957.00 will be charged for each new Equivalent Residential Unit (ERU) hereafter connected to the facilities of the TRRWA through the sanitary sewer lines of the member entities in accordance with the following conversion tables:

RESIDENTIAL

COMMERCIAL

INDUSTRIAL

<u>Dwelling</u>	<u>ERU's per Dwelling Unit</u>	<u>Water Meter Size (Inches)</u>	<u>ERU's Per Meter</u>	
Single family	1.00	5/8	1.00	1 ERU per each 300 gallons /day flow
Duplex, 3 or 4-plex	0.86	3/4	1.50	
Apartment (5 or more)	0.67	1	2.50	
		1.5	5.00	
		2	8.00	
		3	16.00	
		4	25.00	
		6	50.00	
		8	80.00	

1213. Senior Citizens Reduction:

Senior Citizens occupying residential dwellings shall be eligible for a reduction of the water/sewer portion of their utility bill of four dollars (\$4.00) per billing period, provided they apply and are qualified for such a reduction pursuant to the authority contained in RCW 74.38.070 as a low-income senior citizen. Further, for purposes of implementing this section, the rate reduction will be applied at \$2.00 for water service and \$2.00 for sewer service per billing period. Those customers receiving either water service or sewer service will only receive a \$2.00 reduction per billing period.

For purposes of implementing this section, “low-income senior citizen” means a person who is sixty-one-(61) years of age or older and whose total income, including that of his or her spouse or co-tenant, does not exceed the amount specified in RCW

84.36.381(5) as it now exists or is hereafter amended. Further, for purposes of implementing this section, the definitions of “combined disposable income,” “disposable income” and “co-tenant” shall be as defined in RCW 84.36.383(5), (6), and (7), as they now exist or are hereafter amended.

SECTION 2. Beginning in the year 2015, the rates and fees established within Section 1 of this ordinance shall be annually reviewed by the City Council no later than November 30th of each year this ordinance to evaluate the effectiveness of the rate structure and determine if adjustments to the ordinance are necessary.

SECTION 3. This Ordinance shall be in full force and effect forty-three days after its passage and publication of summary as required by law.

ADOPTED by the City Council and **SIGNED** by the Mayor this _____ day of _____, ~~2014~~**2015**.

MAYOR

ATTEST/AUTHENTICATION:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

PUBLISHED:

AGENDA SUMMARY SHEET
Business of the City of Kelso
City of Kelso, Washington

SUBJECT TITLE:

AN ORDINANCE OF THE CITY OF KELSO, WASHINGTON, ASSUMING THE RIGHTS, POWERS, FUNCTIONS, AND OBLIGATIONS OF THE KELSO TRANSPORTATION BENEFIT DISTRICT AND AMENDING CHAPTER 3.65 OF THE KMC RELATING TO THE KELSO TRANSPORTATION BENEFIT DISTRICT.

Agenda Item: _____

Dept. of Origin: City Attorney

For Agenda of: November 03, 2015

Cost of Item: _____

City Manager: Stephen Taylor

PRESENTED BY: Janean Parker

AGENDA ITEM ATTACHMENTS:

Proposed Ordinance

SUMMARY STATEMENT:

In 2012, the City Council created a Transportation Benefit Area or "TBD" for the City of Kelso as authorized under RCW 36.73. In this TBD, having boundaries coterminous with the Kelso city limits, the City Council acts in an ex officio and independent capacity as the TBD governing board. Later in 2012, the TBD imposed a \$20 vehicle license fee as authorized by the statute. To date, the TBD has exercised its power by collecting the car tab fees and remitting the funds to the City to construct certain transportation improvement projects. The TBD has not incurred any indebtedness or let any contracts directly for such projects.

In 2015, the State Legislature amended RCW 36.73 to allow a city, which has a TBD that has boundaries coterminous with the city the right to assume the rights, powers, functions, and obligations of the TBD. To accomplish this, the City must pass a resolution or ordinance indicating its intent to conduct a public hearing, and then after the hearing may adopt an ordinance that assumes these rights, powers, functions, and obligations. The 2015 changes to state law also increase some of these limits for generating revenue and set additional conditions to exercise this authority. The proposed ordinance does not make any change to the collection of revenue and only formalizes the City's assumption of the powers and duties of the TBD.

In administering the TBD, the City has incurred some administrative costs in creating independent financial reports for the TBD and separately insuring the TBD, since the TBD is a separate entity and separate taxing authority. Staff recommends exercising the authority recently granted under RCW 36.73 to assume the rights, powers, and functions of the TBD into the City. This action will simplify and improve efficiencies for performing the function authorized under the statute without unnecessary duplication.

FINANCIAL SUMMARY:

No direct financial impacts

OPTIONS:

Do Nothing. This will maintain the TBD as a separate entity. The Council will continue to act as the TBD governing board

Pass the proposed ordinance The City will assume the rights, powers, functions, and obligations of the TBD.

RECOMMENDED ACTION:

Move to approve: ORDINANCE OF THE CITY OF KELSO, WASHINGTON ASSUMING THE RIGHTS, POWERS, FUNCTIONS, AND OBLIGATIONS OF THE KELSO TRANSPORTATION BENEFIT DISTRICT AND AMENDING CHAPTER 3.65 OF THE KELSO MUNICIPAL CODE RELATING TO THE KELSO TRANSPORTATION BENEFIT DISTRICT.

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY OF KELSO, WASHINGTON
ASSUMING THE RIGHTS, POWERS, FUNCTIONS, AND OBLIGATIONS
OF THE KELSO TRANSPORTATION BENEFIT DISTRICT AND
AMENDING CHAPTER 3.65 OF THE KELSO MUNICIPAL CODE
RELATING TO THE KELSO TRANSPORTATION BENEFIT DISTRICT**

WHEREAS, the City Council has adopted Ordinance No. 3778 creating the Kelso Transportation Benefit District with the boundaries coterminous with the City of Kelso City limits; and

WHEREAS, the State Legislature has adopted Second Engrossed Substitute Senate Bill 5987, which provides in part at Section 301 et seq., that a city may assume the rights, powers, functions, and obligations of a transportation benefit district that has been established with boundaries coterminous with the boundaries of the City; and

WHEREAS, the City Council adopted Resolution No. 15-1139 on October 20, 2015 declaring its intent to conduct a public hearing on the proposal to assume the rights, powers, functions, and obligations of the Kelso Transportation Benefit District; and

WHEREAS, the City Council held a public hearing on the proposed assumption on November 3, 2015 at 6 pm at City Hall and took testimony from any who appeared to be heard on the matter;

NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF KELSO DO ORDAIN AS FOLLOWS:

SECTION 1. Findings. The City Council makes the following findings in support of this ordinance to assume the Kelso Transportation Benefit District:

1. The State Legislature has granted the authority, under 2ESSB 5987, for a city to assume all rights, powers, functions, and obligations of a transportation benefit district that has

boundaries coterminous with the city's limits.

2. The City of Kelso, by Ordinance No 3778, created the Kelso Transportation Benefit District with boundaries that are coterminous with the Kelso City Limits.
3. This action to assume the rights, powers, functions, and obligations of the Kelso Transportation Benefit District is in the public interest and will promote the public welfare because it will simplify the collection, administration, and distribution of funds collected for streets within the City, and create greater efficiency by minimizing duplicative governing procedures.
4. The Kelso Transportation Benefit District has not incurred any debt or financing and has not let any contracts, acquired any assets, or committed to any projects. Further, the District has transferred all funds collected to the City. These actions simplify assumption of the District by the City.

SECTION 2. Assumption of the Kelso Transportation Benefit District. The City hereby assumes all rights, powers, immunities, functions, and obligations of the Kelso Transportation Benefit District and by this action the Black Diamond Transportation Benefit District will cease to exist as a separate entity.

SECTION 3. Chapter 3.65 Kelso Municipal Code Amended. The City Council hereby amends Chapter 3.65 KMC as follows:

3.65.010 Transportation benefit district assumed by City.

The City Council hereby assumes all rights, powers, immunities, functions and obligations of that certain transportation benefit district established by Ordinance 3778 and known as the Kelso Transportation Benefit District with geographical boundaries comprised of the corporate limits of the city as they currently exist or as they may exist following future annexations. The Kelso Transportation Benefit District shall hereby cease to exist as a separate entity.

3.65.020 Governing body.

A. The Kelso City Council shall have the authority to exercise the statutory powers set forth in Chapter [36.73](#) RCW.

B. The city finance director shall perform all financing and treasurer functions required by Chapter [36.73](#) RCW.

C. The City Council shall develop a material change policy to address major plan changes that affect project delivery or the ability to finance the plan, pursuant to the requirements set forth in RCW [36.73.160](#)(1). At a minimum, if a transportation improvement exceeds its original cost by more than twenty percent, as identified in the original plan, a public hearing shall be held to solicit public comment regarding how the cost change should be resolved.

D. The City Council shall issue an annual report, pursuant to the requirements of RCW [36.73.160](#)(2).

3.65.030 Functions of the City Council.

A. The City Council may, by ordinance, authorize a vehicle tax fee of up to the limits as provided for by RCW [82.80.140](#). Any expansion of the authorized transportation improvement purposes shall be undertaken only after notice, hearing and adoption of an ordinance in accordance with RCW [36.73.050](#)(2)(b) or a vote of the people pursuant to RCW [36.73.065](#)(3).

B. When authorized by the voters pursuant to the requirements of Chapter [36.73](#) RCW, other taxes, fees, charges and tolls or increases in these revenue services may be assessed for the preservation, maintenance and operations of city streets. Additional transportation improvements may be added to the functions of the city council acting pursuant to Chapter [36.73](#) RCW upon compliance with the requirements of said chapter.

C. The City Council shall have and exercise all powers and functions provided by Chapter [36.73](#) RCW to fulfill the functions set forth therein.

3.65.040 Transportation improvements funded.

The funds generated under the authority of Chapter [36.73](#) RCW shall be used for transportation improvements that construct, preserve, maintain and operate the existing transportation infrastructure of the city, consistent with the requirements of Chapter [36.73](#) RCW. The funds may be utilized for any lawful purpose under the chapter; but all funds raised

pursuant to the chapter shall be expended only for such preservation, maintenance and operation in accordance with the provisions of Chapter [36.73](#) RCW as the same exists or is hereafter amended. The funds expended by the City shall construct, preserve, maintain and operate the city's previous investments in the transportation infrastructure, reduce the risk of transportation facility failure, improve safety, continue the cost-effectiveness of the city's infrastructure investments, and continue the optimal performance of the transportation system. Additional transportation improvement projects may be funded only after compliance with the provisions of RCW [36.73.050\(2\)\(b\)](#) following notice, public hearing and enactment of an authorizing ordinance.

SECTION 4. Severability. The provisions of this Ordinance are declared to be severable. If any provision, clause, sentence, or paragraph of this Ordinance or the application thereof to any person, establishment, or circumstances shall be held invalid, such invalidity shall not affect the other provisions or application of this Ordinance.

SECTION 5. Effective Date. This Ordinance shall be in full force and effect on December 31, 2015 after its passage and publication of summary as required by law.

ADOPTED by the City Council and **SIGNED** by the Mayor this ____ day of _____, 2015.

ATTEST/AUTHENTICATION:

MAYOR

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

PUBLISHED:_____