

**CITY OF SEQUIM
CITY COUNCIL MINUTES
SEQUIM TRANSIT CENTER
190 WEST CEDAR STREET
SEQUIM, WA**

MAY 28, 2013

5:00 P.M. STUDY SESSION

Hugo introduced the matter stating the zoning code generally lacks adequate provisions and standards for permitting structures that are accessory to a primary residential use, including regulations controlling the height and size of garages, sheds and similar secondary accessory structures in residential neighborhoods. Residents in some neighborhoods have objected to the construction on a neighboring property of a garage that is taller and/or larger than the primary home. The proposed regulations address these concerns by insuring that accessory structures are secondary and subordinate in scale to the primary residential structure.

He reviewed the current code that allowed structures that provide a garage to be 2 to 3 times taller than a typical house. He also showed photos of some of the lots that have large accessory structures.

It is proposed that there be no structures greater than 1,000 sf; total accessory structure limit equals 1,200 sf (1,400 sf if including ground-level ADU); maximum height is lesser of house elevation or 18'; maximum dimension across rear yard is 40% of lot width that applies to accessory structures 10' or higher; reduce 65% maximum log coverage; and reduce 16' wide alley setback to 5'.

This will come back to Council on June 24.

Recessed at 5:45 p.m.

6:00 P.M. REGULAR COUNCIL MEETING

Mayor Hays called the meeting to order at 5:55 p.m.

PLEDGE OF ALLEGIANCE

ROLL CALL

Deputy Clerk Usselman called roll. Council members present: Laura Dubois, Erik Erichsen, Ken Hays, Ted Miller, Candace Pratt, Smith and Genaveve Starr.

INTRODUCTIONS & CORRESPONDENCE

REPORTS

COMMITTEE, BOARD AND LIAISON SUMMARY

Smith attended the Planning Commission meeting on May 21 where accessory building heights was discussed. On May 20 he attended the Clallam Transit System (CTS) meeting in Forks.

Starr attended the Shiso City meeting on May 22 with Councilor Dubois. There are 4 students signed up to travel to Shiso in October. They are looking for more students to participate.

Dubois attended PDD meeting where they will be updating their economic development plan. She attended the Solid Waste Advisory Committee meeting where they worked on the update to their comp plan.

Pratt attended the CTS meeting stating they hired a new general manager, Wendy Clark-Getzin from Kitsap Transit who will take over July 5. Terry Weed's retirement potluck will be on June 16 at the Eagle's Hall in Port Angeles. Burkett also attended the meeting and talked about the new city hall.

Miller, Starr and Erichsen attended the Finance Committee meeting on May 15.

PRESIDING OFFICER REPORT

Hays, Haines and Burkett attended the Washington DOT meeting in Port Townsend on Wednesday where City transportation needs and challenges were discussed.

CITY MANAGER REPORT

On Thursday Burkett, Ritchie and the consultant gave a presentation to state board for the design build process. The environmental reports on the Gull property came back with no serious issues; we will close on the property in June. We will discuss how to use the property in the future.

PUBLIC COMMENTS *(Please limit comments to 3 minutes)*

Judy Larson, 1070 W. Palo Verde Loop, commends Council for good choices on hiring staff and the City Manager. She is impressed with the DCD Department being able to get information and accommodate her needs on information.

INFORMATION/COUNCIL QUESTIONS INVITED

Burkett briefly commented on items 1 and 2 indicating they will come to Council for public hearing in the future.

1. Amendments to Chapter 15.04, Building Code

Miller asked if the Planning Commission reviewed these code amendments. Hugo stated it

doesn't have expertise for these issues.

There was brief discussion concerning the penalty fee.

2. Amendment to Chapter 8.20, Fireworks

Starr asked if fire lanterns are illegal under the International Fire Code. Hall indicated she hadn't seen anything in that code about them.

Miller asked if we could restrict the lanterns to times when there is no fire ban.

Starr suggested a permit process could be created for lanterns for educational purposes. Hall said she would have to work with the Fire District. Starr feels this has little potential for being a problem.

Hays asked if fireworks were allowed within the City. Hall said they are allowed to be sold but all are not allowed to be displayed.

3. Update to Boys & Girls Club 1st Quarter Report

PUBLIC HEARINGS (Quasi-Judicial)

4. Approval of Request for Extension of Preliminary Binding Site Plan – Priest Road Center

Hays read the rules for the public hearings. None of the Councilors had any appearance of fairness issues and there were no objections from the audience.

Deputy Clerk Usselman administered the oath to those who planned to give testimony. The Public Hearing opened at 6:26 p.m.

Senior Planner Dodge stated the basic request is for a one-year extension for the Priest Road Center Binding Site Plan. The project includes 4 building pads and 4 buildings for a total of 70,775 sf of retail, restaurant, and office space. This project received initial approval from Council on November 9, 2009. The LUPA was challenged and a settlement was reached September 13, 2010.

The revisions/additions to the conditions are in numbers 10 and 11 to clarify required frontage improvement. Additionally, #17 is added stating an interior vehicular circulation aisle for cross-traffic with the property to the east shall be provided. Dodge stated the applicant agreed with the conditions.

Public Comment:

Ed Sumpter, 452 Riverview Drive, is managing member of Sequim Y3K and agrees with the conditions. The project is no closer to being built now than it was 3 years ago as there is no demand. He has spent a significant amount of money and wants to keep this viable for the future.

Judy Larson, 1070 W. Palo Verde Loop, said the LUPA and settlement information wasn't in the packet and she has concerns there is not baseline monitoring being done in that area for aquifer recharge. This project will add so much impervious surface it will affect the aquifer. She hopes the City will use reclaimed water, and if there are latecomer fees they should be required to use reuse water as part of the specifications. She hopes the landscaping will be low water usage plants. She said it would be interesting to know the total amount of impervious surface in the city limits so we know how we are affecting the City supply of water so that it will not diminish by 2032.

Ed Sumpter said the LUPA was resolved and they agreed to do the well water monitoring. There is a baseline now. Dodge added the condition for baseline monitoring is #14 in the special conditions for approval.

Pratt asked about the policy for requiring LID (low impact development) surfacing. Dodge said in the code for parking lots it is an option for an applicant to use LID.

Miller asked about condition #6 having a 2 year cutoff on plants dying. Dodge stated landscaping is part of the binding site plan and has to be replaced if it dies. Miller asked about impact fees. Ritchie said they are not imposed until they are sought. Miller commented on #11 not causing the roadway level-of-service standard on City streets to fall below "D." Hugo said transportation is an element dealt with in the Comp Plan.

Dubois asked where the nearest available reuse water pipeline is located. Haines said it is at the City Shops. In the master plan it will come to the west, but it will take time.

Public Hearing closed at 6:49 p.m.

MOTION to approve a one (1) year extension of the Priest Road Center preliminary binding site plan, File BSP08-003, subject to the revisions to Conditions #10 and #11 under Special Conditions of Approval and the addition of Condition #17 under Special Conditions of Approval as stated in Attachment 4 to this agenda bill by Dubois; second by Miller. **Unanimously approved.**

5. Maple Ridge Estates Plat Amendment

Mayor Hays asked Council for appearance of fairness issues and there were none, and there were no challenges to Council from the audience.

Deputy Clerk Usselman administered the oath to those who planned to give testimony.

Public hearing opened at 6:52 p.m.

Dodge stated the applicant is requesting a plat alteration to abandon the sewer easement on the north side of Lots 12, 13 and 14 which would provide greater flexibility for construction on the lots. The proposed conditions will provide new sewer pipe out to the west property line of Lot

11 and provide a clean out for the future maintenance of the sewer line by the homes on Lots 11-14. The sewer line would be privately maintained by these lots. It will provide a new manhole on the west property line of Lot 1 and connect it to the existing sewer line for the purpose of maintenance and access by the City. This will be noted on the face of the plat and placed as a covenant on the lots. The Final Plat was approved January 16, 2006. Staff recommends approval.

There was discussion about the sensibility of private sewer lines and the liability of it.

Applicant Ron Robbins, 42 McComb Lane, reiterated the reason for the change to the easement that affects only the 4 lots. The City recommended making the private sewer and abandoning the original easement. Robbins would not object the City taking ownership of the sewer line.

Public Comment:

Judy Larson, 1070 W. Palo Verde Loop, said staff explained why it would be a good idea to move the easement. She recommends the City take ownership of the sewer line so there are no issues in the future.

Burkett asked the applicant if this was time sensitive. The applicant said it is as he has a purchase and sale agreement on Lot 14 pending the outcome of this decision.

Public hearing closed 7:23 p.m.

MOTION by Pratt to approve the plat alteration to the Maple Ridge Estates Final Plat (File SUB13-001/PUD05-002) subject to the following conditions:

1. The applicant shall extend a new sewer pipe out to the west property line of Lot 11. A clean out for the future maintenance of line by the future homeowners of Lots 11, 12, 13, and 14 shall be provided. This shall be completed prior to the issuance of a Certificate of Occupancy for any construction on the lots.
2. It shall be noted on the face of a recorded plat that the homeowners of Lots 11, 12, 13, and 14 shall be solely responsible for the maintenance of the sewer line on their properties. This shall be completed prior to the issuance of a Certificate of Occupancy for any construction on the lots.
3. A covenant shall be recorded against Lots 11, 12, 13, and 14 informing the homeowners that they are solely responsible for the maintenance of the sewer line on their lots. This shall be completed prior to the issuance of a Certificate of Occupancy for any construction on the lots.
4. A new manhole shall be constructed and connected to the sewer line on the west property line of Lot 1 within the existing sewer easement as approved by the City. This shall be completed prior to the issuance of a building permit for Lots 1 and 2. This shall be noted on the face of the plat and placed as a covenant on the lots prior

to the issuance of a Certificate of Occupancy for any residence on Lots 11, 12, 13, or 14.

Motion seconded by Dubois.

Hays understands the original easement wasn't thought out as well as it should have been. Staff would rather vacate the easement because it is not accessible and put the responsibility on the owners of lots 11-14. The sewer line added would be more effectively serviced.

Burkett added there is little or no risk to the City and the applicant is agreeable.

Miller is strongly opposed to this. The whole thing says it is right for the developer and City but not the property owner. Sooner or later there will be a problem and there will be a dispute. The City is not legally liable, but is morally liable. He feels all sewer lines should be public lines. We have already made the policy that we won't have any private roads, so we should have the same policy with sewer lines. It is bad public policy and is a bad precedent. The solution is the City takes ownership and asks for remuneration from the developer. Erichsen agrees with Miller.

Pratt is sympathetic to what has been said but she doesn't get the impression that construction would stop if we took ownership. Robbins said the easement would be moved or put in a 10' easement. Robbins said the City can have access by the cleanout. Currently the City cannot do that now. Putting a manhole on Lot 1 will allow clean out the sewer lines.

Hays doesn't feel the City should take responsibility for lines that he considers side sewers.

Dubois defers to Hays' comments although she doesn't like the idea of private sewer lines. She agrees there are sections of this area that are very steep. She plans to vote for the amendment.

Vote on Motion: Aye by Starr, Dubois, and Hays; Nay by Erichsen, Smith, Pratt, and Miller. **Motion Fails 3-4**

PUBLIC HEARINGS (Legislative)

6. Sewer System Master Plan

Mayor Hays read the rules for the Legislative hearings. The public hearing on sewer system opened at 7:35 pm.

Haines said the focus of the presentation is to scope the capital facilities for the urban growth boundary. The Sewer Plan was updated in 2003; the Water Plan updated in 2008. The Dept. of Health requires the water plan to be updated every 5 years. There are technology mandates included in the Plan and reasons to do the projects due to current construction projects. The plans provide a strategy for infrastructure and financial needs as well as insuring concurrent improvements to support the Comp Plan Land Use Plan. The Plans are significant. There is over \$27M in improvements scheduled into the future.

The Planning Commission has recommended approval of the Sewer and Water Master Plans. This will come back to you at the June 10 meeting for decision.

Nancy Lockett gave a presentation on both the Water and Sewer Master Plans. She reviewed the commonalities of the plans. The population projection is 2% growth within the City limits and service to unincorporated areas within the UGA. One assumption made is that in 20 years the City will service Bell Hill with water.

The City currently has adequate water rights to meet the 2032 demands. We have water rights available to put in two wells at Port Williams and are currently rehabilitating the Silberhorn wells. The distribution system needs some updating and it is on a 6-year plan to replace.

The CIP list has the projects to provide adequate distribution and source production. Within the first 6 years of the plan there is about \$13.6M in projects, much of which would be developer funded.

The sewer plan is projected to 2032. This plan does not include Carlsborg; it is just for the City, the UGA and Bell Hill. We are looking good for the next 20 years. The CIP list has been developed and in the first 6 years there is about \$7.3M in projects.

Conservation is an important part of this plan including using reclaimed water for irrigation; replace source and service meters; consumer education and evaluation conservation pricing. Reuse plan includes expansion of existing commercial use; landscape irrigation; City non-potable water use; groundwater recharge and leaky pipe or stream augmentation. Water use efficiency goals by the Dept. of Health are to reduce average day per capita water use by 5% over ten years; and reduce distribution system leakage below the Dept. of Health threshold of 10% within 6 years.

She identified adjacent purveyors including 17 within the City and 23 in the Dungeness region and discussed options for service. You need to consider what the City gets out of this by looking at the existing system; reviewing the water quality; what water rights are available; distribution system improvements; cost impacts to the City; and operation and maintenance.

They reviewed alternatives for providing regional sewer service to Carlsborg, Sunland and Blyn. To provide regional sewer service there would need to be improvements by 2025.

7. Water System Master Plan

Public hearing opened on Water System Plan at 8:17 p.m. It should be noted the discussion above covers both the Sewer and Water System Master Plans.

There was concern about age and deterioration of both water and sewer system pipes. Haines stated the systems are safe. There was brief discussion concerning water and sewer systems within the City that are not owned by the City. Most of the water systems existed prior to being annexed into the City.

Public Comment:

Judy Larson, 1070 W. Palo Verde Loop, pointed out the area in which she lives is not in the UGA as is incorrectly shown on the map. She was curious about the total water rights available in the 17 water purveyors. There was recently an agreement with the Evergreen Water System operated by PUD, but currently they provide water to Bell Hill. She would like to know about the current status of Pioneer Park still being on a septic system. Using the Port Williams area is a good idea and hopes you would not interfere with Graysmarsh area.

Public Hearing closed at 8:33 p.m.

Dubois asked about an annexation policy that was once requested and not brought forth. She would like to see it again. She asked if there is a well and septic policy.

The Water and Sewer Plans will come back to Council at the next meeting.

8. Resolution R-2013-10 adopting Utility Rate Study

Public Hearing opened at 8:35 p.m.

Burkett stated there are three basic reasons for a rate study like this. It is a good business practice; we are looking at \$20M in improvements in infrastructure; and there are legal requirements based on state law and court opinions for an outside, objective rate study. Approving the study doesn't raise our rates, but this is the first step in the process that could come to you at budget time. A revised resolution was provided to Council for consideration.

Haines reminded Council the nature of the numbers tried to put us in a position to not over-estimate the revenue coming in. It is a conservative look at a revenue stream.

Public Comment:

Judy Larson, 1070 W. Palo Verde Loop, questioned some numbers on GFCs in the PowerPoint presentation of sewer improvements due to growth in comparison of monthly utility rates with PUD, Port Angeles and Port Townsend and who makes up the difference in the rates.

Burkett said the reference to the GFC rates is related to the maximum that we could charge under law now which is more than what we do charge and that we phase over the next 6 years.

Haines said GFCs are calculated on growth related projects only. With the agreement of the PUD on the Eagle Crest area, they are City customers paying City rates so there is no substantiation going on to make up the difference.

Miller said according to the study, GFCs cover future facility components and a buy-in of existing facilities. Haines said because there hasn't been much change from the past study, there was not a big need to change it for additional projects identified in the master plan.

Erichsen said based upon what he has heard tonight, we have adequate capacity for water and sewer for 20 years. This study is about raising our taxpayers' rates. Why would we consider raising the rates if we can last for 20 years? Haines said we do not have to raise the rates; it is a strategic approach of incremental spending in time. By making capital improvements, you will have other operational problems that will cost us. When we replace pipes they will be competent for 50-60 years. We should have done some of this work 20 years ago. The system isn't in the best shape and there are elements that will fail. We can build fewer things in the CIP; it is a risk on whether we spend now or later. Money is cheap to borrow now to keep our debt service low. The ending fund balance is strong so we can spend money on infrastructure. You don't want your fund balance below \$2M. Our costs will go up by inflation each year.

Burkett said we do have enough water rights and sewer capacity for the next 20 years, but that is only one of the major factors in the cost of operating and managing a utility. The cost of staffing will go up around 3% a year; the renovation and replacement of pipes discussed in the plan need to be replaced; and eventually we will need to acquire more water rights and expand the systems.

Haines said our current rate structure includes some things other cities don't include. All of the storm water expenses are picked up by water and sewer funds. We have reuse water that needs to be sold. Storm water needs should be identified and decide if a utility is necessary. We know how much revenue is needed.

Public Hearing closed at 9:07 p.m.

MOTION to adopt Resolution No. R-2013-10 to accept and approve the User Fee and General Facility Charge Study for the Water and Sewer Utilities by Dubois; second by Pratt.

Ritchie mentioned the resolution referenced in the motion is the revised motion provided to Council tonight; he identified the changes.

Amendment to motion: Motion to bifurcate the resolution therefore clause, the first for item 1 and the second for item 2 by Miller; second by Erichsen.

Hays is not in favor of bifurcating the motion. We are getting hung up on something we are not ready to discuss. Dubois agrees as we are not setting rates tonight.

Erichsen is in favor of separating the two because he believes we are setting rates by approving the second clause. The study was done putting the cart before the horse. He doesn't disagree that in our retirement incomes that we take care of what needs to be done to maintain. We are conservative with our money and not trying to build empires in the future. By increasing our rates to build empires for the future, it isn't appropriate because we can't afford it. We have enough capacity for what we have. If we need to change things in the future, that is what GFCs are for due to growth. We pay rates now to maintain our system. Trying to promote growth by building the empire to prepare for the future is not something we are prepared to do. We need to be sensitive to the way our citizens live. Let's reconsider the second part of the resolution and not put the cart before the horse.

Hays feels we have a responsibility to plan for the future. Dubois agrees it is a study that will help us plan for the future. We are not adopting any rate increase, but accepting a study to help fix problems that are inadequate.

Vote on Amendment to Motion: Aye by Erickson and Miller; Nay by Smith, Starr, Dubois, Pratt and Hays. **Motion fails 2-5.**

Vote on original Motion: Aye by Smith, Starr, Dubois, Pratt and Hays; Nay by Erickson and Miller. **Motion passes 5-2.**

CONSENT AGENDA

9. Approve/Acknowledge
 - a. City Council Meeting Minutes – May 13, 2013
 - b. City Council Meeting Minutes – May 20, 2013
 - c. Claim Voucher Recap dated 5/28/13 total payments \$612,858.52

MOTION to approve as presented made by Dubois; second by Miller. **Unanimously approved.**

UNFINISHED BUSINESS

10. Forks Jail Contract

MOTION to approve the interlocal agreement regarding prisoner confinement services at the Forks jail, for the period of June 2013 through June 2016, and authorize the Mayor to sign the documents by Dubois; second by Miller. **Unanimously approved.**

NEW BUSINESS

11. Civic Center Project

Burkett indicated Court Olson wanted to discuss Council options for “sensible sustainability” in the design of the buildings. We need to know whether we want sensible sustainability for the RFQ.

There was consensus was to have a special meeting on June 3 at 5:00 p.m.

GOOD OF THE ORDER

EXECUTIVE SESSION

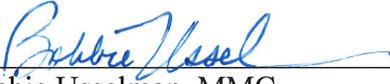
Hays announced an executive session to last 10 minutes to discuss property acquisition and action is anticipated. Recessed at 9:36 p.m. Resumed at 9:46

MOTION to authorize the City Manager to negotiate purchase of a parcel of property or obtain an option, subject to Council approval, subject to a reasonable price by Miller; second by Dubois. **Unanimously approved.**

ADJOURNMENT

Meeting adjourned at 9:47 p.m.

Respectfully submitted,



Bobbie Usselman, MMC
Deputy City Clerk



Ken Hays
Mayor

Minutes approved at a regular Council meeting held on June 10, 2013.