

**CITY OF SEQUIM
PLANNING COMMISSION MINUTES
SEQUIM CIVIC CENTER
152 WEST CEDAR STREET
SEQUIM, WA
MARCH 3, 2020**

1. **CALL TO ORDER, PLEDGE OF ALLEGIANCE & ROLL CALL:** Carter, Mahalick, Protze, Wiseman.

Present: Jeff Carter, Karen Mahalick, Olaf Protze, Roger Wiseman

2. **APPROVAL OF MINUTES: January 21, 2020**

MOTION to approve the Minutes of the January 21, 2020 Planning Commission meeting; moved by Mahalick and seconded by Protze.

Carried Unanimously.

3. **PUBLIC COMMENT**
None

4. **NEW BUSINESS**

- a. **Utility Rates and Fees**

Public Works Director David Garlington stated that a consultant will do a rate study; by law utilities must pay for themselves; last year sewer rates decreased and water rates did not change; the general fund cannot be used for utilities, and utility funds can only be used for utilities and stormwater; Sequim does not have a stormwater utility; Council direction is to not pursue stormwater projects for three years; Council goals can be pursued through the structure of rates and general facility charges (GFCs); and, the last rate study was five years ago.

Garlington stated that the goal is to charge each customer class (residential, commercial, etc.) in proportion to use, so one customer class does not subsidize another; about 30 customers participate in a low-income program; Council asked about ways to help low-income residents, and the consultant will look into it; water conservation can be promoted using tiered rates where the cost per cubic foot of water used is lower for usage below baseline, then rises for usage above baseline; tiered rates can be costly to administer; and, when water use drops rates must increase to collect revenue needed to operate the system.

Garlington stated that GFCs are a one-time fee for new connections covering the cost of buying into the existing system, and expansion that is needed as the City grows; GFC

revenue can be used for sewer or water projects, but not routine repairs and maintenance; and, new projects can be funded using reserves, grants, loans, or paid for by developers.

Garlington stated that utility rates include a volumetric charge and a base fee, which ensures revenue needed for maintenance will be collected regardless of the amount of water used; some customers' consumption is below baseline so they do not incur a volumetric charge, whereas others incur a large volumetric charge; Council may recommend eliminating the tiered rate structure for commercial users; the general fund can borrow from water and sewer funds, but must pay back with interest; the City avoided interest fees by paying off sewer debt last year, and currently has no water or sewer debt; the consultant will look for a fair way to calculate GFCs for buildings that have both commercial and residential uses; and, per policy if a customer has a leak we forgive a portion of the bill, but it's often the same customers so we'll look at making it tougher.

Protze asked how the City billed for connections in Carlsborg and at the Casino. Garlington stated that fees for connections outside the City are based on negotiated contracts; there was excess capacity at the wastewater plant; a consultant looks at the value of the transmission route and factors in depreciation, determines what percent of capacity will be used and the cost per gallon to process wastewater, and calculates appropriate rates and fees.

Protze asked about plans to expand the reclaimed water system. Garlington stated that during summer all reclaimed water gets used, but in winter most goes to the strait; we're looking into the possibility of using reclaimed water for groundwater recharge and getting credit from the Department of Ecology; and, with tight-lining of irrigation ditches it is more important to recharge the aquifer. Garlington showed slides from a study comparing utility costs for a new single-family home over a 7-year horizon in Sequim to three other locations: 1) Port Angeles, 2) County Septic/PUD water, and 3) County Septic/Well. Port Angeles had the lowest cost, Sequim was higher, County Septic/PUD was higher than Sequim, and County Septic/Well was highest. Protze stated that realtors are likely more concerned with up-front costs than a 7-year horizon, and by offering lower costs up front we could attract more people expanding the customer base to cover ongoing rates. Garlington stated that if the City lowers up-front costs, builders are still likely to sell homes at market price.

b. Discussion Items for Future Work Sessions

Carter shared materials from a Short Course on Local Planning that he attended and stated that providing these materials, along with a copy of the Comprehensive Plan, would help new Commissioners. Wiseman suggesting including the City's Mission, Vision & Values, City Council Goals, and the Bylaws and Rules of Procedure. Carter suggested including SMC 2.36.

Carter stated that five applications were received for openings on the Planning Commission and interviews are scheduled for Friday; and, that perhaps the Commission could have written goals like the City Council does. Wiseman liked the idea of basing it

on Council's goals. Carter stated that the City Clerk is working on an update of Council Rules & Procedures, and would to explore the idea of having the same rules and procedures apply to other boards and committees. Hasbrouck stated that she and the City Clerk cover each other's duties during absences, and it would streamline work if the same rules and procedures applied to the City Council and Planning Commission. Carter stated at the Planners Forum in Poulsbo a planner told him that his jurisdiction began work on their Comprehensive Plan update 2-1/2 years in advance, and held about fifty public meetings. Mahalick stated that the Sequim Planning Commission started thinking about an update as soon as the current Plan was completed but it fell through the cracks; she had asked for revised Rules of Procedure and that fell through the cracks; and, we need a better system for follow-up.

Carter stated that a list of opportunities to serve as liaison to boards and committees is sent to City Councilors in January each year, and asked Commissioners if they would be interested; and, he would be interested in the Parks Board. Wiseman stated that it was a good idea for Councilors, but whether the Planning Commission needs to do it is something for discussion. Carter stated that he could ask the City Clerk to include the Planning Commission when that list goes around. Wiseman stated that if a Commissioner chose to volunteer, a report could be shared at Commission meetings during Good of the Order.

Carter stated that Community Development Director Berezowsky told him that the code scrub is ongoing so it would be good for the Commissioners to bring code concerns to Berezowsky; many sections of the code refer to other sections of the code; and, it would be more clear if the full verbiage of what the referenced part of the code says was printed, rather than just a referenced section number.

Carter stated that on the City Council agenda under public comment there are printed instructions; and, that Council has been limiting public comments to three in favor and three opposed to MAT, and three about other topics. Protze stated that it's good to allow comment until all who wish to speak have spoken, but to keep it at three minutes each. Carter stated that a certificate signed by the Mayor stating that they were appointed as Planning Commissioners would be good to have. Carter provided list of potential topics for future work sessions, and Mahalick stated that she would like to prioritize the Comprehensive Plan update. Carter asked Hasbrouck to place it on the agenda for the next meeting.

5. UNFINISHED BUSINESS
None

6. DIRECTOR'S REPORT
None

7. GOOD OF THE ORDER

Protze stated that this weekend is the first annual Sunshine Festival, and it will feature a light show created by flying drones.

8. ADJOURNMENT

MOTION to adjourn; moved by Protze and seconded by Mahalick.
Carried unanimously.

Adjourned at 7:15 p.m.

Respectfully submitted,

Alisa Hasbrouck 7/7/20
Alisa Hasbrouck
Secretary to the Planning Commission

Jeff Carter 7/10/20
Jeff Carter
Chair

Minutes approved at a regular meeting held 7/7/2020.