



McCleary City Council Agenda

October 26th, 2016- 6:30 PM

Flag Salute

Roll Call: ___ Pos. 1- Orffer, ___ Pos. 2-Richey , ___ Pos. 3- Peterson, ___ Pos. 4- Blankenship, ___ Pos. 5- Ator

Presentation **Greater Grays Harbor- Dru Garson**

Public Hearing **McCleary Road Annexation**

Public Hearing **Property Tax Levy**

Public Hearing **Preliminary Budget**

Mayor Comments **Budget**

Public Comment

Executive Session

Minutes **Tab A** 2 sets Introduction **X** Action **X**

Approval of Vouchers Introduction **X** Action **X**

Purchase Orders

Staff Reports **Tab B** Dan Glenn

Tab C Todd Baun

Old Business **Tab D** AFG Grant Writer

New Business **Tab E** Lemay Rates

Tab F Pole Attachment Rates

Ordinances **Tab G** Grinder Pump Allowance

Tab H McCleary Road Annexation

Tab I Ad Valorem

Resolutions

Mayor Council Comments

Public Comments

Executive Session

Adjournment or Recess Meeting

Please turn off Cell Phones- Thank you

Americans with Disabilities Act (ADA) Accommodation is Provided Upon Request

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CITY OF MCCLEARY
Regular City Council Meeting
Wednesday, September 28, 2016

ROLL CALL AND FLAG SALUTE	Councilmembers Orffer, Richey, Peterson, Blankenship, and Ator were in attendance.
ABSENT	None. Councilmember Orffer attended by phone.
STAFF PRESENT	Present at the meeting were Todd Baun, Wendy Collins, Chief Crumb and Dan Glenn.
PUBLIC HEARING	None.
PUBLIC COMMENT	Helen Hamilton emphasized her support in the City funding the Children's Advocacy Program. Mayor Schiller informed her that it will be included in the 2017 budget.
EXECUTIVE SESSION	At 6:32 p.m., Mayor Schiller called for an Executive Session per RCW 42.30.110(i) for ten minutes. The Executive Session ended at 6:42 p.m. No action was taken.
MINUTES APPROVED	It was moved by Councilmember Ator, seconded by Councilmember Richey to approve the September 14, 2016 minutes. Motion Carried 5-0.
VOUCHERS	Accounts Payable vouchers/checks approved were 41625 - 41683 including EFT's in the amount of \$135,772.76. It was moved by Councilmember Peterson, seconded by Councilmember Richey to approve the vouchers. Motion Carried 5-0.
CITY ATTORNEY REPORT	Dan Glenn provided a report for the Council to review.
DIRECTOR OF PUBLIC WORKS REPORT	Todd Baun provided a report for the Council to review.
MAYOR'S COMMENTS	Mayor Schiller received alarming information on the state of the budget for capital improvement projects for the utilities from the FCS rate study. He will be arranging a Council workshop to go over the findings of the study and discuss options.
RAINIER COMMUNICATIONS FRANCHISE AGREEMENT	Tabled.
EVERGREEN CONSULTING GROUP CONTRACT	It was moved by Councilmember Orffer, seconded by Councilmember Ator to authorize the Mayor to sign the contract with Evergreen Consulting Group. Motion Carried 5-0.
COASTAL COMMUNITY ACTION PROGRAM (CCAP)	It was moved by Councilmember Ator, seconded by Councilmember Richey to authorize the Mayor to sign the annual agreement with Coastal Community Action Program. Motion Carried 5-0.
INTERLOCAL MCCLEARY SCHOOL	It was moved by Councilmember Richey, seconded by Councilmember Blankenship to authorize the Mayor to sign the Interlocal Agreement with the McCleary School District provided that the cost not exceed \$500 without the prior approval of the District's Superintendent. Motion Carried 5-0.
GRINDER PUMP ALLOWANCE	Tabled for clarification between the two ordinance versions.
SEPA EFFICIENCY PROCESS	Tabled.
RV PARKING ORDINANCE	It was moved by Councilmember Orffer, seconded by Councilmember Blankenship to adopt Version C of Ordinance 821, an ordinance relating to parking; adding a new section to Chapter 10.20 of the Municipal Code; superseding any ordinance inconsistent with its terms; and providing an effective date. Roll Call taken in the affirmative. Ordinance Adopted 5-0.
PUBLIC COMMENT	None.

MEETING ADJOURNED

It was moved by Councilmember Ator, seconded by Councilmembers Peterson and Richey to adjourn the meeting at 7:10 pm. The next meeting will be Wednesday, October 12, 2016 at 6:30 pm. Motion Carried 5-0.

Approved by Mayor Brent Schiller and Clerk-Treasurer Wendy Collins.

CITY OF MCCLEARY
Regular City Council Meeting
Wednesday, October 12, 2016

ROLL CALL AND FLAG SALUTE Councilmembers Orffer, Peterson, Blankenship, and Ator were in attendance.

ABSENT Councilmember Richey was absent. **It was moved by Councilmember Orffer, seconded by Councilmember Ator to excuse Dustin Richey's absence. Motion Carried 4-0.**

STAFF PRESENT Present at the meeting were Todd Baun, Wendy Collins, Chief Crumb, Paul Nott, Jeffrey Catterlin and Dan Glenn.

PUBLIC HEARING At 6:30 pm the Public Hearing opened on the 2017 Projected Revenues. Todd Baun presented a PowerPoint presentation and explained how the City receives its revenues and from what sources. He also explained why they are allocated to specific funds. The Public Hearing closed at 6:42 pm.

EXECUTIVE SESSION None.

MINUTES APPROVED None.

VOUCHERS Accounts Payable vouchers/checks approved were 41687 - 41725 including EFT's in the amount of \$138,401.32

It was moved by Councilmember Ator, seconded by Councilmember Peterson to approve the vouchers. Motion Carried 4-0.

MAYOR'S COMMENTS Mayor Schiller spoke regarding an article in the Vidette that recently was published which talked about utility rate hikes going up to 20%, which has a lot of people scared. The City hired FCS to perform a rate study, and based off of the capital projects that should be done, and a safe reserve balance, they recommended a rate increase to meet those goals. They recommended a 20% increase in power to meet all of the stated goals. As a City, we know if we are to make infrastructure improvements, we have to entertain all the options available. The 20% shock value will be taken off the table, however, we will have to review what we need to accomplish and how much that will cost. The City knows we have fixed income residents, elderly and struggling families. We do not want to create a hardship. We have to set goals on maintaining and operating our utilities and we need to figure out how to fund it.

The reserves that are required are also an issue. Last year, the auditor's office requested the City perform a rate study to find out what type of surplus the City should have. Along with the rate study, they did suggest 90 days for a reserve amount, however, that will be very difficult to accomplish. The City would like to set a reasonable goal that we can build toward without greatly impacting the rate payers.

PUBLIC COMMENT Tim Hamilton read and commented on an email he sent to the Council regarding grinder pumps. He received a response from Jane Hewitt from Grays Harbor County stating she received an informal notice from the applicant (whom requested the grinder pump authorization from the City) that the project may be revised to 7-lots with on-site septic systems. She has not received a revised submittal from the applicant. Until the County hears back, the project appears to be on hold, allowing the City Council to take their time to make sure they can research it thoroughly and make a sound decision.

Evert Challstedt is concerned about the draw down of the aquifer. The more dense the development out on the prairie, the more draw down will occur. He thinks the City really needs to focus on is another source for water. It was in the Comprehensive Plan years ago, which is now out of date and should be brought up to current status.

Mayor Schiller said the City is dying. We are trying to bring people here to live. If we are pushing our boundaries to bring more people in, then we might have to. We are offering all ideas up as an option. We have to be open-minded to bring in more rate payers.

CITY ATTORNEY REPORT Dan Glenn provided a report for the Council to review.

DIRECTOR OF PUBLIC WORKS REPORT	Todd Baun provided a report for the Council and is available if they have any questions.
ORDINANCE 822 RAINIER COMMUNICATIONS FRANCHISE AGREEMENT	It was moved by Councilmember Ator, seconded by Councilmember Orffer to Adopt Ordinance 822 granting a nonexclusive telecommunications franchise to Mashell Telecom, Inc., a Washington Corporation, setting forth terms and conditions, providing an effective date and severability with an amendment in Article III., Section 1., B. and C. changing the language from "a reasonable time" to 14 days. Roll call taken in the affirmative 4-0. Ordinance Adopted.
POLE ATTACHMENT - AGREEMENT	It was moved by Councilmember Ator, seconded by Councilmember Orffer to authorize the Mayor to sign the Pole Attachment License Agreement. Motion Carried 4-0.
AFG GRANT WRITER	Tabled. Councilmember Ator would like to look at hiring a joint grant writer with other local cities and share the cost.
POLICEONE ACADEMY	It was moved by Councilmember Ator, seconded by Councilmember Blankenship to authorize the Mayor to send the McCleary Police Officers to the PoliceOne Academy training for an annual cost of \$575.00. Motion Carried 4-0.
BIAS 2017 ANNUAL SERVICE AGREEMENT	It was moved by Councilmember Ator, seconded by Councilmember Peterson to authorize the Mayor to sign the 2017 BIAS Annual Service Agreement. Motion Carried 4-0.
ITRON MAINTENANCE CONTRACT	Itron is the meter software that we use to read our meters with. It was moved by Councilmember Orffer, seconded by Councilmember Peterson to authorize the Mayor to sign the Itron Contract. Motion Carried 4-0.
TCMS CHILLER MAINTENANCE AGREEMENT	The wastewater treatment plant has a 60-ton chiller that we use six-months out of the year to cool water that comes through the treatment plant before it gets released to the creek. It has to be a certain temperature to meet State regulation. The chiller is ten years old now and last year there was a maintenance issue that was costly. TCMS will perform preventative maintenance, which will help the chiller to run properly and prevent expensive mechanical failures. It was moved by Councilmember Orffer, seconded by Councilmember Peterson to authorize the Mayor to sign the TCMS Maintenance Agreement and amend item #11 to read "3 years". Motion Carried 4-0.
GH COUNTY TAX LEVY REFUND AUTHORIZATION	Each year adjustments are made to the tax rolls after the taxes have been calculated and billed. The City of McCleary has an option to collect a refund levy in the amount of \$1,209.68. Historically, the Council has authorized the tax levy refund and staff requests the same action for this year. It was moved by Councilmember Orffer, seconded by Councilmember Ator to authorize the Mayor to sign the refund levy. Motion Carried 4-0.
GRINDER PUMP ALLOWANCE	Tabled. Councilmember Ator would like to have more time to review the topic because this is a brand new Council that needs time to do this right. Todd Baun clarified that this allowance is only to allow grinder pumps into our system. It has nothing to do with going outside the city limits or going down any specific roads into certain developments. It is specifically to allow grinder pumps into our system. Councilmember Ator asked Dan Glenn to confirm that is the intention of the allowance and Dan stated that this is for initial review and is as Mr. Baun presented. Councilmember Orffer asked Dan Glenn if he would highlight the changes when making a new version of a resolution or ordinance so the Council has an easier time seeing the difference. She said it's time consuming to review word-for-word to find the differences between them. Mr. Glenn agreed to Councilmember Orffer's request.
ORDINANCE 823 SEPA EFFICIENCY PROCESS	It was moved by Councilmember Orffer, seconded by Councilmember Blankenship to adopt Ordinance 823 relating to environmental protection, implementing a modification of the exemption thresholds for certain projects, amending section 18.04.250, providing for an effective date, severability, and correction. The council requested page 2 be amended by stating the Fill and Excavation allowance be changed to 500 cubic yards. Roll call taken in the affirmative 4-0. Ordinance Adopted.
PUBLIC COMMENT	Joy Iverson announced this Saturday will be the health fair at Summit Pacific Hospital. Evert Challstedt thinks apartment complexes would be a good addition and should be addressed as the City moves forward on our planning process.

Mayor Schiller hopes we can find something out about the investment group that has been purchasing properties in McCleary. Helen Lake said she was approached by the investment people that bought property along Summit Road and Larson Road. She is very curious about what they are planning to do with all the properties they are purchasing.

MEETING ADJOURNED

It was moved by Councilmember Ator, seconded by Councilmember Orffer to adjourn the meeting at 7:59 pm. The next meeting will be Wednesday, October 26, 2016 at 6:30 pm. Motion Carried 4-0.

Approved by Mayor Brent Schiller and Clerk-Treasurer Wendy Collins.

MEMORANDUM

TO: MAYOR AND CITY COUNCIL, City of McCleary
FROM: DANIEL O. GLENN, City Attorney
DATE: October 20, 2016
RE: LEGAL ACTIVITIES as of OCTOBER 26, 2016

THIS DOCUMENT is prepared by the City Attorney for utilization by the City of McCleary and its elected officials and is subject to the attorney-client privileges to the extent not inconsistent with laws relating to public disclosure.

1. **REAL ESTATE TAX LEVY ESTABLISHMENT A/K/A AD VALOREM:** As required by law, Ms. Collins has given notice of the public hearing on this matter. She has been provided the information received from Ms. Bednarik of the Assessor's Office. The calculation of the allowed figure is always something which requires the utilization of aspirin during the process.

From the attorney's legal standpoint, the following are the basic guidelines:

A. Under the provisions of RCW 84.55.0101, the maximum amount by which it may be increased over that imposed/collected in the 'prior" year a/k/a 2016 is 1 percent, not taking into consideration any result from the addition of values tied to new construction, annexations, etc. That authority was exercised last year. It, along with the recaptured revenue resulting from the "relevy" action taken last year, meant the Assessor's Office concluded the City collected \$263,082.31 in real estate tax revenue. However, the calculations are still going on. Thus the draft ordinance I have provided utilizes the figures provided by Ms. Bednarik, but seeks to make clear if the ultimate figures determined to be applicable provide for a higher amount within that 1percent limit, that is the amount to be applied. (I would note that even though the building occupied by Summit Pacific is privately owned, based upon a response I received to my query to Ms. Bednarik in that regard, there will be no additional real estate tax revenue received by the City? Why? There is a

special tax exemption which was adopted making property leased by a hospital district exempt from such taxation.)

B. As to adoption of the ordinance, it is subject to adoption this evening, if you so choose. The Assessor has indicated he anticipates all will have their ordinances to his office by the middle of the month. Under the provisions of the cited statute, adoption will require the affirmative vote of four of you since the statute requires that "...a majority plus one must approve..."

2. **ANNEXATION REQUEST HEARING:** The request of CHM Homes, Inc., to annex their property is before you this evening. I have been assured that appropriate notice has been published and posted upon the property. If after the hearing you decide to move forward, I have provided a draft ordinance which would authorize the annexation setting the zoning classification as single family. Given the requirements imposed by the County in terms of annexation, it will have to be submitted to the Boundary Review Board for review and notification given to affected agencies, such as the Fire District and the County. Hopefully, unlike the pending Elma annexation, there will be no objection and the Chair of the Board will exercise the discretion to waive further review.

3. **SOLID WASTE RATE MODIFICATION:** As you are aware, we have an existing contract with LeMay for solid waste disposal services. Pursuant to the contract, there is the right to obtain a rate increase annually tied to a percentage of the CPI. The Company's representative, has provided the proposed rate modifications as an attachment to the letter of which I am certain you will be provided a copy for your information. The change reflects, as to the standard rates, a modification of 1.78 percent. Since any rate change for this utility must carry with it a notification to the public at least 45 days in advance of the change, Ms. Collins will have to take the steps to publish the notice of the proposed change in rates as required by law.

I will have a resolution authorizing the rate modification for your review and consideration at your first meeting in November.

4. **GRINDER PUMP SYSTEM AUTHORIZATION ORDINANCE:** It is my hope that the review of this document will continue and any suggestions or requests which might result be directed to Mr. Baun and myself. Although it appears the consideration was triggered at this stage by the interest of Mr. Brogan in its utilization, if I understood Mr. Baun correctly the City has apparently already allowed a couple of single family connections using this system. Thus, regardless of what may happen in

relation to Mr. Brogan's project out on the Prairie, the benefit of having formal regulatory provisions in place remains.

As always, this is not meant to be all inclusive. If you have any questions or comments, please direct them to me.

DG/le

STAFF REPORT

To: Mayor Schiller
From: Todd Baun, Director of Public Works
Date: October 21st, 2016
Re: Current Non-Agenda Activity

Draft Budget

Please review the draft budget and let me know if you have any questions, concerns, or if you want to see anything in the budget.

STAFF REPORT

To: Mayor Schiller
From: Todd Baun- Director of Public Works
Date: September 26, 2016
Re: AFG Grant Writer

The Fire Department has been applying for the AFG (Assistance to Firefighters Grant). This grant is getting extremely competitive and the Firemen that have been completing this grant would like to have assistance with writing this grant. This grant is for Bunker gear, SCBA's and radios and they are requesting \$250,000 from the grant to purchase these items.

The proposed cost for The Ferguson Group to assist with the design, writing, and submission of a competitive 2016 Assistance to Firefighter Grant (AFG) federal grant application will cost \$5,959.00, which \$2,975.00 will be billed up front.

Action Requested:

Please discuss and decide if you want to allow The Ferguson Group to assist the Fire Department with the design, writing, and submission of a competitive 2016 Assistance to Firefighter Grant (AFG) federal grant application for a cost \$5,959.00.



1130 Connecticut Avenue, NW
Suite 300
Washington, D.C. 20036
202.331.8500
202.331.1598 fax

October 5, 2016

Mr. Todd Baun
Public Works Director
City of McCleary
100 South 3rd Street
McCleary, WA 98557

RE: Assistance to Firefighter Grant (AFG) Grant FY 2016

Dear Mr. Baun:

The Ferguson Group, L.L.C. (TFG)/eCivis Grant Writing Team appreciates the opportunity to provide this technical cost proposal to the City of McCleary to assist with the design, writing, and submission of a competitive 2016 Assistance to Firefighter Grant (AFG) federal grant application. The 2016 AFG officially begins October 11, 2016 and the deadline for application submission is November 18, 2016.

TFG/eCivis understands that City of McCleary Fire Department will request funding to purchase Self Contained Breathing Apparatus (SCBA) and turnout gear. Under the AFG program, SCBAs and turnout gear are classified as Personal Protective Equipment (PPE). AFG funds used to acquire PPE may only be used to acquire compliant PPE for firefighting personnel. Only the acquisition of PPE compliant with the most current edition of NFPA 1971, 1976, 1977, 1981, and 1999 are eligible activities. The acquisition of used, refurbished, or updated PPE will be ineligible for reimbursement. PPE requested should have the goal of increasing firefighter safety. When requesting to replace obsolete or damaged PPE (e.g., turnout gear and SCBA), applicants will be asked to provide the age of the items being replaced.

According to AFG's 2016 priorities, Departments replacing obsolete or damaged PPE would be considered a competitive request. In order for PPE to be considered obsolete, the items must be a minimum of two NFPA cycles and 10 years of age or older from the date they were manufactured. The City understands that if the items requested do not meet the definition of "obsolete" that the application will be less competitive. The City of McCleary also understands that the AFG program requires a match. Fire Departments serving a jurisdiction of 20,000 residents or fewer must provide a cash match of not less than 5% of the grant awarded.

As part of the service offering, TFG/ECivis will work with the McCleary Fire Department to complete the entire AFG application, including:

- 1) Assisting in defining the most competitive project scope
- 2) Entering all required data into the online FEMA platform
- 3) Drafting and finalizing required narratives, including:

- a. Critical Infrastructure
- b. Firefighter Training
- c. A description of your organization and the community you serve
- d. Need for Federal Financial Assistance
- e. Budget Detail language
- f. Project Description
- g. Cost-Benefit Analysis
- h. Statement of Effect

As the federal grants consultant for ECivis, TFG will work at the direction of the City of McCleary. TFG will prepare all federal grant application forms, as well as the project narrative that is required as part of the application, and provide to the City a completed application prior to the grant deadline. The City of McCleary will be responsible for providing TFG with the required data, all log in information for the FEMA grant portal, participate on grant conference calls and provide any additional documentation or information requested by the grant writer.

Based on the above parameters, TFG proposes to be compensated through a set retainer fee of \$5,950.00 for all time expended for professional services. TFG will invoice the City of McCleary for one half of the professional fee retainer \$2,975.00 as a deposit upon signing the contract. Work will be billed against the initial deposit, and all work billed thereafter will be invoiced at the end of the month for payment. Any expenses incurred in this effort will be billed separately, and TFG expects payment within 30 days. A detailed time billing summary will be provided.

Heidi Schott, TFG Grant Services Manager, will be responsible for managing the project, and we may call upon other employees of our firm to assist in this engagement on an as-needed basis.

TFG appreciates the opportunity to work with the City of McCleary. If this letter correctly reflects your understanding of the terms and conditions of TFG's representation, please indicate your acceptance by signing two originals of this letter and returning one to us for our records.

Sincerely,



W. Roger Gwinn
Chief Executive Officer

ACKNOWLEDGED AND AGREED TO BY:



W. Roger Gwinn Todd Baun
Chief Executive Officer Public Works Director
The Ferguson Group, LLC City of McCleary

October 5, 2016

Date

Date



HAROLD LEMAY ENTERPRISES, INC.

4201 Olympic Hwy, Aberdeen, WA 98520

Phone 360-533-1251

October 4, 2016

Mayor and Council Members
City of McCleary
100 South 3rd Street
McCleary, WA 98557

Re: Contract for Garbage, Recyclables and Yard Waste Collection, Annual Increase

Dear Mayor Schiller and Council Members,

The Company is requesting the garbage and recycling rates be increased effective January 1, 2017 pursuant to item 32 of the Garbage and Curbside Recycling Contract.

The Consumer Price Index for one year ending June 2016 has increased 2.22%. The contract allows 80% of the CPI for a 1.78% increase in the existing rates and the pass through of any disposal increase.

CPI adjustments require the County to increase the disposal fee at the Central Transfer Station effective January 1, 2017. The disposal fee will increase by \$1.53 a ton. The current rate of \$95.20 per ton will change to \$96.73 per ton.

If you have any questions or would like to discuss the calculations, we would be happy to meet at your convenience. I can be reached at (360) 533-8286 or rogers@wasteconnections.com . It's always a pleasure working with you.

Your consideration is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Roger Swalander", written over a light blue horizontal line.

Roger Swalander
Site Manager

Cc: Jeff Harwood, Alex Johnson, John Spevak, Dan Schooler, Tom Rupert, Delroy Cox,

McCleary Rate Worksheet

2017

Current Gate Rate \$ 95.20
 New Gate Rate \$ 96.73
 Gate Rate Increase \$ 1.53
 Per Pound Increase 0.0008

CPI 2.22%
 City % of CPI 80%
 Adjusted CPI 0.0178

Item I. <u>Residential Service</u>	Adjustments				Proposed Rate	Summary	
	Current Rate	CPI	Disposal	Other Adj		Total Adj	Delta %
65/30 Gallon Monthly	\$ 10.53	\$ 0.19	\$ 0.03		\$ 10.74	\$ 0.21	2.02%
65 Gallon Monthly	\$ 14.45	\$ 0.26	\$ 0.05		\$ 14.76	\$ 0.31	2.13%
65 Gallon EOW	\$ 20.03	\$ 0.36	\$ 0.11		\$ 20.50	\$ 0.47	2.34%
65 Gallon Weekly	\$ 30.89	\$ 0.55	\$ 0.22		\$ 31.66	\$ 0.77	2.50%
Additional 65 Gallon (each)	\$ 9.26	\$ 0.16	\$ 0.05		\$ 9.48	\$ 0.22	2.33%
90 Gallon Monthly	\$ 16.34	\$ 0.29	\$ 0.08		\$ 16.71	\$ 0.37	2.25%
90 Gallon EOW	\$ 27.44	\$ 0.49	\$ 0.17		\$ 28.09	\$ 0.65	2.39%
90 Gallon Weekly	\$ 39.65	\$ 0.71	\$ 0.33		\$ 40.69	\$ 1.04	2.62%
Additional 95 Gallon (each)	\$ 13.18	\$ 0.23	\$ 0.08		\$ 13.49	\$ 0.31	2.36%
Return Trip	\$ 13.33	\$ 0.24			\$ 13.57	\$ 0.24	1.78%
Extra Unit [can, bag, box] (30 Gallon)	\$ 4.28	\$ 0.08	\$ 0.03		\$ 4.38	\$ 0.10	2.38%
Drive in Service	\$ 7.40	\$ 0.13			\$ 7.53	\$ 0.13	1.78%
Item II.							
<u>Commercial Cart Service</u>							
65 Gallon EOW	\$ 20.03	\$ 0.36	\$ 0.11		\$ 20.50	\$ 0.47	2.34%
65 Gallon Weekly	\$ 30.89	\$ 0.55	\$ 0.22		\$ 31.66	\$ 0.77	2.50%
90 Gallon EOW	\$ 27.44	\$ 0.49	\$ 0.17		\$ 28.09	\$ 0.65	2.39%
90 Gallon Weekly	\$ 39.65	\$ 0.71	\$ 0.33		\$ 40.69	\$ 1.04	2.62%
Return Trip	\$ 13.33	\$ 0.24			\$ 13.57	\$ 0.24	1.78%
Extra Unit [can, bag, box] (30 Gallon)	\$ 4.28	\$ 0.08	\$ 0.03		\$ 4.38	\$ 0.10	2.38%
Cart roll out charge each 5 to 25 ft	\$ 2.46	\$ 0.04			\$ 2.50	\$ 0.04	1.78%
For each added 25 ft	\$ 1.55	\$ 0.03			\$ 1.58	\$ 0.03	1.78%
Item III.							
<u>Permanent Commercial Container Service</u>							
1 cubic yard box							
One pickup per week	\$ 89.26	\$ 1.59	\$ 0.62		\$ 91.47	\$ 2.21	2.48%
Each additional dump per week	\$ 76.15	\$ 1.36	\$ 0.62		\$ 78.13	\$ 1.98	2.60%
Special or Additional pickup each	\$ 28.65	\$ 0.51	\$ 0.14		\$ 29.30	\$ 0.65	2.28%
1.5 cubic yard box							
One pickup per week	\$ 137.63	\$ 2.45	\$ 0.94		\$ 141.02	\$ 3.39	2.46%
Each additional dump per week	\$ 121.04	\$ 2.15	\$ 0.94		\$ 124.13	\$ 3.09	2.55%
Special or Additional pickup each	\$ 40.69	\$ 0.72	\$ 0.22		\$ 41.63	\$ 0.94	2.31%
2 cubic yard box							
One pickup per week	\$ 176.41	\$ 3.14	\$ 1.25		\$ 180.80	\$ 4.39	2.49%
Each additional dump per week	\$ 149.22	\$ 2.66	\$ 1.25		\$ 153.12	\$ 3.90	2.62%
Special or Additional pickup each	\$ 52.41	\$ 0.93	\$ 0.29		\$ 53.63	\$ 1.22	2.33%
3 cubic yard box							
One pickup per week	\$ 232.39	\$ 4.14	\$ 1.87		\$ 238.40	\$ 6.01	2.59%
Each additional dump per week	\$ 203.40	\$ 3.62	\$ 1.87		\$ 208.89	\$ 5.49	2.70%
Special or Additional pickup each	\$ 70.56	\$ 1.26	\$ 0.43		\$ 72.25	\$ 1.69	2.39%
4 cubic yard box							
One pickup per week	\$ 311.15	\$ 5.54	\$ 2.50		\$ 319.18	\$ 8.03	2.58%
Each additional dump per week	\$ 279.60	\$ 4.98	\$ 2.50		\$ 287.07	\$ 7.47	2.67%
Special or Additional pickup each	\$ 93.05	\$ 1.66	\$ 0.58		\$ 95.28	\$ 2.23	2.40%

6 cubic yard box								
One pickup per week	\$ 456.91	\$ 8.13	\$ 3.74		\$ 468.79	\$ 11.88	2.60%	
Each additional dump per week	\$ 413.91	\$ 7.37	\$ 3.74		\$ 425.02	\$ 11.11	2.68%	
Special or Additional pickup each	\$ 121.64	\$ 2.17	\$ 0.86		\$ 124.67	\$ 3.03	2.49%	
8 cubic yard box								
One pickup per week	\$ 609.21	\$ 10.84	\$ 4.99		\$ 625.05	\$ 15.84	2.60%	
Each additional dump per week	\$ 551.88	\$ 9.82	\$ 4.99		\$ 566.70	\$ 14.82	2.68%	
Special or Additional pickup each	\$ 162.18	\$ 2.89	\$ 1.15		\$ 166.22	\$ 4.04	2.49%	

Temporary Commercial Container Service

1 yard temporary service								
Delivery	\$ 19.25	\$ 0.34			\$ 19.59	\$ 0.34	1.78%	
Rent per day	\$ 0.55	\$ 0.01			\$ 0.56	\$ 0.01	1.78%	
Each pickup	\$ 22.88	\$ 0.41	\$ 0.14		\$ 23.43	\$ 0.55	2.41%	
1.5 yard temporary service								
Delivery	\$ 19.25	\$ 0.34			\$ 19.59	\$ 0.34	1.78%	
Rent	\$ 0.55	\$ 0.01			\$ 0.56	\$ 0.01	1.78%	
Each pickup	\$ 30.02	\$ 0.53	\$ 0.22		\$ 30.77	\$ 0.75	2.50%	
2 yard temporary service								
Delivery	\$ 19.25	\$ 0.34			\$ 19.59	\$ 0.34	1.78%	
Rent	\$ 0.55	\$ 0.01			\$ 0.56	\$ 0.01	1.78%	
Each pickup	\$ 37.80	\$ 0.67	\$ 0.29		\$ 38.76	\$ 0.96	2.54%	
3 yard temporary service								
Delivery	\$ 23.15	\$ 0.41			\$ 23.56	\$ 0.41	1.78%	
Rent	\$ 0.87	\$ 0.02			\$ 0.89	\$ 0.02	1.78%	
Each pickup	\$ 70.57	\$ 1.26	\$ 0.43		\$ 72.26	\$ 1.69	2.39%	
4 yard temporary service								
Delivery	\$ 23.15	\$ 0.41			\$ 23.56	\$ 0.41	1.78%	
Rent	\$ 1.03	\$ 0.02			\$ 1.05	\$ 0.02	1.78%	
Each pickup	\$ 93.04	\$ 1.66	\$ 0.58		\$ 95.27	\$ 2.23	2.40%	
6 yard temporary service								
Delivery	\$ 26.04	\$ 0.46			\$ 26.50	\$ 0.46	1.78%	
Rent	\$ 1.56	\$ 0.03			\$ 1.59	\$ 0.03	1.78%	
Each pickup	\$ 121.64	\$ 2.17	\$ 0.86		\$ 124.67	\$ 3.03	2.49%	
8 yard temporary service								
Delivery	\$ 26.04	\$ 0.46			\$ 26.50	\$ 0.46	1.78%	
Rent	\$ 1.83	\$ 0.03			\$ 1.86	\$ 0.03	1.78%	
Each pickup	\$ 162.18	\$ 2.89	\$ 1.15		\$ 166.22	\$ 4.04	2.49%	

Access Fee Weekly (Monthly Charge)	\$ 8.33	\$ 0.15		\$ 8.48	\$ 0.15	1.78%
Access Fee EOW (Monthly Charge)	\$ 4.17	\$ 0.07		\$ 4.24	\$ 0.07	1.78%
Access Fee 2x Weekly (Monthly Charge)	\$ 16.67	\$ 0.30		\$ 16.97	\$ 0.30	1.78%
Lock Fee (each)	\$ 4.81	\$ 0.09		\$ 4.90	\$ 0.09	1.78%
Cable Fee (each)	\$ 9.62	\$ 0.17		\$ 9.79	\$ 0.17	1.78%
Return Trips, Containers	\$ 26.27	\$ 0.47		\$ 26.74	\$ 0.47	1.78%
Add'l Yard (1 to 4 cubic Yards)	\$ 22.78	\$ 0.41	\$ 0.14	\$ 23.33	\$ 0.55	2.41%
Additional Yard > 4 Yards	\$ 16.38	\$ 0.29	\$ 0.14	\$ 16.82	\$ 0.44	2.66%

Item IV.

Permanent Drop Box

10/20 cubic yard drop box						
First haul each month	\$ 219.93	\$ 3.91		\$ 223.84	\$ 3.91	1.78%
Each additional haul	\$ 139.93	\$ 2.49		\$ 142.42	\$ 2.49	1.78%
30 cubic yard drop box						
First haul each month	\$ 251.92	\$ 4.48		\$ 256.40	\$ 4.48	1.78%
Each additional haul	\$ 155.93	\$ 2.78		\$ 158.71	\$ 2.78	1.78%
	\$ 95.99					
40 cubic yard drop box						
First haul each month	\$ 276.26	\$ 4.92		\$ 281.18	\$ 4.92	1.78%
Each additional haul	\$ 178.33	\$ 3.17		\$ 181.50	\$ 3.17	1.78%

Temporary Drop Box

10/20 cubic yard drop box						
Delivery	\$ 138.87	\$ 2.47		\$ 141.34	\$ 2.47	1.78%
Rent per day	\$ 5.07	\$ 0.09		\$ 5.16	\$ 0.09	1.78%
Each pickup	\$ 143.14	\$ 2.55		\$ 145.69	\$ 2.55	1.78%
30 cubic yard drop box						
Delivery	\$ 138.87	\$ 2.47		\$ 141.34	\$ 2.47	1.78%
Rent per day	\$ 6.13	\$ 0.11		\$ 6.24	\$ 0.11	1.78%
Each pickup	\$ 165.53	\$ 2.95		\$ 168.48	\$ 2.95	1.78%
40 cubic yard drop box						
Delivery	\$ 138.87	\$ 2.47		\$ 141.34	\$ 2.47	1.78%
Rent per day	\$ 6.93	\$ 0.12		\$ 7.05	\$ 0.12	1.78%
Each pickup	\$ 196.46	\$ 3.50		\$ 199.96	\$ 3.50	1.78%

Customer owned compactor

20 cubic yard compactor drop box						
Each scheduled pickup	\$ 203.94	\$ 3.63		\$ 207.57	\$ 3.63	1.78%
30 cubic yard compactor drop box						
Each scheduled pickup	\$ 214.59	\$ 3.82		\$ 218.41	\$ 3.82	1.78%
40 cubic yard compactor drop box						
Each scheduled pickup	\$ 241.26	\$ 4.29		\$ 245.55	\$ 4.29	1.78%
Drop box lids per month	\$ 12.80	\$ 0.23		\$ 13.03	\$ 0.23	1.78%
Disposal rate per ton	\$ 95.20	\$ 1.53		\$ 96.73	\$ 1.53	1.61%

ITEM V.

Miscellaneous

Small Appliances, Furniture, etc	\$ 26.60	\$ 0.47		\$ 27.07	\$ 0.47	1.78%
Large Appliances, Refrigerators, Freezers	\$ 60.96	\$ 0.02		\$ 60.98	\$ 0.02	0.03%
Special haul rate packer-load & travel time	\$ 51.31	\$ 0.91		\$ 52.22	\$ 0.91	1.78%

STAFF REPORT

To: Mayor Schiller
From: Todd Baun, Director of Public Works
Date: October 21st, 2016
Re: Pole Attachment Rates

Over the past year, the subject of raising our pole attachment rates has come up. Currently we charge a \$7.00 attachment rate for each of connection to our power poles. This charge has been in place since Resolution 419 was adopted in January of 1999.

Part of the rate study was to come up with a pole attachment rate. I have attached the report of their findings. Our rate study suggested our attachment fee should be in the \$12.00 to \$15.93 range.

Based on the recommendation in the report, I propose a charge of \$14.00 per attachment. I believe that our attachment fees should also be reviewed and adjusted annually or bi-annually.

Action Requested:

Please discuss rate and if satisfactory, allow Dan to draft an ordinance with the new rate and adjustment method.

September 19, 2016

Todd Baun
Public Works Director
City of McCleary
McCleary , WA 98557

Dear Mr. Baun:

Attached is the completed pole attachment analysis, with summary and recommendations.

A. Data Integrity

The pole attachment rate is comprised of three factors: allocation factor, pole cost, and carrying charge. We offer the following comments with regard to the data integrity:

Allocation Factor

This factor is used to allocate the portion of the pole that can be charged to the pole attacher. The supplied pole records were excellent and allowed us to determine a sound allocation factor.

Pole Cost

The Original Installed Cost (OIC) for the poles was not available. Our work-around was to take a replacement cost for a pole, and then adjust it using the Handy-Whitman Index to derive an original installed cost for the various years the poles were installed.

The replacement cost per pole size was determined for each pole height by our engineering staff. This formed the basis to derive the OIC and net book value pole cost. A weighted average of the pole cost was used in the rate analysis. Refer to Page 7 (or worksheet tab "PSE OIC").

Carrying Charge

The carrying charge is used to calculate the annual cost of owning and maintaining a pole. We did not have adequate information to determine this from the supplied information. Our work-around is outlined below. Refer to Page 8 (or worksheet tab "carry chrg").

- O&M and A&G - Use data from a 2012 American Public Power Association (APPA) Financial and Operating Ratios report to act as a proxy for both Operations &

Maintenance and Administrative & General costs. We used data for the West region. The APPA report also had operating ratios listed by size of utility. We elected not to use that data as it would have significantly increased the carrying charge and we had no basis to defend such numbers. Excerpts of the relevant APPA tables are included in the detailed spreadsheet model. (See worksheet tab "carry chrg").

- Cost of Capital - We determined this by using a 4% bond rate plus a 1.3% return. The bond rate was an average of Washington municipal bonds over the 2009 to 2016 period. The 1.3% return is the weighted average return for McCleary for the 2011 to 2015 period (using the supplied budget sheet. Refer to Page 9 (or cell M143 in worksheet "return"). The year by year return varied from a high of 3.6% to a low of minus 2.2%.
- Depreciation - We used a 35 year life. Annual depreciation was 1/35 or 2.9% per year.
- Total Plant - The total McCleary distribution OIC was estimated by using plant data for other small municipals in Washington. The proxy to determine total plant was \$3,670 per customer times 1,000 customers. This gave us an original installed cost of \$3,700,000 for the McCleary distribution system. Refer to Page 8 (or worksheet tab "carry chrg"). We used the average pole age of 22 years as a proxy for the age of the entire McCleary plant.

B. FCC and APPA Rental Methodology

Below is a brief description of the various rate methodologies.

FCC Rate Formula

1. Pre--2011 formula
 - a. Pole cost is based on original installed cost of each pole which is then depreciated
 - b. Only 2/3 of the common pole length is cost shared. Sharing ratio is based on average number of attachments which includes the electric utility that owns the pole.
 - c. Carrying charge is based on net plant. Carrying charge includes A&G, O&M, cost of capital and depreciation.
2. Post - 2011 formula
 - a. The price derived using the pre-2011 formula is lowered by the following ratios: .66 for urban and .44 for rural.
 - b. A special formula or a "floor" is set by having a carrying charge cover only A&G and O&M. No capital recovery of the pole is included in determining this minimum charge.

APPA Rate Formula

1. Pole cost is based on original installed cost of each pole. (i.e., pole cost is not depreciated)
2. 100% of the common pole length including the 40 inch safety space is cost shared. Sharing ratio is based on average number of attachments which includes the electric utility that owns the pole.

3. Carrying charge is based on gross plant. Carrying charge includes A&G, O&M, cost of capital and depreciation.

Washington State formula

1. Washington state statute RCW 54.04.045 provides a formula which regulated utilities use.
2. It is a 50/50 blend of the FCC pre 2011 formula and the APPA formula.
3. Municipals are exempt from both FCC and Washington state regulations.

C. Recommendations and Observations

1. The pole rental rates developed should be considered as "ball park" due to the many assumptions used to make up for the lack of financial data.
2. Hence, we suggest that any decision to raise rates be tempered by:
 - a. Not being overly aggressive in raising rates which may be difficult to defend.
 - b. Knowing how McCleary's new rates compare to neighboring utilities.
3. A philosophical decision also enters into this. Should the City want to promote broadband, then raising the rates may be a disincentive to the broadband goal. Our observations of the FCC pole attachment rate design was centered on forcing the pole rental lower to promote broadband.
4. McCleary's poles are fairly old at 22 years. The pole cost used in the analysis will tend to increase as poles are replaced. For this reason, it may be useful to review the attachment rates every few years.
5. Rate Recommendation - We suggest that the pole rates could range from a low of \$12.00/pole/year to a high of \$15.93/pole/year. Refer to Page 4 (or worksheet tab "Summary"). The low end is based on the Minimum FCC method. The high end is based on the State of Washington formula that allows a 50/50 split between the FCC (pre 2011 method) and the American Public Power Association method. Note that the high end (\$15.93) is within the range of several peer utilities in the region. Should the McCleary lean towards the higher rate (\$15.93), consideration should be given to a phase-in period.

Very truly yours,



Richard J. Macke
Vice President, Economics, Rates,
and Business Planning

cc: Ms. Angie Sanchez Virnoche, FCS Group
cc: John Gasal, PSE

Attachments

Summary Pole Attachment Results

	Method	Cost of Pole	Carrying Charge	Allocation Factor	Annual Rental
1	FCC pre 2011	\$ 269	31.7%	18.9%	\$ 16.16
2	FCC post 2011:				
3	Urban (.66 * line 1)				\$ 10.67
4	Rural (.44 * line 1)				\$ 7.11
5	Minimum (O&M + A&G)	\$ 269	23.6%	18.9%	\$ 12.00
7	APPA	\$ 441	11.8%	30.2%	\$ 15.70
8	1/2 of FCC pre 2011 & APPA				\$ 15.93

Change in Revenue based on Calculated Rentals

	Existing rate	FCC Rate, pre -2011	FCC Minimum Rate	APPA rate	50/50 Blend
number attachments	1113	1113	1113	1113	1113
Rate per Pole	\$ 7.00	\$ 16.16	\$ 12.00	\$ 15.70	\$ 15.93
Total Revenue	\$ 7,791	\$ 17,987	\$ 13,359	\$ 17,479	\$ 17,733
Change from existing	-	\$ 10,196	\$ 5,568	\$ 9,688	\$ 9,942

Peer Group Pole Rental Rates

Utility	Rate
City of Centralia	\$ 14.27
City of Port Angeles	\$ 15.85
Jefferson Cty PUD	\$ 18.56
Grays Harbor PUC	\$ 20.50
City of Milton	\$ 23.15
Cowlitz PUD	\$ 30.04
Average	\$ 20.40
Median	\$ 19.53

Rate Recommendation

Range	Rate
Low End	\$ 12.00
High End	\$ 15.93

Allocation Factors

FCC method

Number poles with 1 attachment	197	
Number poles with 2 or more attach.	436	
Number of communication attachers	1069	$E7+E8=E9$
Total poles with attachments	633	
Average No. Attachers/Pole	2.69	Includes utility as attachee $E9/E10+1=E12$
Space Occupied	1	
Two-Thirds	0.667	
Unusable Space	26.5	
No. Attaching Entities	2.69	$E12=E17$
Pole Height	40	Base on McCleary average
Attacher Responsibility Percentage	18.9%	$(E14+(E15*(E16/E17)))/E18 =E19$

APPA method

Pole Height	40
Attachment space	1
Assignable space	10.17
Common space	29.8
Number attachers	2.69
Allocation components:	
assignable	2.5%
common space	27.7%
Attacher Responsibility Percentage	30.2%

Summary Pole Statistics

Summary by pole size

Size	Average Age	Number poles	%	# poles * size
30	28.1	58	8%	1740
35	33.1	170	23%	5950
40	21.1	275	37%	11000
45	11.6	209	28%	9405
50	14.2	6	1%	300
55	28.8	4	1%	220
60	40.0	16	2%	960
65	37.5	2	0%	130
75	7.5	10	1%	750
Total	22.0	750	100%	30455
Weighted average pole height				40.6067

Summary grouped by age			Detail Age Summary by Pole Size				
Age, years	Total Poles		<=30	35	40	45	>=50
	Number poles	%	# poles				
1.0	27	4%	0	2	10	15	0
2.0	15	2%	0	0	0	15	0
3.0	8	1%	0	0	8	0	0
5.0	47	6%	1	6	3	30	7
7.0	2	0%	0	0	0	2	0
8.0	1	0%	0	0	1	0	0
10.0	180	24%	11	23	67	77	2
15.0	116	15%	4	4	51	48	9
20.0	49	7%	7	3	35	4	0
23.0	1	0%	0	0	1	0	0
24.0	1	0%	1	0	0	0	0
25.0	45	6%	9	12	19	5	0
30.0	50	7%	7	23	15	4	1
35.0	46	6%	0	30	14	2	0
40.0	84	11%	5	22	37	3	17
45.0	6	1%	1	3	0	0	2
50.0	59	8%	11	30	14	4	0
55.0	7	1%	0	7	0	0	0
60.0	5	1%	1	4	0	0	0
65.0	1	0%	0	1	0	0	0
	750	100%	58	170	275	209	38

**Develop Original Installed Cost and Depreciated Pole Cost using
PSE engineering estimate for replacement cost**

Summary of Pole Cost using PSE replacement cost

Size	Replacement Pole Cost	Number Poles	Original Installed Cost	Net Book Value
30	\$ 638	58	\$ 14,981	\$ 6,866
35	\$ 674	170	\$ 39,009	\$ 15,341
40	\$ 765	275	\$ 108,599	\$ 61,685
45	\$ 915	209	\$ 134,276	\$ 99,368
50 & greater	\$ 2,000	38	\$ 33,864	\$ 18,702
Total		750	\$ 330,730	\$ 201,962
Average Pole Cost for Analysis			\$ 441	\$ 269

Common Analysis Inputs

Depreciation	35
Handy Whitman Index for 2015 Replacement Pole	683.0

Estimation of Annual Carrying Charge

Results

Annual Carrying Charge :	
Based on Original Installed Cost	11.8% Used for APPA formula
Based on Net Plant	31.7% Used for FCC formula

Calculations

Estimate total distribution plant

# customers	1000	
\$ distribution plant per customer	\$ 3,670	Based small WA utilities (table 1 below)
Original Installed Cost	\$ 3,669,514	Estimate for total McCleary Dist Plant
Age of Plant	22	same as pole age
Depreciation life in years	35	
Depreciation in \$	\$ 2,306,552	
Net Plant	\$ 1,362,962	

Carrying Charge Components

A&G		
# customers	1000	
A&G/customer (APPA data)	\$ 159	Table 2
Total Annual A&G	\$ 159,000	
A&G in % of Net Plant		11.7%
O&M		
# customers	\$ 1,000	
O&M/customer (APPA data)	\$ 162	Table 2
Total Annual O&M	\$ 162,000	
O&M in % of Net Plant		11.9%
Pole Depreciation		
Depreciation life, years	35	
Rate per year	2.9%	2.9%
Cost of Capital		
Bond Rate (see note below)	4.0%	See Chart 1 below
Return	1.3%	See worksheet "return"
Total Cost of Capital	5.3%	5.3%
Total Carrying Charge in % net Plant		31.7%
Carrying Charge in % of OIC		11.8%

Determine % return as proxy for cost of capital

	2011	2012	2013	2014	2014	2015	2011-2015
Operating Revenue	Actual	Actual	Actual	Actual	Budgeted	Proposed	6 yr total
340 Sale of Electricity + other	2,141,176	2,153,857	2,232,829	2,310,509	2,471,000	2,448,000	13,757,372
360 Misc Revenues	11,687	21,916	16,127	9,954	11,840	9,311	80,834
Total revenue	2,152,863	2,175,773	2,248,956	2,320,463	2,482,840	2,457,311	13,838,206
							0
Operating Expenditures							0
530 Purchased Power, transmission, distribution	2,085,292	2,097,150	2,181,149	2,309,956	2,471,831	2,511,850	13,657,228
Net Operating Increase							
Return	67,572	78,623	67,807	10,507	11,009	-54,539	180,978
Return in % of total revenue	3.1%	3.6%	3.0%	0.5%	0.4%	-2.2%	1.3%

CITY OF McCLEARY
RESOLUTION NO. 419

WHEREAS, the City of McCleary owns utility poles within the City limits; and

WHEREAS, the City of McCleary desires to be paid a fee for the use of said poles; and

WHEREAS, various entities, including phone, cable and electric utilities and companies (other than the City of McCleary Light and Power) have occasion to use said poles;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF McCLEARY, WASHINGTON DOES HEREBY RESOLVE AS FOLLOWS:

1. The City of McCleary shall be paid \$7.00 per year for each City of McCleary utility pole used by any entity (other than the City of McCleary) ~~within the City of McCleary.~~

2. This resolution is intended to supplement previous resolutions and ordinances as it relates to the fee paid for the use of the before-described poles.

PASSED THIS DATE BY THE CITY COUNCIL OF THE CITY OF McCLEARY, WASHINGTON.

DATED: January 13, 1999

APPROVED:



JOHN ADAMS, MAYOR

ATTEST:



DONNIE ROSTEDT, Clerk-Treasurer

ORDINANCE NO. _____

AN ORDINANCE RELATING TO PUBLIC UTILITIES,
AUTHORIZING THE USE OF CERTAIN METHODOLOGIES
UNDER CONDITIONS, ADDING A NEW SECTION TO
ARTICLE IV, CHAPTER 13.12.020, PROVIDING AN
EFFECTIVE DATE AND FOR SEVERABILITY.

R E C I T A L S:

1. The City maintains a wastewater collection and treatment system to serve its citizens and those of the surrounding area.

2. The Council and Mayor have received the recommendations of City Staff to allow the use of an alternative means of collection and transfer to the City's main gravity system, specifically a low pressure sewer system using grinder pumps commonly referred to as a "grinder system."

3. They have determined it appropriate to allow such utilization under certain terms and conditions when it is found not feasible to utilize the gravity system for collection and transmission.

NOW, THEREFORE, BE IT ORDAINED AS FOLLOWS BY THE CITY COUNCIL OF THE CITY OF McCLEARY:

SECTION I: There shall be added to Article IV of Chapter 13.12 of the Municipal Code a new section to read as follows:

Authorization of Use of Grinder Pump Sewer Systems and
Conditions Related Thereto:

A. Grinder pump sewer systems, as defined in Section 13.12.020[29], as now existing or hereafter amended or succeeded, shall not be installed and used in lieu of the orderly extension of gravity sewers unless such installation and utilization is approved as provided in the following provisions.

B. Grinder pump installation and use shall be subject to the following requirements and/or limitations:

1. New individual grinder pump system use is limited where:

a. A public gravity sewer line is contiguous to the property, but terrain, natural features, or other physical barriers prohibit a gravity connection; or

b. For the conversion of onsite sewage systems to public sewer or for infill development only where it is specifically determined by the Director of Public Works, hereinafter the Director, to be in the best interest of the City.

c. The nearest public gravity sewer line capable of providing service to the property is more than _____ hundred (_____) feet from the boundaries of the property.

2. Grinder pumps and side sewers which are installed as part of a grinder pump sewer system shall be purchased, owned, maintained and operated by the property owner.

3. Grinder pump force mains receiving effluent from more than one property shall be publicly owned and maintained. Publicly-owned grinder pump force mains shall be permitted only where the City Council, after review of recommendations received from the Director of Public Works, determines it to be in the best interest of the City and construction of a gravity and lift station sewer system is not a reasonable alternative, whether for physical or fiscal reasons.

When such approval is given, upon approval of the plans and specifications by the Director, the installation of the public grinder pump force mains shall be carried out by the applicant and all costs, including permit and inspection fees, shall be borne by the applicant. As indicated, any such installation shall be in accordance with the applicable Engineering Design and Development Standards of the City.

C. In the event that any time the City approves the utilization of Septic Tank Effluent Pump (STEP) systems, as defined in Section 13.12.020[29], as now existing or hereafter amended or succeeded, grinder pump side sewers and force mains shall not be permitted to discharge to designated STEP force mains unless it is determined by the Director or his/her designee to be in the best interest of the City.

SECTION II: If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional, such decision shall not affect the

validity of the remaining portions of this Ordinance. The Council hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases had been declared invalid or unconstitutional, and if for any reason this Ordinance should be declared invalid or unconstitutional, then the original ordinance or ordinances shall be in full force and effect.

SECTION III: This Ordinance shall take effect upon the fifth day following date of publication.

SECTION IV: Corrections by the Clerk-treasurer or Code Reviser. Upon approval of the Mayor and City Attorney, the Clerk-treasurer and the Code Reviser are authorized to make necessary corrections to this ordinance, including the correction of clerical errors, references to other local, state, or federal laws, codes, rules, or regulations, or ordinance number and section/subsection numbering.

PASSED THIS _____ DAY OF _____, 2016, by the City Council of the City of McCleary, and signed in approval therewith this _____ day of _____, 2016.

CITY OF McCLEARY:

BRENT SCHILLER, Mayor

ATTEST:

WENDY COLLINS, Clerk-Treasurer

APPROVED AS TO FORM:

DANIEL O. GLENN, City Attorney

STATE OF WASHINGTON)
 : ss.
GRAYS HARBOR COUNTY)

I, WENDY COLLINS, being the duly appointed Clerk-Treasurer of the City of McCleary, do certify that I caused to have published in a newspaper of general circulation in the City of McCleary a true and correct summary of Ordinance Number _____ and that said publication was done in the manner required by law. I further certify that a true and correct copy of the summary of Ordinance Number _____, as it was published, is on file in the appropriate records of the City of McCleary.

WENDY COLLINS

SIGNED AND SWORN to before me this _____ day of _____, 2016, by WENDY COLLINS.

NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON, Residing at:
My appointment expires:

ORDINANCE NO. _____

AN ORDINANCE RELATING TO PUBLIC UTILITIES, AUTHORIZING THE USE OF CERTAIN METHODOLOGIES UNDER CONDITIONS, ADDING A NEW SECTION TO ARTICLE IV, CHAPTER 13.12.020, PROVIDING AN EFFECTIVE DATE AND FOR SEVERABILITY.

R E C I T A L S:

1. The City maintains a wastewater collection and treatment system to serve its citizens and those of the surrounding area.

2. The Council and Mayor have received the recommendations of City Staff to allow the use of an alternative means of collection and transfer to the City's main gravity system, specifically a low pressure sewer system using grinder pumps commonly referred to as a "grinder system."

3. They have determined it appropriate to allow such utilization under certain terms and conditions when it is found not feasible to utilize the gravity system for collection and transmission.

NOW, THEREFORE, BE IT ORDAINED AS FOLLOWS BY THE CITY COUNCIL OF THE CITY OF McCLEARY:

SECTION 1: There shall be added to Article IV of Chapter 13.12 of the Municipal Code a new section to read as follows:

Authorization of Use of Grinder Pump Sewer Systems and
Conditions Related Thereto:

A. Grinder pump sewer systems, as defined in Section 13.12.020[29], as now existing or hereafter amended or succeeded, shall not be installed and used in lieu of the orderly extension of gravity sewers unless such installation and utilization is approved as provided in the following provisions.

B. Grinder pump installation and use shall be subject to the following requirements and/or limitations:

1. New individual grinder pump system use is limited to situations where:

a. A public gravity sewer line is contiguous to the property, but terrain, natural features, or other physical barriers prohibit a gravity connection; or

b. For the conversion of onsite sewage systems to public sewer or for infill development only where it is specifically determined by the Director of Public Works, hereinafter the Director, to be in the best interest of the City.

c. The nearest public gravity sewer line capable of providing service to the property is more than _____ hundred (____) feet from the boundaries of the property.

2. Grinder pumps and side sewers which are installed as part of a grinder pump sewer system shall be purchased, owned, maintained and operated by the property owner. At all times they

are connected to the City's system, such installations shall be in compliance with such rules and regulations as may be adopted by action of the Council or issued by the Director after approval by the Council.

3. Grinder pump force mains receiving effluent from more than _____ property/properties shall be publicly owned and maintained. Publicly-owned grinder pump force mains shall be permitted only where the City Council, after review of recommendations received from the Director of Public Works, determines it to be in the best interest of the City and construction of a gravity and lift station sewer system is not a reasonable alternative, whether for physical or fiscal reasons.

When such approval is given, upon approval of the plans and specifications by the Director, the installation of the public grinder pump force mains shall be carried out by the applicant and all costs, including permit and inspection fees, shall be borne by the applicant. As indicated, any such installation shall be in accordance with the applicable Engineering Design and Development Standards of the City.

4. Any applicant requesting authorization to connect a grinder system to the City's system shall execute such agreement as may be required by the City. Such agreement shall include confirmation of the following and such other elements as may from time to time be deemed necessary:

a. recognition of the responsibility of the applicant and the applicant's successors to maintain the system in compliance with the City's requirements as they from time to time exist;

b. that the City may terminate access to the City's system in the event of a failure to comply with the requirements, as then existing or thereafter implemented; and

c. the responsibility to reimburse the City for any costs resulting from the failure to comply, including any expense incurred by the City to obtain compliance.

C. In the event that any time the City approves the utilization of Septic Tank Effluent Pump (STEP) systems, as defined in Section 13.12.020[29], as now existing or hereafter amended or succeeded, grinder pump side sewers and force mains shall not be permitted to discharge to designated STEP force mains unless it is determined by the Director or his/her designee to be in the best interest of the City.

SECTION II: If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this Ordinance. The Council hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases had been declared

invalid or unconstitutional, and if for any reason this Ordinance should be declared invalid or unconstitutional, then the original ordinance or ordinances shall be in full force and effect.

SECTION III: This Ordinance shall take effect upon the fifth day following date of publication.

SECTION IV: Corrections by the Clerk-treasurer or Code Reviser. Upon approval of the Mayor and City Attorney, the Clerk-treasurer and the Code Reviser are authorized to make necessary corrections to this ordinance, including the correction of clerical errors, references to other local, state, or federal laws, codes, rules, or regulations, or ordinance number and section/subsection numbering.

PASSED THIS _____ DAY OF _____,
2016, by the City Council of the City of McCleary, and signed in approval therewith this _____ day of _____,
2016.

CITY OF McCLEARY:

BRENT SCHILLER, Mayor

ATTEST:

WENDY COLLINS, Clerk-Treasurer

APPROVED AS TO FORM:

DANIEL O. GLENN, City Attorney

ORDINANCE -B- 5
09/22/2016
DG/le

CITY OF McCLEARY
100 SOUTH 3RD STREET
McCLEARY, WASHINGTON 98557

STATE OF WASHINGTON)
 : ss.
GRAYS HARBOR COUNTY)

I, WENDY COLLINS, being the duly appointed Clerk-Treasurer of the City of McCleary, do certify that I caused to have published in a newspaper of general circulation in the City of McCleary a true and correct summary of Ordinance Number _____ and that said publication was done in the manner required by law. I further certify that a true and correct copy of the summary of Ordinance Number _____, as it was published, is on file in the appropriate records of the City of McCleary.

WENDY COLLINS

SIGNED AND SWORN to before me this _____ day of _____, 2016, by WENDY COLLINS.

NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON, Residing at:
My appointment expires:

ORDINANCE NO. _____

AN ORDINANCE PROVIDING FOR THE ANNEXATION OF CERTAIN PROPERTY; ESTABLISHING ZONING CLASSIFICATIONS THEREFORE; AND PROVIDING FOR AN EFFECTIVE DATE.

R E C I T A L S :

1. The City has received an application from CHM Homes, Inc., a Washington corporation, requesting annexation to the City of certain real property, which has been assigned Parcel #80513320010 by the County Assessor, the full legal description of which is as follows:

The portion of the East Half of the East Half of the Northwest Quarter of the Southwest Quarter of Section 13, Township 18 North, Range 5 West of the Willamette Meridian, lying North of Old State Highway No. 9, situate in the County of Grays Harbor.

2. The City has received and has on file the certification from the Assessor of the County of Grays Harbor that the petition is sufficient, as required by the provisions of RCW 35A.01.040.

3. The City has given all necessary notices and held the required public hearing at its October ____, 2016, meeting upon the matter of the property's annexation.

4. It is the desire and intention of the City to utilize the authority granted pursuant to the provisions of Title 17 in relation to the establishment of zoning classifications in a manner consistent with existing authority for the establishment of such classifications.

NOW, THEREFORE, BE IT ORDAINED AS FOLLOWS BY THE CITY COUNCIL OF THE CITY OF McCLEARY:

SECTION I: Annexation Authorized: On and after the applicable effective date set forth in Section IV, that certain property more fully described in Recital #1 shall be and is to be deemed annexed to the City of McCleary.

SECTION II: Zoning Classification: Pursuant to authorization granted under the Zoning Code of the City and based upon the authority acknowledged within the recitals, it is the intention of the City to establish a zoning classification found by the Council to be the most consistent with the general good. Therefore, upon annexation to the City, the property shall bear the zoning classification of "R-1", as now set forth in Title 17 of the Municipal Code. The Zoning

Control Map of the City shall be so modified to reflect this addition and classification.

SECTION III: Assumption of Debt: The property, upon annexation, shall bear and assume its pro rata portion of any outstanding debt of the City.

SECTION IV: Effective Date: This Ordinance shall take effect upon the fifth day following date of publication: PROVIDED THAT, given the potential of review by the Boundary Review Board, the annexation authorized hereunder shall become effective upon the first date allowed by law.

SECTION V: Filing and Notification: The Clerk-Treasurer shall take such steps as may be necessary to provide notification of the adoption of this ordinance and the annexation implemented thereby to the Office of the County Boundary Review Board. Upon approval by the Board, notification shall be given to the County's Assessor and Treasurer, as well as any other required offices of county or state government.

SECTION VI: Corrections by the Clerk-treasurer or Code Reviser. Upon approval of the Mayor and City Attorney, the Clerk-treasurer and the Code Reviser are authorized to make necessary corrections to this ordinance, including the correction of clerical errors, references to other local,

state, or federal laws, codes, rules, or regulations, or ordinance number and section/subsection numbering.

SECTION VII: If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this Ordinance. The Council hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases had been declared invalid or unconstitutional, and if for any reason this Ordinance should be declared invalid or unconstitutional, then the original ordinance or ordinances shall be in full force and effect.

PASSED THIS _____ DAY OF OCTOBER, 2016, by the City Council of the City of McCleary, and signed in approval therewith this _____ day of October, 2016.

CITY OF McCLEARY:

BRENT SCHILLER, Mayor

ATTEST:

WENDY COLLINS, Clerk-Treasurer

ORDINANCE - A - 4
10/2016
DG/le

CITY OF McCLEARY
P. O. BOX 360
McCLEARY, WA 98557

APPROVED AS TO FORM:

DANIEL O. GLENN, City Attorney

STATE OF WASHINGTON)
 : ss.
GRAYS HARBOR COUNTY)

I, Wendy Collins, being the duly appointed Clerk-Treasurer of the City of McCleary, do certify that I caused to have published in a newspaper of general circulation in the City of McCleary a true and correct summary of Ordinance Number _____ and that said publication was done in the manner required by law. I further certify that a true and correct copy of the summary of Ordinance Number _____, as it was published, is on file in the appropriate records of the City of McCleary.

Wendy Collins

SIGNED AND SWORN to before me this _____ day of October, 2016, by Wendy Collins.

NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON, Residing at:
My appointment expires:

ORDINANCE NO. _____

AN ORDINANCE RELATING TO THE ESTABLISHMENT
OF THE REGULAR TAX LEVY FOR THE YEAR 2016
FOR COLLECTION IN THE YEAR 2017; MAKING
FINDINGS; AND RESERVING RIGHTS.

R E C I T A L S:

1. The City Council of the City of McCleary has met and is considering its budget for the calendar year 2016.

2. At a public hearing, the City Council provided the opportunity to receive comment from the Citizens of the City on the elements of revenue projections and the ad valorem tax levy. Following that hearing, the Mayor and Council are going forward with the consideration of the City's budget.

3. Based upon the information provided by the Office of the County Assessor, the City's actual annual ad valorem levy amount received in 2016, including adjustments for new construction and other items, was \$263,082.31. That included moneys received through the Council's exercise in 2015 of the authority to "relevy the levy" granted by law, tax revenue which would otherwise not have collected as the result of senior citizen exclusions and the like.

4. As to new construction valuation, the information from the Office of the County Assessor has not been provided. No property was shown as annexed during the period.

5. The City has a population of less than 10,000 citizens.

6. The City Council of the City of McCleary, following the required public hearing and after duly considering all relevant evidence and testimony presented, has determined the City of McCleary will exercise its authority to increase the regular tax levy by the authorized one percent.

7. ~~The action carried forth by the Ordinance is based upon a Council finding there is a significant necessity for the property tax revenue to be increased in the next calendar year in order to meet the expenses and obligations of the City.~~

8. In adopting this ordinance, the City is relying upon the accuracy and completeness of the information provided to it by the Office of the County Assessor.

NOW, THEREFORE, BE IT ORDAINED AS FOLLOWS BY THE CITY COUNCIL OF THE CITY OF McCLEARY:

SECTION I: The regular property tax levy is hereby authorized for 2016 for collection in 2017 in an amount of \$263,082.31, a figure which the Office of the County Assessor has indicated represents the increase allowed by RCW 84.55.0101 from the amount levied and collected the previous year: PROVIDED THAT, it is to be recognized as follows: [a] the intent of this

ordinance is to exercise the authority to increase the levy here in question by the 1 percent allowed under the provisions of RCW 84.55 and to include additional revenue resulting from assessment of any new construction, improvements to property, any increase in the value of state assessed property or utilities, any annexations which have occurred, or any refunds made and [b] if the amount finally determined allowed under those provisions is greater than the specific figure set out, that newly determined figure shall be the amount utilized.

SECTION II: This ordinance is based upon the information from the Office of the County Assessor as to amounts and calculations, as well as advice from County officials that this ordinance can be amended to modify the tax rate established herein by adoption of an appropriate amendatory ordinance. The City specifically reserves the right to take such amendatory action up to and including the last day allowed.

SECTION III: Upon execution by the Mayor pro tem, a certified copy of this Ordinance shall be provided to the appropriate officials of the County so as to provide for appropriate assessment.

SECTION IV: If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this Ordinance. The Council hereby declares that it would have passed this Ordinance

and each section, subsection, sentence, clause, and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases had been declared invalid or unconstitutional, and if for any reason this Ordinance should be declared invalid or unconstitutional, then the original ordinance or ordinances shall be in full force and effect.

SECTION V: This Ordinance shall take effect upon the fifth day following date of publication.

PASSED THIS ____ DAY OF _____, 2016, by the City Council of the City of McCleary, and signed in approval therewith this _____ day of _____, 2016.

CITY OF McCLEARY:

BRENT SCHILLER, Mayor

ATTEST:

WENDY COLLINS, Clerk-Treasurer

APPROVED AS TO FORM:

DANIEL O. GLENN, City Attorney

STATE OF WASHINGTON)
 : ss.
GRAYS HARBOR COUNTY)

I, WENDY COLLINS, being the duly appointed Clerk-Treasurer of the City of McCleary, do certify that I caused to

ORDINANCE -A- 4
10/20/2016
DG/le

CITY OF McCLEARY
100 SOUTH 3RD STREET
McCLEARY, WASHINGTON 98557

have published in a newspaper of general circulation in the City of McCleary a true and correct summary of Ordinance Number _____ and that said publication was done in the manner required by law. I further certify that a true and correct copy of the summary of Ordinance Number _____, as it was published, is on file in the appropriate records of the City of McCleary.

WENDY COLLINS

SIGNED AND SWORN to before me this _____ day of November, 2016, by WENDY COLLINS.

NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON, Residing at:
My appointment expires: