

REGULAR CITY COUNCIL MEETING
September 11, 2007

A. Call to Order – Pledge of Allegiance Mayor Gainer called the Regular City Council meeting to order at 6:00 p.m.

B. Roll Call – Excused Absences Councilmembers present included Councilmember Harris, Councilmember Rast, Councilmember Overhauser, Councilmember Huff, Councilmember Stockton, Councilmember Trulove, and Councilmember McKeehan. Staff members present included Mr. Maggs, Mr. Richardson, Mr. MacDonald, Ms. MacDonald, Mr. Sale, Mr. Simmons, Mr. Ableman, Mr. Mather, Mr. Behrens, Mr. Wahl, Mr. Winters, and Ms. Showalter. Mayor Gainer stated that Councilmember McKeehan requested to be excused from the next meeting due to personal business and Councilmember Stockton requested to be excused due to vacation. Councilmember Huff moved to approve the requests. Councilmember Rast seconded. Carried unanimously. Mayor Gainer asked for a moment of silence in remembrance of those who lost their lives during the terrorist attacks on September 11, 2001.

Mayor Gainer stated that anyone that wants to testify during the public hearing needs to sign in.

C. Minutes of the Regular City Council meeting of August 28, 2007 were approved as distributed.

D. Claims and Vouchers nos. 91643 through 91751 in the amount of \$458,248.12; payroll warrants nos. 52591 through 52654 in the amount of \$55,254.37; direct deposits nos. 22140 through 22288 in the amount of \$223,058.18; claims warrants nos. 91576 through 91608 in the amount of \$269,992.76; and transfers to claims clearing fund for distribution in the amount of \$6,331.72 for a total payroll of \$554,637.03 were approved as read.

E. Claims for Damages None

F. Small Contracts None

G. Information Items Mayor Gainer proclaimed September 17-23, 2007 as Constitution Week.

H. Appointments None

I. Citizen Comments None

J. Action Items

1. 07-125 – Resolution D-346 – Public Hearing on Moratorium Ordinances No. U-52 and U-53 Mr. Sale provided the process for the public hearing. Mayor Gainer opened the public hearing at 6:06 p.m. Mr. MacDonald stated that your total source of supply has to have the capacity to meet your maximum day demand. We have six potable water wells and one irrigation well. The decision this evening is to continue with the moratorium, rescind the moratorium, or modify the moratorium to use some of the cushion. The cushion is 5%. We are in the process of developing well eight. Test drilling will begin in the next couple of weeks. We are budgeting for redeveloping well six. The problem with that well is that it was drilled narrowly and at an angle. We are continuing with well rehabilitation. We are looking at acquiring property for a future well nine. We want to try to reduce the demand on our water supply through education, rates, and water reclamation. We need to look at how we are going to grow this community in the future. John Maxwell, HDR Engineering, stated that they are doing the water system plan update for the City of Cheney. He has been doing this work for 35 years and understands the predicament. This is a policy decision. It is looking at how big of a cushion the comfort level is. He stated that this is not driven by non-revenue water. Unaccounted for water could be from leakage, illegal taps, and check valves. From his point of view, there has been a lot of responsible management by the city. The city has done very responsible source development. Cheney is not the first one that has faced this. Lacey is currently in the same position. From a technical point of view, this is exactly the way the Department of Health wants it in the plan. It has been done right. Mr. Richardson explained the moratorium ordinances. They were adopted on July 24, 2007. Tonight written findings of fact need to be adopted justifying the moratorium. The City has never thought in terms of how water limits our ability to grow. We are not going to be able to ignore it. He would like to submit a grant application to go

through the comprehensive plan and development regulations to make them more efficient. Ray Sawyer, 15729 S Murphy Rd, agreed with the Council as far as looking at water difficulties. He supports the moratorium. Within the last two years, the City received a petition signed by over 300 people asking for a moratorium on building. He questioned what areas are affected. Steve Emtman, 5323 S Bella Vista, stated that he appreciates the Council working with him on getting the student housing project underway. He provided the city's water demand forecasting and stated that he is not sure that we know enough facts to be implementing a moratorium. Conservation needs to be something we look at right away. He stated that the city is basing its facts on the water demand study. It is concerning to him that non-revenue water is so high. It went up from 10% in 2004 to 24% in 2005-2006. He thinks the city needs to get another study done. He stated that the city needs to implement management. Tom Davis, 2610 Bethany St, supports what Mr. Emtman said. This is a very important decision by the Council. He stated that he hopes the Council has taken the time to study the information and look at the potential impacts. The city needs a conservation plan and management. Providing incentives for future developments would be a help. Brian Westby, 1720 W 4th Ave, stated that he is a planner with Adams and Clark. He stated that he is bringing to light that there are other circumstances that will be presented to city staff. He represents the owners of the property that is now Del's Feed and Farm. They submitted a binding site plan application. It is an existing commercial site. There is existing water to the site. There are two lots there. The northernmost building is being served off one meter and they would need to add an additional meter. Stacy Bjordahl, 422 W Riverside Suite 1100, stated that she is speaking on behalf of Mike Hume. She came to ask for modification of the ordinance to allow for plans to be reviewed pending resolution of the water issue. With the testimony, she questions if it is appropriate that the city enact a moratorium. She does not think there is an emergency that exists to enact a moratorium. She thinks there are alternatives and options available. She stated that she would like the moratorium repealed. If not, she would like to have the moratorium modified to allow for processing of subdivision applications and plats. Christie Bruntlett, 499 Annie Pl, asked about the time frame for giving notice for a public hearing, especially when it is changed. She thinks we should wait until well eight is in place before we consider lifting the moratorium. She questioned if we are still considering sharing water rights with Clear Lake. She reminded the Council of the City's mission statement. She does not think a rate increase is appropriate. She is in favor of teaching people to conserve water. A good place to start is in our grade schools. She does not think its right for the current citizens to take the burden for developers. Bonnie Eccles, 214 N 6th St, would like to see the city pursue some of Mr. Emtman's statements. We need to find out where the non-revenue water is going, but we also need to keep the moratorium in place while we do that. She does not think watering on alternate days will make a difference. She asked about the water rates and if they go down after a certain number of gallons. She stated that there were 300 people that signed the petition that was previously submitted. Mr. Richardson stated that the next step for the McCardle property is a subdivision. The moratorium ordinance prohibits processing subdivisions. The notice of hearing was out ten days before the public hearing. There were letters sent out and the newspaper was contacted. The statute says City Council will hold the hearing, so we thought we should have it heard by Council. There was a notice posted at the door. Only one person showed up at the Planning Commission meeting to talk about the hearing and he also came tonight. Mr. Maxwell stated that ERUs are calculated based on the measured metered consumption of customers. The difference between the system's production and the total of all metered consumption is how non-revenue water is calculated. Mr. MacDonald stated that we are treating 2005-2006 as an anomaly. We have done a system-wide test. We are installing new flow meters. One of the areas that leaks were found is on well check valves. That means the water comes out, is metered, and then goes back in. We are looking at a better approach to meter reading. Monies are being budgeted for replacing meters with radio read meters. Cheney School District's total demand has gone down. We have taken measures with the largest users of water in the city. The water rights that we were looking at transferring are not going to be transferred. Mr. MacDonald stated that we are not aware of any unauthorized use. We have surveyed our system and determined that we have very few leaks. We may have issues on how we do meter reading. The radio read system would allow us to read meters during the winter. Mr. Maxwell stated that there are many moving parts. Some are accurate and some are not. A home meter has a 3-5% margin of error. With time they adjust themselves. Mayor Gainer closed the public hearing at 6:58 p.m. Councilmember Trulove stated that a moratorium implies an emergency. He is not convinced there is one. There is a big difference in conservation and curtailment. Rate structures may be a good incentive, but it is a policy decision that the Council makes. He does not think this is an emergency because he is not sure that all of the planned for development is going to take place immediately. Some of them may never take place. We may have a bigger margin than we think we do just by filling in those numbers. We are going to get more water through a new well. There is a lack of long range planning. We are using half of our water rights right now. We need to decide what we want this

community to look like. He is not convinced we are calculating the amount of our water correctly. Councilmember Overhauser asked Councilmember Trulove to explain why water rates are different with usage. Councilmember Trulove stated that some places do that so they can recover costs. Ours are lower for the first block. Mr. MacDonald stated that we have a base rate and after that it is based on cubic feet. Our fixed costs are reliant on overage sales. That is something we should look at. Councilmember Trulove stated that we could participate with people to help them install conservation measures rather than drilling new wells. Mr. Maxwell stated that the maximum day demand that the city is responsible for has to be equal to the supply capacity. The criteria is based upon reliability. The Department of Health says the source of supply should equal the maximum day demand. Councilmember Stockton stated that a good compromise would be to keep the moratorium and allow processing of applications until we see the results of the well drilling. He would be interested in going that route. Councilmember Rast asked if there has been any discussion with EWU as far as supporting each other. Mr. MacDonald stated that we have an intertie with EWU for fire flow. They would have to drop fifteen feet for us to flow into them. They have 900 GPM water rights, which is a very limited supply. Councilmember McKeehan stated that if we know about well eight by the end of the month, then we have a cushion. Mr. MacDonald stated that DOE has a backlog of applications for wells and they are telling us that they may not approve this for more than a year. It will be a year in January since we submitted it. There are others ahead of us. If we know it is a viable site, it might give us a cushion. We are also drilling a new well hole at well six next year that might provide more cushion. Mr. Sale stated that the Council needs to review the findings and approve them tonight. It can be sent to committee after that, but the findings of fact have to be done tonight. Councilmember Huff stated that he would like to be able to review applications but not approve them until we have the water. He does not feel comfortable lifting the moratorium until we find out more. Councilmember Trulove stated that if we were coming up on the hottest day of the year and we did not have well eight on line, we could tell people not to water on that day. Mr. MacDonald stated that the literal writing says that it would be alright. If we have to do forced conservation, the Department of Health does not like that. Whether it puts us at risk is a policy decision. Councilmember Trulove stated that it would be a way to meet requirements. Councilmember McKeehan asked if we can use water from the storage tanks. Mr. Maxwell stated that it is a legitimate option, but it comes down to how you define emergency or your cushion. The Department of Health says that if you rely upon that year in and year out, it is not prudent design criteria. It gets back to reliability and risk management. There are a lot of things to consider on this. Councilmember Overhauser stated that she originally liked the idea of allowing developments to move through the process contingent upon water. However, staff and elected officials will be pressured to continue to approve applications. Councilmember Trulove stated that an analysis shows that the city would not exhaust its remaining water rights. He is having a hard time seeing that we have an emergency risk of not having enough water. On the other hand, he would like to stop all development until we get the planning right. Councilmember Overhauser moved for passage of Resolution D-346. Councilmember Harris seconded. Councilmember McKeehan asked if this continues the moratorium. Mr. MacDonald replied that it does. Mr. Maggs stated that this has to be adopted tonight or the moratorium ends. After adoption, it can be sent to a committee for review. Councilmember Overhauser rescinded her motion. Councilmember Harris rescinded his second. Councilmember Overhauser moved for passage of Resolution D-346 and then sent to the General Government Committee for review and modification as desired. Councilmember Harris seconded. Discussion followed. Carried unanimously.

Mayor Gainer recessed the meeting at 7:29 p.m. and reconvened at 7:32 p.m.

2. 07-076 – Resolution D-317 – SR 904 Enhancement Project – Design & MOU Approval Mr. MacDonald stated that this was discussed at the last meeting. Councilmember Overhauser moved for passage of Resolution D-317. Councilmember Rast seconded. Carried unanimously.

3. 07-122 – Resolution D-337 – Night Time Seatbelt Emphasis Patrols – Washington State Traffic Safety Commission Mr. Sale stated that this is an MOU to pay for overtime for nighttime seatbelt emphasis patrols. Councilmember Huff moved to approve Resolution D-337. Councilmember McKeehan seconded. Councilmember Rast questioned how seatbelts can be seen at night. Mr. Sale stated that you have to be in a well lit area. Carried unanimously.

4. 07-124 – Resolution D-343 – SAFER Grant Mr. Winters stated that we have the opportunity to receive additional funding through a grant from Homeland Security. The application has been submitted due to a shortened application period. Councilmember Huff moved for passage of Resolution D-343. Councilmember

Rast seconded. Councilmember Trulove stated that this can only be used for salaries for full time firefighters and training for volunteers. He questioned how long the grant would be for. Mr. Winters stated that it is a five year program where the city would pay increasing amounts toward the salary. At the end of the five years the City would take over the entire amount. Councilmember Trulove stated that this takes away our ability to control that funding. He thinks this is good for the volunteers, but he does not want to set the city up for something we may not be able to fund. We need to evaluate this carefully if we are funded. Carried unanimously.

5. 07-120 – Resolution D-344 & D-345 – WWTP Expansion Project – Biosolid Compost Screen Award & Compost Grinder Purchase Authorization Mr. MacDonald stated that he discussed this briefly at the last meeting and with council committees in June. Both pieces are integral to the compost operations. Both are eligible for reimbursement from DOE as part of the WWTP Expansion Project. Councilmember Huff moved for passage of Resolution D-344 and D-345. Councilmember Stockton seconded. Carried unanimously.

6. 07-126 – Resolution D-347 – Schedule Public Hearing Date for Campus Crest Building Permit Appeal Mayor Gainer stated that this needs to be removed from the agenda because they withdrew their appeal. Councilmember Stockton moved to remove this agenda item. Councilmember Huff seconded. Carried unanimously

7. 07-123 – Ordinance U-58 – Salary Ordinance Ms. Showalter stated that this is housekeeping. Teamsters agreed to roll their contract and this moves them to 2007 salaries. That is the only change. Councilmember Huff moved for the first reading of Ordinance U-58 in title and summary form only, that reading considered the second and third, and placed before Council for final passage. Councilmember Trulove seconded. Carried unanimously. Councilmember Overhauser asked when they will be reviewing city administrator residency. Ms. Showalter stated that it will go to Council committee next week. Yes votes: Councilmember Harris, Councilmember Rast, Councilmember Overhauser, Councilmember Huff, Councilmember Stockton, Councilmember Trulove, Councilmember McKeehan. Ordinance U-58 passed.

K. Council Reports Councilmember Overhauser thanked Mr. Winters for the activity report. Councilmember Stockton stated that he will be gone for the next council meeting to celebrate his 30th wedding anniversary. Councilmember Trulove encouraged everyone to attend the AWC regional meeting in Spokane on September 26.

L. Staff Reports None

M. Mayor's Report Mayor Gainer attended the Park Board meeting last week and one of the issues was a skateboard park. The Park Board is also considering tobacco free parks and closing the parks at dusk instead of 10:00 p.m. He encouraged everyone to give input at the next Park Board meeting. Cheneyfest will be September 27-30 at Moos Field.

N. Executive Session None

O. Adjournment Councilmember Harris moved to adjourn the meeting. Councilmember Rast seconded. Carried unanimously. The meeting was adjourned at 7:46 p.m.

City Clerk

Mayor