

1. **CALL TO ORDER:** The Regular Meeting of the Millwood City Council was called to order by Mayor Dan Mork at 7:00 p.m., on Monday, March 5, 2012 at the Millwood City Hall. Council members present were: Shaun Culler, Brian Ellingson, Kevin Freeman and Richard Schoen. Glenn Bailey was excused. Also present: Attorney Brian Werst, Public Works Assistant Supervisor Paul Allen, Treasurer Debbie Matkin, and City Clerk/City Planner Tom Richardson.
2. **FLAG SALUTE:** The Flag Salute was led by Shaun Culler.
3. **CONSENT AGENDA:** Approval of Minutes of the Regular Meeting held February 6, 2012, February Payroll \$41,861.89; February Claims \$56,748.27. Council members received the February Claims Check Register, February Payroll Check Register, a list of Claims to be paid March 5, 2012, the February Treasurer's Report and the end-of-year 2011 Treasurer's Report. Mr. Schoen moved to approve the Consent Agenda as presented; seconded by Mr. Freeman. Motion carried.
4. **PUBLIC COMMENTS:** Shirene Young, Inland Empire Paper, and 8903 E Liberty, announced that the Pumpkin Patch Garden at Argonne and Maringo would be starting again this year, and reminded everyone that Millwood Daze is set for August 25.
5. **AVISTA EASEMENT FOR CITY PARK – ORDINANCE 428:** Mr. Richardson said he was contacted by Avista Utilities concerning the need for an easement at city park. Mr. Werst reviewed the draft easement document. He asked city council to authorize the easement in substantially similar form subject to staff agreeing with Avista on the fair market value on the easement. Nancy Holmes, Regional Business Manager, said there will be a lot of work at their substation this summer starting within a couple of weeks. She offered to attend a special meeting on the project if requested. She will be sending a letter to customers in the area and requests the city put a note in the utility newsletter. Mr. Freeman moved for approval of Ordinance 428, with the caveat that the mayor has the right to sign the easement based on recommendations on fair market value from staff. The motion was seconded by Mr. Culler. Motion carried unanimously.
6. **WATER SYSTEM PLAN – BEN VARELA, VARELA & ASSOCIATES:** Ben Varela, of Varela & Associates, said the Water System Plan has been submitted to Department of Health and DOH has approved it. Mr. Ellingson asked about the electrical cost estimate for the Old Park Well project which seems very high. Mr. Varela said their estimate is based on actual project bids he has seen on similar projects; he uses high estimates in the plan to be sure we do not underestimate the costs. Mr. Werst asked if the rates in the six year plan are required by DOH. Mr. Freeman asked about fire flow requirements for the high school. Mr. Varela clarified that the buildings listed in the section 4.5.2 do not list all buildings, but are just examples of what the WSRB had rated. Mr. Freeman asked if there is a way to identify a base ERU for winter use, to remove the effects of irrigation on residential use. Ms. Matkin said the utility accounting system can produce that information for us.

Mr. Varela said he worked with Mr. Richardson to submit two applications for Drinking Water State Resolving Fund loans for the projects in the six year capital plan. It usually takes the state a year or more before they approve the loans. Mr. Schoen asked about funding for repainting the reservoir. Mr. Varela said that the tank was re-coated in 2002 and it should be good for 30 years. Mr. Freeman asked why it took so long to complete the plan. Mr. Varela acknowledged that his firm did not begin work on the plan until spring, 2011, and that it typically takes a year or so to prepare the plan and get it through the approval process.

Mr. Freeman referred to the cost per ERU in the six year budget table, and asked if we would be held to those numbers. Mr. Varela said the rate increases in the plan are not specifically required, but DOH does require us to show a balanced six year budget.

Mr. Freeman moved to approve the revisions in the six-year budget table in the Water System Plan. Motion seconded by Mr. Culler. Motion carried unanimously.

7. WATER RATES – DISCUSSION: Mr. Richardson presented an example of a water rate proposal that would balance the 2012 budget as called for in the water system plan. Mr. Freeman said we need to take a hard look at the rate structure; we should have a tiered rate structure that has a base rate based on what the average household uses on a daily basis. Our rates should provide an incentive for conservation; people who choose to use a lot of water should pay for it. Council asked if Andy O’Neill could come back for a special workshop session on rates. Ms. Matkin said we should be able to get the information from our system and do as much of this as possible by ourselves before we bring back O’Neill since he would probably have to charge us. The council requested the finance committee review the rate proposal and report back at the next meeting.

8. PUBLIC HEARING: MEDICAL MARIJUANA ZONING MORATORIUM – ORDINANCE 429: Mayor Mork opened the public hearing on the extension of the moratorium on medical marijuana collective gardens and dispensaries at 7:55 p.m. Mr. Werst reported on the bill proposed during the current session to clarify the law passed last year on medical marijuana collective gardens and dispensaries. The bill died, and now the city is forced to deal with last year’s law as it is. He said the moratorium adopted in September on permitting such activities will expire tomorrow unless extended. This evening’s hearing is being held to consider whether the city needs to extend the moratorium to give the city time to develop regulations, now that we know the state will not be passing new legislation this year. He read a letter from the Department of Justice to the Clark County commissioners concerning the risk to the county of doing anything to permit medical marijuana collective gardens or dispensaries.

There was no public comment. The mayor closed the hearing at 8:54 p.m. Mr. Werst described the approach taken by Pullman which uses business licensing regulations for these activities. Mr. Freeman said he does not want to use zoning to regulate these activities. He said these activities are clearly illegal under federal law.

Mr. Freeman moved for adoption of Ordinance 429 as presented with direction to staff to development a permanent solution for regulation of these activities. Motion seconded by Mr. Ellingson. Motion carried.

9. 2012 BUDGET AMENDMENT – ORDINANCE NO. 427: Mr. Richardson explained that a budget amendment was needed: a) to allow the General Fund to purchase the new lawnmower this spring instead of in the fall when sufficient REET revenues had been received, and b) to provide for a new position of Maintenance Operator I in Public Works. This ordinance was presented at the previous meeting. Mr. Schoen moved to approve Ordinance 427. Seconded by Mr. Ellingson. There were 4 aye votes, 0 nays, 0 abstentions. Motion carried unanimously.

10. AWARD OF BID – PURCHASE OF LAWN MOWER FROM PAPÉ MACHINERY: Mr. Culler moved to approve the bid from Papé Machinery for the John Deere commercial lawn mower in the amount of \$12,789.32 including sales tax. Motion seconded by Mr. Schoen. Motion carried.

11. UNION PACIFIC RAILROAD BEAUTIFICATION LEASE: Mr. Richardson asked for council approval on the proposed lease with UPRR to allow the city to use their right of way along Empire Ave. He clarified that the lease payment would be \$250 per year. Mr. Freeman asked if WCIA had been asked to review the insurance language in the agreement. Mr. Freeman moved to authorize the mayor to sign the lease contingent on the railroad approving the \$250 annual fee and that the WCIA insurance pool review the insurance terms. Mr. Schoen seconded the motion. Motion carried.

12. TIME AND DAY OF REGULAR COUNCIL MEETINGS: Mayor Mork said the consensus of council members was that the council's regular meetings be moved to the second Tuesday of each month, in order to give the treasurer more time to prepare bills for payment and the end-of-month financial reports, and give council members more time to review them. Council directed staff to prepare an ordinance for the next meeting.

13. FIRE DEPARTMENT REPORT – None.

14. TEEN ADVISORY COUNCIL: The mayor read a written report submitted by the Youth Council, reporting on plans for the Art Fest to promote youth art.

15. MAINTENANCE REPORT: Paul Allen reported that staff was short vacation, jury duty and surgery. They have been working on clean up on right of ways between snow storms. Repaired potholes on Sargent. Cleaned valve boxes to prepare for leak detection this spring. New radio units were installed in the trucks and the office due to FCC regulations. Emergency generators have been serviced. Have updated contact information in the emergency response plan. Getting ready to remove plows from the trucks and to install the playground equipment bought last fall under the grant. We will start sending out letters to customers flagged for potential leaks by the meter reading system.

16. CLERK/PLANNING REPORT: Mr. Richardson said he submitted a grant application to the Spokane Parks Foundation for refurbishing the wading pool. He also attended training at fire training center pertaining to disaster recovery.

17. LEGAL REPORT: Mr. Werst attended the Spokane River Forum meeting In Coeur d'Alene last month. He requested an executive session to discuss acquisition of real estate and litigation or potential litigation.

18. CORRESPONDENCE: The mayor said he turned down the television program that contacted him on community promotions due to the cost. He received a letter from a resident complaining about the train noise.

19. ANNOUNCEMENTS: The mayor congratulated Brian Werst on being named a partner at his firm. He said that at the Northeast Mayors meeting last week it was reported that L&I has stepped up safety inspections. He talked about reduced utility rates for seniors and low-income persons which could be brought up when we discuss the water rates.

20. COUNCIL COMMENTS: None.

21. PUBLIC COMMENTS: Peggy Slider, public health nurse and resident of Millwood, requested city support for the Our Kids – Our Business program. April is a special promotion month for the program. This year's emphasis is on protective factors.

June King, 3009 Stout, asked about assistance for utility bills for the poor.

The mayor called a brief recess at 8:41 p.m. before reconvening in executive session.

22. EXECUTIVE SESSION: The mayor reconvened the meeting in executive session at 8:43 p.m. to consider the acquisition of real estate pursuant to RCW 42.30.100(b), and to discuss with the city attorney matters pertaining to litigation or potential litigation involving the City of Millwood pursuant to RCW 42.30.110(i), until 9:00 p.m. The mayor reconvened the meeting in regular session at 9:03 p.m.

23. ADJOURNMENT: Mr. Freeman moved to adjourn. The motion was seconded by Mr. Culler. Motion carried unanimously. The mayor adjourned the meeting at 9:04 p.m.

Daniel N. Mork, Mayor

Attest:

Thomas G. Richardson, City Clerk