

**CITY OF RUSTON  
REGULAR COUNCIL MEETING  
TUESDAY, May 2, 2017**

**MEETING CALLED TO ORDER**

At 7:04PM Mayor Hopkins called the Regular Council Meeting to order. Councilmembers present were: Jim Hedrick, Jane Hunt, Lyle Hardin, Deb Kristovich. Councilmember Syler was excused. Following the flag salute, Mayor Hopkins called for approval of the agenda. Councilmember Hedrick moved to approve the Agenda of May 2, 2017, with a second from Councilmember Hunt, passed 4-0.

**MINUTES**

Councilmember Hedrick moved to approve the minutes for the Regular Council meeting minutes of April 18, 2017, with a second from Councilmember Hunt, passed 4-0.

**STAFF REPORT** –

Ruston City Engineer – Jerry Morrissette – Was excused.

**GENERAL PUBLIC COMMENTS** – No general public comment at this time.

**BUSINESS**-

**Motion** – Reject All Bids in 51<sup>st</sup> Street Retaining Wall Project.

**Project Description.** The N. 51st Street Retaining Wall Project includes the re-construction and improvement of the Retaining Wall which fronts Mr. John Schroeder’s property on N. 51<sup>st</sup> Street at the corner of Shirley Street. The City engaged in litigation with Mr. Schroeder over the condition of this wall and the impact on the sidewalk. As part of a settlement, the City received payment in an amount that was expected to cover the cost of replacement of the wall and related repairs.

**Public Bidding Process.** In accordance with State law, any public works project over \$300,000 must be awarded via the full competitive bidding process. The full public bidding process was utilized in an effort to secure the best price. The bid opening took place at 10:00 am on Tuesday, April 25<sup>th</sup> at the Community Center. The City received four (4) bids as follows:

- |                                   |              |
|-----------------------------------|--------------|
| 1. Serpanok Construction, Inc.:   | \$162,181.63 |
| 2. Nordic Construction, Inc:      | \$174,809.16 |
| 3. Iron Creek Construction, LLC:  | \$210,939.61 |
| 4. Gary Harper Construction, Inc: | \$213,969.99 |

**Engineer’s Estimate** **\$115,000.00**

The lowest bid (Sapanok) was forty-one percent (41%) above the Engineer’s Estimate and exceeds the available budget for this project. The highest bid exceeded the Engineer’s Estimate by eighty-six percent (86%).

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With other costs of doing the project, the amount of expenditure even with the lowest bid will exceed the \$175,000 payment from Schroeder that was part of the settlement. Upon examination of the bids, it was determined that many of the bid item prices received from each of the bidders were inordinately high.

The settlement was expected to not only cover the full cost of the wall, but the full cost of the litigation, emergency repair, and technical experts that were part of this project and litigation. Additionally, there have been engineering costs in order to get this project ready to go out to bid. If the bid is awarded to the current low bidder, the City will have a significant additional expenditure for this project and the Council would need to determine where the additional resources could be appropriated from. This may include the need to amend the City's budget. Rejecting this bid does not commit the City to a contract; however, the City would lose the costs already expended in labor, printing, and advertising costs as part of the prior bid process. Councilmember Hedrick moved to approve the motion to reject all bids in the 51<sup>st</sup> Street Retaining Wall Project, with a second from Councilmember Hunt, passed 4-0.

**RES 652**- Authorize Mayor to Execute Stack Hill Indemnification Agreement. Stack Hill Homeowner's Association ("Stack Hill HOA") have requested that the City solid waste service be extended to serve its private road (N. Villard Court, hereinafter "Roadway") to alleviate the need for the residents on the Roadway to haul their containers up to the public street. Given that this Roadway is a private road and the City's solid waste trucks are heavy, the City expressed concern about damaging the Roadway. Stack Hill HOA offered to indemnify the City for any damage that occurs on this Roadway in exchange for services on the Roadway. The indemnification agreement has been through legal review and is acceptable to Stack Hill HOA. The Agreement has no financial requirement by or to the City but it protects the City from liability if the Roadway is damaged by the solid waste trucks or operations. Nothing in the Agreement requires the City to continue to serve this Roadway or limits the City's discretion in determining the operations or route of its solid waste service. Councilmember Hedrick moved to approve Resolution 652, with a second from Councilmember Hunt, passed 4-0.

**ORD 1494** – Increase City Electric Rates (2nd reading). The City of Ruston is entitled to operate its own electrical utility to sell power to its residents and to set the rates for such electrical utility. Because the City purchases power from Tacoma Power, an increase in rates by Tacoma Power necessitates an increase in the rates charged by the City. The City of Ruston last increased rates in July 2015. The rates at that time were set at \$0.083 per Kilowatt hour, starting on August 1, 2015.

Since that time, Tacoma Power has again increased its rates, with the first increase taking effect April 15, 2017 and the next increase taking effect on April 1, 2018, necessitating the City likewise increase its rates in order to pass through these rate increases.

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These rate increases are proposed to take place on June 1, 2017 is an increase from \$0.083 per Kilowatt hour to \$0.0872 per Kilowatt hour. On April 1, 2018 that rate would increase again to \$0.092 per KWh. Additionally, under Ordinance #1494 an increase in the low-income senior rate would also occur. Currently, the rate of \$0.060 per Kilowatt hour is charged. Under the new rates, \$0.063 per Kilowatt hour would be charged starting on June 1, 2017 and \$0.0662.

Customer Class	Current KWh	Effective June 1, 2017	Effective April 1, 2018
Regular Rates	\$0.083	\$0.0872	\$0.092
Low Income/Disabled	\$0.060	\$0.063	\$0.0662

Both regular and low income customers will have a 5% increase in the KWh charges in both 2017 and 2018. In addition, the minimum charge for both regular and low income customers would increase by \$3.50 per month in 2017 and another \$3.00 per month in 2018. This is to bring these fees directly in line with Tacoma. These fees help pay for infrastructure and to replenish depleted reserves.

Customer Class	Current Minimum Charge	Effective June 1, 2017	Effective April 1, 2018
Regular Rates	\$10.00	\$13.50	\$16.50
Low Income/Disabled	\$6.00	\$9.50	\$12.50

This increase will ensure that the City recovers the increased cost of purchasing electrical power from Tacoma Power. The new rates will help ensure that the City’s electrical utility will continue to be fiscally sound and have the resources needed to replace and refurbish the capital infrastructure and maintain high quality operations. Councilmember Hedrick moved to approve Ordinance 1494, with a second from Councilmember Hunt, passed 4-0.

**ORD 1495 - Public Hearing** – Sewer Rate Increase. Councilmember Hedrick moved to open public hearing on Ordinance 1495, with a second from Councilmember Hunt, passed 4-0. No public testimony was given. Councilmember Hedrick moved to close public hearing on Ordinance 1495, with a second from Councilmember Hunt, passed 4-0.

**ORD 1495** – Sewer Rate Increase – Hold Public Hearing (1<sup>st</sup> reading). Under State law, the City is authorized to provide sanitary sewer services to properties within the City. As a sanitary sewer utility provider, the City may establish charges for sanitary sewer service. The City of Tacoma accepts the flow from Ruston sanitary sewers for the purpose of sewage treatment. The City of Ruston pays Tacoma for this service. The City of Tacoma instituted a sewer rate increase. The increase took effect on January 1, 2017. Another Tacoma increase was also passed which is scheduled to take effect on January 1, 2018. The City of Ruston only received notice of the 2017 increase in April 2017. The average of the rate increases between 2016 and 2017 across all rate increases was 4.7 percent. The average for 2018 was 5.1 percent.

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To ensure equality among rates, the same percentage increase has been added to establish the new two-step rate increases in Ruston. As is the City's practice for utilities, rate increases are passed through to its rate-payers to ensure continued financial viability of the sanitary sewer utility. Both the 2017 and 2018 rate increases are included as a two-step increase in the ordinance so that the City only needs to amend the Code once to effectuate both steps. The rate increases are outlined below, including a look back at 2016 rates.

Rate Type	2016	Increase	6/2017	Increase	10/2017
Fixed Rate - RES	\$ 61.50	\$ 3.14	\$ 64.64	\$ 3.03	67.67
Flow Charge - RES	\$ 4.30	\$ 0.22	\$ 4.52	\$ 0.21	4.73
Fixed Rate - COM - Categorized	\$ 50.53	\$ 2.58	\$ 53.11	\$ 2.49	\$55.60
Flow Charge - COM by Category					
1	\$ 5.73	\$ 0.29	\$ 6.02	\$ 0.29	\$ 6.31
2	\$ 6.07	\$ 0.31	\$ 6.38	\$ 0.30	\$ 6.68
3	\$ 7.64	\$ 0.39	\$ 8.03	\$ 0.38	\$ 8.41
4	\$ 9.39	\$ 0.48	\$ 9.87	\$ 0.46	\$ 10.33
5	\$ 9.39	\$ 0.48	\$ 9.87	\$ 0.46	\$ 10.33
6	\$ 11.15	\$ 0.57	\$ 11.72	\$ 0.55	\$ 12.27
7	\$ 12.66	\$ 0.65	\$ 13.31	\$ 0.62	\$ 13.93
8	\$ 13.10	\$ 0.67	\$ 13.77	\$ 0.65	\$ 14.42
Fixed Rate - COM - Not Categorized	\$ 60.85	\$ 3.10	\$ 63.95	\$ 3.01	66.96
Flow Charge - COM - Not Categorized	\$ 4.30	\$ 0.22	\$ 4.52	\$ 0.21	\$ 4.73

**CLAIMS/PAYROLL** – Councilmember Hedrick moved to approve Claims and Payroll, with a second from Councilmember Hunt, passed 4-0.

**MAYOR'S TIME** – Met with Staff today and was told that the City can expect a permit from the Silver Cloud on May 10, 2017. Mayor Hopkins was concerned that they had not presented a site plan. If the site plan is delivered with the permit application, the site plan could derail the issuance of the building permit. Mayor Hopkins will again reach out to Silver Cloud management since they will be the general contractor on this project and will confirm their understanding of the Shoreline Management Act. The Lender has condominiumized the parcel and split the land from the building so the Silver Cloud owns from the ground up. There is a plan to set up a crane at that location by July 1, 2017. Mayor Hopkins met with the new Ruston Police Chief, Chief Estes and learned that the City's burglary and theft numbers are down. Chief Estes has done a great job working with his Officers and placing their focus on City of Ruston.

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**COUNCIL TIME –**

Councilmember Hedrick – Nothing at this time.

Councilmember Hunt – Spent time researching Farmers Markets within other Municipalities to confirm how their Farmers Markets are run. Councilmember Hunt reviewed the Ruston-Point Defiance Business District website to find they had posted an application, did not post liability insurance and business licenses requirements and the Business District published the City Ruston Council had waived the fee. Liability insurance and municipal business licenses are required in other municipalities. Councilmember Hunt recommended the City of Ruston review the process for 2018 and work closely with the Ruston-Point Defiance Business District to establish the required documentation and the appropriate fees,

Councilmember Hardin – Nothing at this time.

Councilmember Kristovich – Nothing at this time.

Councilmember Syler – Was excused.

**MEETING AJOURNED -**

At 7:28PM Councilmember Hedrick moved to adjourn, with a second from Councilmember Hunt, passed 4-0.

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Mayor Bruce Hopkins

ATTEST:

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Judy Grams