



City of Cashmere

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CASHMERE CITY COUNCIL MEETING
MONDAY, FEBRUARY 14, 2022, 6:00 P.M., CITY HALL

**DUE TO THE COVID-19 PANDEMIC AND THE GOVERNOR'S PROCLAMATION;
THE PUBLIC CAN ATTEND IN PERSON, CALL-IN OR LOG-IN TO ZOOM TO
PARTICIPATE IN THE CITY COUNCIL MEETING. PLEASE CALL-IN OR LOGIN 5
MINUTES PRIOR TO MEETING.**

**To Join the Meeting Go To <https://zoom.us>
Meeting ID: 882 719 9871 Passcode: 788276
Audio Only: PH# 1-(253)-215-8782**

AGENDA

CALL TO ORDER - ROLL CALL – FLAG SALUTE

ANNOUNCEMENTS

PUBLIC COMMENT PERIOD (For Items Not on the Agenda)

APPROVAL OF AGENDA

CONSENT AGENDA

1. Minutes of January 24, 2022, Regular Council Meeting
2. Minutes of January 26, 2022, Special Council Meeting
3. Payroll and Claims Packet Dated February 14, 2022
4. Setting a public hearing for March 14, 2022 at 6:00 p.m. on 5701 Evergreen Dr. petition for annexation

BUSINESS ITEMS

1. Review utility cash flow budget
2. Decision on new meters and meter reading upgrade
3. Tailgate Cross Conveyor vendor selection

PROGRESS REPORTS

ADJOURNMENT

TO ADDRESS THE COUNCIL, PLEASE BE RECOGNIZED BY THE MAYOR AND STATE YOUR NAME WHEN YOU BEGIN YOUR COMMENTS
Americans with Disabilities Act (ADA) accommodations provided upon request (48-hour notice required)

MINUTES OF THE CASHMERE CITY COUNCIL MEETING
MONDAY JANUARY 24, 2022, AT CASHMERE CITY HALL – In Person and Digital

OPENING

Mayor Jim Fletcher opened the regular City Council meeting via in person and digital conference at 6:00 p.m. at City Hall. City Clerk-Treasurer Kay Jones took minutes.

Due to the COVID-19 pandemic and the Governor’s proclamation; public can attend the council meeting in person, by phone or by digital conference.

ATTENDANCE

	<u>Present</u>	<u>Not Present</u>
Mayor:	Jim Fletcher	
Council:	John Perry - Digital Chris Carlson Shela Pistorosi Jayne Stephenson - Digital Derrick Pratt	
Staff:	Kay Jones, Clerk-Treasurer - Digital Steve Croci, Director of Operations	

ANNOUNCEMENTS

Mayor Fletcher reminded the Council of the special workshop on Wednesday, January 26th at 1:00 p.m. with Woodard & Curran.

The mayor announced a community meeting has been tentatively scheduled for Monday, March 21st at Riverside Center to receive public input on the park plan, including the lagoon area and trails, and the use of Riverside Center as the city library, and ongoing maintenance and repairs of the city pool.

PUBLIC COMMENT

Paul Kelly residing at 220 Riverside expressed his concern of the need for the City Council to address prefab sheds and carports, which do not require a building permit. People choose to erect a prefab shed under 200 square feet and a prefab metal carport so they can avoid meeting the setback requirements of a building permit. These types of structures are making it hard to get down the alleys, especially when it snows. Mr. Kelly asked the City Council to consider addressing these issues in the code.

APPROVAL OF AGENDA

MOVED by Councilor Carlson and seconded by Councilor Pratt to approve the agenda as presented. Motion carried 5-0.

CONSENT AGENDA

Minutes of January 10, 2022, Regular Council Meeting
Payroll and Claims Packet Dated December 31, 2021 Year End
 Claims Direct Pay and Check #41673 through #41702 totaling \$116,675.68
Payroll and Claims Packet Dated January 24, 2022
 Claims Direct Pay and Check #41703 through #41723 totaling \$318,335.18
Reaffirm Mayor appointments to Planning Commission and Outside Committees

City Council Minutes
January 24, 2022

Director Croci reported that he is working with the county on obtaining right-of-way for the Sunset Highway project.

ADJOURNMENT

Mayor Fletcher adjourned the meeting at 6:43 p.m.

James Fletcher, Mayor

Attest:

Kay Jones, City Clerk-Treasurer

MINUTES OF THE CASHMERE SPECIAL CITY COUNCIL MEETING
MONDAY JANUARY 26, 2022, AT CASHMERE CITY HALL – In Person and Digital

OPENING

Mayor Jim Fletcher opened the Special City Council meeting via in person and digital conference at 1:00 p.m. at City Hall. City Clerk-Treasurer Kay Jones took minutes.

Due to the COVID-19 pandemic and the Governor’s proclamation; public can attend the council meeting in person, by phone or by digital conference.

ATTENDANCE

	<u>Present</u>	<u>Not Present</u>
Mayor:	Jim Fletcher	
Council:	John Perry Chris Carlson - Digital Jayne Stephenson Derrick Pratt	Shela Pistoresi
Staff:	Kay Jones, Clerk-Treasurer Steve Croci, Director of Operations Chuck Zimmerman, City Attorney - Digital Anthony Naccarto, Client Manager for Woodard & Curran Dave Kitzmiller, Area Manager for Woodard & Curran Travis Kirk, Operation Manager at Quincy Facility - Digital	

DRAFT SCOPE OF WORK AND BUDGET FROM WOODARD & CURRAN FOR MANAGEMENT OF THE CITY’S WATER AND WASTEWATER UTILITIES

Anthony Naccarto presented the budget numbers, explaining that he recommended a cost-plus fixed fee vs a lump sum contract. A lump sum contract is a higher risk which makes the cost higher. A cost-plus fixed fee contract provides better pricing because the risk is shared. The fixed fee is 8% of the estimated cost which is \$92,758. The annual rate for the estimated costs plus the fix fee totals \$1,252,236.

The city will still be responsible for general and administrative costs, capital improvements and the annual debt service.

The transition costs are in addition to the cost-plus fee. Anthony explained the transition costs of \$123,438, which are prioritized over 5 years. The transition costs include training, software, safety equipment and Arch Flash. Arch Flash is an electrical system assessment that is required every 5-years. The assessment hasn’t been done since the wastewater treatment plant was built.

Woodard & Curran’s estimated cost-plus fixed fee of \$1,252,236 is approximately \$280,500 more than the city has budgeted for operations. The difference in costs is due to a higher budget for direct labor, benefits, and tech support. The city’s budget included four employees and W&C budgeted for five employees, which includes a project manager. The other budget item that is higher is maintenance and repair costs, W&C are very proactive in maintenance and repairs to keep the capital costs down, which in the long run will save the city money.

Dave Kitzmiller explained that the scope of work includes taking over the operations and maintenance of all current water and wastewater activities the city crew has been doing, except for maintaining the city pool. The office staff will continue reading meters and processing utility bills.

The two-remaining water/wastewater employees will be offered employment by Woorard & Curran and if union representation is desired the company will negotiate their own collective bargaining agreement with the union.

The target date is February 11th for the contract and scope of work to be submitted to the City. The city attorney and bond counsel will both have to review and approve before the contract is presented to the City Council for approval on March 14th. After council approval the Teamster Union requires a 30-day notice to the water and wastewater employees. The goal is May 1st for Woodard and Curran to take over operations.

Mayor Fletcher stated that we are investing in Cashmere's future, and we are at the go, or no go point. The mayor polled the council members, and the four members present were in favor of moving forward with the contract.

ADJOURNMENT

Mayor Fletcher adjourned the meeting at 2:07 p.m.

James Fletcher, Mayor

Attest:

Kay Jones, City Clerk-Treasurer



NOTICE OF PUBLIC HEARING ON

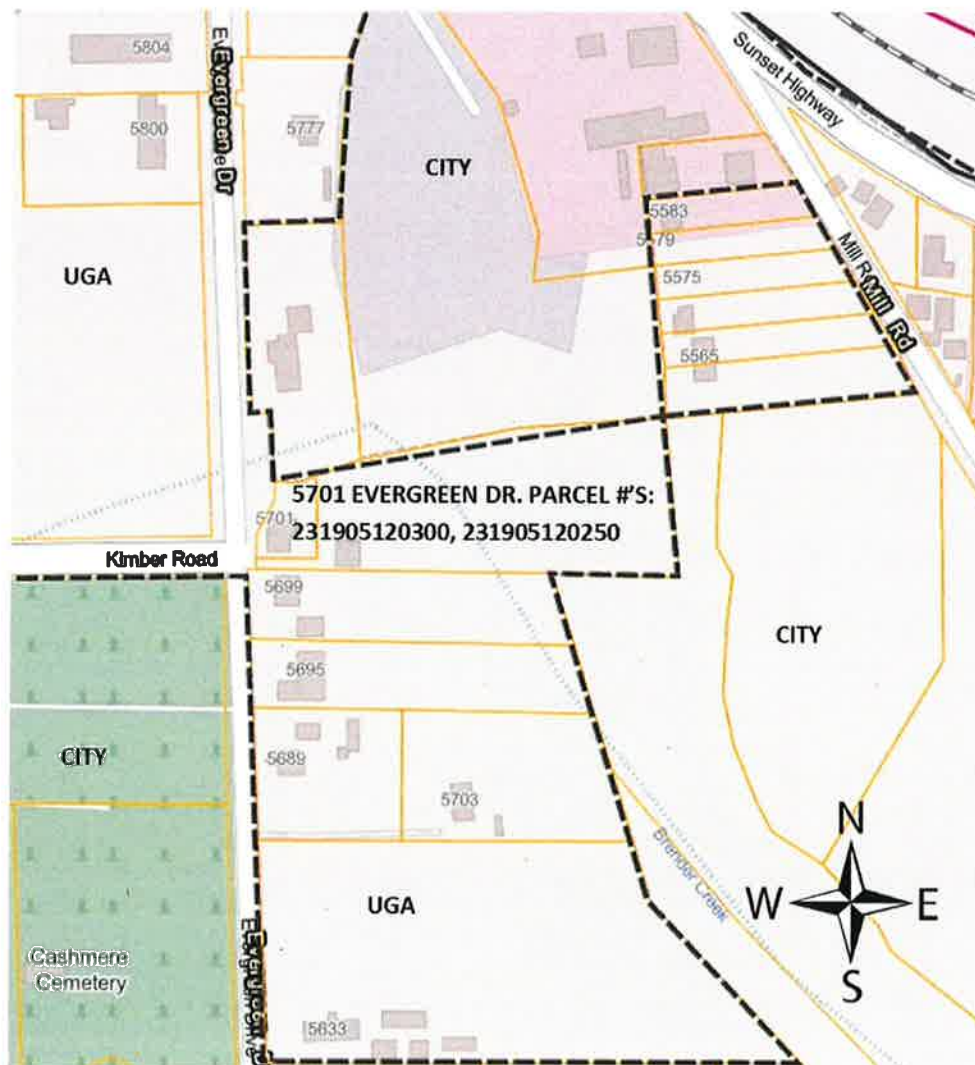
5701 EVERGREEN DRIVE ANNEXATION

Pursuant to RCW 35.13, the Cashmere City Council will hold a public hearing on Monday, March 14, 2022, at 6:00 p.m. at Cashmere City Hall, 101 Woodring Street on the following petition proposal for annexation into the incorporated City Limits of Cashmere:

The proposed annexation is located at 5701 Evergreen Drive, Cashmere WA 98815, also identified by Chelan County Assessor's Parcel Number's 231905120300 and 231905120250.

Complete legal description and site survey of the proposed annexation and petition are available at Cashmere City Hall for viewing by request.

The public is invited to attend and make comment or send written comments c/o Tammy Miller, Director of Planning and Building, City of Cashmere, 101 Woodring Street, Cashmere, WA 98815, Tammy@cityofcashmere.org



Staff Summary

Date: February 9, 2022
To: City Council
From: Jim Fletcher, Mayor
RE: Review Utility Cash Flow Budget

A review was completed on the proposed Woodard & Curran budget effects on City utility rates. The City will be able to hold rates at existing annual adjustments of 4% on water and 2% on wastewater based on the following assumptions:

1. Year 2022 Woodard and Curran budget is for eight months, City budget is for the year to allow for operating transition. *Nominal first year savings to adjust for transition.*
2. A six-year cash flow stress test increased expenses at 5% in 2023 and 3% for each year 2024 to 2027. *Existing utility rates were based on 1.5% average annual inflation.*
3. Adding 10 new utility connections each year starting 2023. *New connections based on land development permits recently approved and others pending.*
4. Reducing administrative costs. *Some expenses will be transfer to general government fund or public works fund.*
5. Reducing annual transfers to Capital Fund. *Present utility capital fund balances total \$4.4 million.*
6. Operating efficiencies result in system wide preventive maintenance and will restore deferred maintenance.
7. A new rate study may be performed during 2024 or 2025 to evaluate actual costs for operating and updated capital projects to establish future utility customer rates.
8. Maintain commitments for debt service coverage or better. *Minimum required coverage of 1.25 times the debt payment. Present coverage at 2.2 times debt payment.*

Staff Recommendation: Discussion. A formal budget amendment for 2022 will be submitted pending final contract with Woodard & Curran.

Cashmere Utility Management - Woodard & Curran Project

CASH FLOW PROJECTION

February 8, 2022

	2022	2023	2024	2025	2026	2027
REVENUES						
New Connections (pending lot developments)		10	10	10	10	10
New Revenue		20,000	20,480	20,972	21,475	21,990
Revenue Budget	\$ 3,164,800	\$ 3,260,755	\$ 3,359,493	\$ 3,461,093	\$ 3,565,634	\$ 3,673,200
Existing Rate Plan		2.4%	2.4%	2.4%	2.4%	2.4%
<i>4% water// 2% wastewater = ave. 2.4%</i>						

EXPENSES

CPI adjsutment		W&C 2/3 yr	5%	3%	3%	3%
W&C	842,770	1,340,770	1,380,993	1,422,423	1,465,096	1,509,049
City G &A	1,126,429	800,000	824,000	848,720	874,182	900,407
SUB TOTAL Operating Costs	1,969,199	2,140,770	2,204,993	2,271,143	2,339,277	2,409,456
Transfer to Capital Fund	650,000	570,000	600,000	640,000	680,000	720,000
Bond Debt Service	532,957	532,957	532,957	532,957	532,957	532,957
Total EXPENSES	\$ 3,152,156	\$ 3,243,727	\$ 3,337,950	\$ 3,444,100	\$ 3,552,234	\$ 3,662,413
Rounding Adjustment	12,644	17,028	21,543	16,993	13,400	10,787

Staff Summary

Date: 2/10/2022
To: City Council
From: Clerk-Treasurer Kay Jones
RE: Options for new water meters and meter reading system

The City is looking at 2 issues:

- 1. Replacing the meter reading system**
- 2. Replacing all water meters**

1. Meter Reading System:

Currently the City uses an Automatic Meter Reading (AMR) system. City staff drives around with Itron's AMR radio system to collect meter readings. The meter reads are then downloaded into the billing system.

Itron will no longer maintain the radio system the City currently uses. The City needs to replace the meter reading system before the current one fails and we have to read 1100 meters manually.

City Staff is recommending upgrading the reading system to Advanced Metering Infrastructure (AMI).

The most current technology is AMI, which uses collectors (antennas) placed strategically around the city. The AMI system collects the reads and can be read at any time without leaving City Hall, eliminating the need to drive around the city or interrupt the water crew. AMI would save several hours of staff time reading meters and re-reads each month.

The benefits to Advanced Metering Infrastructure (AMI) reading system:

- No interruptions for the water crew
- More efficient and saves on labor time
- Readings and Error codes are readily accessible
- Better customer service with leak notifications
- Leak notifications promotes water conservation

Full automation will provide more efficient use of staff time by having direct access to the information and a higher level of customer service.

2. Water Meters:

The City's Water Comprehensive Plan, CIP M5, addresses customer meter replacement. The plan states that the replacement can be budgeted either as an annual allocation, or as a single project.

In 2007 the City replaced all the water meters in the City with radio read capability. The meters have a battery that enables them to communicate with the ERT that the radio reads. The batteries have a 15-year life, which are quickly coming to the end of their life cycle. The entire meter must be replaced, AMMCO water meters are no longer made.

Each month the City has more meters that are failing, which render them incapable of reading with the radio, so the meter has to be read manually. Meters are going to continue to fail at a faster rate so the City needs to decide what meters to move forward with replacement.

City Staff recommends replacing all the water meters with Acoustic Leak Detection (ALD) water meters.

The ALD meters detect leaks in the City's main lines, which promotes water conservation and will save costs with the ability to identify and schedule water line repairs vs emergency repairs, which cost in overtime.

Benefits of ALD water meters:

- One company for both meter support and reading software support
- No brass, meter is light weight, making for easier installation
- No cable or ERT to attach
- The ERT for read is vacuum sealed under the glass inside of the meter
- City of Leavenworth and Entiat are using Kamstrup meters

Staff Recommendation:

MOVE to authorize staff to move forward with going out to bid for new meters and meter reading software.

Options for new meters and reading software

	AMR with Itron	AMI	Acoustic Leak Detection AMI/ALD
Meters	\$ 492,490.00	\$ 458,580.50	\$ 519,859.90
Total Hardware (tablet & 2 collectors)	\$ -	\$ 37,049.00	\$ 25,049.00
Software install/training	\$ -	\$ 19,731.00	\$ 19,731.00
Annual Dues	\$ 2,000.00	\$ 4,385.00	\$ 9,522.00
Includes Tax	\$ 535,532.67	\$ 562,884.38	\$ 621,817.34
Labor to install meters			\$100,000

AMR Automatic Meter Reading

Radio read - The City currently uses Itron's radio AMR system. Itron no longer supports the radio we use for reading. Requires driving around city to collect reads

AMI Advanced Metering Infrastructure

Fully automated - reads are read with collectors(antennas) placed around the city. Eliminates leaving the office to read meters.

ALD Acoustic Leak Detection

Meters that detect leaks in the city's main lines. Can be read from City Hall with AMI

Staff Summary

Date: 2/2/2022
To: City Council
From: Steve Croci, Operations Director
RE: Tailgate Cross Conveyor

The City requested bids for a tailgate cross conveyor on the MRSC vendor roster. A cross conveyor is an attachment to the back of a dump truck to spread commonly used roadway material. The City received one bid from Northstar Industries for \$18,961.17.

The cross conveyor was budgeted in 2021 and did not get included in the 2022 budget. Approval of this purchase would require a budget amendment.

Staff Recommendation:

MOVE to select Northstar Industries to provide a tailgate cross conveyor and authorize the Mayor to sign documents.
