

MARYSVILLE CITY COUNCIL MEETING

DECEMBER 2, 1996

7:00 p.m.

Council Chambers

Present: Dave Weiser, Mayor
Councilmembers:
Donna Wright, Mayor Pro Tem
Donna Pedersen
John Myers
Ken Baxter (7:10 p.m.)
Mike Leighan
Otto Herman
Shirley Bartholomew
Administrative Staff:
Steve Wilson, Finance Director
Grant Weed, City Attorney
Dave Zabell, City Administrator
Gloria Hirashima, Planning Director
Ken Winckler, Public Works Director
Doug Buell, Community Information Officer
Walt McKinney, Acting Police Chief/MPD
Larry Wade, Consultant
Wanda Iverson, Recording Secretary

CALL TO ORDER:

Mayor Weiser called the City Council Meeting to order and led us in the pledge of allegiance at approximately 7:00 p.m.

ROLL CALL:

Finance Director Wilson called the roll with all members present/absent as indicated above.

MINUTES OF PREVIOUS MEETINGS:

Councilmember Leighan moved and Councilmember Myers seconded to approve the Workshop Minutes of 11/26/96 as written. Passed unanimously.

Councilmember Wright noted on page 2 of the 11/25/96 Council Meeting Minutes, in the 6th paragraph, it would be better worded: "Councilmember Wright reported Hank Graafstra's term is expiring on the Boundary Review Board and the Cities & Towns Committee usually identifies and elects a member."

Councilmember Bartholomew noted in the very last line under Call on Councilmembers, "become" should be "becoming."

There being no further corrections, Councilmember Bartholomew moved and Councilmember Myers seconded to approve the Council Minutes of Nov. 25, 1996 as corrected. Passed unanimously.

AUDIENCE PARTICIPATION FOR NON-AGENDA ITEMS: None.

CONSENT AGENDA:

1. Authorize Mayor to Sign Interlocal Agreement between the City of Marysville and the Dept. of Community, Trade & Economic Development for 1996-97 Growth Management Act Incentive Grant Funds.
2. Acceptance of 1996 Water System Improvements Project and Begin 45-Day Lien Period.
3. Approval of One Year Extension for Utility Variance; Bert St. Jean; 2832-169th St. NE.

Councilmember Myers moved and Councilmember Leighan seconded to approve Consent Agenda Items 1, 2 & 3. Passed unanimously.

STAFF'S BUSINESS:

City Planner Hirashima reminded Council of the meeting on Wednesday night, 7 p.m. at Lakewood High School, regarding the Smokey Point Incorporation. She said they have filed a Notice of Intent to Incorporate and have invited Marysville officials to attend.

MAYOR'S BUSINESS: None.

CALL ON COUNCILMEMBERS:

Councilmember Bartholomew asked about Marysville's millage rate and Finance Director Wilson said it has not been received as yet; they are still waiting for figures from the state.

Councilmember Herman noted there is a CT meeting Thursday evening.

PUBLIC HEARINGS:

1. Youth Curfew and/or Parental Responsibility Ordinances.

Mayor Weiser noted this issue has been discussed by Council and it was felt there should be public input. He stated the following two letters would become part of the record:

Letter dated December 2, 1996 from Denise Baker, 902 State Ave., Marysville, who is in favor of a curfew because of the increased vandalism in Marysville and specifically to her business.

Letter dated November 26, 1996 from R. W. Fischer, 6927 74th Dr. NE, Marysville, also in favor of a curfew.

Frances Chamberlain, 6724 63rd Pl. NE, addressed Council. She said firstly, she has been asked to express the position of the Marysville School District.

Councilmember Baxter arrived at 7:10 p.m.

Ms. Chamberlain stated the school district is concerned about children on the streets after 11 p.m. Also, they have seen an increase in vandalism and she quoted some figures with regard to incidents of vandalism within the school district, noting there have been 218 incidents from January 1996 to November 1996. She pointed out that this is very costly to the district and on a personal note, she drove around Marysville during the summer of 1995 (on six Sunday nights) from midnight to 1 a.m. and she saw several kids, most of whom seemed intoxicated. She said she is concerned about vandalism, the children's safety, the ability of the police to question these youths and to intervene. She noted Everett started their curfew in May but have not stopped these kids to question them. She summarized by saying, "It's been said it takes a village to raise a child, but it may take a city to take the children off the streets."

Councilmember Bartholomew asked if the vandalism includes graffiti and Ms. Chamberlain said she was sure it did.

Councilmember Bartholomew spoke about having to catch kids in the act, also the financial responsibility of vandalism/graffiti.

Chris Colmore, 6603 67th Dr. NE, addressed the Council. She said she thinks a curfew is like putting a 1" bandaid on a 12' gash-- it needs to go further. It involves everyone stopping violent acts, vandalism, etc. in their own lives, she said. She referred to a presentation Lt. Peterson helped put on recently which was very graphic and she said she hopes the Marysville City Council will work with appropriate members of the community and not just put a bandaid on this problem.

David Predmore, Box 532, Duvall, addressed Council. He said he is the owner of the laundromat at 1048A State Ave. (used to be Holders Laundromat). He said he thinks it would behoove the City to have a curfew law--he has been broken into four times, once they used up all his toilet paper and refused to replace it--they were mouthy to the police. Graffiti has been found on the building; he sees lots of kids and they are no problem until he leaves the building and then they steal tools, cave in the door, etc., he said. He added the laundromat is open 24 hours and vandalism is a huge problem.

CORRECTED:
MINUTES
"2/9/96
SOME"

Mr. Predmore said he thinks a curfew is the most practical solution to help. He added that last summer was the worst--he has only been the owner for 3½ years and so doesn't know if it was worse before the cruising ordinance went into effect or not, but he has had a lot of problems lately, too. The majority of the problems are with machines being broken into (this was probably an adult, however, he said), stealing money and tools, they broke into Anna's Flowers, also. The 13 year old who was caught was a late night incident, he said. All the break ins, in fact, were after midnight, he said.

Councilmember Bartholomew asked about an ordinance holding businesses responsible for cleaning up graffiti and City Planner Hirashima said the Planning Dept. has not enforced fines for graffiti. In fact, she does not know of an ordinance on this in Marysville, she said.

Esterlita George, 7522 74th Dr. NE, addressed Council. She said Marysville should look to the Mountlake Terrace Neutral Zone as a good example to follow. It's a volunteer program that keeps youth off the streets; the kids need a place to go, she pointed out, and we need to take care of them. She questioned whether walking would be considered cruising on State and said she thinks that law is a little vague. She said Marysville is her home and she wants something for her children to do, somewhere to go and be safe, if they want to leave the house.

Councilmember Myers mentioned the Y-Zone at the YMCA but to expand, it needs more funding because it's a volunteer program, also.

Ms. George said she was not aware of that program and perhaps they should advertise. She added that she would be happy to volunteer at the Y.

Paula McClurg, 7130 65th Ave. NE, addressed Council. She noted Esterlita does a lot of volunteering at the Neutral Zone and so does Ms. McClurg, but there just aren't enough parents helping. She said there are more options being offered but there needs to be police participation and protection for these kids. She noted she has raised one of those "difficult" kids herself and when she calls the police, they just say there is no curfew and so there is nothing that can be done by the police without the curfew unless the kids get caught doing something illegal. She said she lives in Kellogg Meadows and doesn't feel safe; they have a security system because of all the vandalism, etc.

Mayor Weiser pointed out that part of the problem is lack of parental responsibility being taken and Mrs. McClurg agreed. She said she's been through this--they have tried to be good parents and she ended up quitting her job so she could get more involved but a lot of people don't have the luxury of being able to quit work.

John Natterstad, 10532 38th Ave. NE, addressed Council. He said he is in favor of the curfew law; kids should be in bed by 11 p.m. so they can get up the next day for school. Secondly, the cost of the damage they do is pretty high so a curfew would save there, he said. He passed out an article with statistics on lowering of crime in cities with curfews. He added that he knows a lot of kids don't want to go to bed at night and those that are on the border about wanting to go out at night might stay home if there was the fear of being caught out after curfew.

Marty Norsby, 6810 71st NE, addressed Council. He said he is against the curfew because he doesn't think everyone should be punished for the few. He asked where it is going to stop. He said he has a daughter and if she wants to go for a hamburger after a dance that gets out after 11, she's going to be punished.

Councilmember Myers noted that part of the curfew law would be to protect kids out there late at night.

Mr. Norsby said he just doesn't think a curfew is going to stop very much or make that much different--it just doesn't balance out, he said. He said he has had a business in Marysville since 1988 and is still against having a curfew in Marysville.

Councilmember Pedersen explained on weekends possibly the curfew time could be extended and Mr. Norsby said that would ease him some. He added that he would be interested in serving on a curfew study committee, if one is formed.

Kristi Richardson, 6002 85th St. NE, addressed Council. She said she is 16 and has a midnight curfew now. She said she has a concern about being pulled over for cruising if she stops for something to eat after work.

Councilmember Pedersen explained the difference between the cruising ordinance and the curfew concept. She said she welcomed the input from Ms. Richardson or any other teenagers.

Ms. Richardson stated she has no problem with the police checking to make sure they are not doing something illegal but they just want the kids to get out of the parking lots and go home, basically.

Councilmember Pedersen explained the places where a lot of the teenagers have been parking is private property and the curfew is just a concept now.

Ms. Richardson said regarding the cruising ordinance she doesn't think the cops are enforcing it.

Mayor Weiser said they have actually noticed a big decrease in cruising since the ordinance went into effect.

Councilmember Pedersen added there were a lot of kids gathering in private parking lots and a lot of them were from out of town and cruising has improved tremendously. Part of the responsibility of the City Council is to protect businesses in this town, she noted.

Ms. Richardson pointed out that teenagers don't have a lot to do in Marysville; kids just drive around as a result. She said she does her studying after school but if she is going home from a movie she doesn't want to be violating a curfew law. She said she sees it as a few bad kids ruining it for the good kids.

Councilmember Wright pointed out that if the kids' behavior is not catching the eye of the police, they will probably not be stopped, even after curfew.

Councilmember Myers noted there used to be 200 kids in a parking lot before the cruising ordinance; the curfew law would be another tool to protect the kids like Ms. Richardson--it allows the police to stop a kid that's not doing what they are supposed to be doing.

Ms. Richardson said she doesn't see what's wrong with sitting in Market Place's parking lot if they are not breaking the law.

Ilea George, 7522 74th Dr. NE, addressed Council. (12 years old) She said she thinks there should be a curfew because she sees a lot of violence, harassment, graffiti, lots of teenagers causing fights, etc. She said she thinks they should be at home. She said she has been assaulted at K-Mart by teenagers and she does not think they have the right to do that--they yell at her and her mother and friends and there is a lot of violence and all they get is suspended for a day. She said it's not right when these other kids can just get away with doing things like this and maybe a curfew would help.

Chief McKinney noted the owner of Market Place did post his property because of the trespassing and graffiti. He added that Everett's graffiti has decreased and Marysville's has increased because of Everett's curfew law, they feel. He said up until now, he was taking a neutral position about the curfew law but because of the increased graffiti he thinks a curfew law would be a tool that the Marysville Police Dept. can use. He added that years ago (when he was a kid), the curfew was 10 during the week and 12 on Fri. and Sat. night; it could be 11 and 1 now. He also wanted to clarify that the officer at McDonald's is paid by McDonald's to be on duty there.

Brenda Patrikas, 1129 114th NE, addressed Council. She said one of her concerns is if there is a curfew, are students going to just go to another town. A lot of the kids here she said she thinks are from another town and her second concern is to have activities for them. For example, activities for kids from 12-16 and then for kids from 17-21. She noted there is no place for young kids to dance or a save place other than bowling or the movies. She said her daughter goes to teen dances in Renton because of the lack of them in this area. She added that when kids have idle time, even good kids can find negative things to do.

There being no one further wishing to give public testimony, the Mayor closed this portion of the public hearing at 7:54 p.m.

There was discussion about the need for activities, Mountlake Terrace's Neutral Zone, whether curfews make crime go down, tending to push problems to other communities, setting up a committee to look at this issue in depth. It was noted that turn out at the Y-Zone has definitely indicated a need in our community and there are some other options such as anger management classes, etc.

Councilmember Myers moved and Councilmember Pedersen seconded to set up a task force comprised of 2 each teens, school board/administration, City Councilmembers, police dept., parents and to report back to the Council the last meeting in February, 1997. It was noted that anybody interested, could address the task force and give input and ideas on this issue. The motion passed unanimously.

2. Water and Sewer Utility Rates; cont. from November 12, 1996.

Councilmember Pedersen disclosed that she chatted with someone very briefly on the way up in the elevator tonight before the meeting but not specifically about this matter.

Mayor Weiser noted the December 2, 1996 letter from the Tulalip Tribes and signed by Stanley G. Jones, Sr. would become part of the record.

Councilmember Wright noted she received a letter from Val Stevens indicating interest in this issue. Ms. Stevens received letters from several businesses.

Larry Wade, Professional Engineer, Hammond, Collier, Wade-Livingstone, 4010 Stone Way N., Seattle, made a fairly detailed and lengthy presentation for the sake of the people who were not at the previous hearings. He outlined goals, methodology of rate calculation, regulations that the City has to comply with, revenue needs. He explained the 3 tiered rate structure, depending on whether you live within City limits, within the UGA or CWSP or outside the UGA or CWSP. He noted the rates have attempted to encourage conservation, reflect the fact higher strength of discharge should pay a higher rate, reflect a 5 year cycle, meet debt service requirements of bond counsel, i.e. revenue must be 120% of maintenance and operation expenditures. Also, revenue must recover any loss as a result of conservation. He said alternatives were reviewed, based on usage as well as other cities' methodology where the more you use, the lower your rate goes. He used overheads to show how water and sewer rates were arrived at, comparing residential and commercial/industrial users.

He reviewed the surcharging in the summer methodology, the seven classes of industrial/commercial users (based on strength of discharge), made comparisons with the old/current rates and reviewed some of the modifications that have been made since the original proposal: Increasing the minimum from 5,000 to 6,000 gallons, changing the minimum for residential from \$15.50 to \$16.50 bimonthly (sewer) and going from \$1.90 to \$1.95 (City water) per 1000 gallons and from \$2.85 to \$2.95 (water within UGA) per 1000 gallons.

Mr. Wade reviewed the 71 cities list for water and sewer rates in comparison with Marysville, noting most of the cities on the list have not revised their rates recently. It was noted that there are 26 cities above Marysville's water rates, including Everett, Mount Vernon and Snohomish.

He also emphasized that a residential and industrial user will have the same rate for the same usage of water within each category. He also pointed out that 76% of customers use less than the minimum currently.

On the sewer rate side, he noted Class 4 was changed/expanded slightly and they do recommend a 5 year step program with special rates for schools. He noted 87% of the flow is residential and 70% of the organics are from residential, with the residential revenue equalling 89% of the total. Out of 71 cities, Marysville has the 5th lowest sewer rates, based on a Class 3 user.

There was considerable discussion/questions/answers about DOE requirements, bond counsel requirements, overage rates, pre-treatment of industrial discharge, debt service ratio. It was noted the City of Miami is in the state of bankruptcy and that is what can happen if you don't maintain debt service ratio.

The public hearing was opened to public testimony.

Caldie Rogers, President of the Greater Marysville-Tulalip Chamber of Commerce, 4411 76th St. NE, addressed Council. She presented letters from Grandview Village, Kasilof Fish, Village Restaurant, Tulalip Tribes, Schaefer-Shipman Funeral Home, Cascade Nursery and the Economic Development Council for the record. She read part of the EDC letter:

"The Economic Investment Plan Corporation has recently funded (\$75,000) a program to retain a number of consultants to develop a plan to fund critical infrastructure throughout Snohomish County. This initiative was funded because it became apparent that current programs were not adequate to fund the needed infrastructure throughout Snohomish County to meet GMA, industrial development, or any other growth. Infrastructure has been identified as water, sewer, transportation, schools, parks and recreation....."

"The second area I would like the City of Marysville to consider is the immediate effect that a major increase will have on the existing business in the area. The EDC has worked in the past with the City on a couple of water/sewer issues. I believe that they were resolved to the satisfaction of most in the business community. Water and sewer costs are something that both existing and potential business look at when deciding to expand, relocate or sometimes leave an area. We would hope that the City will look carefully at how any rate increases are structured and over what period of time....."

She explained that the Chamber's Chairman of the Board, Joe Crawford, will be making a presentation and she noted he is working on behalf of the overall community, not just representing Pacific Coast Feathers. Also, he has a BA Degree, a Masters in Business Administration and 10 years of business experience, she pointed out.

Joe Crawford, 5509 104th Pl. SW, Mukilteo, addressed Council and referred to a 21 page document which had been handed out to Council earlier. He noted a lot of effort had been put into the document and he also showed some overheads. He said they understand the need to increase rates to cover increased expenditures and they looked at data and how it was applied. He reviewed objectives, issues and fixed vs variable costs. He compared the City's interpretation of which costs are fixed and variable and what should be spread out over the entire user base. He spoke about the City's revenue needs and the sample rates for the same 13 businesses that were given in the model presented by Hammond, Collier, Wade-Livingstone. He maintained that because of WWTF fixed costs, every connection should have to contribute a base rate of \$182.25 per year. On top of that, then, residential customers would pay \$21.02 per month sewer.

He then reviewed water fixed and variable costs and revenues. His proposal is \$35.74 bimonthly per water connection to cover fixed costs and \$1.33 per 1000 gallons to cover variable costs. He noted that when a surcharge is taken into consideration, the bimonthly base rate can be reduced from \$35.74 to \$24.50.

He suggested elimination of any differentiation of pipe sizes and having a minimum gallonage of 6000 gallons. He reviewed the 13 sample businesses and with his proposed rate structure, they end up with a 51% increase as opposed to the 149% increase the City is proposing. He suggested making an exception for people on a fixed income rather than trying to incorporate them into the rate structure. It was noted that his proposal does meet the revenue criteria needed to cover debt service, but the charges have been spread out in a different way, to reflect what they feel is a more fair methodology.

Councilmember Herman said he tends to subscribe to the concept that if "x" amount of customers use "x" amount of the system, they should be charged based on that proportion.

Mr. Crawford said unfortunately, if business used the same structure as the City proposed, the businesses would go out of business. He said, for example, if he were to charge the same rate for a large customer as a small customer, it just doesn't work that way--it takes the same amount of time to sell 100 lbs. of feathers as 6000 lbs., that's a fixed cost which is the base and you have to separate out fixed and variable costs so if 3 or 4 of the larger businesses shut down, the City's revenue from them would be lost but you still have fixed costs and these need to be spread out over every single user, all residential and business users, so there is a minimum base.

He noted the WWTF is built for a capacity of 6 million gallons a day but Marysville is using only half of that at this time; the City's rate structure is based on future users as opposed to current users, he said. He noted a \$21.00 sewer rate is very fair but a 220% increase is not, which is what was originally proposed by the City and his proposal is still a 51% increase, which is a large increase but it's much more palatable.

Mayor Weiser asked Larry Wade about the fixed and variable costs.

Mr. Wade said he basically broke it down into three parts: The customer (user), the commodity and basic class. He said where Joe is looking at everyone as a "connection" there is a difference when it comes to debt service as a fixed liability in proportion to the user, eg. it has to be flow related (pipeline cost/capital facility cost)--yes, it's a fixed cost but it's distributed differently. On the WWTF capital recovery, some of the costs are based on loading, he said. He pointed out that his calculations came out to \$21.02 vs Joe's \$22.11 for residential sewer and they are very close on several other rates, also.

He explained that he used a different method in calculating fixed vs variable costs, a different percentage, but that the revenues are the same either way.

There was some discussion on the combined rates for the 13 sample businesses and Mr. Wade said one difference between his calculations and Joe's is setting a minimum charge.

Councilmember Baxter left Council Chambers at 9:50 p.m.

City Administrator Zabell asked if the proposed rates satisfy the bond coverage requirement and Mr. Wade said as long as the revenue is generated over a certain period, he would assume it could be verified that it meets the requirements.

Councilmember Bartholomew asked what is acceptable to the bond houses and Mr. Wade explained they require certification from a professional engineer as to having made an independent analysis. HCW-L would sit down with Steve Gaidos, bond counsel, and make that judgment.

Councilmember Baxter returned to Council Chambers at 9:53 p.m.

Mr. Wade explained that after maintenance and operation expenditures and one time expenses, revenue has to be 120% of expenditures without taking growth into consideration.

Mike Papa, 8127 54th Dr. NE, addressed Council. He said he wished he had more time to review the figures presented by Mr. Crawford. He said he doesn't mind paying his fair share but just on water, the average is \$67/bimonthly which is a huge increase, it sounds like too much to him, he said. He noted he doesn't water his lawn, he's water conscious and doesn't mind paying for his 6000 gallons but he doesn't want to pay for Pacific Coast Feathers!

Ralph Monty, 228th NW, Stanwood, addressed Council. He asked for clarification on what is considered UGA and Mayor Weiser explained the 3 tiers, that outside UGA would be some properties along 45 Road.

Mr. Monty asked about convalescent facilities, noting they are already paying a surcharge. He asked if there would be an exception for them, in other words, would a 100 bed convalescent home be charged the same as 100 houses?

Mr. Wade said he believed it would be similar to the hotel rate which is less than the residential rate. On the water, it would be per connection with a minimum charge per meter; it depends on the size of the meter and overage, he said. If they have a 1.5" pipe, he estimated a bimonthly charge of \$94.95 as opposed to \$70.00 current rate.

Butch Smith, 3714 143rd Pl. NW, Marysville, addressed Council. He said he was speaking on behalf of Roy Robinson Chevrolet and noted the vast majority of users are residential; businesses should not be asked to subsidize 81% of the users. He urged Council to reconsider Mr. Crawford's proposal.

Brian Bookey, National Food Corp., 16900 51st St. NE, Marysville, addressed Council. He said he didn't want to repeat what his brother said last time, but NFC's rates would go from \$43,000 to \$217,000 under Marysville's proposal which is a 400% increase. At Class 3 (residential strength discharge) it will still be a 163% increase, he said, and they think this is out of line because of what Mr. Crawford pointed out in his proposal. As far as a "sanity check"--NFC would be charged double what other cities charge. He said if you have a fair system, the City won't be hurt that much if they lose NFC's revenue but if the City believes NFC is that much of a burden on the system, then maybe they should move to Everett where the rates are very attractive at this time.

Mr. Bookey continued that they will possibly be an Arlington customer; if they move, Marysville will lose that revenue and so the City needs to be sure they are not losing too much in proportion. Right now, he said it's proposed that the revenue be 120% more for sewer and 150% for water and that 50% increase on water he doesn't feel is fair just because they are outside Marysville city limits. He said they are grateful Mr. Crawford had the time to develop proposal he did and he said he would like the City to respond.

Councilmember Baxter asked about the sewer revenue projection from Mr. Crawford; he noted Pacific Coast Feathers is less than half of National Food Corporation's rate.

Mr. Bookey explained National Food Corp. has a "strength" problem and Pacific Coast Feathers has a "flow" problem--that's the difference, you pay more for stronger discharge than you do for high volume with less strength. He added that the comparison of National Food Corp. in other cities assumes a higher class, also.

Mr. Wade noted Everett is increasing their rates very soon; Natl. Food Corp. was compared as a Class 7 & 5--Class 3 will be substantially less.

Jim Mays, 6929 89th NE, addressed Council as owner of Marysville Insurance and President of the Downtown Merchants Assn. He said he very much would like Council to consider the effects their proposed rates will have. Any business expects costs to increase but not a sudden, dramatic increase in rates and if this happens, Marysville will drive several small and some large businesses either out of business or out of town, he said. If 3 businesses are lost, with say 30 employees, you lose taxes, more traffic will build up with people looking for new jobs, etc. He said he understands a video is being produced to attract businesses to Marysville but he asked how you can attract businesses with a 220% increase in water and sewer rates. So Council needs to look at their vision for Marysville, he said, and even a bedroom community needs restaurants and if they have all gone elsewhere, that's not good. He concluded that Council needs to consider the effects of the increases.

Bob & Kathy DeNeui, 4906 Arcadia Rd., Marysville, WA 98271 and 417 Cedar, Marysville (Car Wash), addressed Council. Mr. DeNeui said the increased rates will have a tremendous effect on fixed income people, also as an attractive community, new homes are coming in and those increases will affect businesses in Marysville. In order to accommodate higher rates, businesses are going to have to put their rates up which will very possibly drive people out of town to look for lower rates, he said. He asked what the percentage of growth is for businesses in Marysville, what the water and sewer use has been in the last 5 years, for business and residential. He noted the Globe indicated a primary expense for the City has been in litigation costs. He asked if residents are being monitored for hazardous waste and how a business finds out what class they are in. He said they would also like more information about the federal clean water act and other mandates that are forcing water and sewer rates to increase.

Mr. Wade suggested he call Public Works with their SIC code for information about what class their business is in; it was determined they are probably Class 3 (a car wash being about the same as residential strength). Mr. Wade noted there has been both residential and business growth in Marysville but a significant driver for rate increases was the purchase of water from Everett in 1996. He explained the division between capital improvements which are basically paid for by hookup fees; and the maintenance and operation of the system which is paid for through the monthly or bimonthly service fee.

Councilmember Baxter added that as Everett water prices increase, Marysville's costs increase but also there is increased demand and federal regulations to consider.

Mr. Wade said as far as residences being monitored for hazardous waste, they are not, but are investigated should there be a specific complaint or something that draws the attention of the WWTF operator. He said he did not have the information on federal mandates but City Administrator Zabell offered to get that information for Mr. DeNeui. He noted Everett basically has to comply with the same federal mandates and regulations for clean water, etc.

Mr. DeNeui concluded that he is in support of Mr. Crawford's proposed rate structure.

John Dziubala, 3319 Shore Ave., Everett and owner of Capt. Dizzy's Car Wash, Marysville, addressed Council. He pointed out that the majority of cars are washed at home with products that are not always biodegradable or safe for our environment and there is no allowance made for businesses that make a positive effect on the environment such as his. He explained that in the car wash association, of which he is a member, they came up with a way to wholesale tickets to organizations for car washes that will help the environment and he said he thinks they should get some credit for that.

City Administrator Zabell explained there is a lesser fee if you are in Class 1 or 2 but that's basically the only "credit" available.

Councilmember Bartholomew noted the EPA is warning about increases in discharge, setting filtration and type of detergent requirements. This, plus your federal mandates, are going to put the small charity car washes and small water systems out of business, she predicted.

David Predmore, Box 522, Duvall, addressed Council again. He said he is very fearful that if the rates are increased as much as proposed, he will not be able to keep his laundromat running. He said most of the people that use his laundromat are on fixed incomes and if he has to put his rates up by, say, fifty cents a wash, those people will not use his laundromat anymore, they will go to Everett. He said this is a huge problem; he is not making a profit yet (he's only had the business for 3-1/2 yrs.) and if he can't stay in business then the City doesn't get the taxes nor the water and sewer service fees. He said \$1.33 for everybody makes the most sense for him and he doesn't think the other laundromats in town will be able to afford the City's original proposal, either. He noted that right now he pays \$845 bimonthly for water, sewer and garbage.

Paula McClurg addressed Council again. She said she is here representing herself and 11 of her neighbors. She pointed out that in Dec. 1989 she paid \$39.55 bimonthly and today she pays \$136.04 bimonthly for water, sewer and garbage. She said they don't have a problem with paying their fair share but not this high; they have already paid for a lot of things: For example, they will be paying the school costs through property taxes as well as increased costs of the businesses as their customers, she said. She asked if these costs are needed because people don't want to pay more than their fair share. She asked what the school rates are going to be for water and sewer, what class they are going to be in, because she heard something about \$9,000 per student.

Mr. Wade clarified that the rate proposed is \$1.30 per student bimonthly.

Mrs. McClurg said most of the 11 people had to go home earlier or else couldn't come tonight, so she feels alone here, but she compared rising costs in land, developer costs, homes, and figures the homeowner has paid for a lot of these costs already, toward water and sewer costs and the businesses are not giving the residents enough credit there.

Councilmember Herman spoke about different costs: Overall system costs vs usage costs and Mr. Wade noted the residents and schools are both being proposed to be increased 17%. In addition, the proposal is not to differentiate between in and out of the City for schools, he said.

Mrs. McClurg reiterated her involvement and willingness to pay her fair share.

Kim Gripp, 14600 54th Dr. NE, addressed Council and said the 6000 minimum gallonage is not realistic for her family and probably not for many families. She said they are very water conscious and a 10,000 gal. minimum would be more realistic for them. She explained they have a family of 4 and are quite water wise but with the new rates, they will pay an additional \$90 per year at least. If they go out to dinner, they will have to pay more because of the restaurants' increased rates and then increased property taxes for the schools, she pointed out. She said she and her husband both work but still just live paycheck to paycheck-- it's tough these days and not made easier with all these increases. She noted most of Marysville is families and they feel penalized because 6000 gallons is not realistic. She explained how she calculated out the proposal: Minimum of \$22.50 bimonthly for 6,000 gallons of water and then \$2.95 per 1000 gallons after that plus \$47 for sewer which equals \$97 bimonthly.

There was some discussion of different rates/proposals and Mrs. Gripp concluded that her family is very water conscious but she doubts they can use less water than they do now.

Bill Tackitt, owner of the Buzz Inn Steakhouse, 1115 State Ave., addressed Council. He presented 2-\$15,000 paid Marysville utility bills, representing bimonthly billings. He pointed out that he is one of the many businesses in the community that helped sponsor the YMCA, DARE programs, etc. and it's hard on the small business to keep having to pay increased rates. He said he will no doubt survive this latest increase but it's very hard and he urged Council to take into consideration Joe Crawford's proposal.

John Martinis, 4630 67th Av. NE, addressed Council, representing the Marysville-Tulalip Chamber of Commerce. He said he feels the issue tonight is fairness and he thinks there is a lot of room for compromise. He said he thinks Council/staff should sharpen their pencils; Marysville doesn't have the freedom to lose business and they need to get down to the compromising stage and have a meeting of the minds.

There being no one further wishing to give public testimony, this portion of the public hearing was closed at 11 p.m.

After further considerable discussion, Councilmember Bartholomew moved and Councilmember Baxter seconded to have staff prepare an ordinance for consideration of Council, setting forth the new water and sewer rates as per the HCW-L proposal, including \$1.25 per 1000 gallons overage sewer rate for Class 3 commercial, with rates to be reviewed every 2 years. School rates to be increased 7/97.

A roll call vote revealed Councilmembers Leighan, Wright, Pedersen and Myers against so the motion failed 4-3.

After further discussion, Councilmember Pedersen moved to form a focus group to study options that would be acceptable to everyone and to bring back their proposal for water and sewer rates 12/16/96 before a Special City Council Meeting. Public testimony would be allowed that night (limited to specific, new testimony). Councilmember Wright seconded and the motion passed 6-1 with Councilmember Herman against.

LEGAL MATTERS: None.

ADJOURNED INTO EXECUTIVE SESSION: 11:35 p.m.

EXECUTIVE SESSION: 11:45 p.m.

1. Pending Litigation (No Action)
2. Personnel (No Action)

RECONVENED & ADJOURNED: 12:04 a.m. 12/3/96

Accepted this 9th day of December, 1996.

David Weiser

MAYOR

Mary Swanson

CITY CLERK

Thanda A. Swanson

RECORDING SECRETARY