

Oak Harbor City Council
Workshop Meeting Minutes
March 23, 2022

CALL TO ORDER

Mayor Pro Tempore Munns called the meeting to order at 2:00 p.m.

There was both a physical meeting location and a virtual meeting per WA Proclamation 20-28. The meeting was viewable live via YouTube at www.youtube.com/cityofoakharbor or could be viewed on Channel 10. Public Comments are not normally included for Council Workshops).

ROLL CALL

City Council Present:

Mayor Robert Severns - absent
Mayor Pro Tem Beth Munns
Councilmember Tara Hizon
Councilmember Jim Woessner
Councilmember Dan Evans
Councilmember Shane Hoffmire
Councilmember Bryan Stucky
Councilmember Eric Marshall

Staff Present: Videoconference

City Administrator Blaine Oborn
Finance Director David Goldman
Development Services Director David Kuhl
Interim Public Works Director Mick Monken
Public Works Director Steve Schuller
City Engineer Alex Warner
Central Services Supervisor Sandra Place
Project Manager Brett Arvidson
Police Chief Dresker
Fire Chief Ray Merrill
Harbormaster Chris Sublet
Water Supervisor Chris Price
Senior Services Administrator Liz Lange
Finance & Performance Analyst Chas Webster
Operations Supervisor Steve Bebee
Parks Manager Don Crawford
Utilities Manager Ryan Kinker
City Administrator Executive Assistant Macalle Finkle
Communications & IT Manager Sabrina Combs
City Clerk Julie Lindsey

Also in attendance: Interim City Attorney
Alexandra Kenyon of Kenyon Disend, PLLC

MAYOR

Mayor Pro Tem Munns called the meeting to order and noted she was presiding at the request of Mayor Severns, who was unable to attend. She requested the City Clerk call the roll as there was

one item for action on the agenda.

All members of Council were present with Councilmember Hizon joining the meeting a few minutes after the roll call.

COMMUNITY PARTNER PRESENTATIONS

a. Broadband Update –

City Administrator Oborn was joined by Island County Commissioner Janet St. Clair, who provided a presentation regarding broadband services for North Whidbey Island. The City of Oak Harbor has undertaken two initiatives related to Broadband. The first is Wet Fiber and the second is participation in the Island County Broadband Action Team (BAT). Commissioner St. Clair is the Chair of the BAT, which was established in 2019 to guide the development of the initial study, implement the Broadband Action Plan, and continue to assess community needs.

The presentation discussed strategies to improve access, funding opportunities, grants, and policy considerations including:

- Promoting low-income internet programs
- Opportunities to improve broadband speed and access, and underserved areas
- Potential for Community Economic Revitalization Board (CERB) Broadband Study Grant
- Opportunities to expand broadband on North Whidbey Island
- Wet Fiber and other opportunities

Commissioner St. Clair noted Washington State funding would be via the Department of Commerce. She cited the possibility of combined use agreements, including Irrevocable Right of Use (IRU) with broadband companies.

Councilmember Hoffmire and Mayor Pro Tem Munns provided their respective questions and comments.

ADMINISTRATION

a. Action Item: Utility Rates Study

Finance Director Goldman reviewed background information and introduced Central Services Supervisor Place to present the rate study Request for Proposals (RFP) results.

On October 20, 2020, the City of Oak Harbor City Council adopted utility rates for 2021 and 2022 via Ordinance No. 1899. Those rates were based on a study performed by HDR Engineering, Inc. Ordinance No. 1899 increased the rates for the City's Wastewater, Storm Drain, and Solid Waste utilities and did not increase the City Water utility rates. Prior to these increases, the last time the utility rates were increased were 2018 for Wastewater, 2007 for Solid Waste, and 2014 for Storm Drain. The Water rates have remained the same since 2015. Based on their analysis, the consultant communicated to Council at that time that rate adjustments would be necessary in 2020 – 2024, but water rate adjustments could be deferred until 2023. The analysis indicated that Water utility rates should be adjusted by 3% by 2023 and annually thereafter; Storm Drain by 2.5% from 2022 through 2024 (2022 was adopted); Solid Waste by 9.5% from 2021 through 2023 (2021 and 2022 were adopted) and 4% in 2024; and Wastewater by 10.5% in 2021, 7.5% in 2022 (2021 and 2022 were adopted), 6% in 2023, and 2% thereafter.

With the Council having only adopted rates for 2021 and 2022 and the prior rate study indicating the need for future rate increases, the decision was made to publish a Request for Proposal for a Utility Rate Study to obtain rate study consulting services. The Request for Proposals was written to require reviewing the financial results of the utilities since the last rate study was adopted and providing

scenarios on where utility rates should be in 2023-2025. The rate study will include reviewing and providing recommendations on connection fees and system development fees for the Water, Wastewater, and Storm Drain utilities.

On January 29, 2022, the City issued a Request for Proposal for a Utility Rate Study, with a submittal deadline of February 23, 2022. The City received three proposals which were evaluated using the following criteria:

- Consultant's understanding of the City's desires and general approach to the project as demonstrated in the project description and scope of work.
- Completeness of the work included in the Proposal.
- Consultant's experience with projects of similar complexity and function.
- Qualifications of the Consultant's staff being assigned to this project.
- Demonstrated ability of the Consultant to perform high quality work, to control costs and to meet schedules.

The highest ranked proposal was the FCS Group who has performed over 3,000 utility finance and rate development projects for local communities including defining revenue requirements with comprehensive financial modeling tools, performing long-term capital management strategies, and development of full cost-of-service rates. As part of their scope of work, they will develop a multi-year financial plan that meets each utilities projected needs, focusing on the 2023-2025 period but will also consider 10–20-year projections with the goal of promoting a long-term strategy of stable and moderate rate adjustments. FCS will develop a cost-of-service analysis consistent with industry standards that distribute cost pools to classes of customers linked to a proportionate share of costs required to serve their demand. The results may indicate shifts in cost recovery that could improve how equitably the City's rate structures recover the utilities' costs from customers. The final step involves developing rates (including fixed, variable, and capital cost requirements) for each customer class that recovers its allocated cost. While not included in the cost, FCS has offered to provide an optional outreach and educational program to help educate the public and to identify potential issues and concerns.

Disclosure: the FCS Group has already informed the City of a perceived conflict of interest involving an FCS Group staff member, Brooke Tacia (née Severns), who has a family relationship with a City official. Ms. Tacia is expressly excluded from this proposal, and will have no involvement or influence in the execution of this project or its final deliverables and the City official was not involved in the proposal evaluation.

Funding: Similar to previous rate studies, funding for the study will be derived from the beneficiaries of the study; the Water, Storm Drain, Solid Waste, and Wastewater funds.

Mayor Pro Tem Munns confirmed the City received no public comments on this item. She opened the floor for comments from any members of the public present.

1. Barbara Armes of Oak Harbor spoke in regards to the cost of sewer rates and the need to make these more affordable.

Councilmembers Woessner, Hoffmire, Evans, Stucky, and Mayor Pro Tem Munns provided their respective comments and questions.

FCS Group representatives also responded to questions.

Motion: Councilmember Hoffmire moved to authorize the Mayor Pro Tempore to sign the professional services agreement with FCS Group, Inc. for utility rate study services for a not-to-exceed amount of \$122,715. Councilmember Hizon seconded the motion. Following discussion, the motion carried by a vote of 5-2 with Councilmembers Woessner and Stucky opposed..

b. Wet Fiber Update

City Engineer Warner introduced Tim Hohmann, Manager for the City of Anacortes Fiber Optic Cable program, and Water Supervisor Price. City Engineer Warner and Mr. Hohmann presented background on the item and the update, and Supervisor Price reviewed and answered questions related to leak detection..

In August 2020 an agreement between the City of Oak Harbor and the City of Anacortes was authorized by City Council for the City of Anacortes to lease space in the City of Oak Harbor's 24-inch water transmission main from Sharpe's Corner to the Deception Pass Bridge for the purpose of installing conduit and 144 strands of fiber optic cable. Under the agreement the City of Oak Harbor grants the City of Anacortes a leasehold interest to maintain the conduit and fiber lines in the pipe for the life of the 24-inch pipe.

In exchange for the leasehold interest, the City of Anacortes will grant the City of Oak Harbor exclusive use of 24 of the 144 fiber cables in the conduit, as well as install conduit in the City of Oak Harbor's 24-inch water transmission main between Deception Pass Bridge and the Rock Bridge Intertie at no cost to the City of Oak Harbor for future installation of fiber optic cables to be owned by the City of Oak Harbor. This project also provides the benefit of allowing for water main leak detection where the fiber optic cable is located within the 24" water main.

Over the last 2 years the City of Oak Harbor staff has met with City of Anacortes staff frequently to discuss project timelines, develop permits, and establish construction protocols.

- A permit from the Department of Health has been submitted and approved.
- A water sampling plan is currently being developed.
- WSDOT requires a permit for the construction work along SR 20. The City has submitted, and resubmitted, the permit several times over the last 18 months. WSDOT is still working to give approval.

This project is broken out into several phases:

Phase 1A of this project was completed in 2020. This installed the access points around water valves, bends, and every 3000-feet of water main from the Rock Bridge to Pass Lake.

Phase 1B consists of installing the access points and installing the conduit into the 24" water main from Pass Lake to Sharpe's Corner. This project is awaiting permit issuance from WSDOT.

Phase 2 will deploy the fiber optic cables from Sharpe's Corner to the Rock Bridge. There are several locations where the conduit will need to travel outside of the water main for crossing under the highway, crossing the bridge near Lunz Road, and travelling overhead near Campbell Lake. The overhead location is required because the water main is located in the center of the highway through this area and WSDOT does not allow for access points in the travel lanes of the highway.

All costs for Phase 1A, Phase 1B and Phase 2 for installing the access points, conduit, and deploying the fiber optic cable from Sharpe's Corner to the Rock Bridge are covered by the City of Anacortes.

Phase 3 is the responsibility of the City of Oak Harbor and consists of installing access points, conduit, and deploying fiber optic cable from the Rock Bridge to the City of Oak Harbor's North Reservoir adjacent to the Harbor Heights Park property.

The current Capital Improvement Plan includes the Wet Fiber Phase 3 for 2023, with an estimated cost of \$600,000 provided by the City of Anacortes. Additionally, the Wet Fiber 24" Transmission

Leak Detector for 2024 is in the CIP, with an estimated cost of \$410,000 provided by a vendor.

Councilmembers Hoffmire, Marshall, Evans and Mayor Pro Tem Munns provided their respective comments and questions.

DEVELOPMENT SERVICES

a. Site Specific Rezone Text Amendment

Development Services Director Kuhl provided information regarding a proposed change to the zoning ordinance regarding site-specific rezones. This proposal would amend the Zoning Ordinance to update the following code sections relating to how site-specific rezones are processed in the city (Section 18.20.260, 18.20.270, 19.75.20, 18.40.100)

The area of particular concern is the Type IV and V processes. In the current code, there are provisions in Type IV that are outdated and need to be brought forward into Type V. In addition, the need to use a Hearing Examiner for a site-specific rezone is required. The next step is to forward the decision to the City Council. This will allow the Council to approve a site-specific rezone by ordinance. Since these types of rezones are only created by ordinance and the only body that can approve an ordinance is the City Council, the proposed code will clear this up.

Staff will bring an amendment to Council at their meeting of May 17, 2022.

Councilmember Woessner and Mayor Pro Tem Munns provided their respective comments and questions.

MARINA

a. Marina Boat Yard Acquisition Rural County Economic Development Funds (RCEDF) Grant, Amendment No. 1

Harbormaster Sublet provided background and reviewed the item for the Council. The Mariner's Haven Boatyard adjacent to the Marina is made up of 3 parcels, one owned by the Claus family and two owned by the Department of Natural Resources (DNR). All are leased by one person. While once a thriving boatyard, the property is mostly used for storage at this time. Obtaining the property would increase the Marina's dry storage capacity and services and increase jobs and revenues. Harbormaster Sublet reviewed the background on the Grant and need for Amendment.

At the March 25, 2020, City Council workshop, the City Council adopted Resolution 20-12, authorizing staff to submit a \$675,000 Rural County Economic Development Funds (RCEDF) grant application to Island County for the purchase of Mariners Haven Boatyard. The RCEDF grant is a grant funded by a Washington State rebate back on sales tax and is administered by the Island County Commissioners. The goal of the grant is to assist in financing the cost of public facilities that will assist businesses in creating and retaining jobs. On March 31, 2020, the application was submitted and accepted by Island County. On September 22, 2020, staff made a presentation to the Island County Commissioners and were awarded a \$675,000 RCEDF grant to purchase the boatyard.

The RCEDF contract was signed by Mayor Severns on December 23, 2020, followed by Commissioner Johnson signing it on February 9, 2021. The contract states that the project "shall be substantially complete no later than December 31, 2022." Over the course of the past few years staff has worked diligently to complete the purchase of Mariners Haven Boatyard however, due to the complicated nature of this purchase, staff has been unable to complete the purchase and seek a 1-year extension to continue to work on the purchase. Staff will be seeking City Council authorization

for the Mayor to sign the Marina Boat Yard Acquisition RCEDF Grant Amendment No. 1 to the Rural County Economic Development Funds grant at the April 5, 2022, City Council meeting.

Councilmembers Stucky, Woessner and Mayor Pro Tem Munns provided their respective comments and questions.

RECESS – The Council took a brief recess from 4:07 p.m. – 4:12 p.m.

FINANCE

a. American Rescue Plan Act Funding Allocation Discussion

Finance Director Goldman provided background and updates on the City's consideration and use of Funding.

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law. This bill provided \$1.9 trillion in funding for a variety of areas. Of that amount, approximately \$6,585,000 will be allocated to Oak Harbor in two tranches (2021 and 2022). Funds must be obligated on a contract by December 31, 2024 and expended by December 31, 2026.

On July 13, 2021, the City Council created an America Rescue Plan Act (ARPA) subcommittee to review funding ideas. Councilmembers Hizon, Hoffmire and Woessner represent the Council on the subcommittee. The subcommittee meets about every two months and has held six meetings to date to evaluate various projects/initiatives based on the factors contained on an Ideas Prioritization Chart. Consensus ideas are brought forward to the full City Council for discussion and to provide staff with direction on what to include on a budget amendment for approval. To date approximately \$1.7 million has been allocated to just under 40 projects / initiatives, leaving a balance of \$4.9 million to be allocated.

At the last meeting, the members of the subcommittee present expressed the desire to focus on items that would help promote 1) economic development, 2) facility and capital project resiliency, 3) innovation and efficiencies, and 4) mitigate the impact of potential future utility rate increases. Items suggested for funding are as follows:

- \$150,000 for City Hall and Senior Center generators
- \$20,000 for Police virtual reality training system
- \$200,000 for the Serendipity Lane project
- \$500,000 for City-wide Enterprise Resource Planning initiative
- \$150,000 toward the dredging feasibility study. This represents 50% of the estimated \$300,000 cost for the study
- \$300,000 for the Windjammer Park irrigation renovation and installation project
- \$277,780 to fund a limited term economic development position (term through end of 2024)
- \$880,000 for city-wide sewer line replacements. This would use ARPA funding in place of potential future allocations of sewer rate funds
- \$325,000 for sewer slip line replacements in southeastern section of the City. This would use ARPA funding in place of potential future allocations of sewer rate funds
- \$250,000 for NE Regatta Drive water pipeline replacements. This would use ARPA funding in place of potential future allocations of water rate funds
- \$1,500,000 for Steel and Asbestos water line replacements. This would use ARPA funding in place of potential future allocations of water rate funds
- \$130,000 for air duct cleaning and filtration systems plus a replacement HVAC unit for the Senior Center
- \$75,000 of additional funds for the Senior Center roof replacement project

- Reallocated funds: The City Council appropriated \$70,000 to fund a police remote ground deployable vehicle (robot). The OHPD had also requested \$30,000 for a police drone which is on the pending list. OHPD has researched numerous robots (and drones) and narrowed the selection down to the “Avitar” robot. This robot is small enough to be highly portable and deployable and can be placed through a window or open door to search in houses and small spaces, when appropriate. The cost for the Avitar with accessories is \$35,000. OHPD proposes to use the remaining \$35,000 of appropriated funds to purchase a drone (DJI Matrice 300 w/camera and accessories). This would allow OHPD to obtain the robot and the drone within the previously appropriated funding.

The total for these items is \$4,757,780 spread out through December 31, 2024. To date, \$1,695,384 has been allocated through December 31, 2024. Together, these items total \$6,453,164 which is 98% of the approximately \$6,585,000 of ARPA funds allocated to the City. The next step is to prepare a 2021-22 biennial budget amendment for consideration by the City Council that reflects the direction provided by the Council at this meeting.

Councilmembers Stucky, Hoffmire, Woessner, Marshall, Evans and Mayor Pro Tem Munns provided their respective comments and questions.

Police Chief Dresker noted the Police Department had pulled the robot and drone items, along with other needs, from the levy discussion, leaving that to just the Fire Department, because of the receipt of ARPA funding. These items will come before Council at the April 5, 2022 Council Meeting.

PUBLIC WORKS

a. North Whidbey Sewer Expansion Grant Request

Interim Public Works Director Monken and City Engineer Warner presented the item. Staff would like to prepare and submit applications for the 2022 Island County Rural Economic Development (RCED) Funds Infrastructure Investment Program grant for the North Whidbey Sewer Expansion. The grant application deadline for the submittal is March 30, 2022. The North Whidbey Sewer Expansion proposes to expand the City of Oak Harbor’s sewer system to six parcels that are within city limits and approximately 25 parcels within the urban growth area serving approximately 150 acres with sewer. The project consists of the following:

- Construct a sewer lift station on the City’s unimproved ROW at Rifle Rd and between N Oak Harbor Rd and Goldie Rd.
- Construct a sewer force main from the proposed sewer lift station to Goldie Rd.
- Construct sewer main along N Oak Harbor Rd from Rifle Rd to Ault Field Rd.
- Construct sewer main in Ault Field Rd from N Oak Harbor Rd to the existing Ault Field sewer lift station.
- Upgrade the existing Ault Field sewer lift station.

Several development applications have been submitted to the City in this area and the lack of an available gravity connection to the City sewer main has been a challenge. The Valley High mobile home park consists of approximately 35 residences, is currently on septic and would immediately benefit by hooking into this City sewer expansion. The parcels that this project will serve are zoned industrial and planned industrial park. This area is underdeveloped with a significant amount of development potential as seen at Goldie Road where sewer is available in road and the area is nearly fully developed. The area is adjacent to the Navy base and could provide services to them.

Proposed project cost: \$4,700,000 made up of: Total Grant Request (75% of total project cost): \$3,525,000 Local Funds Needed (25% of total project cost): \$1,175,000 Appropriation Source: System Development Fees, Sewer Fund – 402.

The Oak Harbor Comprehensive Plan predicts that approximately 6700 jobs can be created within Oak Harbor's undeveloped land. Assuming this area of industrial, planned industrial park, and UGA can support a range of 1.5 – 3.0 jobs per acre and this project will provide access to sewer to approximately 150 acres, jobs growth in the area could range from 225 to 450 Full Time Equivalent (FTE) jobs over a ten-year period.

Staff reviewed an estimated timeline. This project is in the current Capital Improvement Plan identified as the North Enterprise Valley Sewer System. Unsecured grants are identified as most of the funding. The project will be scaled to the grant funds approved.

Mayor Pro Tem Munns and Councilmembers Woessner, Marshall, Evans and Hoffmire provided their respective comments and questions.

Staff sought a consensus from Council as to whether to move forward to apply for the grant at this time. The consensus of Council was not to proceed.

ENGINEERING

a. Harbor Heights Sports Complex Status

Interim Public Works Director Monken provided an update on the complex location and development status. The complex will be located north of 16th Ave between Heller Road and Oak Harbor Road on 75 Acres of undeveloped land, deeded in January 2020. There are two existing access residential roads (NW Elwha & Gun Club Road). The City hired David Evans and Associate (DEA) for the complex design, included in the Parks Master Plan (June 2021) with Phase I Design (July 2021). The Phase 1 budget concept was developed in-house in 2020 at approximately \$1.65 million. Phase 1 included the creation of two soccer fields and adjacent parking. The City was awarded a grant in 2020 that is dependent on partial and on-going completion.

Interim Director Monken reviewed direction and analysis to date:

- Access Road
 - Staff recommended NE 16th to Heller
 - City planned connector arterial
 - Gun Club Road (\$3.1 M) - Council direction
 - Internal park roads cost affect Council selection this option
 - Some opposition from residents
- Analysis Performed
 - NE 16th to Heller (\$3.1 M) – Staff recommended
 - NE 16th to Oak Harbor (\$4.1 M)
- Gravel roads and parking under review by Planning Commission
 - April-June recommendation to Council

Status: The project is currently in the design for Phase I. The design is anticipated to be ready to go for advertising in May of this year for the construction. Late last month, staff received the 60% design plan (level of completion) which was provided without an engineer's cost estimate, which is not typical. Staff discovered that the consultant contract had an engineer's cost estimate provided by the consultant at only the 90% design level. Staff addressed this by preparing the 60% level cost estimate, which showed the costs may be significantly higher at a potential of \$2.8-\$3.5 more than originally indicated.

The original Phase I \$1.65 million budget was based on a flat site, it assumed that utilities were stubbed to the site, drainage was addressed in a pond on site, and the access road to the site was existing. This was a potential condition in the concept layout of Phase I, however, Phase I was moved

north on the site which changed conditions. These changes were not updated when the Phase I site changed. This was performed by past staff and was not discovered until the 60% design level was submitted for review recently. Interim Director Monken explained it is possible that the Phase I cost estimate developed using the master plan cost estimate as the base, could be very conservative and the actual construction costs could be closer to the \$1.65 budget. However, at the present funding level, the project has a maximum grant of \$350,000.

The immediate options for Phase 1 are:

1. Request David Evans & Associates prepare cost estimate for 60%
 - o Allow decision to be made on cost impacts
 - o Pro - Can make design changes before 90%
 - o Con - Creates additional design costs and time delay
2. Continue with the design and wait for 90% design cost estimate
 - o Already in contract about 6 weeks in cost estimate
 - o Pro - No impact on design costs
 - o Con - Additional cost in design if changes to be made with time delay

Staff recommends Option 2

Interim Director Monken explained staff is seeking a Council preference for Option 1 or Option 2.

Councilmembers Hoffmire, Stucky, Evans, Marshall, Woessner, Hizon and Mayor Pro Tem Munns provided their respective comments and questions.

Looking beyond Phase I construction costs, staff is proposing that alternatives be discussed with the Council starting soon. This can include a short-range plan if the cost does come in high with Phase I and long range on how the future development can be best achieved. Alternative: Overall, it is proposed that a strategy plan for the development of Harbor Heights Park be developed:

1. Current Funding Phase I – Develop a funding strategy
 - o Target to obtain outside funding up to \$2.7 M package
2. Partnership with North Whidbey Park, Pool, and Recreation District - recognized as regional site, expand funding area and grant opportunities
3. Divert City funds – other identified parks dollars to build larger match dollar to attract grant opportunities
4. Pay as you go – City sets funding each year and builds on-going in phases
5. Park Bond – bond can be proposed at local or regional level

Other alternatives include interim actions such as partnerships for additional uses such as: Hiking trails, bike trails, a motocross track, or potential dog park.

Council also called upon newly hired Public Works Director Schuller for his input.

The Council was polled regarding their preference for Option 1 or Option 2, with the majority preferring Option 2.

b. Harbor Heights Access Roads - .09 Economic Development Funds Grant Request

Interim Public Works Director Monken and City Engineer Warner presented the item regarding preparation and submittal of applications for the 2022 Island County Rural Economic Development (RCED) Funds Infrastructure Investment Program Grant. This grant would be used to construct an access road to the Harbor Heights Park property. The grant application deadline for the submittal is March 30th, 2022.

The Harbor Heights access road will construct a road to county standards (two lanes, paved

shoulder, and stormwater ditches). There are two options for the access road:

- Gun Club Rd Option
 - This will be a roadway improvement and widening
 - A proposed roundabout at Gun Club Rd and N Oak Harbor Rd is proposed as an intersection improvement
 - No Right of Way acquisition is anticipated
- NE 16th Ave Option
 - This will be a new roadway construction project
 - A proposed roundabout at N Heller Rd and this new NE 16th Ave intersection is proposed for the intersection treatment
 - Approximately 65,000 square feet of ROW acquisition is anticipated

Interim Director Monken and Engineer Warner reviewed the Council's past decision for Gun Club Road based on concerns that the additional need for paved internal park roads would be cost prohibitive. Staff has been working with the Planning Commission to allow temporary gravel roads and parking, which could be installed at a fraction of the cost of paved roads. These temporary gravel roads would eventually be replaced as the park fully develops.

Mayor Pro Tem Munns and Councilmembers Evans, Woessner, Hizon, Marshall and Hoffmire provided their respective comments and questions.

Following additional discussion, the consensus of the Council was to pursue the grant request and to utilize Heller Road for access.

c. Drainage Agreement with Island County and Whidbey Gold & Country Club

Project Manager Arvidson provided an update on the progress of the drainage agreement between the City of Oak Harbor, Island County and the Whidbey Golf and Country Club. The original contract was executed in 2002 and contained provisions for maintenance of stormwater facilities in the Golf Course Drainage Basin. The Golf Course Drainage Basin is a part of a larger basin that ultimately discharges into Swan Lake. The main drainage basin is over 2500 acres with approximately 495 acres within city limits. The agreement expires on March 31, 2022.

The original agreement contained provisions for operating and maintaining stormwater facilities mutually beneficial to the City, the County and the Golf Course. The facilities include a stormwater pump station, Loers Pond, and the drainage way. This drainage way is actually a creek and has a natural resource designation.

The Golf Course maintains the ponds, the drainage way and the stormwater pump station that serve areas beyond the limits of the Golf Course. These facilities are necessary to serve the area and avoid flooding of homes along Fairway Lane due to elevation and capacity limitations. Some limited downstream conveyance maintenance was also included in the agreement. The cost split is based upon a flow contribution equation established in 2002. For the last 20 years the City has paid 56% of the share of operating costs and any capital expenses, which included labor, materials, electricity, pump maintenance, and equipment replacement. Generally, these expenses were billed annually and carried in the stormwater budget. In updating the agreement, the basic structure of the agreement remains in place with the City, County and Golf Course remaining as contract parties. The contract will be shortened from 20 years to 10 years and will include updated labor rates and equipment rates and quarterly billing. Language about operational reliability will also be included.

Project Manager Arvidson also provided an expense breakdown, noting the updated agreement would not present a major cost increase over existing expenditures. Staff will bring an item for action to the Council at their April 5th meeting. Mayor Pro Tem Munns provided her respective comments and questions.

ADMINISTRATION

- a. City Administrator's Report

Considering the lateness of the hour, City Administrator Oborn requested Council contact him with any questions or input regarding the report.

- b. Oak Harbor Financial Primer – Part 1-A

In the interest of time, Finance Director Goldman recommended this item be moved to the April 27th Workshop.

CITY COUNCIL

There were no additional comments from Council.

ADJOURN

There being no further reports or discussions, Mayor Pro Tem Munns thanked all for their participation and adjourned the Workshop at 6:59 p.m.

Certified by Julie Lindsey, City Clerk