

City Council Special Meeting



Monday, November 28, 2011
6:00 p.m.

**Oak Harbor City Council
SPECIAL MEETING
6:00 p.m.
Monday, November 28, 2011**

CALL TO ORDER

ROLL CALL

**COUNCIL CONSIDERATION AND ACTION ON THE
FOLLOWING MATTERS:**

1. Resolution – Waste Water Facility Plan.
2. Public Hearing – Property Tax Ordinance for 2012.

ADJOURN

If you have a disability and are in need of assistance, please contact the City Clerk at (360) 279-4539 at least two days before the meeting.

**City of Oak Harbor
City Council Agenda Bill**

Bill No. 1
Date: November 28, 2011
Subject: Resolution- Wastewater Facility Plan

**FROM: Cathy Rosen, Public Works Director
Eric Johnston, City Engineer**

INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:



Jim Slowik, Mayor

Paul Schmidt, City Administrator

Doug Merriman, Finance Director



Margery Hite, City Attorney, as to form *no review of NEPA/SEPA (sufficiency of compliance) based on consultant's assumption of responsibility*

PURPOSE

This agenda bill proposes adoption of a resolution related to three candidate sites for a new wastewater treatment facility.

On September 20th, 2011, the agenda bill was moved to the November 15th, 2011 Council meeting by Council motion.

On November 1st, 2011, recognizing that two council members had requested excused absences from the November 15th Council meeting, Council motioned for a special meeting on November 28th, 2011. This item was moved to the November 28th special Council meeting.

AUTHORITY

The City has authority under RCW 35A.11.020 to render governmental services including operating and supplying of utilities and municipal services commonly or conveniently rendered by cities or towns. The authority to provide sewer services is found in RCW 35.21.210 Chapter 35.67. Planning for those services as may be required under WAC 173-240 is included in this authority.

FISCAL IMPACT DESCRIPTION

Funds Required: \$ none

Appropriation Source: n/a

SUMMARY STATEMENT

On July 27, 2011, a workshop with the City Council was held to present and discuss the status of the wastewater facility planning process and to present three sites for further consideration. As discussed during the workshop, a resolution would be presented for consideration and adoption by the Council. The resolution authorizing and directing the project team to proceed with the three candidate sites presented during the workshop is attached.

A public forum was also held on August 24, 2011 at which the information presented at the Council workshop was presented and public input was sought.

Information presented at both the public forum and Council workshop was made available to the public via the project website. Videos of both the forum and the workshop were broadcast on Channel 10.

STANDING COMMITTEE REPORT

This item was presented to the entire City Council at a workshop held on July 27, 2011.

RECOMMENDED ACTION

Adopt Resolution 11-18.

ATTACHMENTS

Resolution 11-18.

RESOLUTION NO. 11-18

A RESOLUTION OF THE CITY OF OAK HARBOR DIRECTING THE EVALUATION OF POTENTIAL SITES FOR A FUTURE WASTEWATER TREATMENT FACILITY.

WHEREAS, the 2008 City of Oak Harbor Comprehensive Sewer Plan identifies the need for a new wastewater treatment facility to meet future growth needs and to replace aging and at-risk infrastructure; and

WHEREAS, recognizing that the City of Oak Harbor is connected to the pristine waters of Puget Sound, specifically Oak Harbor Bay and Crescent Harbor Bay, the City's goal is to obtain the highest level of water quality practical while recognizing the limitations of the rate payers of the City to fund the improvements; and

WHEREAS, the City of Oak Harbor Capital Improvement Plan of 2010-2015 specifically lists the Wastewater Treatment Plant Facilities Plan as a prioritized public project to be undertaken within the capital improvement plan time period; and

WHEREAS, on August 4, 2010 the City Council authorized the Mayor to enter into a contract with Carollo, Inc. for development of the aforementioned Facilities Plan required by RCW 90.48.110 and Chapter 173-240 WAC for a new wastewater treatment facility; and

WHEREAS, public input was sought, received and considered on potential wastewater treatment plant locations resulting in the identification of 13 potential locations; and

WHEREAS, input from the U.S. NAVY was sought, received and considered on potential wastewater treatment plant locations; and

WHEREAS, public input was sought, received and considered on the evaluation criteria to be used; and

WHEREAS, input from various stakeholder groups including the U.S. Navy, the Washington State Department of Ecology, Washington State Department of Health, was sought and incorporated into the evaluation criteria; and

WHEREAS, based on input from the public, various stakeholder groups, technical staff, engineering professionals and City staff, four equally weighted categories, being Social, Technical, Environmental and Financial, were developed for the evaluation of all potential site locations, and

WHEREAS, the Social criteria are as follows: 1) Protect Public Health and Safety, 2) Preserve/Enhance Public Amenities, and 3) Minimize Neighborhood Impacts; and

WHEREAS, the Environmental criteria are as follows: 1) Produce Best Water Quality, 2) Protect Environmental Sensitive Areas, and 3) Minimize Carbon Footprint; and

WHEREAS, the Technical criteria are as follows: 1) Reliable Performance, 2) Ease of Construction, and 3) Overall System Efficiency; and

WHEREAS, the Financial criteria are as follows: 1) Low Capital Cost, 2) Low Life Cycle Cost, and 3) Protect Assets for Future Development; and

WHEREAS, as directed by City Council Resolution 11-07, the 13 candidate sites were narrowed to 5 candidate sites; and

WHEREAS, Carollo, Inc., provided a report to the Council, on July 27, 2011 comparing the 5 candidate sites; and

WHEREAS, public input has been sought, received and incorporated in the analysis of the 5 sites; and

WHEREAS, Carollo, Inc. has evaluated outfall locations to West Beach, Crescent Harbor Bay, and Oak Harbor Bay and has recommended that Oak Harbor Bay is the preferred location for a treated wastewater effluent outfall; and

WHEREAS, Carollo, Inc. has evaluated both membrane bioreactor and activated sludge treatment process and found that the membrane bioreactor process presents the best means of meeting the goals of City in provide the highest quality water and that the membrane bioreactor process is best suited to meet the goals of the community as determined from public input through forums, surveys, comment letters; and

WHEREAS, in order to efficiently and cost effectively study alternatives further it is necessary to narrow from five candidate sites to three candidate sites; and

WHEREAS, after applying the aforementioned criteria there are three candidate locations that best meet the City's goal and objectives;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Oak Harbor as follows:

1. That Carollo, Inc., acting on behalf of the City and under the management of the City Engineer, is directed to evaluate three locations for further consideration as part of the wastewater treatment facility planning process.
2. That the three locations to be evaluated further are generally shown on Exhibit A and are referred to as:
 - a. Windjammer Park
 - b. Old City Shops
 - c. Crescent Harbor
3. That the Membrane Bioreactor (MBR) treatment process will be considered at all three sites.
4. That an effluent outfall to Oak Harbor Bay will be considered for all three sites.
5. That additional public input will be sought and incorporated in the analysis and development of all three alternative sites.
6. That a report will be provided to the City Council comparing the three candidate sites together with a recommendation for a preferred site.
7. That, as appropriate, additional sites, outfall locations and processes may be considered as may be directed by the City.

PASSED and approved by the City Council this 28th day of November, 2011.

THE CITY OF OAK HARBOR

_____, Mayor

Attest:

City Clerk
Approved as to Form:

City Attorney

EXHIBIT A



PowerPoint Slide Show

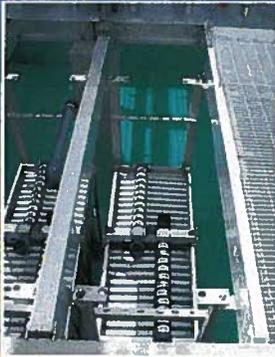
For

**November 28, 2011
Special City Council
Meeting at 6:00 p.m.**

PowerPoint Slide Show

For

November 28, 2011
Special City Council
Meeting at 5:00 p.m.



Oak Harbor Facilities Plan City Council Special Meeting

November 28, 2011



Agenda

- **Project Need**
 - Why does Oak Harbor need a new sewer system?
 - When does the planning team need direction?
- **Summary of Prior Work**
 - What is the basis for the planning team's recommendation?
- **Requested Direction**
 - Eliminate 2 sites from consideration
 - Continue analysis of 3 remaining sites based on MBR process and Oak Harbor outfall

Existing Rotating Biological Contactor (RBC) Facility

- Served the City for over 50-years
- Major parts and equipment starting to fail
- Meets current permit, but will not meet future standards for clean water



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Existing Seaplane Base Lagoon Facility

- System nearing capacity; must now handle 100% of City's wastewater
- Meets current permit, but will not meet future standards for clean water
- Options for expansion and/or improvement limited by surrounding wetlands



Project Timeline Spans 7 Years To-Date

Date	Action
Mid 2005	Sewer Comprehensive Plan Commissioned
Sep 2006	Ad Hoc Sewer Committee Formed
Nov 2007	Ad Hoc Cmt. recommends new facility at Sea Plane Base
Mar 2008	Crescent Harbor Lagoon Outfall Failure 
Dec 2008	Sewer Comp Plan Adopted-identifies need for new facility
Sep 2009	Crescent Harbor Restoration Project 
Sep 2009	RFQ for WWTP Design Advertised
Feb 2010	Carollo, Inc. Selected
May 2010	RBC Outfall Failure 
Aug 2010	City Approval to Start Clean Water Facility Planning Project
Aug 2011	New NPDES Permit- Facility Plan Submittal Req'd by 12/2012

Crescent Harbor Outfall Failure



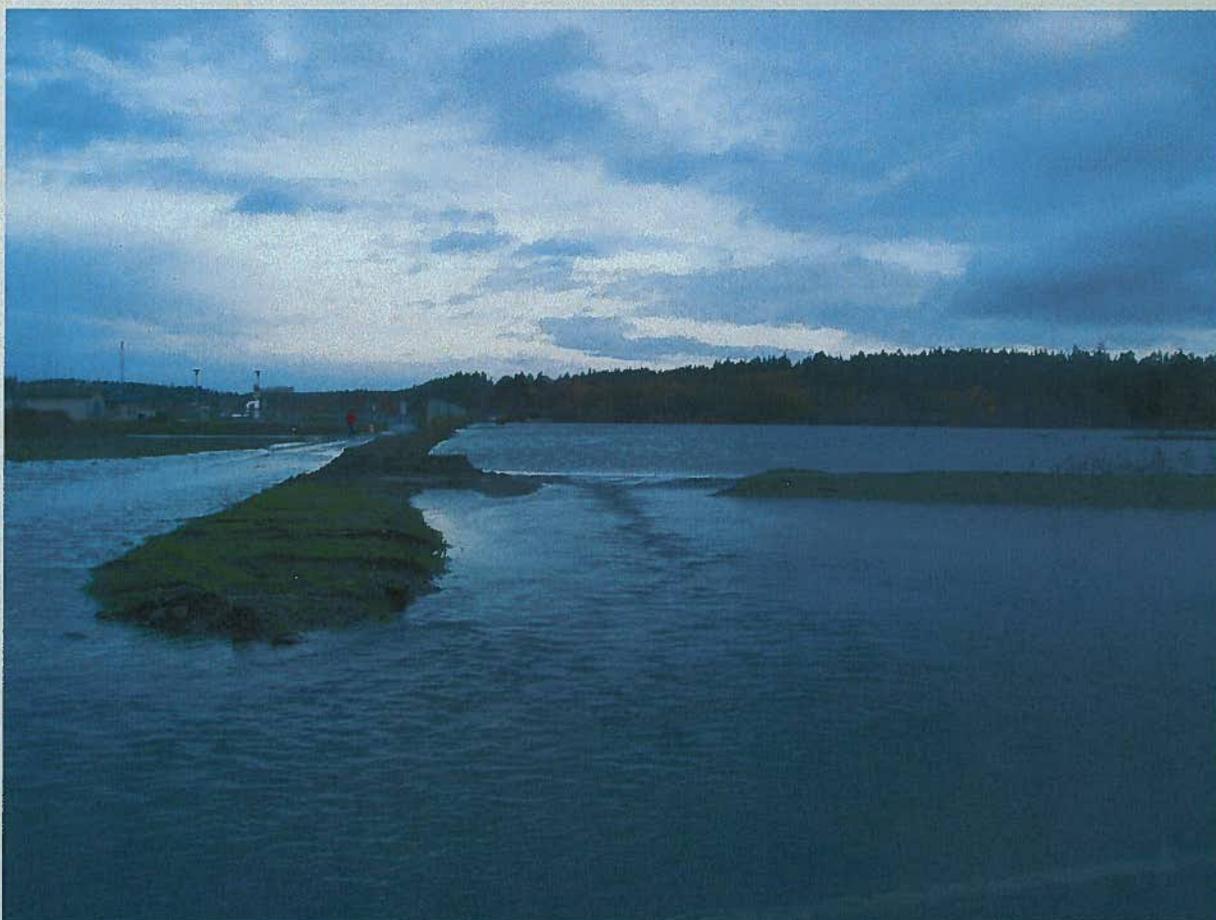
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Flooding at Crescent Harbor Lagoon



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Flooding at Crescent Harbor Lagoon



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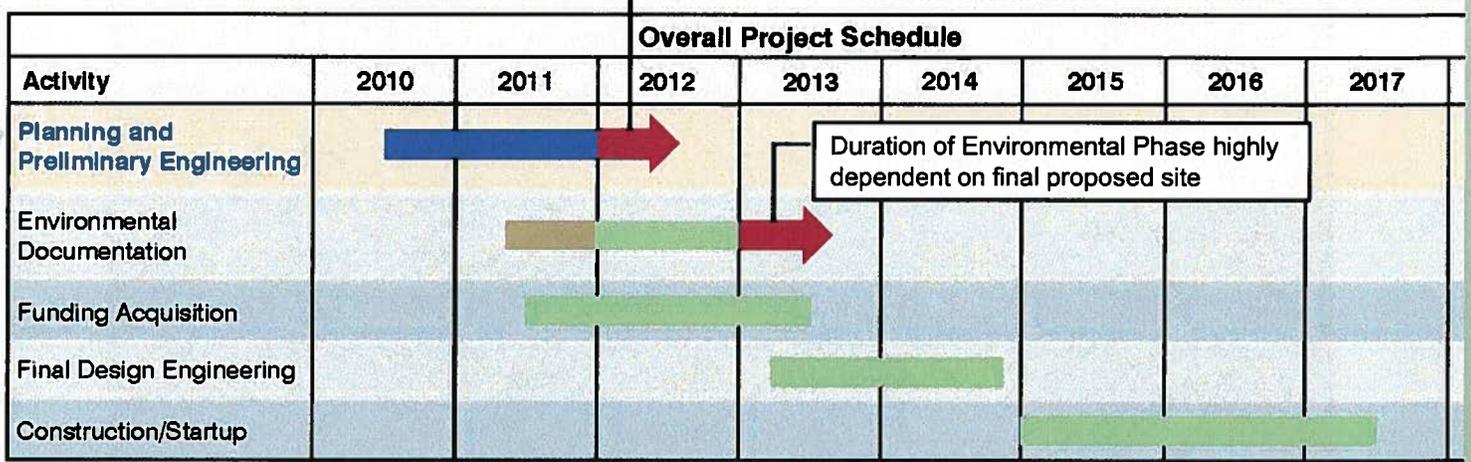
Excerpts from Outfall Inspection



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Direction Will Keep Project On-Schedule

Planning Phase has been Extended 6 months to collect additional input



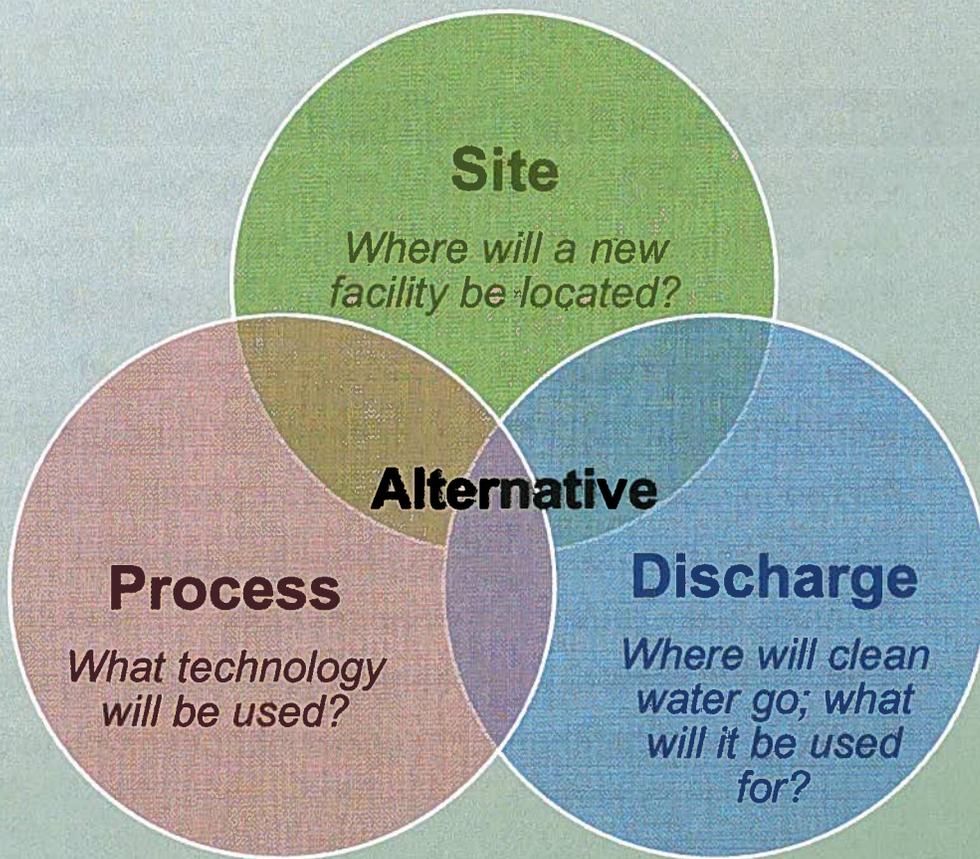
Duration of Environmental Phase highly dependent on final proposed site

- Schedule required by Department of Ecology
 - Submit Facilities Plan for approval on/before 12/31/12
 - Submit Final Design Documents for approval on/before 12/31/14

Activities Leading to Current Recommendation

Date	Action
Oct 2010	City meets with Navy to discuss siting options on Navy Base
Dec 2010	Over 20 potential sites identified by community members
Jan 2011	Planning team recommends narrowing initial list to 13 sites
Feb 2011	Additional technical and cost analysis completed
Mar 2011	Planning team recommends further narrowing list to 5 sites
Apr 2011	Additional community input gathered through meetings, survey
Jun 2011	City meets with Navy to discuss short-listed sites
Jul 2011	Planning team presents refined analysis of 5 sites to Council
Aug 2011	Additional community input gathered through meetings, web
Sep 2011	Planning team recommends further narrowing list to 3 sites

Wastewater Alternative Components



MBR Process Best Reflects Public Input

Membrane Bioreactor (MBR) Treatment Process

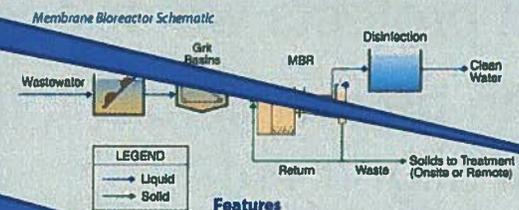
Smallest Footprint

Produces cleanest water to protect Oak Harbor

Best able to meet future regulations

Fully enclosed / covered to protect health

More easily blends with surrounding area



LEGEND
→ Liquid
→ Solid

Features
 The MBR process:
 • Produces very clean water
 • Requires the smallest site
 • Has been installed in areas that are highly visible to the public



The City's existing rotating biological contactor (RBC) facility near Windjammer Park occupies approximately 1.2 acres.

3X

An MBR facility sized for future flows would occupy **approximately 3 acres**.



Most equipment in the Blaine, WA MBR treatment facility is enclosed in an attractive building.



The administration building at Carnation, WA hides the MBR process equipment from public view.



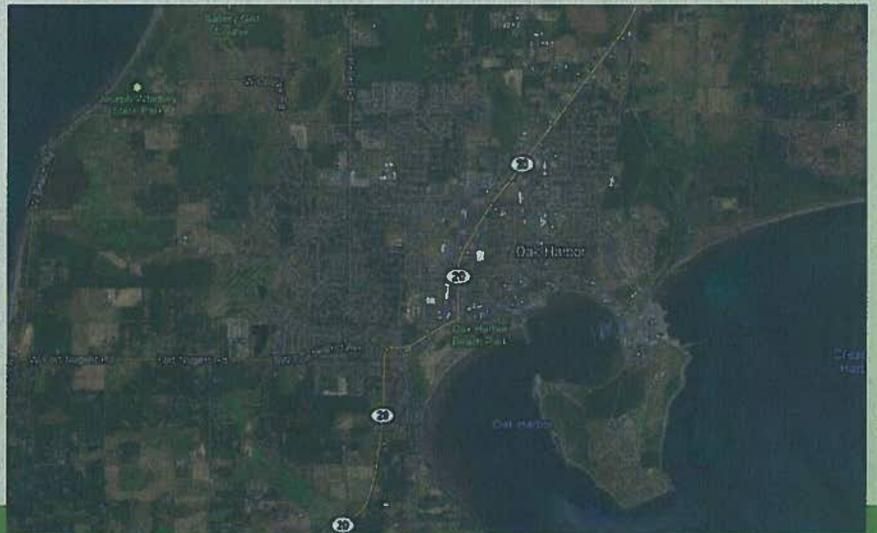
Membranes filter nearly all solids from the wastewater.



Ultraviolet (UV) light can be used to disinfect water cleaned by the MBR process.

Oak Harbor Outfall Provides Cost, Regulatory Benefits

- Mixing/dilution protects water quality
- New outfall can be installed within/near the existing outfall alignment
- No impact to shellfish harvesting
- Lowest cost

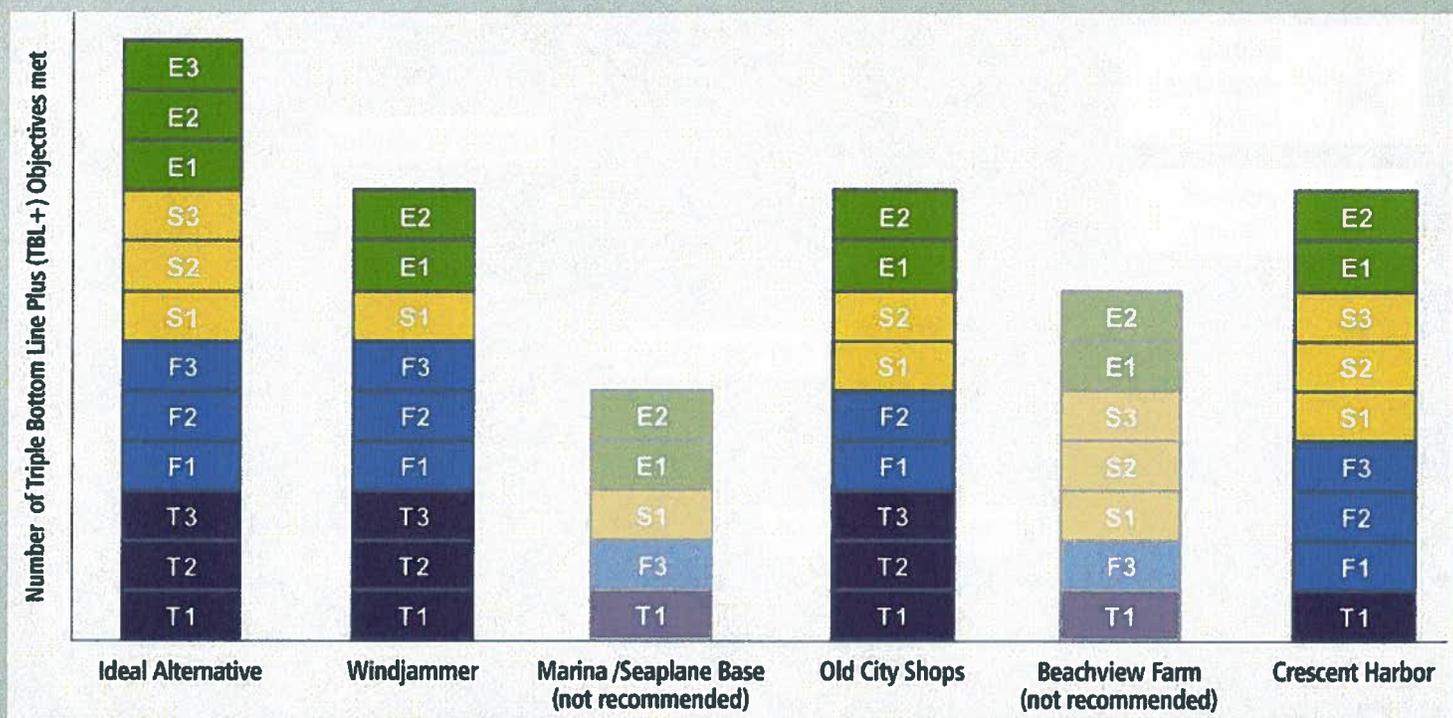


Recommended Final Sites

September 20, 2011



Recommendation Based on TBL+ Evaluation



NOTE:

- Comparison based on MBR Process with clean water outfall to Oak Harbor

Reasons to Eliminate Sites From Consideration

- Marina/Seaplane Base Site
 - Wetland impacts on open space
 - Other areas not favored by US Navy
 - Listed advantages found at other sites for lower cost
- Beachview Farm Site
 - Social advantages questionable based on public feedback
 - Listed advantages found at other sites for lower cost

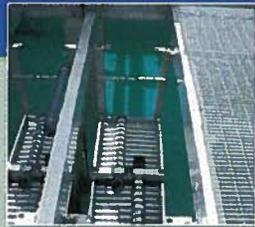
Reasons to Consider 3 Remaining Sites

- Updated and refined information will help City make the best decision
 - Key differentiators have yet to be identified
 - Ability to phase project, reclaimed water benefits, etc.
 - Public input will aid in evaluating ways to address site-specific challenges
 - Cost information will improve for the shortened list of alternatives
 - Cost analysis will identify rate impacts based on phasing scenarios
- Ecology, EPA require rigorous evaluation of alternatives for plan approval and future funding

Summary

- Project needed to replace aged and failing system
- Direction on final sites will keep project on regulatory schedule
- Current recommendation reflects significant input from community, stakeholders, and technical team
- Requested direction:
 - Eliminate 2 sites from consideration
 - Continue analysis of 3 remaining sites based on MBR process and Oak Harbor outfall

Questions?



Windjammer Park Site

Distinguishing Advantages

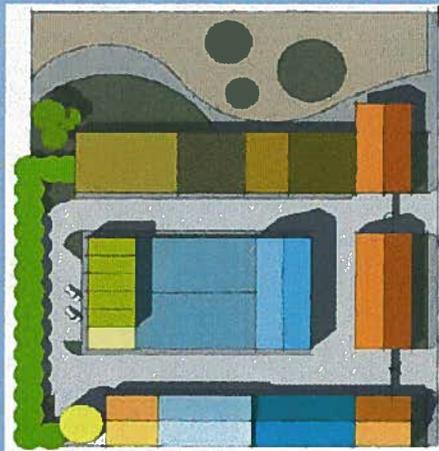
1. Lowest initial cost (F1)
2. Lowest annual cost (F2)
3. No commercially zoned property (F3)
4. No private property acquisition (T2)
5. Most efficient use of infrastructure (T3)

Distinguishing Challenges

1. Impact on amenities (S2)
2. Impact on neighborhood (S3)
3. *Potential cultural resources (E2)*



Conceptual rendering and site layout of treatment facility shown for reference.



Old City Shops Site

Distinguishing Advantages

1. Low initial cost (F1)
2. Low annual cost (F2)
3. Private property currently for sale (T2)
4. Efficient use of infrastructure (T3)
5. Preserves amenities (S2)

Distinguishing Challenges

1. Impact on neighborhood (S3)
2. *Potential cultural resources (E2)*



Conceptual rendering and site layout of treatment facility shown for reference.



Crescent Harbor Site

Distinguishing Advantages

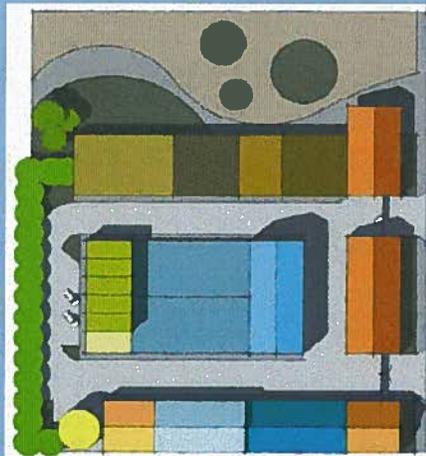
1. Preserves amenities (S2)
2. Little neighborhood impact (S3)
3. Low initial cost (F1)
4. Low annual cost (F2)
5. No commercially zoned property (F3)

Distinguishing Challenges

1. Potentially lengthy acquisition (T2)
2. Least efficient use of infrastructure (T3)
3. *High potential cultural resources and wetlands (E2)*



Conceptual rendering and site layout of treatment facility shown for reference.



Basis of MBR Recommendation

- MBR offers a number of advantages:
 - Better effluent quality
 - Smaller footprint
 - Only feasible option at 2 proposed sites
 - Better ability to control odors
 - Better ability to blend with surrounding environment
 - Better ability to meet future regulations
 - Enhanced opportunities for reuse
- Primary disadvantage:
 - Cost is approximately 8 to 10% (\$5 to \$6 million) higher than AS

Basis of Outfall Recommendation

- Oak Harbor offers a number of advantages:
 - Good mixing to protect water quality
 - Least cost option
 - Limited risk of shellfishing impact
- Primary disadvantage:
 - Although Oak Harbor offers good mixing, slightly better mixing at Crescent Harbor

**City of Oak Harbor
City Council Agenda Bill**

Bill No. 2
Date: November 28, 2011
Subject: Property tax ordinance for 2012.

FROM: Doug Merriman 
Finance Director

INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:

 Jim Slowik, Mayor
 Paul Schmidt, City Administrator
 Margery Hite, City Attorney, as to form

PURPOSE

An ordinance to increase the 2012 City of Oak Harbor property tax levy by 1%.

AUTHORITY

RCW 84.55.010 provides that a taxing jurisdiction may levy taxes in an amount no more than the limit factor multiplied by the highest levy of the most recent three years plus additional amounts resulting from new construction and improvements to property, newly constructed wind turbines, and any increase in the value of state-assessed utility property.

RCW 84.55.005(1) defines "inflation" as the percentage change in the implicit price deflator for personal consumption expenditures for the United States as published for the most recent 12-month period by the Bureau of Economic Analysis of the federal Department of Commerce in September of the year before the taxes are payable;

RCW 84.55.005(2)(c), provides the limit factor for the City of Oak Harbor, a taxing jurisdiction with a population of over 10,000, is the lesser of 101 percent or 100 percent plus inflation;

FISCAL IMPACT DESCRIPTION

Funds Required: \$ \$37,499.98 annually

Appropriation Source: Not Applicable

The revenue impact of the change in the 2012 property tax levy is \$37,499.98. This increase in the property tax levy is included in the second year of the City's adopted 2011-2012 biennial budget.

SUMMARY STATEMENT

This agenda bill presents the ordinance required to establish the property tax levy rate for the City of Oak Harbor for 2012. Under and RCW 84.55.005(1) and RCW 84.55.005(2)(c), the City may increase the collection of property tax revenues by the lower of 1% or the rate of inflation as set by the Implicit Price Deflator (IPD) as published by the Bureau of Economic Analysis (BEA). The IPD measurement to be

City of Oak Harbor City Council Agenda Bill

utilized for 2012 is 2.755%. Accordingly, the allowed levy adjustment for 2012 is 1%.

STANDING COMMITTEE REPORT

The Finance Standing Committee reviewed this item at their November 9, 2011 meeting.

RECOMMENDED ACTION

1. Hold public hearing
2. Pass ordinance to implement a 1% adjustment to the 2012 property tax levy..

ATTACHMENTS

1. Draft Ordinance
2. IPD information (Source: MRSC)
3. Graph of historical inflation data.

ORDINANCE NO. _____

AN ORDINANCE TO INCREASE BY \$37,499.98 THE AMOUNT TO BE RAISED BY AD VALOREM TAXES FOR THE 2012 PROPERTY TAX LEVY WHICH REPRESENTS A 1% INCREASE OVER THE ACTUAL LEVY ASSESSED IN 2011.

WHEREAS, proper public notice of this ordinance and the related public hearing was given in the Whidbey News Times on November 12, 2011, and

WHEREAS, a public hearing was held November 28, 2011, to consider the City of Oak Harbor's Current Expense budget for the Year 2012; and

WHEREAS, RCW 84.55.010 provides that a taxing jurisdiction may levy taxes in an amount no more than the limit factor multiplied by the highest levy of the most recent three years plus additional amounts resulting from new construction and improvements to property, newly constructed wind turbines, any increase in the value of state-assessed utility property, and any annexations that have occurred and refunds made.

WHEREAS, under one provision of RCW 84.55.005(2)(c), the annual inflationary increase limit factor for the City of Oak Harbor, a taxing jurisdiction with a population of over 10,000, is the lesser of 101 percent or 100 percent plus inflation;

WHEREAS, RCW 84.55.005(1) defines "inflation" as the percentage change in the implicit price deflator for personal consumption expenditures for the United States as published for the most recent 12-month period by the Bureau of Economic Analysis of the federal Department of Commerce in September of the year before the taxes are payable; Inflation as evidenced by the change in the for the twelve month period ending July 2011 as measured by the change in the implicit price deflator (IPD) is 2.755% (percent).

WHEREAS, the City Council of the City of Oak Harbor has met and considered its budget for the calendar year 2012, and after hearing and after duly considering all relevant evidence and testimony presented, has determined that the City of Oak Harbor requires an increase in property tax revenue from the previous year, in order to discharge the expected expenses and obligations of the City of Oak Harbor.

WHEREAS, the City of Oak Harbor's actual levy amount from the previous year was \$3,749,998.64.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OAK HARBOR do hereby ordain as follows:

Section One: An increase in the regular property tax levy is hereby authorized for the levy to be collected in 2012 tax year. The dollar amount of the increase over the actual levy amount of the previous year shall be \$37,499.98, which is an increase of one percent (1%) from the previous year. This increase is exclusive of any additional revenues resulting from under-utilized levy capacity, from new construction, improvements to property, newly constructed wind turbines, and from any increase in the value of state-assessed property, any annexations that have occurred and refunds made. The total regular property taxes will be budgeted at \$4,082,568.00 for 2012.

Section Two: The City Clerk shall file a certified copy of this ordinance with the Island County Auditor.

Section Three: Severability. If any provision of this Ordinance or its application to any person or circumstance is held invalid, the remainder of the Ordinance or the application of the provision to other persons or circumstances is not affected.

Section Four: Effective Date. This ordinance shall take effect five days after publication as provided by law.

PASSED by the City Council this 28th day of November, 2011.

CITY OF OAK HARBOR

Approved ()
Vetoed ()

Jim Slowik, Mayor

Date

Attest:

City Clerk

Approved as to Form:

City Attorney

Published: _____

Source: Municipal Research Services Center (MRSC)

What is the maximum amount that a city or county may increase its property tax levy?

In taxing districts with a population of under 10,000, the legislative body may, by a simple majority, vote to increase its levy by a maximum of one percent of the highest levy of the past three years (note WAC 458-19-065 says since 1986 and that is the date that the assessors use) plus the revenue resulting from new construction, increases in assessed value due to construction of electric generation wind turbine facilities classified as personal property, and improvements to property, and any increase in the assessed value of state-assessed property. If the taxing district has a population of 10,000 or more, it can only increase its levy by an amount equal to the increase in the implicit price deflator (IPD) from the prior July or one percent, whichever is less, plus new construction and state-assessed utility revenue. This can be done with a simple majority vote. RCW 84.55.010.

Inflation Measures versus Property Tax Growth

(Bureau of Labor and Statistics)

