MINUTES OF 5/24/2010 SPECIAL CHELAN CITY COUNCIL MEETING

PRESENT: Mayor Goedde; Councilmembers Cooney, Greenfield, Harper, Lingard, McCardle, Morehouse, Morse; Administrator Reinbold, Attorney Galbraith, Clerk Liles, Planning/Community Development Director Gildroy, Public Works Director Van Epps.

ALSO PRESENT: Lake Chelan Sewer District Commissioners Jack Goehry and Mike Collins, Lake Chelan Sewer District engineers Randy Asplund and Karen Corner of RH2 Engineering, Tuscan Village Attorney Alexander Mackey.

At 6:15 p.m. Mayor Goedde called to order a special City Council meeting to consider the latest draft of the *Tuscan Village at Lake Chelan Joint Development Agreement*.

Galbraith stated as follows. The current draft contains only a few changes from the version provided to Council on May 10, 2010. He and the attorney for the Tuscan Group are in agreement on everything in this latest draft except section 7.5 Wastewater Core Facilities. This meeting was scheduled to obtain direction from the City and the Lake Chelan Sewer District concerning section 7.5 before the draft agreement is presented to the Hearings Examiner. The Hearings Examiner will be holding a public hearing to consider the agreement on May 26, 2010, and will then make his recommendation to the Board of County Commissioners concerning the agreement's adoption.

Galbraith proposed a resolution to the wastewater issue that would allow Tuscan up to 300 connections to the Lake Chelan Sewer District's transmission line at the current connection fee imposed by the Sewer District of $4,885 and make those connections available for the next five years. The Tuscan Group would commit to wastewater treatment using the Lake Chelan Sewer District/City of Chelan facilities rather than a reclaimed water facility. Galbraith noted that the Sewer District is contemplating increasing its connection fee to $6,500 to fund improvements needed to address increased demands on the Sewer District lines and anticipates a further increase to address the increased demand resulting from Tuscan Village connections. The Sewer Commission must decide if it is appropriate to charge the current connection fee for the first 300 Tuscan connections in return for a commitment from Tuscan developers to eventually connect the remaining Tuscan properties to the sewer system. In other words, is it appropriate for other connections to bear a disproportionately larger burden for the District's infrastructure improvements?

There followed lengthy discussion culminating in a consensus to direct staff to finalize language in the development agreement for presentation to the Hearings Examiner on May 26th except for Section 7.5, which will be inserted once all parties reach agreement concerning sewer service.

There being no further business, meeting adjourned at 8:00 p.m.

Prepared by: Attested to: Approved by Council on _____.

Linda Allison-Liles
City Clerk

Robert R. Goedde
Mayor