

**CITY COUNCIL MEETING
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January 7, 2014**

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City of Dundee
City Council Meeting Minutes
January 7, 2014

Call to Order

Mayor Crawford called the meeting to order at 7:00 P.M.

Council and Staff Attendance

Present: Mayor Ted Crawford, Councilors Jeannette Adlong, Jennifer Munson (7:02), Storr Nelson, Doug Pugsley, David Russ and Tim Weaver. Staff members: Rob Daykin, City Administrator, John Stock, Fire Chief, Charles Eaton, City Engineer, Peter Watts, City Attorney, and Debra Manning, Assistant City Recorder.

Public Attendance

Mike Cook, Christie Shertzer, Panther Creek Cellars, Scott Moore, Mackenzie, Scot Ragsdale, Francisco Stoller, Tino Aleman, Preston Van Meter, Kennedy/Jenks, Sharon Payne, Riteway Meat Market, Jeff Payne, Riteway Meat Market, Anthony Van Nice, Panther Creek Cellars, Joe Youssef, ARCO, Tracy Stephens, ARCO, Steve Kang, Staci Kang, Deb Galardi, Galardi Consulting, Jessica Thomas, Wendy Veliz, PGE, Barbara Halle, PGE.

Agenda Changes

Item 7.8 Appeal to water bill for denial of a leak credit was added to old business, to be heard after 7.1.

Public Hearing: Sewer System Development Charge

Mayor Crawford called the hearing to order at 7:01 P.M. City Administrator Daykin noted the hearing allowed public comment on the proposed Sewer SDC methodology. He introduced Deborah Galardi, Galardi Consulting, who worked on the new sewer methodology with Preston Van Meter, Kennedy/Jenks, and the sewer rate structure.

Galardi advised that Oregon statutes require a change of methodology for SDCs to be based on a completed master plan. Three components are included in the revised methodology calculations: reimbursement fee, improvement fee, and the compliance charge. The methodology and calculations reflects the new wastewater treatment plant and the projected growth related requirements. Two thirds of the plant cost is related to hydraulic capacity and one third to the loading capacity. The loading calculations result in different SDCs by development type; high, medium and low strength customers. The SDC methodology is designed to recover more cost from those imposing a higher load on the system. SDCs are assessed on a per dwelling basis for residential development and on a per fixture unit basis for non-residential development, with a minimum of 18 fixture units for new development. The fixture unit count method is used to estimate potential flow. The proposed SDC fee is less than the current fee for most developments classified as domestic strength, both residential and non-residential. The higher strength categories will see an increase.

Mayor Crawford questioned how the new rates compared to other cities. Galardi noted the proposed fee of \$5,305 is in the upper end of the sewer system SDC residential range (\$3,000 to \$6,000). Crawford inquired if the formula method proposed for very high strength was based on current wineries in the city. Daykin replied it wasn't, the formula is more generic based on the capacity of the WWTP facilities. He clarified the formula sets equivalent dwelling units (EDU) based on estimated flow and strength, which is then used to calculate the SDC charge; for

example, a winery using pretreatment would have a lower total EDU, than a winery without pretreatment. Daykin confirmed he tested the formula method for various volumes of flow for typical wineries, with and without treatment, and found the SDC fees generated to be reasonable. Van Meter will prepare guidelines to administer the formula method. Crawford questioned when the first SDC fee was developed. Daykin replied 1998; with the city increasing the fees in 2005 based on an index to account for inflation on costs.

Public Comment:

None.

The hearing was closed at 7:20 P.M.

Public Comment

None.

Consent Agenda

The motion was made and seconded to approve Consent Agenda items 6.1 City Council Minutes, December 3, 2013, 6.2 Special City Council Minutes, December 12, 2013, and 6.3 Financial Report Ending November 30, 2013. **The motion** passed unanimously.

Old Business

Resolution No. 2014-01, Sewer SDC Methodology and Fee

This resolution adopts the SDC methodology and the fees recommended in the methodology. **The motion** was made and seconded to approve Resolution No. 2014-01 a resolution adopting a new methodology used to establish Wastewater System Development Charges; adopting an updated Wastewater System Development Charge; repealing Resolution No. 98-10; and repealing Resolution No. 06-05. **The motion** passed unanimously.

New Business

Water Bill Appeal

The water account, 792 Cedar Street, was closed with the sale of the home. The final billing was high with exceptional water use not associated with a leak. The leak adjustment request did not fulfill the requirements of the leak adjustment policy and the request was denied. The final bill was \$413.86 for 3415 cubic feet of water use for an empty house. If the account did qualify for the adjustment only half of the excess water used to calculate water charges would be eligible in the amount of \$51.11. The excess sewer charges of \$237.56 would still not be reduced since the excess water entered the public sewer system. Mike Cook, seller's realtor, was seeking relief for his out-of-state client. He noted the home inspections had been completed and closing was delayed due to the government shutdown. The realtor noticed a running toilet (which shut off with a touch of the handle) on a visit to the house. His client is financially stressed and is asking for a reduction in the billing. The majority Council consensus was not to set a precedent and the appeal was denied.

Old Business

Meat Market Sewer Rate

City Administrator Daykin met with Jeff and Sharon Payne, Riteway Meat Market, who expressed their concern with sewer rates. The new sewer rate structure first adopted in 2010 charges a higher rate to uses with higher loads on the system. Meat markets were classified in the high strength category based on the study prepared by the rate consultant. Each of the higher than domestic strengths uses were classified based on industry standards and not on specific measurements for each use. Daykin noted his review of other sewer rate structures that use

strength as a factor typically place meat markets and restaurants in the same classification. To incentivize the installation of a proper grease trap or interceptor, Dundee's rate structure allows restaurants to qualify for the medium strength category. Staff reviewed how the City of Portland addresses extra strength users and recommended modifying the rate structure to allow a meat market under the medium category provided the market has a city approved grease trap similar to restaurant uses. The recommendation was to place the Riteway Meat Market into the medium category. Staff will be doing field inspections for compliance with the grease trap regulation. Kennedy/Jenks will be working on criteria for grease interceptors. Daykin asked for a Council Committee to review the extra strength program and help with any needed rate adjustments. **The motion** was made and seconded to add Meat Markets/Processors, with City approved grease traps, to the examples of commercial medium sewer rates and authorize the re-classification of the Riteway Meat Market as commercial medium use. **The motion** passed unanimously.

Fire Station Project Update

Scott Moore, Mackenzie, updated completed site work: most of work has focused on the rough carpentry framing and erection of the CMU tower. The SIP panels are onsite and being placed. He noted that the panels were not delivered in the order they were requested from the SIP contractor. Wall material should be set in place by the end of next week; followed by roofing, drainage swales, fine grading for site curbs and retaining walls. Highway 99W frontage improvements are expected to occur late January/February. Payment Application #6 for \$287,925.56 includes: earthwork, the SIP panels and some labor, rough carpentry, masonry veneer and building electrical. The total expended to date is \$1,051,686.31. The estimated building completion date is February 19th; with site completion on April 23rd. The contractor has submitted a request for delay due to bad weather conditions. The required criteria for this are: the maximum temperature failed to exceed 50 degrees, the average temperature failed to exceed 40 degrees or the amount of precipitation exceeded 1/10 of an inch above the historical average. A total of twelve days was approved; which will give them additional time with no additional fees. The next change order will capture the twelve day adjustment.

C. Nelson questioned if weekends and holidays were included in the timeframe. Moore confirmed work days, weekends and holidays, and noted completion of work in the contract is based on calendar days. Nelson asked if they receive credit for a bad day even though they work the full day. Moore replied they would get the credit.

C. Pugsley asked for more information on the Highway 99W improvement change order. Moore advised the change order will include: generator installation, miscellaneous electrical revisions, door hardware changes resulting from plan review comments, and sidewalk improvements including undergrounding the electrical work and installation of the light pole bases. Pugsley asked the cost of the hardware changes. Moore replied the plan review (after the bid) added panic hardware and miscellaneous adjustments at a cost of \$6,000.

Pending change proposals include amending the fire alarm system, change of a door location and a plumbing line. Mackenzie assesses the contractor is behind schedule on the building completion date; a master schedule update will follow.

New Business

Planning Commission Appointment

The Council addressed agenda item New Business 8.1 after Old Business item 7.3. **The motion** was made and seconded to reappoint Tino Aleman and Francisco Stoller and to appoint Scott Ragsdale to the Planning Commission to terms expiring December 31, 2017. **The motion** passed unanimously.

Old Business

TE Project Update

The Highway 99W sidewalk/streetscape project is composed of two phases. The first phase, designed by the city, encompasses the inner core with restricted ROWs. Work on this phase is expected to be completed this summer. ODOT will complete the design and bidding of the second phase outer ends, the lighting and the crosswalks. Staff met with several of the property owners regarding the proposed crosswalk in the First Street intersection. Concerns were received on the median and the shifting of the lanes which would take ROW currently being used for parking at the old Teriyaki restaurant property at 110 Highway 99W.

City Engineer Eaton relayed the city section encompasses Third to Eleventh Streets with work on waterline replacement, sidewalk and driveway construction, installation of street light bases and underground conduits. The ROW is very compact and the conduits and waterline will fill up the area under the sidewalk. Staff is now addressing ROW and access control issues for the driveway designs. ODOT has given notice to property owners having any changes to their driveway width and have scheduled a meeting to address concerns on January 22nd. Staff will be contacting property owners in the core regarding access easements related to the driveway constructions. There are three pieces of ROW which need to be purchased for ADA ramps at Seventh, Ninth, and Eleventh streets. Approval has been received from ODOT for the split design and the funding allocations for the project.

A request from a property owner at 110 Highway 99W to reanalyze the conceptual design which includes: the pedestrian activated signal – rectangular rapid flashing beacon (RRFB), median island, a required widening of the highway, prohibition of left-turn movements in and out of the ARCO service station at the northern access, and elimination of the highway right turn lane to First Street. After review by staff and ODOT the choices are either have the RRFB at the location or do not have an RRFB. ODOT will not support relocation of the RRFB to a mid-block location between First and Second streets. Eaton cautioned that any changes will affect other items in the design. ODOT will not support either a signal or a dedicated acceleration lane without an island. Daykin clarified there would not be a marked crosswalk at that location if there is no median; however, federal law would still require ADA ramps at the First Street and ARCO side of the highway to accommodate its crossing.

Councilor Weaver expressed concern to retain the right turn lane. Eaton noted it would require a retaining wall. Daykin stated better traffic flow through the intersection is anticipated with the bypass, there is no budget for those improvements and that would impact the new “Welcome to Dundee” sign. He noted the current right turn lane is substandard. Eaton shared the primary southbound traffic lane will be moved to the west (right).

C. Nelson expressed concern to maintain the pedestrian crossing. Mayor Crawford noted it is needed for connection of trails.

C.A. Daykin noted the median restricts traffic into the service station. Customers southbound will need to use ARCO’s south access at Second Street; this will be clearly striped. This was discussed with the property owner; who expressed concerns for a better visible signage at the south access. Eaton stated the design would require movement of the current retaining wall, at the restaurant, back by either four or eight feet. He recommended the full eight feet considering the expense to move the wall.

Steve Kang, restaurant owner, noted some parking spaces could be saved with a four foot move in lieu of losing all the spaces with an eight foot move. He relayed that they were not informed of the ROW issue with the property purchase. He added the ROW was acquired in the 1930s for

drainage purposes. The property will lose half of its parking spaces. Kang questioned if the RRFB could be retained without the refuge. Eaton replied ODOT will not support the beacon without the refuge because of the alignment and speed at this location. Kang expressed concern that losing the parking spaces will devastate any business in that location. Daykin suggested a possibility to recover two parallel parking spaces even with the median design and the changes to the retaining wall with a net loss of four spaces. The Mayor suggested approaching the abutting property owner to determine if additional land could be purchased for parking. Kang replied he cannot afford to purchase any land at this time.

Anthony Van Nice, Panther Creek Cellars, introduced Christie Shertzer, Panther Creek Cellars; they will be leasing the property as a wine tasting facility. They intend to invest an estimated \$80,000 in improvements to the building and landscaping. He expressed concern that changes to the parking lot will limit the potential of the property for any business. Shertzer added the location was chosen for the ease of access. There will be events where parking will be an issue. Mayor Crawford inquired if they had contacted the undeveloped properties abutting the business. Councilor Russ suggested leasing the abutting property for parking. Staff estimates four parking spaces could be recovered with two parallel and two in front of the dumpsters.

C. Nelson asked if the RRFBs had to be perpendicular. He suggested a modified pork chop, using a diagonal access to a refuge island north of the proposed location, which would still prevent a left-turn into ARCO. Eaton replied he has never seen that application and it is unlikely. ODOT has advised that there is insufficient ROW in ARCO's driveway to place a pork chop, additional ROW would have to be acquired.

C. Russ asked if the initial ROW acquisition reason on the restaurant property was relevant to the question. Engineer Eaton advised that ODOT has confirmed it is a fee simple purchase in the 1930s as dedicated ROW; not as an easement. City Attorney Watts stated ODOT is not limited in what they can do with it. Eaton noted ODOT's intent is to lease the ROW space back to the property owners at the conclusion of the project.

Joe Youssef, ARCO, relayed he has had problems getting a business for his additional lot located between the service station property and Second Street due to zoning issues. These proposed changes will negatively impact his business; which requires an easy enter and exit. C. Pugsley inquired the percentage of local repeat customers. Youssef estimated 60% from the Newberg area and 40% from the McMinnville area. Pugsley suggested regular customers will get used to a new entrance/exit with improved signage and the island should not negatively impact the business long-term.

City Engineer Eaton noted another issue for the restaurant is that traffic currently enters off of First Street and exits onto the highway; this should be reverse striped as a single car waiting at First Street to enter the highway will block the driveway.

C. Nelson suggested abandoning the left-turn lane from Highway 99W onto First Street and retaining the island in what would be the former center lane. This will not require relocation of the southbound highway lane and allow the right turn lane to First Street to be preserved. Eaton replied a standard two foot median would be used through the intersection to block the left-turns in and out of the ARCO station and the acceleration lane would be retained. It would be a defensible alternate to review with ODOT. It was noted this would negatively affect Chan's restaurant located on the northwest corner of First Street and Highway 99W.

C.A. Daykin suggested the option of placement of the crosswalk north of the First Street intersection with restricted left turns out of the ARCO station at the north access. The City Engineer will bring back alternate ideas for further discussion.

PGE Franchise

Staff and PGE are agreeable to modeling the franchise fee payment after the City of Salem's franchise agreement. The franchise payment is 5% of the gross revenue; with 3.5% paid annually and 1.5% paid quarterly. Under current PUC regulations, the amount over 3.5% will be disclosed on the customer's bill. Currently, the franchise fee is 3.5%, which is embedded in the rates approved by the PUC. Daykin asked the Council if they want to increase the fee to 5% in the near term or as a future option. The 1.5% additional revenue could be designated for special projects such as undergrounding utilities, replacement of transportation revenue funds being used for the bypass project, landscaping, etc. C. Pugsley questioned how much revenue the 1.5% would represent. Daykin estimated \$30,770 annually. City Engineer Eaton suggested it could help offset the Comcast and Frontier undergrounding costs. He noted there would be a substantial cost saving with city staff completing the conduit work. Daykin stressed anything above 3.5% will show on the customer's bill as a City of Dundee tax. The majority consensus supports a 1.5% increase dedicated to a specific purpose. PGE will work with the city on a joint notification letter to customers. Daykin shared a five-year term with three five-year renewals is proposed. An ordinance approving a franchise agreement with PGE will be brought back to the Council.

Kennedy/Jenks Scope of Work – 2005 Test Well

This is the proposal for preparation of bid documents for the abandonment of the lower section of the test well required by the State; addressing the water rights, and completing predesign to get the well into production. Preston Van Meter, Kennedy/Jenks advised most of the work will be completed by GSI Water Solutions Inc. Kennedy/Jenks will test to determine the production capacity of the well. The well borehole diameter could be too small and depending on the analysis of the production flow it might be worth it to re-bore it. **The motion** was made and seconded to accept the proposal for engineering services from Kennedy/Jenks for the test well abandonment and preliminary design not to exceed \$41,750. **The motion** passed unanimously.

Resolution No. 2014-02, IFA Financing Contract

The City received the financing package (\$20,000 grant and a \$50,000 low interest loan – 3.42%) through the Oregon Infrastructure Financing Authority to help finance the update of the Water System Master Plan. A match of \$50,000 from the Water CIP Fund will be included with the IFA grant and loan. The total cost of the project is estimated at \$120,000. This resolution authorizes the city to take the loan and the Mayor and the City Administrator to execute documents related to the loan agreement. The term of the loan is six years following the end of the project and does not have prepayment penalties. **The motion** was made and seconded to approve Resolution No. 2014-02, a resolution of the City of Dundee authorizing a financing loan from the Water Fund by entering into a financing contract with the Oregon Infrastructure Financing Authority. **The motion** passed unanimously.

New Business

Hydrant Water Sales

This returns from discussion at the December 3rd Council meeting. Staff reviewed the City of Newberg's hydrant water sales program with two tiers: non-metered for simple situations and metered for longer term situations. A similar arrangement is proposed with a simple arrangement for non-metered and a higher price for metered use. Either situation will require city approval. C. Russ asked if non-metered would be overseen by a city employee. Daykin replied the contractor would need to contact the city for water and staff will oversee. C. Weaver questioned if this would be available during weekdays only. Daykin replied this would be up to the discretion of the

Public Work's department. **The motion** was made and seconded to authorize the establishment of a hydrant water sales program as proposed by the City Administrator. **The motion** passed unanimously.

Business License Late Fee

Under the prior Business license renewals process there was a late fee of 1/12 of the renewal fee for each month late. Staff is proposing: a nominal charge for the first delinquency notice, the second and final delinquency notices have progressively higher penalties with a citation after the third delinquency notice. Staff will bring back a resolution for consideration at the February 4th meeting.

Tourism Committee Appointments

A revised Tourism Committee Appointments Report was given to the Council. Mayor Crawford noted that Paulee is closing. He recommended appointing Joseph Buck, manager Babica Hen Café which will open in Paulee's space this spring. A survey will be completed to determine if the current meeting time will be changed. **The motion** was made and seconded to accept the Mayor's appointments to the Tourism Committee with Joseph Buck. **The motion** passed unanimously.

Council Concerns and Committee Reports

The Parks Advisory Committee reviewed the Viewmont Greenway project with the abutting neighbors at the December meeting. There were no objections received. The public will be invited to the April meeting for further discussion on the project. The Committee meets Wednesday to hear the Greater Yamhill Watershed Council's recommendations for the Harvey Creek restoration project.

There wasn't a quorum for the December Tourism meeting.

Mayor's Report

A Council goal setting work session is scheduled for January 21st at 6:00 PM. Nancy Boyer, Mid-Willamette Valley Council of Governments (COG), will facilitate.

The Mayor questioned the status of the barrels and plantings at the old "Welcome to Dundee" sign. Debra Manning, Assistant City Recorder, updated that the Dundee Gardening Club will remove the plants in February.

C. Russ inquired if the old "Welcome to Dundee" sign had been relocated at the Parks Drive intersection. Staff will follow up on its status.

City Administrator's Report

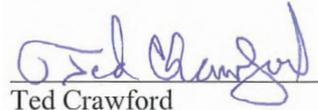
Staff will bring back changes to the sewer rate structure and further discussion on water rates. Daykin asked for a Council committee to review these issues. Councilors Weaver and Adlong volunteered.

Alternate options for First Street will be reviewed by the TE Committee. C. Russ inquired if the RRFB beacon could flash west towards First Street also. Eaton confirmed it could; he added there would be room for left-turn pocket onto First Street without the right-turn lane. The majority consensus was to focus on pedestrian safety, turning left off of First Street toward Newberg, and prohibiting entry to the ARCO station at First Street. Daykin queried the concern for the parking spaces currently in the ROW. C. Russ expressed concern for the effect on Chan's Restaurant with a no left-turn onto First Street.

Public Comment

None.

The meeting was adjourned at 10:06 PM.



Ted Crawford
Mayor

Attest:



Debra L. Manning, CMC
Assistant City Recorder