

CITY OF DUNDEE
CITY COUNCIL MEETING
Fire Hall Community Room

Phone (503) 538-3922 ~ Fax (503) 538-1958

Email: DundeeCity3@comcast.net Website: DundeeCity.org

The Mission of City Government is to provide essential, quality public services in support of the livability, safety and viability of the Dundee community.

APRIL 19, 2016 7 - 9 PM.

Times printed are estimates. Actual time may vary.

1. Open Regular City Council Meeting
2. Pledge of Allegiance
3. Amendments to the Agenda, if any
4. Public Comment: Each speaker will be allowed up to 5 minutes to speak after being recognized by the Mayor. Out of courtesy for the speaker, please refrain from talking.
5. Consent Agenda: The following items are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items unless a Council member (or a citizen through a Council member) so requests, in which case the item will be removed from the Consent Agenda and considered separately. If any item involves a potential conflict of interest, Council members should so note before adoption of the Consent Agenda.
 - 5.1 City Council Minutes, April 5, 2016 Pages 1-6
Action Required: Motion to Accept the Consent Agenda
6. Old Business:
 - 6.1 WWTP Flood Damage Report Pages 7-44
Discussion
 - 6.2 Resolution No. 2016-04, U.S. Bank Loan Pages 45-52
Action Required
 - 6.3 Dundee's Local Government Dinner Pages 53-58
Action Required
7. New Business:
 - 7.1 Fire Department Washer-Dryer Quotes Pages 59-66
Action Required
 - 7.2 Waste Management Rate Request Pages 67-74
Discussion
 - 7.3 Utility Rate Review Pages 75-79
Discussion
8. Council Concerns & Committee Reports
9. Mayor's Report
10. City Administrator Report
11. Public Comment: Each speaker will be allowed up to 5 minutes to speak after being recognized by the Mayor. Out of courtesy for the speaker, please refrain from talking.

12. Executive Session: In accordance with ORS 192.660 (2)(i) to review and evaluate the employment-related performance of the chief executive officer of any public body, a public officer, employee or staff member who does not request an open hearing.
13. Adjourn

Pending Business:

1. Public Works
 - 1.1 Highway 99W Sidewalk/Streetscape
 - 1.2 Inflow & Infiltration Program
 - 1.3 Charles Street Storm System
 - 1.4 Dogwood SCA Project
 - 1.5 2016 Street Overlay Program
 - 1.6 Locust Street Waterline Replacement
2. Planning/Land Use
 - 2.1 Dundee Riverside Master Plan – Future Actions
 - 2.2 Exterior Lighting – Code Update/Street Light Standards
 - 2.3 Industrial Zone Standards
3. City Council
 - 3.1 Update SDC Methodologies
 - 3.2 LID 2013-01 Final Assessment Ordinance
 - 3.3 Urban Renewal
4. Parks & Trails
 - 4.1 Viewmont Greenway Park Improvement
 - 4.2 Harvey Creek Trail Property Rehabilitation
 - 4.3 WWTP Nature Park Grant Application
5. Next Available Ordinance & Resolution No's.
 - 5.1 Ordinance No. 545-2016
 - 5.2 Resolution No. 2016-05

The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired, or for other accommodations for persons with disabilities, should be made at least 48 hours in advance of the meeting to the Assistant City Recorder at City Hall (503) 538-3922.

**CITY COUNCIL MEETING
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City of Dundee
City Council Meeting Minutes
April 5, 2016

Call to Order

Mayor Russ called the meeting to order at 7:01P.M.

Council and Staff Attendance

Present: Mayor David Russ, Councilors Jeannette Adlong, Ted Crawford, Storr Nelson, Doug Pugsley, Kristen Svicarovich and Tim Weaver (7:50 P.M.). Staff members: Rob Daykin, City Administrator, and Shelby Rihala, City Attorney, Greg Reid, City Engineer, John Stock, Fire Chief, Jessica Pelz, City Planner, and Debra Manning, Assistant City Recorder.

Public Attendance

Tom Burns, Chapter 24 Winery.

Agenda Changes

Item 13. Executive Session was removed from the agenda.

Public Hearing: City of Dundee – LURA 16-01, Development Code Amendment-Marijuana Facilities

Mayor Russ called the hearing to order at 7:02 P.M. to consider type IV Legislative Development Code amendments to add regulations for marijuana facilities.

Call for Declarations of Conflict or Bias by any members of this body:

None.

Objections to jurisdiction by any members of this body:

None.

Staff Report:

Planner Pelz reviewed the staff report. She noted the Oregon Liquor Control Commission (OLCC) is regulating recreational marijuana while the Oregon Health Authority is governing the medical program; both have administrative rules. The Planning Commission recommends that recreational and medical marijuana uses be combined into one marijuana facilities category. The city may adopt the time, place, and manner, specify allowed zones and any other regulations deemed necessary. The Planning Commission addressed the issues at a January workshop and a February hearing. Staff's original recommendation was to remove the regulation requiring dispensaries and retail facilities to be located 1000 feet from parks and to add a new requirement that dispensaries and retail facilities must be located on a lot or parcel with frontage along Highway 99W removing the possibility of a facility in the Riverfront Master Plan area. The restriction that retail and dispensary facilities must be at least 1,000 feet apart is also kept. The Planning Commission voted to keep the distance provision for parks. If the park restriction provision is removed a facility could be located at the old Riteway location at the northwest corner of Highway 99W and Ninth Street. If the Highway 99W regulation is not adopted then a facility could be placed in the commercial area of Ninth Street several hundred feet west of the highway. Pelz noted the new State law allows up to 1000 feet distance between a recreational facility and a school but you cannot require them to be more than 1000 feet between. Confinement of marijuana odors could be difficult to enforce, but complaints can be addressed

under the nuisance provision in the code. Councilor Crawford noted that an outside grow site could have problems complying with odors.

Councilor Nelson questioned if the placement of a park along the Highway 99W corridor near a preexisting marijuana facility. Pelz advised a park could be placed but an existing marijuana facility could not be made to relocate. City Administrator Daykin clarified the 1000 feet provision from Dundee Elementary School without the park restriction would limit the location of marijuana retail facilities north of First Street and in the vicinity of Eighth to Ninth streets on Highway 99W.

City Planner Pelz referred to the staff report with the recommendation from the Planning Commission to: 1) Consider the Planning Commission Order of Recommendation, 2) Consider public testimony, 3) Deliberate and make findings showing that the proposal is consistent with city and state policies, and 4) vote to adopt Ordinance No. 545-2016.

Proponents:

Tom Burns, Chapter 24 Winery, relayed he was approached by Chalice Farms to represent their interest in the proposed regulation. He was the Director of the Medical Marijuana program under the Oregon Health Authority and he worked for OLCC for nine months. The state regulation is a facility cannot be located closer than 1000 feet to a school. If a school locates next to an operating marijuana business; the business has two years to relocate. The city may impose regulations as long as it does not close down the ability of the marijuana business to function in the city. Burns supports the Planning Commission's recommendations. He noted the concerns expressed at the Planning Commission's hearing to allow placement of a facility in the old Riteway location in context to the location of the Fire Hall and its use for public events. The bloom from a marijuana plant produces an odor during harvest. C. Crawford asked for clarification if Burns was asked to advocate on behalf of Chalice Farms against a second dispensary. Burns advised they asked him to help move process through and determine if it would have an impact on them. Burns stated it will not have an impact on Chalice Farms. Councilor Pugsley inquired if Burns had an opinion on operational hours for the facilities. Pelz advised the hours of operation are covered by state law.

Opponents:

None.

Deliberations:

Mayor Russ recalled the Council previously adopted the 1000 foot limit to a park to exclude the Highway 99W and Ninth Street location; also the Council had decided not to exclude a facility in the riverside district. Councilor Adlong supports consistent regulations throughout the city and opposed keeping facilities on Highway 99W. C. Pugsley asked if parks will need to be redefined since trails and greenways are not parks. Pelz replied the ordinance could be amended to add a "park" definition. Daykin clarified that a facility could be placed in other commercial zones along Ninth Street if the Highway 99W clause is eliminated and the park buffer is retained. The Planning Commission does not support location of a facility in this area. C. Crawford expressed his support to restrict the locations to Highway 99W, noting that the Council could amend that restriction in the future. After further discussion C.A. Daykin suggested adding verbiage for parks subject to Dundee Municipal Code 17.203.130.

Mayor Russ questioned the ability to see product from the public right-of-way (ROW). Rihala referred to state regulations that all items be kept in a safe or vault after hours. The hearing was closed at 8:05 P.M.

Ordinance No. 545-2016, Regulations for Marijuana Facilities

The motion was made and seconded to adopt Ordinance No. 545-2016, an ordinance amending the Dundee Development Code to add regulations for marijuana facilities deleting item “3 Must be located on a lot or parcel with frontage along Oregon Highway 99W”, delete “Marijuana or marijuana product shall not be visible from the public right-of-way.” from item 5, and add verbiage “park subject to the requirements of Dundee Municipal Code 17.203.130”. **The motion** passed unanimously.

Public Comment

None.

Consent Agenda

The motion was made and seconded to approve Consent Agenda items 6.1 City Council Minutes, March 15, 2016 and 6.2 OLCC Application, Quailhurst Vineyard Estate. **The motion** passed unanimously.

Old Business

Fire Station-Community Message Sign

Fire Chief Stock noted the updated proposal from Meyer Sign Company raised the sign from eight to sixteen inches and an additional five inches for the reader board, a total of twenty-one inches. The Fire Department supports the proposal. The logo will be illuminated after dark, similar to the “Station 3” on the front of the building. **The motion** was made and seconded to award the Fire Station sign proposal to Meyer Sign Company in the amount of \$23,486. **The motion** passed unanimously. C. Crawford inquired if a plaque noting Rotary’s donation will be placed. Chief will follow up the issue. The volunteers served nearly 750 at Sunday’s Pancake Breakfast.

Loan Refunding Options

This was presented at the March 15th meeting; but the Council continued discussion to allow absent members input on the issue. The IFA loan at 4.04% interest will be refunded with a loan through US Bank at 2.54% over seven years. US Bank is willing to loan additional funds for other projects: placement a new storm water main across the highway from Seventh to Eighth streets (associated with Phase 1 of the TE project and originally budgeted \$100,000 to be paid with a loan from the Water Fund), repairs at Charles Street (\$50,000 estimate), and an estimated \$75,000 of I & I improvements (previous plan to use a \$600,000 DEQ loan which is requiring additional engineering and environmental reviews). The Mayor inquired if using an interfund loan from the Water fund for the additional work would place a strain on the Water Fund. Daykin confirmed it would. C. Crawford questioned if the loan payments are due twice a year. Daykin confirmed. Rate increases for sewer and storm water will be recommended to cover increased costs and the loan costs. **The motion** was made and seconded to direct the preparation of a resolution by Bond Counsel, Jim Shannon, authorizing the preparation of loan documents for a full faith and credit obligation of the City with U.S. Bank in the amount of \$970,000. **The motion** passed unanimously.

Tenth Street Project Change Order No. 2

The Mayor expressed his support for the amended change order costs negotiated by the City Engineer and inquired the completion date for the project. Reid updated sidewalks will be poured on Wednesday. The contractor will still have to complete the re-patch of the highway, including the excavation of the buried concrete slabs. This is expected to be completed at night during the first part of next week. **The motion** was made and seconded to approve Change Order #2 at a cost of \$16,113 for the existing storm line fix costs. **The motion** passed unanimously. Reid noted

item 30-Added 1' manhole sections is still under negotiation and will be brought to the Council when resolved.

C. Pugsley inquired if this will help with storm water issues further upstream. Reid replied it will not help at Seventh Street, but will help locally once the ditch is cleaned out. Public Works crews will be addressing the ditch.

Decorative Sidewalk Tiles

Engineer Reid stated he originally considered placement of the decorative sidewalk tiles with the base of the hills toward the highway on both sides. Engineer Eaton suggested starting at the intersection, placing it as you should see it, next one placed with the base of the hills towards the highway, followed by the third tile placed towards the next intersection. Council concurred with that approach.

Dundee's Local Government Dinner

Five restaurants were invited to respond to a Request for Proposal for catering services for the Local Government Dinner on August 18th. One response was received from Red Hills Provincial Dining. Communication was received after the bid date from Babica Hen. Councilor Nelson asked to extend the offer to bid to Babica Hen, if they do not respond the proposal from Red Hills Provincial will be accepted. **The motion** was made and seconded to accept the proposal from Red Hills Provincial Dining to cater the Local Government Dinner unless a proposal is received from Babica Hen, which would be brought to the Council. **The motion** passed unanimously.

New Business

Chehalem Valley Vision Update

The Chehalem Valley Future Focus Committee is hosting a dinner for elected officials on Thursday, April 14th at the Chehalem Cultural Center. A PowerPoint presentation will highlight each of the involved entity's information followed by small group discussions on the vision with a final group wrap up. Daykin will provide a Dundee report identifying the five main changes which have occurred since this was plan was implemented and the five main future concerns dealing with city. He requested Council's top five in each category. He added a couple changes: local gas tax adopted and a street maintenance plan (updated in 2012).

Changes since the report's preparation in 2004:

1. Collaboration: IGA with the City of Newberg-Police Services and the New Fire Station with Dundee Rural Fire District
2. Livability: Riverside District Master Plan and Dundee Parks and Open Space Plan
3. Infrastructure: Wastewater Treatment Facility, 400,000 Gal. Reservoir, and Well No. 13
4. Economic Development: Transient tax (estimated \$60,000 for 2016) for tourism promotion including vacation rentals

Issues and Challenges:

1. Future of Billick-Dundee School Park
2. Future water supply collaboration with the City of Newberg
3. Collaborate with CPRD in the implementation of the Dundee Parks and Open Space Plan and the Dundee Riverside Master Plan including the acquisition of Ash Island
4. Urban renewal including developing bicycle tourist/public parking facilities
5. Collaboration with the Chehalem Chamber of Commerce, City of Newberg, Travel Yamhill, Travel Oregon and Yamhill County on Economic Development/Tourism

Things to remove from the list: The Fire Station repair issues and unexplained water loss.

Things to add to the list: Collaborate with other entities regarding Total Maximum Daily Loads (TMDL) to improve waterways, Dundee's updated Water Rights, Façade Improvement Grant

program, and the planting of the Viewmont Greenway with the students from Dundee Elementary School.

Council Concerns and Committee Reports

C. Crawford updated that Tourism Committee was not impressed with the Architect's renderings received for the Façade Improvement Grant program. They reflected minor improvements to the buildings. Committee members will meet with him to ask for better renderings. The property owners will not have to pay for the renderings; only their portion of the improvements.

Dundee has been nominated by USA Today as a top ten weekend designation spot.

The Harvey Creek Trail was cited in the Portland monthly magazine.

Mayor's Report

The Parkway Committee discussed applying for a Fast Act grant to purchase ROW on the Newberg side of the Bypass instead of applying for the federal TIGER grant for a fix for the fishhook and decided to apply for the Fast Act grant.

Mayor Russ presented a Certificate of Appreciation for ten years of service to the City to Assistant City Recorder Manning. Assistant City Recorder Manning has accepted a position with the City of Tigard.

City Administrator's Report

Six building permits were received for the Locust Street development between Seventh and Eighth streets and a request for a preapplication meeting for a twelve lot subdivision on the three acres at Seventh and Alder streets.

Engineer Reid completed the estimates for the next phase of the TE project work. We are waiting for the meeting with the funding agencies and city staff. Eaton's cost estimates from last March have changed with updated quantity units and pricing changes. Staff is waiting on ODOT to determine funding prior to the release of bid requests. The Local Improvement District (LID) has seen an estimated cost increase with the property assessments. Certain improvements will be affected by the increased costs and available funding.

Public Comment

None.

The meeting was adjourned at 9:27 P. M.

David Russ
Mayor

Attest:

Rob Daykin
City Administrator/Recorder

Kennedy/Jenks Consultants
Engineers & Scientists

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7 April 2016

Mr. Rob Daykin
City Administrator
City of Dundee
PO Box 220
620 SW 5th Street
Dundee, OR 97115

Subject: Wastewater Treatment Plant Mechanical Building Flood Damage
Control Panels, Equipment, and Wiring Replacement Costs
K/J Project No. 1291017.00/05/03

Dear Mr. Daykin:

On 7 December 2015, the City's Wastewater Treatment Plant experienced an unprecedented high flow event. During this event, influent wastewater filled the two unused membrane basins that serve as equalization storage and flooded Control Panel 3 (CP-3), Lighting Panel B (LP-B), Distribution Panel 1 (DP-1), and Distribution Panel 2 (DP-2) within the Mechanical Building. Water entered these panels by way of two unsealed spare conduits at the top of the equalization basins that terminated in a common wire way that supplied power and control wires to the four panels. Water within these panels caused power and control equipment to fail and ultimately resulted in the shutdown of the treatment plant and implementation of emergency measures.

City staff, with support from Kennedy/Jenks Consultants (Kennedy/Jenks), The Automation Group (TAG), and Informative Controls (IC), began troubleshooting the situation immediately to identify the source of the water. Once the flow of water was identified and stopped, power was shut off to LP-B, DP-1, and DP-2, and the contents of CP-3 were attempted to be dried and salvaged. Following cleaning and drying of the CP-3 components, the majority of the equipment in the panel required replacement, including the main processor, power supply, communication chassis, analogue and discrete input modules, and the Ethernet IP module. Replacement equipment was ordered on December 8th and received on the afternoon of December 9th. Installation of these components was completed the evening of the 9th, and the treatment plant was returned to service by mid-day on December 10th following program adjustments and system testing.

While the repairs implemented in the days following the event resolved the immediate need to return the plant to service, the direct and indirect water and moisture damage is an ongoing issue that will accelerate corrosion of the wiring and control equipment and puts proper long-term plant operation at risk. This concern has been demonstrated with the recent issues with the failure of one of the actuators on the ultraviolet (UV) disinfection equipment.

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The purpose of this letter is to document the current conditions of the four panels that were impacted by the flooding event and the connected conduit, wires, and equipment; identify necessary corrective measures based on industry standards of practice; and provide an overview of the recommended corrective action plan along with estimated costs.

Current Equipment Condition Assessment and Recommendations

A photo of the panels, damaged by the water, is provided below in Figure 1 and shows the common wire-way above the panels. Wastewater from the process basin which flowed through the improperly installed conduits flowed through this common wire-way, flooding LP-B (120 volt), DP-1 (480 volt), DP-2 (480 volt) and CP-3 (24 and 120 volt power and control) panels. These panels are responsible for serving equipment and instrumentation throughout the Mechanical building and Pipe Gallery, a summary of which is provided in Attachment 1. In addition to conduit feeds through the top of the panels, each panel includes conduits routed through the concrete slab. As water was flooding these panels, water was also able to flow through the conduits and expose other instruments and equipment to water.

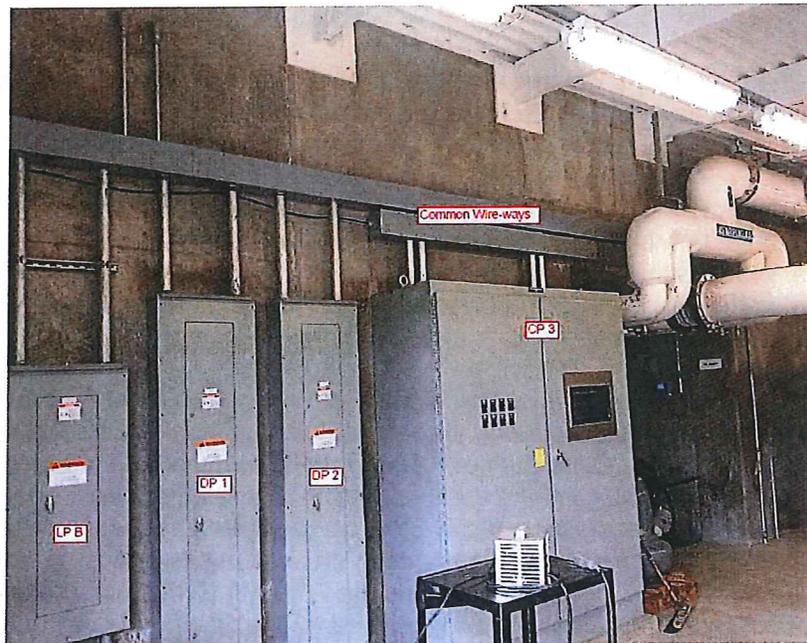


Figure 1: Power and Control Panels damaged during the flooding event

In addition to panel components being damaged, process equipment damage was also immediately realized, including malfunction of actuated valves within the pipe gallery. Other actuated valves fed through these panels have since been problematic as well, including one of the actuated valves on the UV system, included below as Figure 2.

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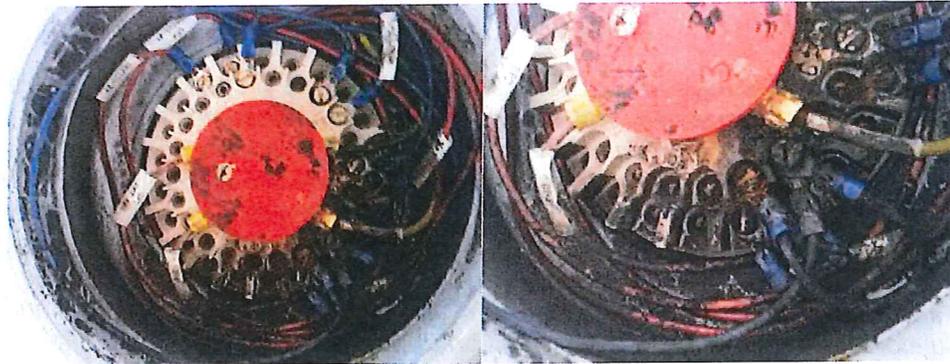


Figure 2: UV Train 3 Actuated Valve Damage (Equipment ID# AV-6223); Failure in March 2016

To assist in developing recommendations for addressing the flood damage and the subsequent moisture throughout the power and control systems, Kennedy/Jenks has reviewed the white paper publication “*Evaluating Water-Damaged Electrical Equipment*,” prepared by the National Electrical Manufacturers Association (NEMA). NEMA is an association of electrical equipment manufacturers in the United States responsible for generating and maintaining more than 600 industry standards, application guides, and technical reference papers. These standards and reference documents used to define products, processes, or procedures related to construction, tolerances, safety, operating characteristics, performance, ratings, and testing of electrical equipment and systems. A copy of the NEMA white paper is included in Attachment 2.

In general, the white paper emphasizes that electrical equipment exposed to water can be extremely hazardous. Following the immediate hazards associated with reenergizing electrical equipment exposed to water, the exposure can also accelerate deterioration, adversely affect performance and reliability, reduce long term operations, and result in premature failure. The reference notes the particular likelihood of these issues when the water includes chemicals, contaminants, sediments, sewage, oil, or debris.

Table 3 of the NEMA white paper provides a reference table for repair and replacement recommendations based on the equipment type damaged by water. Generally, small electrical equipment (circuit breakers, fuses, switches, relays, semi-conductors, fittings, outlet and junction boxes, transistors, surge protective devices, wiring devices, and signaling, protection, and communication systems) should be replaced while larger electrical equipment (motor control centers, adjustable speed drives, and switchboards) may potentially be reconditioned, noting any reconditioning should be coordinated with the manufacturer.

NEMA Recommendations Related to Power Equipment (LP-B, DP-1 and DP-2)

The specific components of LP-B, DP-1 and DP-2 are addressed by Section 4.3 of the NEMA white paper, which identifies power equipment, including the buswork and breakers installed within these power panels as being critical to system safety. The operations of these safety mechanisms can be impaired by corrosion and are recommended to be replaced. This is captured by Section 4.3: Power Equipment; as follows:

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4.3 Power Equipment

Power equipment involves low voltage or medium voltage protective devices within an overall switchgear assembly. The assembly may also contain cabling, buswork with appropriate insulators, current transformers, electromechanical or electronic relays, and metering. Reliable operation of the protective devices is vital to system safety. These devices can be adversely affected by water. In the case of low voltage power circuit breakers and medium voltage circuit breakers and switches, the operation of the mechanism can be impaired by corrosion, by the presence of particles such as silt, and by the removal of lubricants. The dielectric properties of insulation materials and insulators will degrade and, for air circuit breakers, the condition of the contacts can be affected.

Further, low voltage power circuit breakers usually incorporate electronic trip units; the functioning of these units will be impaired. Similarly, the functionality of electronic protective relays and meters can be impaired. See section 4.11 for additional information on electronic components.

Water may affect the filler material of fuses and will degrade the insulation and interruption capabilities.

Low voltage power circuit breakers and medium voltage breakers are designed to be maintainable with the possibility of replacing contacts in air circuit breakers. Therefore, it may be possible to reuse such circuit breakers provided the refurbishing is performed in close consultation with the manufacturer. This includes cleaning and drying techniques, lubrication advice, and thorough testing prior to the reapplication of power. However, discard and replace the electronic trip units of low voltage power circuit breakers, and electronic protective relays and meters in any power equipment.

Replace fusible units of fused equipment. The remainder of the apparatus may be suitable for refurbishing in close consultation with the manufacturer.

In all cases, great attention must be paid to the thorough cleaning, drying, and testing of insulators and insulation material.

NEMA Recommendations Related to Controls Equipment (CP-3)

The components of CP-3 largely fall within the elements identified within Section 4.11: *Electronic Products, Including Signaling, Protection, Communication Systems and Industrial Controls* of the NEMA white paper. The control equipment within CP-3 are recommended to be replaced, with the NEMA white paper providing the following:

4.11 Electronic Products, Including Signaling, Protection, Communication Systems and Industrial Controls

Equipment used in signaling, protection and communication systems generally contain electronic components, and the exposure of such equipment to water or corrosives can adversely affect the reliability of those systems. Contamination by pollutants or debris in

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flood waters may cause corrosion of components of the system, shorting or alteration of printed circuits, or alteration of circuit characteristics. Since some of these types of installations are classified as life safety systems, it is important that the reliability of those systems be maintained.

Where such systems are damaged by water, replace components of these systems or return the equipment to the manufacturer for appropriate cleaning, recalibration, and testing. Manufacturers of these systems should be contacted for information on specific equipment.

Electrical Equipment Replacement Recommendation

Based upon the above discussion and the issues with advanced corrosion that have been seen in some electrical equipment following the flooding event, Kennedy/Jenks recommends the following measures be implemented in the summer of 2016 to assure the proper long-term operation of the Dundee Wastewater Treatment Plant:

1. The electrical equipment in LP-B, DP-1, DP-2 and the electrical and control equipment within CP-3 should be replaced entirely with new equipment.
2. All conductors in conduits connected to the bottom of all four panels should be removed, conduits cleaned and dried, and new wires pulled and connected to the new panel contents.
3. All power and signal equipment connected to wires that are being replaced should also be replaced. This includes equipment within the Lower Pipe Gallery and equipment in the Mechanical building that were directly connected to the flooded panels via under slab conduits. This equipment is noted in Attachment 1.

Equipment Replacement Sequencing Strategy and Schedule

This section provides an overview of the electrical equipment replacement strategy. LP-B, DP-1, DP-2 and CP-3 provide power and controls for equipment that is critical to the continuous operation of the treatment plant. While a detailed sequencing plan will need to be developed by the installing contractor, coordinated closely with City and engineering staff, it is important to understand the overall sequencing plan in order to develop a detailed cost estimate for implementation of Kennedy/Jenks' recommendations.

Generally, installation is planned to consist of isolating one treatment train at a time and installing the new power and control equipment sequentially across the offline train. Following checkout, startup, and commissioning of the new equipment, the treatment train will be returned to service prior to beginning this same replacement process on the second treatment train. Other elements served out of the four panels, such as the influent and effluent flow meters and UV reactors, that are required to be operational regardless of which treatment train is down will require specific sequencing requirements and development of individual scheduling and replacement strategies.

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Electrical Equipment Replacement Strategy

A conceptual staged operations schedule is included in Attachment 3 and generally consists of the following elements:

- Drain Lagoon 1 and the North Facultative Sludge Lagoon (N.FSL) prior to removing any treatment trains from operational service.
 - Both Lagoon 1 and the N. FSL can provide temporary storage volume for influent wastewater while treatment trains are offline and capacity is reduced during these repairs.
- Secure temporary piping to allow influent wastewater to be piped from the North Facultative Sludge Lagoon to Lagoon 1.
 - The N. FSL will provide the primary storage volume and Lagoon 1 will provide redundant storage volume, if needed.
- Transition of equipment and wire fills will be progressive, taking treatment train 1 offline and completing work while treatment train 2 remains online to continue to process wastewater.
- Isolate treatment train 1 and complete the following general sequencing:
 - Decommission elements serving treatment train 1, including power and control equipment within DP-1, DP-2, and CP-3 which serve treatment train 1.
 - Disconnect treatment train 1 equipment including actuated valves, meters, and instruments.
 - Blow out and dry conduits.
 - Install new wires to treatment train 1 valves, meters and instruments.
 - Replace power and control panel hardware including, controls for treatment train 1.
 - Test and commission new wires and control equipment.
- Expected duration three weeks.
- Repeat sequence of operations for treatment train 2.
- As possible, replace the balance of each panel serving other comment plant elements concurrent to treatment train 1 and 2 work. The proposed schedule has a two week allowance for additional replacement work related to the balance of the panel repairs required should they be unable to be replaced during treatment train 1 and 2 repairs.

Electrical Equipment Replacement Schedule

Kennedy/Jenks recommends the replacement work be completed in the summer months when flows are lowest from July 1 to September 15. During this timeframe, the average influent flow over the past three years has ranged from 0.20-0.23 million gallons per day (MGD) with peak flows between 0.28 – 0.35 MGD.

While a single train capacity is suitable for much of the summertime flow conditions, removing a treatment train from service reduces the overall plant production capacity and reliability. Therefore, temporary equalization storage in the North Facultative Sludge Lagoon with

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redundant storage capacity in Lagoon 1, along with temporary pumping is required to be made available during any operation that reduces plant reliability.

Estimated Cost

The estimated cost for the electrical equipment replacement, sequenced installation and other related requirements is summarized in the Engineer's Opinion of Probable Cost (Engineer's Estimate) presented in Attachment 4. Costs specific to replacement of the DP-1, DP-2 and LP-B components and pipe gallery and mechanical room equipment are estimated by Kennedy/Jenks. Cost input for both material and installation, including the sequential installation process, have been provided by TAG. The estimated cost for the work is approximately \$700,000 with an estimate range (-20% to + 30%) of \$560,000 to \$910,000.

The Engineers Estimate includes replacement of the components of LP-B, DP-1, DP-2 and CP-3, replacement of pipe gallery and mechanical room equipment, and the wires serving electrical components with conduits connected to the underside of each panel. The costs include startup and commissioning of each treatment train as well as overall commissioning and testing of the plant following completion of the repairs. A line item for ancillary costs related to draining the North FSL and providing temporary pumping that will be required as part of the project is also included in the Engineers Estimate.

Schedule and Next Steps

Kennedy/Jenks recommends the project be completed in 2016 to avoid the potential for advanced corrosion to impact plant operations in the winter months when a treatment train cannot be taken out of service without significant impact on the City's National Pollutant Discharge Elimination System (NPDES) Permit compliance. Further, we recommend the project be advertised for bids no later than 15 May 2016 to facilitate the start of construction on 1 July 2016 and completion no later than 15 September 2016.

Very Truly Yours,
KENNEDY/JENKS CONSULTANTS



Preston Van Meter, P.E.
Project Manager

Attachments:

1. Summary of Equipment fed via flooded panels
2. NEMA "Evaluating Water-Damaged Electrical Equipment"
3. Preliminary Replacement Schedule
4. Replacement Estimate of Probable Costs

Attachment 1

Summary of Equipment

City of Dundee

Mechanical Building Power and Control Panels

Equipment and Instrumentation Replacement Schedule

Pipe Gallery Equipment			
Tag ID		Replacement Needed	Name on MCC Nameplate
PT	4233	W/E	Pressure Transmitter
M	4233	W/E	Magnetic Flow Meter
AV	4233	W/E	Actuated Valve - Permeate
PT	4234	W/E	Pressure Transmitter
M	4234	W/E	Magnetic Flow Meter
AV	4234	W/E	Actuated Valve - Permeate
PT	4243	W/E	Pressure Transmitter
M	4243	W/E	Magnetic Flow Meter
AV	4243	W/E	Actuated Valve - Permeate
PT	4244	W/E	Pressure Transmitter
M	4244	W/E	Magnetic Flow Meter
AV	4244	W/E	Actuated Valve - Permeate
PT	4253	W/E	Pressure Transmitter
M	4253	W/E	Magnetic Flow Meter
AV	4253	W/E	Actuated Valve - Permeate
PT	4254	W/E	Pressure Transmitter
M	4254	W/E	Magnetic Flow Meter
AV	4254	W/E	Actuated Valve - Permeate
PT	4263	W/E	Pressure Transmitter
M	4263	W/E	Magnetic Flow Meter
AV	4263	W/E	Actuated Valve - Permeate
PT	4264	W/E	Pressure Transmitter
M	4264	W/E	Magnetic Flow Meter
AV	4264	W/E	Actuated Valve - Permeate
AE/AIT	4281	W/E	Turbidity meter - Permeate Header
AE/AIT	4283	W/E	Turbidity meter - Permeate Header
P	4271	W/E	Pipe Gallery Sump Pump

Replacement Legend

W Wire Replacement

W/E Wire and Equipment or Instrumentation Replacement

City of Dundee

Mechanical Building Power and Control Panels

Equipment and Instrumentation Replacement Schedule

Mechanical Room Equipment		
Tag ID	Replacement Needed	Name on MCC Nameplate
AV 6011	W	Actuated Valve - UW MBR Chem Clean Feed
M 6011	W	Magnetic Flow Meter - Chemical Clean
BLO 4311	W	Pre-Aeration Blower 1
BLO 4312	W	Pre-Aeration Blower 2
BLO 4313	W	Pre-Aeration/MBR Scour Blower 3 - Online Standby
BLO 4314	W	MBR Scour Blower 1
BLO 4315	W	MBR Scour Blower 2
BLO 4316	W	MBR Scour Blower 3
PSH 4311	W	Pressure Sensor High - PA 1
TI/TSH 4311	W	Temperature Indicator/Temperature Sensor High - PA 1
PSH 4312	W	Pressure Sensor High - PA 2
TI/TSH 4312	W	Temperature Indicator/Temperature Sensor High - PA 2
PSH 4313	W	Pressure Sensor High - PA/MA 3
TI/TSH 4313	W	Temperature Indicator/Temperature Sensor High - PA/MA 3
PSH 4314	W	Pressure Sensor High - MA 1
TI/TSH 4314	W	Temperature Indicator/Temperature Sensor High - MA 1
PSH 4315	W	Pressure Sensor High - MA 2
TI/TSH 4315	W	Temperature Indicator/Temperature Sensor High - MA 2
PSH 4316	W	Pressure Sensor High - MA 2
TI/TSH 4316	W	Temperature Indicator/Temperature Sensor High - MA 2
PT 4311	W	Pressure Transmitter - Process Air Header
PT 4312	W	Pressure Transmitter - Membrane Air Header
AV 4312	W	Actuated Valve - PA/MA Crossover
AV 4313	W	Actuated Valve - PA/MA Crossover
AV 6011	W	Actuated Valve - UW MBR Chem Clean Feed
M 6011	W	Magnetic Flow Meter
UVL 6221	W	UV System 1
UVL 6222	W	UV System 2
UVL 6223	W	UV System 3 (future)
M 6221	W/E	Magnetic Flow Meter - Effluent
AV 6221	W/E	Actuated Valve - Prmt Flow Control Valve
AV 6222	W/E	Actuated Valve - Prmt Flow Control Valve
AV 6223	W/E	Actuated Valve - Prmt Flow Control Valve
PNL 6221	W	UV Control Panel
PNL 6222	W	UV Control Panel
PNL 6223	W	UV Control Panel (future)
VP 6221	W	Vacuum Relief Pump
VP 6222	W	Vacuum Relief Pump
AE/AIT 6221	W	Turbidity meter - Downstream of UV
SMP 6221	W	Effluent Auto Sampler
P 6225	W/E	Valve Vault Sump Pump
P 8311	W	Utility Water Pump 1
P 8312	W	Utility Water Pump 2
P 8313	W	Utility Water Pump 3 (future)
PNL 8311	W	Local UW Pump Control Panel
TAB 8311	W	Chlorine Tablet Feeder
PNL 8312	W	Local Chlorine Control Panel
SV 8311	W	Solenoid Valve - UW Tablet Chlorinator
M 8311	W	Magnetic Flow Meter - Chlorinator Package
AIT 8311	W	Chlorine Residual Analyzer
LSLL 8311	W	Level Switch Low Low
LSHH 8311	W	Level Switch High High
AV 8312	W	Actuated Valve - Siphon Flow Control Valve
PIT 8311	W	Pressure Transmitter
AV 8312	W	Actuated Valve - Siphon Flow Control Valve

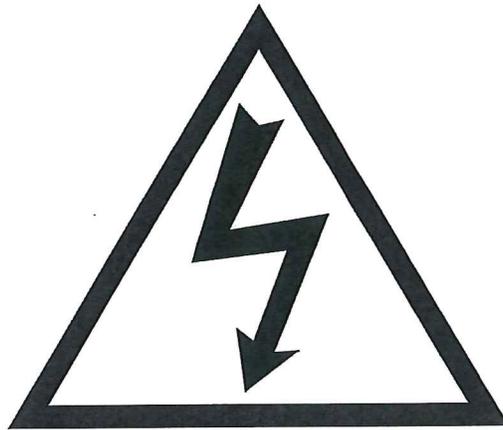
Replacement Legend

- W Wire Replacement
- W/E Wire and Equipment or Instrumentation Replacement

Attachment 2

NEMA "*Evaluating Water-Damaged Electrical Equipment*"

Evaluating Water-Damaged Electrical Equipment



www.nema.org

1 USE OF THIS PUBLICATION

This publication provides information on how to evaluate electrical equipment that has been exposed to water through flooding, fire fighting activities, hurricanes, etc. It is designed for use by suppliers, installers, inspectors and users of electrical products.

Electrical equipment exposed to water can be extremely hazardous if reenergized without performing a proper evaluation and taking necessary actions. Reductions in integrity of electrical equipment due to moisture can affect the ability of the equipment to perform its intended function. Damage to electrical equipment can also result from flood waters contaminated with chemicals, sewage, oil and other debris, which will affect the integrity and performance of the equipment. Ocean water and salt spray can be particularly damaging due to the corrosive and conductive nature of the salt water residue.

Distributors of electrical equipment should not supply any inventory that has been subjected to water damage. This can lead to damaged equipment still being used and creating a hazard to individuals or property.

2 CONTACT THE MANUFACTURER

Working knowledge of electrical systems and of the equipment in question is required to evaluate damage due to contact with water. The original manufacturer of the equipment should be contacted if any questions arise or specific recommendations are needed. In many cases, replacement will be necessary.

After consultation with the manufacturer, some larger types of electrical equipment may be reconditioned by properly trained personnel. The potential to recondition the equipment may vary with the nature of the electrical function, the degree of flooding, the age of the equipment, and the length of time the equipment was exposed to water.

Attempts to recondition equipment without consulting the manufacturer can result in additional hazards due to the use of improper cleaning agents, which can further damage the equipment (see *National Electrical Code*[®] Section 110.11 Informational Note No.2) or due to improper reconditioning techniques.

NEMA member companies are committed to safety. For specific contacts within these manufacturing firms, call or write:

National Electrical Manufacturers Association
1300 North 17th Street, Suite 1752
Rosslyn, Virginia 22209
Telephone: (703) 841-3236
Fax: (703) 841-3336
ATTN: Vince Baclawski
email: vin_baclawski@nema.org
web: www.nema.org/evaluatingWaterDamage

3 ELECTRICAL EQUIPMENT REPLACEMENT/ RECONDITIONING REQUIREMENTS

The table shown below provides the requirements and recommendations associated with various categories of electrical equipment that have been subjected to water damage. Where it is shown that the equipment "may be reconditioned" it is critical that the manufacturer of the equipment be contacted for specific guidance.

Equipment	Replace Equipment	May be Reconditioned (Contact the manufacturer.)	Additional Standards Reference (if available)
ELECTRICAL DISTRIBUTION EQUIPMENT (refer to 4.1)			
Molded case circuit breakers	X		
Low voltage fuses	X		
Switches	X		NEMA KS 3-2010, Guidelines for Inspection and Preventive Maintenance of Switches Used in Commercial and Industrial Applications
Busway (mylar wrapped bars)	X		NEMA BU 1.1-2000, General Instructions for Handling, Installation, Operation, and Maintenance of Busway Rated 600 Volts or Less, para 3.4.4, 9.2.4.2
Busway (powder coated bars)		X	
Panelboards		X	NEMA PB 1.1-2002, General Instructions for Proper Installation, Operation, and Maintenance of Panelboards Rated 600 Volts or Less, para. 10.3, 10.8.3, 10.8.4

Evaluating Water-Damaged Electrical Equipment

Equipment	Replace Equipment	May be Reconditioned (Contact the manufacturer.)	Additional Standards Reference (if available)
Switchboards		X	NEMA PB 2.1-2002, General Instructions for Proper Handling, Installation, Operation and Maintenance of Deadfront Distribution Switchboards Rated 600 Volts or Less, para. 11.3.1.3, 11.10

MOTOR CONTROL EQUIPMENT (refer to 4.2)

Adjustable speed drives		X	
Components containing semi-conductors and transistors	X		
Electronically controlled and solid state contactors and starters	X		
Overload relays	X		
Manual and magnetic controllers		X	
Motor control centers (see 4.2.2)		X	

Evaluating Water-Damaged Electrical Equipment
page 6

Equipment	Replace Equipment	May be Reconditioned (Contact the manufacturer.)	Additional Standards Reference (if available)
POWER EQUIPMENT (refer to 4.3)			
Electronic trip units of LV power circuit breakers	X		
High-voltage circuit breakers (AC)		X	
Low voltage power circuit breakers		X	
Protective relays, meters, and current transformers (see section 4.11 for devices that contain electronic components)		X	
Low voltage switchgear		X	
Medium voltage switchgear		X	
TRANSFORMERS (refer to 4.4)			
All dry-type transformers regardless of KVA ratings	X		
All dry type control circuit transformers	X		

Evaluating Water-Damaged Electrical Equipment

Equipment	Replace Equipment	May be Reconditioned (Contact the manufacturer.)	Additional Standards Reference (if available)
Liquid-filled transformers	X (Analysis of the insulating medium is required for evaluation of this equipment.)		
Cast-resin transformers	X		

CONDUIT, TUBING, FITTINGS, OUTLET BOXES AND JUNCTION BOXES
(refer to 4.5)

Fittings	X		NEMA FB 1-2007(R2010), Fittings, Cast Metal Boxes and Conduit Bodies for Conduit, Electrical Metallic Tubing (EMT) and Cable
Outlet and Junction Boxes	X		NEMA OS 1-2008 (R2010), Sheet-Steel Outlet Boxes, Device Boxes, Covers and Box Supports NEMA OS 2-2008, Nonmetallic Outlet Boxes, Device Boxes, Covers and Box Supports
Conduit and Tubing		X	

Evaluating Water-Damaged Electrical Equipment
page 8

Equipment	Replace Equipment	May be Reconditioned (Contact the manufacturer.)	Additional Standards Reference (if available)
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WIRE, CABLE AND FLEXIBLE CORDS (refer to 4.6)

Wire or cable listed for dry locations (such as NM-B)	X		
Wire or cable that is suitable for wet locations (Provided the ends of the wire or cable have not been exposed to water and the wire is not damaged.)		X	

AFCIs, GFCIs, SURGE PROTECTIVE DEVICES AND WIRING DEVICES (refer to 4.7)

Arc Fault Circuit Interrupters (AFCI) and Ground Fault Circuit Interrupters (GFCI)	X		
Surge Protective Devices (transient voltage surge suppressors, surge arresters, lightning arresters)	X		
Wiring Devices (switches, receptacles, dimmers, etc.)	X		

Evaluating Water-Damaged Electrical Equipment

Equipment	Replace Equipment	May be Reconditioned (Contact the manufacturer.)	Additional Standards Reference (if available)
OTHER DEVICES			
Cable Tray (refer to 4.8)		X (Replace damaged labels.)	
Fire Pump Controllers		X	NEMA ICS 15-2011, <i>Instructions for the Handling, Installation, Operation, and Maintenance of Electric Fire Pump Controllers Rated Not More Than 600V</i>
Luminaires (lighting fixtures), ballasts and LED Drivers (refer to 4.9)	X		
Motors (refer to 4.10)		X	ANSI/IEEE 43-2000, A2 and A3
Signaling, Protection and communications systems (refer to 4.11)	X		

4 THE HAZARDS ASSOCIATED WITH WATER-DAMAGED ELECTRICAL EQUIPMENT

4.1 Electrical Distribution Equipment

Electrical distribution equipment usually involves switches and low-voltage protective components such as molded case circuit breakers and fuses within assemblies such as enclosures, panelboards and switchboards. These assemblies can be connected to electrical distribution systems using various wiring methods.

The protective components are critical to the safe operation of distribution circuits. Their ability to protect these circuits is adversely affected by exposure to water and to the minerals, contaminants, and particles, which may be present in the water.

In molded case circuit breakers and switches, such exposure can affect the overall operation of the mechanism through corrosion, through the presence of foreign particles, and through loss of lubrication. The condition of the contacts can be affected and the dielectric insulation capabilities of internal materials can be reduced. Further, some molded case circuit breakers are equipped with electronic trip units and the functioning of these trip units can be impaired. Water may affect the filler material of fuses and will degrade the insulation and interruption capabilities.

Distribution assemblies contain protective components together with the necessary support structures, buswork, wiring, electromechanical or electronic relays and meters. Exposure to water can cause corrosion and insulation damage to all of these areas. In the case of exposure of distribution assemblies to water, contact the manufacturer before further action is taken.

4.2 Motor Control Equipment

Motor circuits include motor control devices such as motor starters and contactors, together with overcurrent protection components such as overload relays, circuit breakers, and fuses are often assembled into motor control panels and motor control centers as well as individual enclosures. Motor control centers contain both control and protective components together with support structures, buswork and wiring.

The protective components are critical to the safe operation of motor circuits and their ability to protect these circuits is adversely affected by exposure to water, and to the minerals, contaminants, and particles, which may be present in the water. For molded case circuit breakers, such exposure can affect the overall operation of the mechanism through corrosion, through the presence of foreign particles, and through loss of lubrication. The condition of the contacts can be affected and the dielectric insulation capabilities of internal materials can be reduced. Further, some molded case circuit breakers are equipped with electronic trip units, and the functioning of these trip units can be impaired. Water may affect the filler material of fuses and will degrade the insulation and interruption capabilities.

Corrosion, loss of lubrication and insulation quality can also be expected in contactors and starters. Solid-state motor controllers, adjustable speed drives and those electromechanical contactors or starters with integral electronic circuitry will be more severely affected by water.

4.2.1 Adjustable Speed Drives

Adjustable Speed Drives generally contain electronic components. See section 4.11 for information on equipment with electronic components. For other components of an adjustable speed drive, the ability to refurbish those components will depend on the type of component involved and the extent of the damage. The manufacturer of the drive must be consulted prior to any attempt to refurbish the equipment.

4.2.2 Motor Control Centers

Motor control centers contain many different components including fuses, circuit breakers, controllers, overload relays, adjustable speed drives and components such as buswork, insulators and enclosures. Many of these components are covered in other parts of this document and should be referenced for additional information on those components.

For the buswork and structural assembly, exposure to water can cause corrosion and insulation damage. For these assemblies contact the manufacturer before further action is taken.

4.3 Power Equipment

Power equipment involves low voltage or medium voltage protective devices within an overall switchgear assembly. The assembly may also contain cabling, buswork with appropriate insulators, current transformers, electromechanical or electronic relays, and metering.

Reliable operation of the protective devices is vital to system safety. These devices can be adversely affected by water. In the case of low voltage power circuit breakers and medium voltage circuit breakers and switches, the operation of the mechanism can be impaired by corrosion, by the presence of particles such as silt, and by the removal of lubricants. The dielectric properties of insulation materials and insulators will degrade and, for air circuit breakers, the condition of the contacts can be affected.

Further, low voltage power circuit breakers usually incorporate electronic trip units; the functioning of these units will be impaired. Similarly, the functionality of electronic protective relays and meters can be impaired. See section 4.11 for additional information on electronic components.

Water may affect the filler material of fuses and will degrade the insulation and interruption capabilities.

Low voltage power circuit breakers and medium voltage breakers are designed to be maintainable with the possibility of replacing contacts in air circuit breakers. Therefore, it maybe possible to reuse such circuit breakers provided the refurbishing is performed in close consultation with the manufacturer. This includes cleaning and drying techniques, lubrication advice, and thorough testing prior to the reapplication of power. However, discard and replace the electronic trip units of low voltage power circuit breakers, and electronic protective relays and meters in any power equipment.

Replace fusible units of fused equipment. The remainder of the apparatus may be suitable for refurbishing in close consultation with the manufacturer.

In all cases, great attention must be paid to the thorough cleaning, drying, and testing of insulators and insulation material.

The power equipment can be expected to contain additional electronic units such as solid state relays. These units can also be vital to the correct functioning of the protective device, and great care is needed in the cleaning and testing of such units. A first recommendation is to return the devices to the manufacturer. If this is not possible, the manufacturer should be consulted on the correct selection of cleaning agents that remove impurities without damaging the conformal coating. The manufacturer shall also be contacted for the specific testing required of sophisticated electronic equipment containing, for example, microprocessors.

The overall power equipment assembly (switchgear) may be able to be reconditioned provided careful steps are taken in the cleaning, drying and testing of the equipment prior to applying power. This requires input and advice from the manufacturer. An area of particular concern is the maintenance of the dielectric properties of insulation. In the field application of medium voltage equipment, standoff insulators are subjected to a wide variety of high voltage surges. Such insulators may need replacement.

4.4 Transformers

Exposure of transformers to water can cause corrosion and insulation damage to the transformer core and winding. The ability of the transformer to perform its intended function in a safe manner can also be impaired by debris and chemicals, which may be deposited inside the transformer during a flood. Water and contaminants will also damage the transformer fluids.

4.5

4.5.1 Outlet Boxes and Fittings

Outlet boxes and fittings, whether metallic or nonmetallic, for use in indoor dry locations have not been evaluated for effects of exposure to conditions described in "Use of this Publication". The presence of known or unknown corrosive agents in flood water in particular can affect the physical properties of nonmetallic materials and the required corrosion protection for electrical equipment according to NEC Section 300.6. Therefore, replacement of outlet boxes and fittings in accordance with original installation requirements is recommended.

4.5.2 Conduit and Tubing

In the case of flooding, fire-fighting activities or other instances of unusual water exposure, conduit and tubing must be carefully inspected to determine if the mechanical and electrical integrity of the conduit/tubing system has been compromised. Flood waters, in particular, may be contaminated with oil, chemicals, sewage and other debris that could enter the conduit/tubing and prevent a clear path for the replacement of conductors or cables. As part of the inspection process, assure that the interior of the conduit/tubing is clear. In addition, contaminants may also affect the physical properties of metallic and nonmetallic materials and the corrosion protection for electrical equipment as required in NEC Section

300.6. Since every situation has unique circumstances the services of an experienced evaluator should be used. The manufacturer can also be consulted for additional assistance.

4.6 Wire, Cable and Flexible Cords

When any wire or cable product is exposed to water, any metallic component (such as the conductor, metallic shield, or armor) is subject to corrosion that can damage the component itself and/or cause termination failures. If water remains in medium voltage cable, it could accelerate insulation deterioration, causing premature failure. Wire and cable listed for only dry locations may become a shock hazard when energized after being exposed to water.

Any recommendations for reconditioning wire and cable in Section 1.0 are based on the assumption that the water contains no high concentrations of chemicals, oils, etc. If it is suspected that the water has unusual contaminants, such as may be found in some floodwater, the manufacturer should be consulted before any decision is made to continue using any wire or cable products.

4.7 AFCIs, Wiring Devices, Ground Fault Circuit Interrupters (GFCI) and Surge Protective Devices

Sediments and contaminants contained in water may migrate into the internal components of installed electrical products and remain there even after the products have been dried or washed by the user. These may adversely affect the performance of those products without being readily apparent to the user community. Also, electrical products, such as AFCIs, GFCIs and surge protective devices, contain electronic circuitry and other components, which can be adversely affected by water resulting in the device becoming non-functional or a hazard to the user. Air drying and washing of water damaged products of this type should not be attempted.

4.8 Cable Tray

Carefully inspect the cable tray system to determine if its mechanical and/or electrical integrity has been compromised. Repair or replace any damaged portions per original installation requirements. Remove all debris from the cable tray. If any labels warning against the use of the cable tray as a walkway have been damaged, obtain new labels from the manufacturer and apply as required.

4.9 Luminaires (Lighting Fixtures), Ballasts and LED Drivers

Fluorescent, high-intensity discharge, incandescent and LED luminaires are not intended for submersion in water except for those that are listed as submersible luminaires. Flooded luminaires and associated equipment may be damaged by corrosive materials, sediment, or other debris in the water. Corrosion of metallic parts and contamination of internal circuitry may prevent the equipment from operating properly.

4.10 Motors

Motors that have been flooded by water may be subjected to damage by debris or pollutants. This may result in damage to insulation, switches, contacts of switches, capacitors and overload protectors, corrosion of metallic parts, and contamination of the lubricating means and should be evaluated by qualified personnel.

4.11 Electronic Products, Including Signaling, Protection, Communication Systems and Industrial Controls

Equipment used in signaling, protection and communication systems generally contain electronic components, and the exposure of such equipment to water or corrosives can adversely affect the reliability of those systems. Contamination by pollutants or debris in flood waters may cause corrosion of components of the system, shorting or alteration of printed circuits, or alteration of circuit characteristics. Since some of these types of installations are classified as life safety systems, it is important that the reliability of those systems be maintained.

Where such systems are damaged by water, replace components of these systems or return the equipment to the manufacturer for appropriate cleaning, recalibration, and testing. Manufacturers of these systems should be contacted for information on specific equipment.

DISCLAIMER: The standards or guidelines presented in a NEMA standards publication are considered technically sound at the time they are approved for publication. They are not a substitute for a product seller's or user's own judgment with respect to the particular product referenced in the standard or guideline, and NEMA does not undertake to guarantee the performance of any individual manufacturer's products by virtue of this standard or guide. Thus, NEMA expressly disclaims any responsibility for damages arising from the use, application, or reliance by others on the information contained in these standards or guidelines.

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www.nema.org/evaluatingWaterDamage

Attachment 3

Preliminary Replacement Schedule

Attachment 4

Replacement Estimate of Probable Costs

ENGINEER'S OPINION OF PROBABLE CONSTRUCTION COSTS

KENNEDY/JENKS CONSULTANTS

Project: City of Dundee - WWTP Mechanical Building Panel, Equipment, Wiring Replacement

Prepared By: MDH
 Date Prepared: 1-Apr-16
 K/J Proj. No. 1291017.00/05/03

Estimate Type: Conceptual
 Preliminary (w/o plans)
 Design Development @

Construction
 Change Order
 % Complete

Current at ENR _____
 Escalated to ENR _____
 Months to Midpoint of Construction 4

Spec. Section	Item No.	Description	Qty	Units	Materials \$/Unit	Total	\$/Unit	Installation Total	Total
DIVISION 2 - SITE WORK									
		<i>Temporary Pumping</i>							
		Standby Temporary Pumping Rental	6	weeks	2,500	\$15,000	\$750.00	\$4,500	\$19,500
SUBTOTAL - DIVISION 2						15,000		4,500	19,500
DIVISION 16&17 - ELECTRICAL & IC									
		<i>Replacement Prep and Planning</i>							
		Temporary Operations Plan Integration Contractor	80	Hrs			\$125.00	\$10,000	\$10,000
		Temporary Operations Plan Electrical Contractor	80	Hrs			\$125.00	\$10,000	\$10,000
		<i>LP B, DP 1, DP 2</i>							
		LP B: 20 amp breaker replacement	18	EA	\$20	\$360	\$75.00	\$1,350	\$1,710
		DP 1: 20 amp breaker replacement	14	EA	\$300	\$4,200	\$75.00	\$1,050	\$5,250
		DP 2: 20 amp breaker replacement	14	EA	\$300	\$4,200	\$75.00	\$1,050	\$5,250
		LP B, DP 1, DP 2 balance of Panel Repairs	3	EA	\$3,500	\$10,500	\$1,000.00	\$3,000	\$13,500
		<i>Wiring Replacement</i>							
		Instrument Disconnect	36	EA	\$250	\$9,000	\$500	\$18,000	\$27,000
		Actuated Valve Disconnect	11	EA	\$400	\$4,400	\$500	\$5,500	\$9,900
		Conduit Cleanout - blow out and pull string pull through	3,500	LF			\$2.50	\$8,750	\$8,750
		Control Wiring, #14 AWG	15000	LF	\$0.10	\$1,500	\$0.33	\$4,950	\$6,450
		<i>Instrument and Equipment Replacement</i>							
		Pressure Transmitter	8	EA	\$750	\$6,000	\$250	\$2,000	\$8,000
		6" Magnetic Flow Meter	8	EA	\$3,500	\$28,000	\$500	\$4,000	\$32,000
		8" Magnetic Flow Meter	1	EA	\$4,000	\$4,000	\$750	\$750	\$4,750
		10" Magnetic Flow Meter	1	EA	\$5,500	\$5,500	\$1,500	\$1,500	\$7,000
		Actuated Valve	11	EA	\$3,000	\$33,000	\$1,500	\$16,500	\$49,500
		Testing/ Startup Instruments and Valves	29	EA			\$250.00	\$7,250	\$7,250
		<i>Control Panel Work</i>							
		CP-3 Panel Rebuild - parts	1	LS	\$50,000	\$50,000			\$50,000
		CP-3 Salvage Equipment	20	Hrs			\$125.00	\$2,500	\$2,500
		Train 1 Side Decomission	80	Hrs			\$125.00	\$10,000	\$10,000
		Train 1 Side Startup and Testing Panel Equipment	40	Hrs			\$125.00	\$5,000	\$5,000
		Train 2 Side Decomission	80	Hrs			\$125.00	\$10,000	\$10,000
		Train 2 Side Startup and Testing Panel Equipment	40	Hrs			\$125.00	\$5,000	\$5,000
		Balance of the Plant w/in CP-3	80	Hrs			\$125.00	\$10,000	\$10,000
		<i>Programming Integration</i>							
		Programming reinstallation	40	Hrs			\$125.00	\$5,000	\$5,000
		Overall System Commissioning and Testing	40	Hrs			\$125.00	\$5,000	\$5,000
SUBTOTAL - DIVISION 16&17						160,660		148,150	308,810

	Subtotals	328,310
Contractor Mob & GC's	@ 12%	39,000
	Subtotals	367,310
Contractor OH&P	@ 15%	55,000
	Subtotals	422,310
Estimate Contingency	@ 30%	127,000
	Subtotals	549,310
Escalate to Midpt of Const.	@ 3%	5,000
	Total Construction Estimate	554,300
Engr/Legal/Admin.	@ 25%	138,600
	Total Project Estimate	700,000

Cost Estimate Range	-20%	560,000
	+30%	910,000



Quote

Q160406E

6-Apr-16

Michael Humm, PE
Kennedy/Jenks Consultants
421 SW 6th Avenue, Suite 1000
Portland, OR 97204

RE: Dundee WWTP Control Panel Rebuild Project

Scope Narrative:

The Automation Group (TAG) is pleased to provide a budgetary estimate for rebuilding a control panel that experienced significant water damage during a flood event. The work tasks outlined below are our best estimate at the level of effort required to not only replace components but also to verify/validate accuracy and operation of controlled equipment. TAG rates: \$125/hour.

Task Items:

1. Construction drawing review and collaborative planning with Kennedy/Jenks Consultants to develop executable work plan. This task is expected to take 80 hours to complete.
2. Field Work – Train 1. This task is expected to take 2 men, 1 week to complete (80 hrs).
3. Field Work – Train 2. This task is expected to take 2 men, 1 week to complete (80 hrs).
4. Field Work – Balance of Plant. This task is expected to take 2 men, 1 week to complete (80 hrs).
5. Commissioning/Testing – Ongoing activity expected to take 80 hours to complete.

Materials:

An estimated \$10,000 for materials to cover new UPS, DIN rail, Panduit, circuit breakers, fuseholders, terminal blocks, relays, wire markers, and miscellaneous rail items.

It is our understanding that all major PLC components have been replaced. In doing so, some spares may have been used and it is our recommendation that at least one of every type of processor, IO card, module, and power supply be onhand as a spare component as the system does not include redundancy. An estimated spares figure is: \$30,000.

Thank you,

Eric Wick

Eric Wick
Office: 541-359-3755
Fax: 541-982-2266
ewick@tag-inc.us

The Automation Group, Inc – www.tag-inc.us
CCB #172839
Phone: 541/359-3755
Certification: State of Oregon Tier-2 Emerging Small Business Cert# 6023

REPORT

To: Mayor Russ and City Council
From: Rob Daykin, City Administrator
Date: April 14, 2016
Re: Resolution No. 2016-04, U.S. Bank Loan

Resolution No. 2016-04 authorizes a \$970,000 loan with U.S. Bank with a term not longer than seven years from the date of issuances and at an interest rate not to exceed 2.6%. This is slightly higher than the 2.54% cited in the March 4, 2016 letter of interest from US Bank. The increase to 2.6% reflects the changes in the market since the initial offer as provided in the letter – “All rates are subject to change with market conditions until formally locked by an agreement between the City and U.S. Bank. A sample payment schedule is also attached using a presumed closing date of May 18. At the 2.6% rate, the estimated savings in refunding the IFA loan is still about \$31,500.

Analysis of IFA Modified - 4.04% vs. US Bank - 2.60%

IFA Modified Interest	134,236.49
US Bank Interest	74,669.16
Add: Payoff Interest	13,331.51
Add: Bond and Costs	<u>14,715.00</u>
Net US Bank Interest and Costs	102,715.67
Net Savings	31,520.82

Recommendation: Motion to adopt Resolution No. 2016-04, a resolution authorizing the execution and delivery of a full faith and credit financing agreement in a principal amount not to exceed \$970,000; designating an authorized representative and special counsel; and related matters.

Attachments:

- Resolution No. 2014-04
- U.S. Bank March 4, 2016 Letter
- Debt Service Schedule

RESOLUTION NO. 2016-04

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A FULL FAITH AND CREDIT FINANCING AGREEMENT IN A PRINCIPAL AMOUNT NOT TO EXCEED \$970,000; DESIGNATING AN AUTHORIZED REPRESENTATIVE AND SPECIAL COUNSEL; AND RELATED MATTERS.

WHEREAS, the City of Dundee, Yamhill County, Oregon (the "City"), finds:

- A. The City is authorized pursuant to the Constitution and laws of the State of Oregon, specifically Oregon Revised Statutes Section 271.390 and 287A.315 (collectively, the "Act") to enter into a financing agreement to finance the cost of real and personal property and pledge its full faith and credit; and
- B. The Charter of the City does not (1) prohibit the City from entering into a financing agreement and pledging its full faith and credit as security for the financing agreement, nor (2) require a non-appropriation clause to be included in the financing agreement; and
- C. It is in the best interest of the City to authorize and enter into a financing agreement to (1) finance the construction, equipping and furnishing of storm water projects; (2) finance the construction, equipping and furnishing of sewer system repairs; (3) refund a State of Oregon Infrastructure Finance Authority loan; and (4) and pay all costs incidental thereto (collectively, the "Project").

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

Section 1. Authorization.

The City authorizes the issuance and negotiated sale of a full faith and credit financing agreement (the "Financing Agreement") with U.S. Bank National Association (the "Bank") pursuant to the Bank's letter of interest dated March 4, 2016, in an amount not to exceed \$970,000, to finance the Project. The Financing Agreement shall be issued at an interest rate not to exceed 2.60%. The City shall not be responsible for any origination fee or the Bank's counsel fees. The Financing Agreement shall be in a form satisfactory to the Authorized Representative (as defined below) and shall be for a term not longer than seven (7) years from the date of issuance.

Section 2. Security.

The payments under the Financing Agreement shall be a full faith and credit obligation of the City payable from lawfully available, non-restricted funds of the City other funds that may be available for that purpose, including taxes levied within the restrictions of Sections 11 and 11b, Article XI of the Constitution of the State of Oregon, and shall not be subject to annual appropriation. The Financing Agreement will not be secured by any lien or security interest on any property, real or personal.

Section 3. Designation of Authorized Representative.

The City hereby authorizes the Mayor or the City Administrator (each an “Authorized Representative”) to act as the authorized representative on behalf of the City and determine the remaining terms of the Financing Agreement as delegated in Section 4 below.

Section 4. Delegation of Final Terms of Financing Agreement and Additional Documents.

The Authorized Representative is authorized, on behalf of the City, to:

- A. negotiate the terms of the Financing Agreement and enter into a commitment letter or purchase agreement related to the Financing Agreement;
- B. establish the maturity and interest payment dates, dated date, principal amounts, prepayment provisions, interest rates, denominations, financial reporting requirements, and all other terms of the Financing Agreement as the Authorized Representative determines to be in the best interest of the City, and to execute and deliver the Financing Agreement;
- C. designate the Financing Agreement as a “qualified tax-exempt obligation” pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), so long as the City and all subordinate entities do not reasonably expect to issue more than \$10,000,000 of tax-exempt obligations during the calendar year in which the Financing Agreement is entered into;
- D. approve, execute and deliver a Tax Certificate;
- E. execute and deliver a certificate specifying the action taken pursuant to this Resolution and any other documents, agreements or certificates that the Authorized Representative determines are necessary and desirable to enter into the Financing Agreement in accordance with this Resolution and take any other actions that the Authorized Representative determines are necessary or desirable to finance the Project with the Financing Agreement in accordance with this Resolution;

Section 5. Compliance with Internal Revenue Code.

The City hereby covenants for the benefit of the Bank to use the Financing Agreement proceeds and the Project financed with the Financing Agreement proceeds in the manner required, and to otherwise comply with all provisions of the Code, so that interest paid on the Financing Agreement will not be includable in gross income of the Bank for federal income tax purposes. The City makes the following specific covenants with respect to the Code:

- A. The City will not take any action or omit any action if it would cause the Financing Agreement to become an arbitrage bond under Section 148 of the Code.
- B. The City shall operate the Project so that the Financing Agreement does not become a “private activity bond” within the meaning of Section 141 of the Code.
- C. The City shall comply with appropriate Code reporting requirements.

D. The City shall pay, when due, all rebates and penalties with respect to the Financing Agreement that are required by Section 148(f) of the Code.

The covenants contained in this Section 5 and any covenants in the closing documents for the Financing Agreement shall constitute a contract with the Bank, and shall be enforceable by it. The Authorized Representative may enter into covenants on behalf of the City to protect the tax-exempt status of the Financing Agreement.

Section 6. Appointment of Special Counsel.

The City appoints Mersereau Shannon LLP as special counsel to the City for the issuance of the Financing Agreement.

Section 7. Resolution to Constitute Contract.

In consideration of the purchase and acceptance of the Financing Agreement, the provisions of this Resolution shall be part of the contract of the City with the Bank and shall be deemed to be and shall constitute a contract between the City and the Bank. The covenants, pledges, representations and warranties contained in this Resolution, in the Financing Agreement or in the closing documents executed in connection with the Financing Agreement and the other covenants and agreements herein set forth to be performed by or on behalf of the City shall be contracts for the benefit, protection and security of the Bank and shall be enforceable by the Bank.

Section 8. Intent to Reimburse.

It is the reasonable official intent of the City to reimburse itself for the capital expenditures associated with the Project with the proceeds of the Financing Agreement in the principal amount not to exceed \$970,000. This declaration of official intent is given pursuant to United States Treasury Regulations Section 1.150-2.

Section 9. Effective Date.

This resolution shall take effect immediately upon its adoption by the Council.

PASSED this 19th day of April, 2016.

By _____
David Russ, Mayor

ATTEST:

By _____
Rob Daykin, City Administrator/Recorder



Herbert F. Neufeld
Vice President & Community Banking Credit Liaison
U.S. Bank National Association
Government Banking Division

March 4, 2016

City of Dundee, Oregon

U.S. Bank National Association ("U.S. Bank") is pleased to consider your request to provide financing to the City of Dundee, Oregon ("City"). A summary of some of the terms U.S. Bank is considering for this financing package is as follows:

**Re: \$948 Thousand
City of Dundee, Oregon
Non-Voted Full Faith and Credit Tax-Exempt Loan ("Loan")**

The Loan financing to the City, is for the permanent financing for refinancing an existing water reservoir loan plus storm water lines.

Fixed Rate Loan:

Amount: \$948 thousand

Length: 7 years or 10 years

Amortization: 20 years

Interest Rate Features: All rates are subject to change with market conditions until formally locked by an agreement between the City and U.S. Bank. All rates assume a 30/360-day interest accrual basis. All rates assume that the City and legal counsel will designate the Loan as tax-exempt (bank qualified) under existing federal tax regulations.

Interest Rates: Fixed rates, based upon the indicative rates of:
2.54% per annum for the 7-year financing; and,
3.07% per annum for the 10-year financing.

Both rates are as of March 4, 2016, and such rates to be adjusted as of the date of funding so as to maintain the same margin over U.S. Bank's cost of funds as that which is included in the above indicative rate. It is possible to lock the chosen interest rate – at the then market rate – once the decision is made to proceed with the Loan. Should the City wish to finance the storm water lines over a shorter period, revised interest rates would apply.

Payments: Rate, above, assumes semiannual interest and annual principal payments that result in, essentially, level annual debt service requirements over the 20-year amortization period.

Prepayments: Prepayment is allowed, in whole or in part, on any U.S. Bank business date, upon a 3 business day notice, without prepayment fee.

Debt Service Reserve Fund: Not required.

Default Interest Rate: The default interest rate will be the stated rate plus 3%.

Security: The Loan will be a non-voted full faith and credit and resources obligation of the City. U.S. Bank will not take a subordinate lien position or be in a less than senior parity level position to any other City financing.

Loan Counsel: The loan documents and an unqualified legal opinion must be provided by a nationally recognized bond counsel that is currently listed in the "Red Book" more formally known as The Bond Buyer's Municipal Marketplace ("Loan Counsel").

Loan Agreement: In addition to the normal financing documents produced by Loan Counsel, there must be a loan agreement to be executed by the City and U.S. Bank. This Loan Agreement will contain covenants, default features, and other components of a relatively standard, municipal/government loan from U.S. Bank.

Costs: Various costs, expenses and fees relating to due diligence and Loan documentation, including all legal fees and expenses are the responsibility of the City. U.S. Bank does not expect to require separate Bank Counsel for this financing. U.S. Bank must be explicitly permitted to rely on the documents and legal opinion of the City's Loan Counsel.

Covenants/Provisions: Documentation will include standard covenants regarding maintenance of business operations, adequate insurance coverage, and to collect fees, taxes and other revenues in an amount sufficient to meet all City obligations, including debt service on this Loan. In addition to standard covenants, the Loan documents, especially the Loan Agreement (or modifications to the authorizing ordinance), will specifically include most of the following covenants/provisions:

1. The City will covenant to automatically provide the Government Banking Division of U.S. Bank with copies of its annual, audited financial statements within 330 days of the end of each fiscal year for the duration of the Loan.
2. The City will provide U.S. Bank with a copy of the City's final budget within 45 days after its adoption.
3. The City will provide the Bank financial or other information as may be reasonably requested from time to time.
4. The City will covenant to maintain rates, fees, and revenues to result in a minimum debt service coverage (funds available for debt service debt service divided by the outstanding current debt service on all non-voted general obligation debt) of 1.0 times. Failure to maintain this coverage ratio will result in an automatic adjustment of the interest rate to the Default Interest Rate.
5. The City will agree to take all actions necessary to preserve tax-exempt status of the obligation. Should the tax designation change, the interest rate will change accordingly and to be effective the same date as the tax designation.
6. The default interest rate will be the stated rate plus 3%.
7. There will not be a 3rd party paying agent.
8. The Loan will not be registered with the Depository Trust Company or any other securities depository.
9. The City will promptly notify the Bank of any development which is likely to have a material, adverse effect on the financial condition of the City.
10. The Loan shall not be:
 - (i) assigned a separate rating by any rating agency;
 - (ii) issued pursuant to any type of offering document or official statement; and,
 - (iii) assigned a CUSIP number by Standard & Poor's CUSIP service.
11. During the life of the Loan, the Loan cannot be securitized.

Other: U.S. Bank's continued involvement with this financing is predicated upon U.S. Bank obtaining credit approval of the various terms, conditions, and creditworthiness of the City.

The credit approval process includes the mandatory analysis of the City's most recent three years of audited financial statements. We hereby acknowledge possession of the requisite audited financial statements.

All funds transfers must be directly deposited to a U.S. Bank account.

This Letter of Interest automatically expires 20 calendar days from the date of this letter.

Documentation for the transaction will be prepared by Loan Counsel for the Loan and will include an appropriate authorizing resolution or ordinance, 8038 filing, and Loan Counsel opinion that the Loan is a legal, valid, binding, enforceable and properly authorized obligation of the City. The City will designate the Loan as a "tax-exempt, bank qualified obligation" under section 265(b) of the Internal Revenue Code of 1986, as amended, for investment by financial institutions.

As we obtain more information, additional substantive conditions will be required and terms may be changed or be supplemented. In addition, upon completion of our analysis and due diligence and if we obtain credit approval of this proposal, Loan Counsel will prepare loan documentation which will include terms and conditions customary to U.S. Bank, as well as warranties and covenants specific to this transaction.

To that end, this letter is an expression of interest only. Except with respect to your obligation to reimburse U.S. Bank for expenses as provided below and not to disclose the contents of this letter except as permitted below, this letter is not a contract, commitment nor intent to be bound, and U.S. Bank does not intend that this letter or discussions relative to the terms of this letter create any legal rights, implicit or explicit, in your favor, nor is it intended to create any obligation on the part of U.S. Bank. Also, no oral discussions and/or written loan agreements shall be in place of or supersede written loan agreements executed by your business and accepted by U.S. Bank.

Please note that this proposal is for your review only. You may not disclose this letter or any of the terms contained in this letter to any third party other than your attorney, accountant and authorized agents representing you.

Thank you for discussing your financing needs with U.S. Bank. Should you wish us to continue to consider your credit request, you will be responsible for all of U.S. Bank's out-of-pocket expenses related to this financing request. Without limitation, these expenses may include expenses of Bank Counsel, appraisals, surveys, title insurance commitments, environmental assessments, background checks and/or collateral audits. We look forward to the opportunity to consider your credit request.

If you have any questions regarding this letter, please contact Herb Neufeld at (651) 233-0589.

Very truly yours,

U.S. BANK NATIONAL ASSOCIATION

U.S. BANK NATIONAL ASSOCIATION

Herb Neufeld

Herb Neufeld
Vice President & Senior Lender
Government Banking Division

Chester Anonson
Assistant Vice President & Relationship Manager
Community Banking Group

Direct: 651.233.0589

Herbert.Neufeld@USBank.com

www.USBank.com

\$970,000
City of Dundee, Oregon
Payment Schedule - General Obligation Loan, 2016
As of May 18, 2016
DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
5/18/2016	-	-	-	-
11/18/2016	63,620.02	2.600%	12,610.00	76,230.02
5/18/2017	64,447.08	2.600%	11,782.94	76,230.02
11/18/2017	65,284.89	2.600%	10,945.13	76,230.02
5/18/2018	66,133.59	2.600%	10,096.42	76,230.01
11/18/2018	66,993.33	2.600%	9,236.69	76,230.02
5/18/2019	67,864.24	2.600%	8,365.77	76,230.01
11/18/2019	68,746.48	2.600%	7,483.54	76,230.02
5/18/2020	69,640.18	2.600%	6,589.83	76,230.01
11/18/2020	70,545.51	2.600%	5,684.51	76,230.02
5/18/2021	71,462.60	2.600%	4,767.42	76,230.02
11/18/2021	72,391.61	2.600%	3,838.41	76,230.02
5/18/2022	73,332.70	2.600%	2,897.32	76,230.02
11/18/2022	74,286.03	2.600%	1,943.99	76,230.02
5/18/2023	75,251.74	2.600%	978.27	76,230.01
TOTAL	970,000.00	-	97,220.24	1,067,220.24

YIELD STATISTICS

Bond Year Dollars	\$3,739.24
Average Life	3.855 Years
Average Coupon	2.5999998%
Net Interest Cost (NIC)	2.5999998%
True Interest Cost (TIC)	2.5999998%
Bond Yield for Arbitrage Purposes	2.5999998%
All Inclusive Cost (AIC)	2.5999998%
IRS FORM 8038	
Net Interest Cost	2.5999998%
Weighted Average Maturity	3.855 Years

H.F. Neufeld
Public Finance

FILE = DUNDEEOR-2016FFCs- SINGLE PURPOSE
4/12/2016 3:21 PM

R E P O R T

To: Mayor Russ and City Council
From: Rob Daykin, City Administrator
Date: April 14, 2015
Re: Dundee's Local Government Dinner

Dundee will be hosting the August 18, 2016 Local Government Dinner at Domaine Roy Winery. We solicited proposals for catering services, but we only receive one response from Red Hills Provincial Dining for consideration at the April 5 council meeting. We reported that several of the responders indicated they did not receive the request for proposals and Council deferred the final selection until the April 19 meeting to consider additional responses.

Attached are proposals from Red Hills Provincial Dining, Babica Hen and Red Hills Market.

Recommendation: Motion to accept the proposal from _____ to provide a buffet dinner for the August 18, 2016 Local Government Dinner.



Request for Proposal Local Government Dinner

The City of Dundee is requesting a proposal for catering services for the Local Government Dinner to be held on Thursday August 18th at 7:00 P.M. The location will be Domaine Roy Winery, 8351 NE Worden Hill Road, Dundee. This will be a casual summer dinner with a no-host wine bar (provided by Domaine Roy).

Specifications:

- "Summer - theme" Buffet Dinner
- Two Entrées
- Salad
- Desert
- Drinks (coffee, tea)
- Serve approximately 70 to 80 people
- Meal pricing approximately \$20 to \$28
- Final pricing should be based on the RSVP count for the dinner versus full bid proposal
- Gratuities and other misc. charges should be included in the dinner pricing

The proposal should be submitted no later than the close of business on Wednesday, March 30, 2016. This will be presented to the Council at their April 5th meeting. Any cost incurred in the preparation of the proposal will be the responsibility of the proposer and will not be reimbursed by the City of Dundee.

Proposals should be addressed as follows:

Debbie Manning, MMC
Assistant City Recorder
City of Dundee
620 SW 5th Street
P. O. Box 220
Dundee, Oregon 97115

Any questions concerning this request may be made to Debbie Manning at 503-538-3922. Thank you for your interest and time. Sincerely

Debbie Manning, MMC
Assistant City Recorder
City of Dundee

Debra Manning

From: Nancy Gehrts <redhills@frontier.com>
Sent: Wednesday, March 30, 2016 12:42 PM
To: Debra Manning
Subject: Dinner proposal

Hi Debra,
Thank you for contacting us. Enclosed please find our proposal for your Local Government Dinner.

Thursday August 18, 2016
Dinner Buffet for 70/80 guests
Domaine Roy Winery

Organic Greens & Garden Salad w/Balsamic Vinaigrette
Freshly Baked Breads & Whipped Butter
Thinly Sliced (marinated) Flank Steak w/Roasted Vegetables & Potatoes. (room temp.)
Oregon Albacore Tuna Nicoise w/green beans, olives, tomatoes, onions, hard cooked eggs &
Fresh Herbs (room temp.)
Assorted Freshly Baked Cookies & Summer Fruits
Iced Tea/ Coffee

\$ 28.00 p/p. Inclusive

Please let me know if you have any questions or would like other suggestions.

Dundee to cover:

Flatware, china, tables, chairs & napkins

Best Regards,

Nancy Gehrts

Red Hills Provincial Dining

Sent from my iPad



BREAKFAST

LUNCH

DINNER

CITY OF DUNDEE

LOCAL GOVERNMENT DINNER PROPOSAL

\$25/PERSON (ALL INCLUSIVE)

GRILLED CORN TORTILLA SALAD

GRILLED CORN, RED ONION, ROASTED JALAPENO, TOMATOES, & TORTILLA STRIPS WITH MIXED BABY GREENS TOSSED IN A CREAMY RED PEPPER-SAGE DRESSING

TWICE BAKED POTATO SALAD

RED & YUKON GOLD POTATOES, HARD BOILED EGG, BACON, SHARP CHEDDAR & ONION TOSSED IN A SOUR CREAM CHIVE DRESSING

SMOKED PULLED PORK

WITH APRICOT BARBECUE SAUCE

BEEF BRISKET

SMOKED; PEACH BOURBON GLAZE

FRESH PEACH COBBLER

CARDAMOM CREAM

COFFEE AND SOFT DRINKS

Babica hen will provide hot food in chafing dishes and cold salads in bowls for serving as well as serving implements, coffee and bottled soft drinks. Food will be self service. Plates, utensils, glasses, napkins, drinking water and service staff are not included in the above price but may be negotiated if needed. City of Dundee will provide a final number of attendees two weeks prior to the event. Quantity of food prepared and total price will be based on that final number.

Babica Hen sources local food and serves only hormone and antibiotic-free meats. All food is prepared in house from scratch.

THANK YOU FOR OPPORTUNITY TO SUBMIT THIS PROPOSAL. WE APPRECIATE YOUR CONSIDERATION.

red hills market

FROM red hills market
 PO Box 400
 Dundee, OR 97115

INVOICE TO Rob Daykin

INVOICE 308
 ISSUED April 13th, 2016
 DUE DATE April 20th, 2016

ITEM	QUANTITY	PRICE	TOTAL
Dinner menu	80	\$28.00	\$2,240.00
Entree's			
-Wood fired mac & cheese with padron peppers			
-Wood fired chicken with a pinot and local berry reduction sauce			
Salad			
-Local green salad with house dressing			
Dessert			
-Oregon berry cobbler wood fired topped with a basil chantily cream			
Coffee and Tea service			
		Subtotal:	\$2,240.00
		Tax:	\$0.00
		TOTAL:	\$2,240.00
		Balance Due:	\$2,240.00

NOTES Proposal. Total based off of 80 guests. Will be finalized once RSVP's arrive.



To: Rob Daykin, City Administrator
From: John Stock, Fire Chief
Re: Washer and Dryer for Protective Clothing
Date: 04/12/2016

The Fire Departments NFPA and OSHA compliant Stacked Washer and Dryer used to clean and decontaminate Personal Protective Clothing (aka turnouts) needs replaced. After 14 years of service it has come to the end of its life. We have made final attempts at repairing it without success. We are currently left without any means for properly laundering our turnouts.

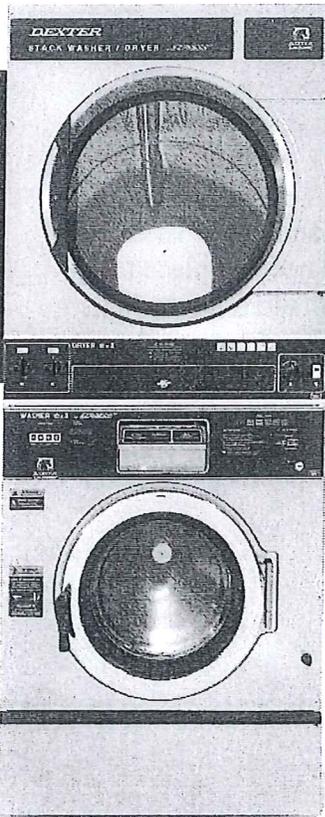
I have requested quotes from four vendors but only two have replied. I support going with the lower bidder, Western State Design.

Thank you, Chief Stock

A handwritten signature in blue ink, appearing to be "J. Stock", written over the typed name "Chief Stock".



ON-PREMISE LAUNDRY
T-450 EXPRESS STACK WASHER-DRYER



**T-450 EXPRESS
 STACK WASHER-DRYER**

Dexter On-Premise Stack Washer-Dryer

On-Premise laundry solutions you can depend on.

Dexter on-premise stack washer-dryers are engineered to show up for work in even the harshest laundry environments. Featuring flexible controls and high quality materials, these space saving combination units are designed to help make you more successful.

When your business depends on clean laundry, choosing the right equipment is an important decision. Our products will provide you the efficiency, flexibility, performance, and durability you need to be confident in your choice. With lifetime technical support and an industry leading warranty, you can be confident that we will stand behind every machine you invest in.

Contact your Dexter Authorized Distributor today for more details.

DURABLE:

With heavy-duty bearings in cast iron bearing housings, welded steel spiders and shafts, and rugged frame and cabinet designs, Dexter stack washer-dryers are built to last.

The washer design has been tested thoroughly with our 1,000 hour out-of-balance test.

The polished chrome doors and AISI 304 stainless steel tub, cylinder, and panels keep machines looking great for years.

RELIABLE:

We offer an industry leading 10 year limited warranty on the washer and a 5 year limited warranty on the dryer.

A 3 year parts warranty covers the rest.

We stand behind every machine you invest in with lifetime technical support.

EFFICIENT:

With a dry-to-dry time of less than one hour, Dexter stack washer-dryers work fast and efficiently.

A next generation inverter drive on the washer lowers electrical usage and improves performance.

Powerful Express 200 g-force extraction removes more water to reduce dry time and helps reduce energy costs.

INSTALLATION:

This combination unit provides a full laundry solution in a single footprint and is ideal for laundries with limited space.

The adjustable final extract speed allows the unit to fit almost any location.

This Dexter unit fits through a standard 36" door way.

FLEXIBLE:

The 6 cycle washer control provides a flexible and easy to use control with six preset cycles that are programmable to fit your laundry needs.

A new electronic pressure sensor offers a range of water level options to increase efficiency and help save water.

The automatic chemical injection feature allows for the perfect combination of chemicals and help to protect your staff from harmful substances.

OPTIONS:

Available with stainless steel or galvanized dryer tumblers, and chrome or stainless steel dryer doors.

Gas models, with propane kits available.

EMPLOYEE OWNED | MADE IN THE USA | SINCE 1894

DEXTER.COM

2211 WEST GRIMES AVENUE, FAIRFIELD, IOWA 52556 USA

1.800.524.2954

T-450 EXPRESS STACK WASHER - DRYER SPECIFICATIONS

OVERALL SPECIFICATIONS:

Capacity:		
Dry Weight Capacity (per machine)	30 lb	(13.6 kg)
Washer Cylinder Volume	4 cu ft	(113.3 L)
Dryer Cylinder Volume	11.3 cu ft	(320 L)
Speed:		
Washer High Extract Speed	200 g	(750 RPM)
Washer Intermediate Extract Speed	60 g	(411 RPM)
Washer Washing Speed	0.9 g	(50 RPM)
Washer Motor Size	2 hp	(1.5 kW)
Dryer Tumbler Speed	47 RPM	
Dryer Motor Size	0.5 hp	(0.38 kW)
Airflow (Dryer Only):		
60 Hz Model	500 cfm	(14.6 M3/min)
50 Hz Model	450 cfm	(12.7 M3/min)
Dimensions:		
Overall Height	78 3/4"	(200 cm)
Overall Width	31 1/2"	(80 cm)
Overall Depth	47 5/16"	(120.2 cm)
Washer Cylinder Diameter		
Washer Cylinder Diameter	25"	(63.5 cm)
Washer Cylinder Depth	14 1/8"	(35.9 cm)
Washer Door Opening	15 1/4"	(38.7 cm)
Floor to Washer Door Bottom	12 7/16"	(31.6 cm)
Dryer Cylinder Diameter		
Dryer Cylinder Diameter	30"	(76.2 cm)
Dryer Cylinder Depth	27 1/2"	(69.9 cm)
Dryer Door Opening	22 11/16"	(57.6 cm)
Floor to Dryer Door Bottom	46 15/16"	(119.2 cm)
Dryer Lint Screen Area	453 sq in	(2923 sq cm)
Weight:		
Net Weight	1051 lbs	(476.7 kg)
Shipping Information:		
Shipping Weight	1101 lbs	(499.4 kg)
Shipping Height	83 1/4"	(211.5 cm)
Shipping Width	33"	(83.8 cm)
Shipping Depth	54"	(137.2 cm)
Installation Recommendations:		
Minimum Clearance Between Machines	1/2"	(1.3 cm)
Minimum Clearance Behind Machines	24"	(61 cm)
Minimum Concrete Thickness	6"	(15.2 cm)
Make-Up Air Required	1 sq ft	(929 sq cm)
Exhaust Size	6"	(15.2 cm)

WA: HER REQUIREMENTS:

Water Requirements:		
Water Inlet Size	3/4"	(19 mm)
Flow Rate (per min)	9 gal	(34.1 L)
Pressure (min/max)	30-120 psi	(207-827 kPa)
Drain Diameter (O.D.)	3"	(7.6 cm)
Floor to Center of Drain	4 7/16"	(11.3 cm)

Electrical Requirements:

Model	Volts / Hz / Phase / Wiring	Circuit Breaker / Running Amps / Wire Size
-12	208-240 / 60 / 1 / 2 wire + ground	15 amp / 6.2 amp / #12
-12	208-240 / 60 / 3 / 3 wire + ground	15 amp / 6.2 amp / #12
-39	230 / 50 / 1 / 2 wire + ground	15 amp / 6.2 amp / 3.5 mm ²
-59	230 / 50 / 1 / 2 wire + ground	15 amp / 6.2 amp / 3.5 mm ²

DRYER REQUIREMENTS:

Gas Requirements (Gas Models Only):

Gas Supply Connection	1/2"	(12.7 mm)
Natural Gas Supply (Water Column)	5-10"	(12.7 - 25.4 cm)
LP Gas Supply (Water Column)	11 1/2 - 14"	(29.2 - 35.6 cm)

Gas Usage (Gas Models Only):

60Hz Model	80,000 BTU/hr	(23.4 kW)
50Hz Model	74,000 BTU/hr	(21.7 kW)

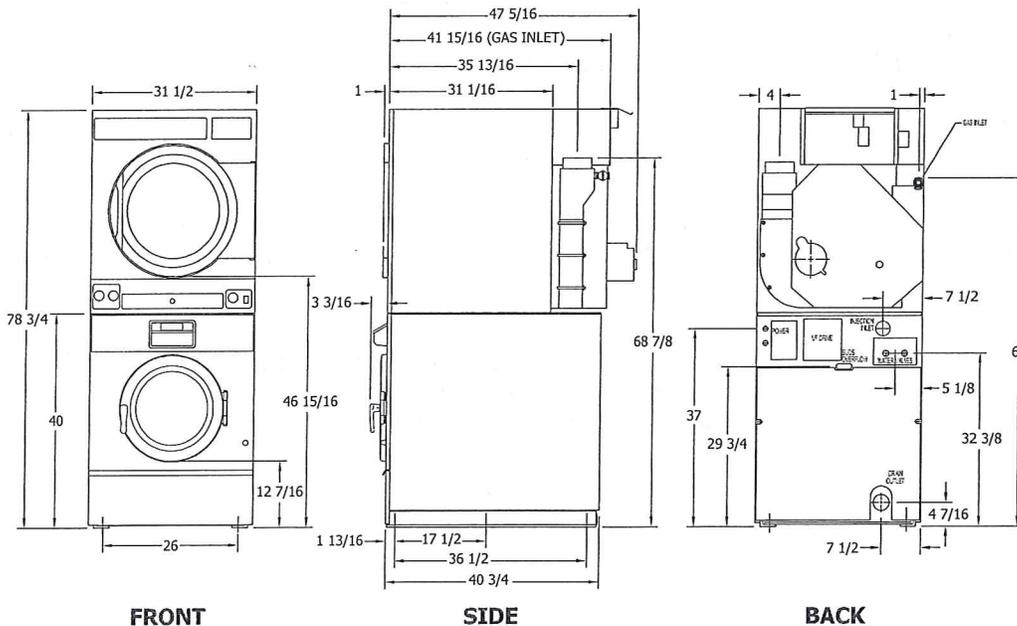
Electrical Requirements:

Gas Models:

Model*	Volts / Hz / Phase / Wiring	Circuit Breaker / Running Amps / Wire Size
-10	120 / 60 / 1 / 2 wire + ground	15 amp / 9.8 amp / #12
-39	230 / 50 / 1 / 3 wire + ground	15 amp / 5 amp / 3.5 mm ²
-59	230 / 50 / 1 / 3 wire + ground	15 amp / 5 amp / 3.5 mm ²

Electric Models:

Model	kW / Volts / Hz / Phase / Wiring	Circuit Breaker / Running Amps / Wire Size
-71	24 / 208 / 60 / 3 / 4 wire + ground	90 amp / 85 amp / #2
-74	24 / 240 / 60 / 3 / 4 wire + ground	80 amp / 75 amp / #3
-77	20 / 208 / 60 / 1 / 3 wire + ground	125 amp / 120 amp / (1/0)
-78	20 / 240 / 60 / 1 / 3 wire + ground	110 amp / 105 amp / (1/0)
-79	24 / 400 / 50 / 3 / 4 wire + ground	50 amp / 45 amp / 13.3 mm ²



Due to continuous product improvements specifications are subject to change, please consult the installation manual for the most accurate information.
 *Agency approvals may vary depending on the machine configuration, consult Dexter Laundry or your Dexter Authorized Distributor for details.



Warranty Information

Dexter Laundry's limited warranty covers all parts that fail during normal use under the limitations further described below. Dexter's obligation under this warranty shall be limited to repairing or exchanging any part of said product that, in the judgment of Dexter, shows evidence of premature failure. A failed part shall be returned to Dexter Laundry through a Dexter authorized distributor within two months from the expiration of the specific parts warranty period listed below.

Lifetime Technical Support

Dexter and your Dexter authorized distributor provide complimentary technical support, available during regular business hours, for the life of our products.

10-year Limited Parts Warranty

Dexter brand washers have a 10-year warranty on the frame, tub, cylinder, shaft, seals, bearings and bearing housing.

Five-year Limited Parts Warranty

Dexter brand dryers have a five-year warranty on the trunion, bearings and bearing housing.

Three-year Limited Parts Warranty

Dexter brand washers, dryers and Easy Card™ Systems have a three-year warranty on all parts not listed under the five or 10-year limited warranty.

Please Note

This warranty is for the sole benefit of the original purchaser, and the warranty must be registered with Dexter Laundry Inc. to be eligible. Machine warranties can be registered either by returning the original postage-paid warranty card that was received with the machine, or by registering the machine warranty online.

- Dexter assumes no responsibility for labor costs, transportation charges, local duties or taxes associated with warranty parts.
- This warranty shall not apply to any product that has been altered in any way so as, in our judgment, to affect its performance, or which has been subject to any abuse, misuse, negligence, chemical damage, improper installation or any other occurrence beyond the control of Dexter.
- This warranty shall not apply to any product on which the serial numbers have been altered, defaced or removed.
- Dexter Laundry Inc. reserves the right to make changes in design to or make additions to or improvements upon this product without incurring any obligations to install the same on products previously manufactured.

The warranty provided hereunder and the obligations and liabilities of Dexter Laundry Inc. as set forth herein are exclusive, and purchaser hereby waives all other remedies, warranties, guarantees or liabilities, expressed or implied, arising by law or otherwise (including without limitation any obligations of Dexter Laundry Inc. with respect to fitness, merchantability and consequential damages) or whether or not occasioned by Dexter Laundry Inc.'s negligence. This warranty shall not be extended or altered unless specifically agreed to in writing by Dexter Laundry Inc., located in Fairfield, Iowa, and the purchaser.



Western State Design

LEADING THE LAUNDRY INDUSTRY THROUGH INNOVATION

DESIGN CONSTRUCTION CONSULTING MANAGED SERVICES EQUIPMENT PARTS SERVICE

March 31, 2016

Capt. John Stock
Dundee Fire Department
801 N. Hwy 99 W
Dundee, OR. 97115
503-554-8442
dundeefire@comcast.net

RE: On-Premise Laundry Equipment Proposal

Dear Capt. John Stock,

Following is the proposal for Dexter laundry equipment.

Western State Design is the largest distributor of commercial laundry equipment in the world.

Ongoing support to maintain your equipment and provide great customer experience is included when you select Western State Design as your partner.

Western State Design represents all leading manufacturers of laundry processing equipment engineered/fabricated within the USA. This reputation is based upon durability, reliability, powerful controls, higher performance & lower expenses. Our clients are guaranteed to get the most suitable equipment with available equipment parts and service.

We look forward to the next step.

Thank you.

Sincerely,

James C. Wright
Western State Design
800-633-7153 x 103
jwright@westernstatedesign.com

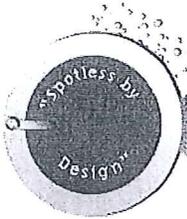
Corporate Office
2331 Tripaldi Way, Hayward, CA 94545 USA
O-800.633.7153 F-510.783.9748
www.westernstatedesign.com

Dundee Fire Department

LAUNDRY EQUIPMENT PROPOSAL				
Qty.	Model No.	Description	Unit Price	Total Price
1	SNO450NC-14EM2X-SWKCG-USX	DEXTER, OPL STACK WASHER/DRYER EXPRESS 30 LB WASH, 30 LB DRY CAPACITY: Black graphics, Stainless Steel Front Panel, 200 G Extract, Variable Speed Drive, 304 Stainless Steel Cylinder, (Dryer) 80,000 BTU, 500 CFM, dual timers, natural gas, Air Recirculation, Programmable Temperatures 125 to 190 Degrees, Fully Perforated Cylinder, Single Gas and Electrical Connections, Single 6" Exhaust Duct. WASHER: 208v-240v/60/1 GAS DRYER: 120v/60/1.	\$7,989	\$7,989

EQUIPMENT SUBTOTAL	\$7,989
FACTORY FREIGHT <i>FOB Hayward, CA to Dundee OR with lift gate delivery</i>	\$759
INSTALLATION	By Others
GRAND TOTAL	\$8,748

TERMS
<ul style="list-style-type: none"> ▪ <i>Terms of Sale: FD PO, signed WSD sales contract. Balance of PO and contract due upon delivery of equipment and receipt of WSD invoice</i> ▪ <i>Warranty: Dexter 5-year Dryer and 10-year washer limited parts warranty</i> ▪ <i>Availability: Please allow 4-6 weeks for delivery from receipt of order</i>



PETERSON EQUIPMENT CO.

SALES • SERVICE • INSTALLATION • DESIGN
CDB# 84500

503.981.4032 • fax 981.0304 • 151 N. Front St. • Woodburn, OR 97071

Estimate

Date	Estimate #
4/6/2016	4600

Name / Address
Dundee Fire Department PO Box 220 Dundee OR 97115

Rep
CK

Item	Description	Qty	Each	Total
Dx Equipment	SN0450NC-14EM2X-SWKCG-USX Dexter Stack 30# Washer/Dryer. Washer has 6 Cycle. Micro Control with 200-G force, 208-240/60/1 or 3 Phase; Dryer Natural Gas, Dual Timer Control, Stainless Front.	1	11,514.00	11,514.00
SCAD Freight	Stack Washer/Dryer Freight; Wt-#1100	1	531.00	531.00
Installation Work	Remove Old Dexter stack washer and dryer. Install New Dexter stack washer and dryer. All utilities to be supplied by Customer to with 3 feet of the Washer set point. Train Customer on proper use and maintenance.	1	978.00	978.00
Warranty	Factory Parts; 6 Month Labor supplied by Peterson Equipment, Service-Trip Charges not included			
Terms	20% Down to Place the Order, and Balance due on delivery			
Trade-In	Equipment Trade-In Dexter Stack Washer and Dryer PLAN: E	-1	2,000.00	-2,000.00

To place this order, please sign below and return it to us. Thank you.	Total	\$11,023.00
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These prices include a 3% cash discount. Any permits or engineering required for installation, and any permits or work required by a licensed electrician or plumber, will be the responsibility of the customer.

Signature _____

R E P O R T

To: Mayor Russ and City Council

From: Rob Daykin, City Administrator

Date: April 14, 2016

Re: Waste Management – Annual Report & Rates Review

Attached is the 2015 annual report prepared by Waste Management on solid waste & recycling franchise operations in Dundee. Waste Management is requesting a 3.6% rate increase effective July 1, 2016. The current rates went into effect on August 1, 2014. The following provisions of the franchise agreement address changes in service rates:

- 7.1 The Council may, from time to time, by resolution, revise the Service Rate Schedule, *Exhibit B*. The City or the Franchisee may request a rate revision whenever a significant change in revenue or expenses occurs or is anticipated. In the event the Franchisee requests a rate revision, the City will consider such request in good faith and will act upon the request without undue delay, but in no case later than 120 days from the date the request was made.
- 7.2 In determining reasonable rates, Council will consider all relevant factors, and the Parties will work in good faith to develop and adjust rates, as necessary, to allow Franchisee to earn a reasonable rate of return. Council will give due consideration to current and projected revenue and Allowable Expenses; the cost of acquiring and replacing equipment; the net cost of reuse and recycling; and such other factors as the Council deems relevant. Council may consider rates established by other jurisdictions for similar service under the same or similar service conditions. Council will provide the public opportunity to comment on a proposed rate increase as required by ORS 294.160.
- 7.3 Franchisee will be entitled to increase the rates and City will approve such increases if the City increases the Franchise Fee as provided in Section 8.2 below, or if new taxes, fees or surcharges are imposed under federal, state, or local law, directly related to the Services provided under this Franchise. Franchisee will be entitled to an increase in rates sufficient to recover the increase in the Franchise Fee or the additional taxes and fees.
- 7.4 When a new or unusual solid waste service, not included in the Service Rate Schedule, is requested, the Franchisee may establish a reasonable rate for providing such service. However, if such service is provided for more than six (6) months, the Franchisee will obtain the approval of the City Administrator.

- 7.5 All books, records, accounts and data relating to collection service operations conducted within the city by the Franchisee are subject to inspection and audit by the city.
- 7.6 All revisions to the Service Rate Schedule, *Exhibit B*, will be approved by resolution of Council. Franchisee shall provide a minimum of a 30-day notice to its customers of such revisions to the Service Rate Schedule.

The franchise fee that Dundee collects from Waste Management is based on 3% of service fee revenues. The City of Newberg changed their franchise fee rate of 3% to 5% in 2014. I have estimated \$12,600 in franchise revenue for FY 2016-17 based on the 3% rate. If the rate goes to 5%, then the franchise revenue is estimated at \$21,000. There would be an increase in customer service rates to accommodate a 5% franchise rate. The following is a sample of the proposed monthly residential service rates reflecting the 3% and 5% franchise rates:

<u>Services</u>	<u>Current</u>	<u>Proposed – 3%</u>	<u>Proposed – 5%</u>
20 Gallon Cart	\$16.71	\$17.31	\$17.70
35 Gallon Cart	\$18.35	\$19.01	\$19.44
65 Gallon Cart	\$23.35	\$24.19	\$24.73
96 Gallon Cart	\$25.98	\$26.92	\$27.52

Dave Huber and Dean Kamper, Waste Management, will be at the April 19 meeting to discuss the annual report and need for the rate increase.

I will prepare the resolution adopting revised rates as directed by the Council for consideration at the May 3 meeting.



WASTE MANAGEMENT

P.O. Box 1000
2904 Wynooski Rd.
Newberg, OR 97132
(503) 538-1388
(503) 538-1383 Fax

April 11, 2016

Rob Daykin
City Administrator/City of Dundee
620 SW 5th Street
PO Box 220
Dundee, Oregon 97115

Dear Rob,

Attached please find our 2015 annual detailed cost report. The report compares our 2015 results to 2014 as well as projecting our performance within the City of Dundee for 2016.

The report shows our return on revenue has dropped from 9.27% for 2014 to 8.4% for 2015 and we are projecting 2016 to be 6.76%. While it is our goal to be as efficient as possible, we find it necessary to request a 3.6% rate increase. If possible, we would like these new rates to be effective as July 1, 2016.

Please let me know if you have any questions or concerns regarding the report. I can be reached at 503-462-0508.

Sincerely,

Dave Huber, District Manager
Waste Management of Oregon Inc. Newberg Hauling Operations

Cc: Mike Jefferies, Dean Kampfer, Kirk Duncan, Adam Winston

From everyday collection to environmental protection, Think Green.® Think Waste Management.

Waste Management - Newberg Operations
 Dundee Rate Review Report
 For The Year Ended December 31, 2015

	2014	2015	Projected 2016
Total Revenue	\$ 426,353	\$ 461,954	\$ 461,954
Total Direct Costs	\$ 303,462	\$ 343,594	\$ 350,207
Total Indirect Costs	\$ 83,374	\$ 79,564	\$ 80,526
Operating Income	\$ 39,517	\$ 38,796	\$ 31,221
Return on Revenue	9.27%	8.40%	6.76%

Hours	Hours			Variance (2015 vs. 2014)
	Total Company 2014	Dundee 2014	Total Company 2015	
Commercial	5,157	393	5,288	99
Res'l Garbage	7,113	549	6,520	148
Res'l Recycling	3,648	353	3,098	(15)
Res'l Yard Waste	1,716	192	1,414	26
Rolloff	12,983	251	12,370	(49)
Total	30,618	1,737	28,690	209
	Tons			
Commercial	830	265	5,118	49
Res'l Garbage	5,473	399	7,273	77
Res'l Recycling	1,860	223	2,028	(12)
Res'l Yard Waste	2,465	408	2,742	(0)
Rolloff	69,067	1,907	66,353	281
Total	79,695	3,202	83,514	394

	Miles			Variance (2015 vs. 2014)
	Total Company 2014	Dundee 2014	Total Company 2015	
	30,548	2,807	30,542	24
	44,063	2,444	40,666	429
	22,985	1,670	20,176	172
	8,241	1,477	7,357	(210)
	146,387	3,550	129,223	(873)
Total	252,224	11,947	227,964	(459)
	Stops			
	59,140	3,783	46,896	180
	479,981	49,158	469,479	2,242
	233,236	21,671	237,171	168
	166,244	20,424	167,395	495
Total	938,601	95,035	920,941	3,085

Year	CPI		Customers	
	Annual	% Change	Commercial	Residential
2012	229.78	2.31%	38	945
2013	235.53	2.50%	42	953
2014	241.22	2.41%	46	961
2015	244.19	1.23%	52	1000

Franchise Payment	Revenue	Fran. Fee
Residential:	261,822	3% 7,855
Commercial:	87,866	3% 2,636
Drop Box:	107,070	3% 3,212
Total Income:	\$456,758	\$13,703

Waste Management - Newberg Operations
Dundee Rate Review Report
For The Year Ended December 31, 2015

Revenue	Line Allocation # Method	Actual 2014	Actual 2015	Variance	Adjustments %	Amount	Projected 2016
Commercial	18 Actual	\$ 72,062	\$ 87,866	\$ 15,805	0.00%	\$ -	\$ 87,866
Residential	18 Actual	\$ 246,264	\$ 261,822	\$ 15,558	0.00%	\$ -	\$ 261,822
Industrial	18 Actual	\$ 94,801	\$ 107,070	\$ 12,269	0.00%	\$ -	\$ 107,070
Recycling Material Sales	19 Recycling Tons	\$ 13,226	\$ 5,196	\$ (8,030)	0.00%	\$ (5,196)	\$ -
Total Operating Revenue		\$ 426,353	\$ 461,954		0.00%	\$ -	\$ 461,954
Direct Cost	Line Allocation # Method	Actual 2014	Actual 2015	Variance	Adjustments %	Amount	Projected 2016
Wages - Route Drivers	22 Labor Hours	\$ 58,365	\$ 69,025	\$ 10,660	1.23%	\$ 851	\$ 69,876
Wages - Utility Workers	23 Labor Hours	\$ 5,861	\$ 6,799	\$ 939	1.23%	\$ 84	\$ 6,883
Wages - Mechanic	24 Labor Hours	\$ 19,423	\$ 21,629	\$ 2,206	1.23%	\$ 267	\$ 21,896
Payroll Tax Expense	25 Labor Hours	\$ 9,809	\$ 11,190	\$ 1,382	1.23%	\$ 138	\$ 11,328
Pension Plan Expense	26 Labor Hours	\$ 3,033	\$ 3,275	\$ 242	1.23%	\$ 40	\$ 3,316
Medical Insurance	27 Labor Hours	\$ 4,203	\$ 738	\$ (3,464)	1.23%	\$ 9	\$ 748
Training and Worker Safety	29 Labor Hours	\$ 938	\$ 872	\$ (66)	1.23%	\$ 11	\$ 883
Fuel	30 Miles	\$ 13,884	\$ 11,981	\$ (1,903)	1.23%	\$ 148	\$ 12,129
Repairs & Maintenance - Vehicles	31 Labor Hours	\$ 19,034	\$ 20,091	\$ 1,057	1.23%	\$ 248	\$ 20,339
Repairs & Maintenance - Containers & Carts	32 Labor Hours	\$ 1,405	\$ 1,730	\$ 325	1.23%	\$ 21	\$ 1,751
Repairs & Maintenance - Other Equipment	33 Labor Hours	\$ -	\$ -	\$ -	1.23%	\$ -	\$ -
Repairs & Maintenance - Yard / Building	34 Labor Hours	\$ -	\$ -	\$ -	1.23%	\$ -	\$ -
Depreciation - Vehicles	35 Labor Hours	\$ 1,521	\$ 8,815	\$ 7,293		\$ -	\$ 8,815
Depreciation - Containers & Carts	36 Customers	\$ 3,204	\$ 6,171	\$ 2,967		\$ 4,112	\$ 10,283
Disposal fees	39 Actual Amount	\$ 131,643	\$ 147,532	\$ 15,889		\$ 437	\$ 147,969
Yard Rent	42 Customers	\$ 14,536	\$ 15,555	\$ 1,019	1.23%	\$ 192	\$ 15,746
Insurance	45 Labor Hours	\$ 2,249	\$ 2,015	\$ (234)	1.23%	\$ 25	\$ 2,040
PUC / License / Fees	47 Labor Hours	\$ 1,962	\$ 2,474	\$ 512	1.23%	\$ 31	\$ 2,504
Franchise Fees	48 Actual Amount	\$ 12,394	\$ 13,703	\$ 1,309		\$ -	\$ 13,703
Total Direct Cost		\$ 303,462	\$ 343,594			\$ -	\$ 350,207

*The Newberg Operations include four separate jurisdictions; Newberg, Dundee, Yamhill County, and a small portion of Unincorporated Washington County. Specific costs and revenue are directly assigned to the appropriate jurisdiction. Costs that cannot be specifically assigned are allocated based on industry standards such as, labor hours, tons, miles, and customer counts. All statistics are based on actual hours, miles, customers, and tons collected on the collection routes associated with each customer. The allocation method associated with each cost is identified under the "Allocation Method" column.

Waste Management - Newberg Operations
Dundee Rate Review Report
For The Year Ended December 31, 2015

Indirect Cost	Line Allocation # Method	Actual		2015	Variance	Adjustments		Projected
		2014	Actual			%	Amount	
Management Salaries	56 Customers	20,334	\$	23,205	\$ 2,872	1.23%	\$ 286	23,491
Management Payroll Tax Expense	57 Customers	1,238	\$	1,101	\$(137)	1.23%	\$ 14	1,115
Management Medical Insurance	58 Customers	1,900	\$	2,026	\$ 125	1.23%	\$ 25	2,051
Management Pension Plan Expense	60 Customers	398	\$	430	\$ 32	1.23%	\$ 5	435
Management Other Benefits	61 Customers	-	\$	-	-	1.23%	\$ -	-
Administrative Salaries	62 Customers	18,913	\$	5,344	\$(13,569)	1.23%	\$ 66	5,410
Administrative Payroll Tax Expense	63 Customers	2,074	\$	1,349	\$(725)	1.23%	\$ 17	1,365
Administrative Medical Insurance	64 Customers	3,922	\$	2,598	\$(1,325)	1.23%	\$ 32	2,630
Administrative Pension Plan Expense	65 Customers	647	\$	-	\$(647)	1.23%	\$ -	-
Administrative Other Benefits	67 Customers	121	\$	67	\$(54)	1.23%	\$ 1	68
Office Rent	68 Customers	-	\$	1,577	\$ 1,577	1.23%	\$ 19	1,597
Advertising and Public Education	69 Customers	57	\$	61	\$ 3	1.23%	\$ 1	61
Contributions	70 Customers	503	\$	753	\$ 250	1.23%	\$ 9	762
Training and Worker Safety	71	-	\$	1,516	\$ 1,516	1.23%	\$ 19	1,534
Insurance	73 Customers	224	\$	140	\$(84)	1.23%	\$ 2	141
Telephone	74 Customers	2,151	\$	2,091	\$(61)	1.23%	\$ 26	2,116
Utilities	75 Customers	2,329	\$	2,059	\$(269)	1.23%	\$ 25	2,085
Property Taxes/Licenses/Fees	76 Customers	2,804	\$	2,833	\$ 29	1.23%	\$ 35	2,868
Dues & Subscriptions	77 Customers	968	\$	1,015	\$ 47	1.23%	\$ 13	1,028
Depreciation - Office Building	78 Customers	1,750	\$	1,729	\$(21)	1.23%	\$ -	1,729
Repairs & Maintenance-office	80 Customers	1,832	\$	2,522	\$ 689	1.23%	\$ 31	2,553
Cleaning and Maintenance	81 Customers	175	\$	181	\$ 6	1.23%	\$ 2	183
Equipment Rental	82 Customers	1,268	\$	2,143	\$ 875	1.23%	\$ 26	2,169
Office Supplies	83 Customers	3,614	\$	2,299	\$(1,316)	1.23%	\$ 28	2,327
Postage & Freight	84 Customers	275	\$	602	\$ 327	1.23%	\$ 7	610
Miscellaneous expense	85 Customers	276	\$	303	\$ 27	1.23%	\$ 4	307
Travel/Meals/Lodging	86 Customers	584	\$	1,178	\$ 594	1.23%	\$ 15	1,192
Processing Cost	88 Customers	4,072	\$	7,833	\$ 3,761	1.23%	\$ 97	7,930
Corporate overhead costs	89 Customers	11,527	\$	10,376	\$(1,151)	1.23%	\$ 128	10,504
Sale of Asset	20 Customers	(2,122)	\$	(199)	\$ 1,924	1.23%	\$ -	(199)
Interest Expense	91 Customers	1,540	\$	2,433	\$ 894	1.23%	\$ 30	2,463
Total Indirect Cost		\$ 83,374	\$	\$ 79,564	\$ (3,810)		\$	\$ 80,526
Allowable Costs		\$ 386,836	\$	\$ 423,158	\$ 36,322		\$	\$ 430,733
Operating Income		\$ 39,517	\$	\$ 38,796	\$(721)		\$	\$ 31,221
Operating Margin		9.27%		8.40%				6.76%

**Waste Management of Newberg
City of Dundee Solid Waste & Recycling Services Rates
Proposed Rates as July 1, 2016**

RESIDENTIAL SERVICES	Current Rates	Proposed Rates
	8/1/2014	7/1/2016
WEEKLY SERVICE/MONTHLY RATES (1):		
20 GALLON CART*	\$ 16.71	\$ 17.31
35 GALLON CART*	\$ 18.35	\$ 19.01
65 GALLON CART*	\$ 23.35	\$ 24.19
96 GALLON CART*	\$ 25.98	\$ 26.92

* Discount rate is available to households qualifying under DMC 13.08.020.
Discounted amount equivalent to 50% of the 20 Gallon Roll Cart service. Contact Dundee City Hall for more information about the discount rate program.

OTHER RESIDENTIAL FEES:	Current Rates	Proposed Rates
MANUAL CART RETRIEVAL (UP TO 50') FEE	\$ 2.25	\$ 2.33
EXTRA GARBAGE PER 30 GALLON BAG PICKUP	\$ 8.78	\$ 9.10
EXTRA YARD DEBRIS - OUTSIDE YARD DEBRIS CART	\$ 3.26	\$ 3.38
RECYCLE CART CONTAMINATED WITH GARBAGE	\$ 10.63	\$ 11.02
SAME DAY CALL BACK FOR LATE PLACEMENT OF CART	\$ 7.77	\$ 8.05
CHANGE OF SERVICE CHARGE (3rd Request in 12 mos)	\$ 11.82	\$ 12.24
BI-WEEKLY RECYCLING ONLY MONTHLY FEE	\$ 7.35	\$ 7.61
2ND YARD DEBRIS CART MONTHLY FEE	\$ 4.14	\$ 4.28
On Call Garbage Fee - 35 Gallon Roll Cart	\$ 10.64	\$ 11.02

COMMERCIAL SERVICES

WEEKLY SERVICE/MONTHLY RATES:	Current Rates	Proposed Rates
35 GALLON CART - FIRST WEEKLY PICKUP	\$ 14.22	\$ 14.73
35 GALLON CART - PER ADDITIONAL WEEKLY PICKUP	\$ 12.41	\$ 12.85
65 GALLON CART	\$ 19.21	\$ 19.91
96 GALLON CART	\$ 21.84	\$ 22.63
EXTRA GARBAGE PER 30 GALLON BAG PICKUP	\$ 8.78	\$ 9.10

	Current Rates		Proposed Rates	
	<u>1 Day Per Week</u>	<u>Additional Days</u>	<u>1 Day Per Week</u>	<u>Additional Days</u>
1 YARD CONTAINER - FIRST WEEKLY PICKUP	\$ 89.98	\$ 68.06	\$ 93.22	\$ 70.51
1.5 YARD CONTAINER - FIRST WEEKLY PICKUP	\$ 122.23	\$ 107.38	\$ 126.63	\$ 111.25
2 YARD CONTAINER - FIRST WEEKLY PICKUP	\$ 155.93	\$ 139.19	\$ 161.54	\$ 144.21
3 YARD CONTAINER - FIRST WEEKLY PICKUP	\$ 222.17	\$ 196.66	\$ 230.17	\$ 203.74
4 YARD CONTAINER - FIRST WEEKLY PICKUP	\$ 291.75	\$ 249.15	\$ 302.26	\$ 258.12
5 YARD CONTAINER - FIRST WEEKLY PICKUP	\$ 357.61	\$ 298.71	\$ 370.48	\$ 309.47
6 YARD CONTAINER - FIRST WEEKLY PICKUP	\$ 463.68	\$ 354.16	\$ 480.38	\$ 366.91

COMMERCIAL COMMINGLE RECYCLING

	Current Rates		Proposed Rates	
	<u>1 Day Per Week</u>	<u>Additional Days</u>	<u>1 Day Per Week</u>	<u>Additional Days</u>
96 Gallon Roll Cart	\$ 9.75	\$ 8.30	\$ 10.10	\$ 8.60
1 Yard Container	\$ 31.65	\$ 26.90	\$ 32.79	\$ 27.87
1.5 Yard Container	\$ 41.35	\$ 35.15	\$ 42.84	\$ 36.42
2 Yard Container	\$ 51.80	\$ 44.05	\$ 53.66	\$ 45.64
3 Yard Container	\$ 72.10	\$ 61.30	\$ 74.70	\$ 63.51
4 Yard Container	\$ 94.00	\$ 79.90	\$ 97.38	\$ 82.78
5 Yard Container	\$ 114.10	\$ 97.00	\$ 118.21	\$ 100.49
6 Yard Container	\$ 153.40	\$ 130.40	\$ 158.92	\$ 135.09

OTHER CONTAINER/DROP BOX SERVICES

MONTHLY RENTALS & DUMP FEES PER PULL:	Current Rates		Proposed Rates	
	RENTAL	DUMP	RENTAL	DUMP
1 YARD CONTAINER	\$ 20.36	\$ 22.44	\$ 21.09	\$ 23.25
1.5 YARD CONTAINER	\$ 12.46	\$ 30.51	\$ 12.91	\$ 31.61
2 YARD CONTAINER	\$ 13.54	\$ 38.89	\$ 14.03	\$ 40.29
3 YARD CONTAINER	\$ 20.74	\$ 55.43	\$ 21.48	\$ 57.43
4 YARD CONTAINER	\$ 36.20	\$ 72.79	\$ 37.51	\$ 75.41
5 YARD CONTAINER	\$ 50.89	\$ 89.23	\$ 52.72	\$ 92.44
6 YARD CONTAINER	\$ 61.07	\$ 115.72	\$ 63.27	\$ 119.89

	Current Rates	Proposed Rates
CONTAINER DELIVERY CHARGE	\$ 18.31	\$ 18.97

DROP BOX RENTALS	Current Rates		Proposed Rates	
	Daily	Monthly	Daily	Monthly
10 Yard Drop Box	\$ 5.23	\$ 68.00	\$ 5.42	\$ 70.45
20 Yard Drop Box	\$ 6.02	\$ 78.46	\$ 6.24	\$ 81.28
30 Yard Drop Box	\$ 6.80	\$ 88.92	\$ 7.04	\$ 92.12

DROPBOX SERVICE DISPOSAL FEES:	Current Rates	Proposed Rates
10 YARD DROPBOX	\$ 214.62	\$ 222.35
10 YARD - CONCRETE & DIRT	\$ 146.40	\$ 151.67
10 YARD - CLEAN FILL	\$ 394.04	\$ 408.23
20 YARD DROPBOX	\$ 375.23	\$ 388.74
20 YARD - RECYCLE	\$ 113.68	\$ 117.77
20 YARD - ROOFING	\$ 539.24	\$ 558.65
20 YARD - CONSTRUCTION & DEMOLITION	\$ 690.50	\$ 715.36
20 YARD - WOOD	\$ 110.13	\$ 114.10
30 YARD DROPBOX	\$ 542.66	\$ 562.20
30 YARD ASPHALT/ROOFING	\$ 788.68	\$ 817.07
DROP BOX DELIVERY CHARGE	\$ 21.78	\$ 22.56

COMMERCIAL MEDICAL WASTE

PER CONTAINER	Current Rates		Proposed Rates	
	1-2 Containers	3 or More	1-2 Containers	3 or More
17 Gallon Reusable Tub	\$ 35.90	\$ 26.77	\$ 37.19	\$ 27.73
31 Gallon Reusable Tub	\$ 39.86	\$ 29.87	\$ 41.29	\$ 30.95
43 Gallon Reusable Tub	\$ 44.94	\$ 34.82	\$ 46.56	\$ 36.07
23 Gallon Cardboard Box	\$ 38.58	\$ 28.90	\$ 39.97	\$ 29.94
30 Gallon Cardboard Box	\$ 48.08	\$ 34.42	\$ 49.81	\$ 35.66

OTHER MISCELLANEOUS CHARGES

HOURLY EQUIPMENT & CREW RATES (2):	Current Rates	Proposed Rates
Packer truck - 1 person crew	\$ 87.08	\$ 90.22
Packer truck - 2 person crew	\$ 108.86	\$ 112.78
Dropbox truck - 1 person crew	\$ 94.34	\$ 97.73
Dropbox truck & trailer - 2 person crew	\$ 116.12	\$ 120.31
RETURNED CHECK FEE	\$ 26.15	\$ 27.09
ACCOUNT REINSTATEMENT FEE	\$ 15.69	\$ 16.25
CART DELIVERY CHARGE	\$ 11.82	\$ 12.25

Notes:

- (1) Includes bi-weekly recycle and yard debris roll cart service
- (2) Additional charges are multiplied by the number of additional pickup days per week after the first scheduled pickup day in a week.
- (3) Container monthly rental rate charged after the first week of use.
- (4) Disposal fees based on transfer station or landfill actual fees
- (5) Roll cart delivery charge assessed for:
 - a. Carts removed for stopped service and then replaced when service is restarted.
 - b. Carts Replaced for cleaning at the request of the customer.

REPORT

To: Mayor Russ and City Council
 From: Rob Daykin, City Administrator
 Date: April 12, 2016
 Re: City Utility Rates Review

Water

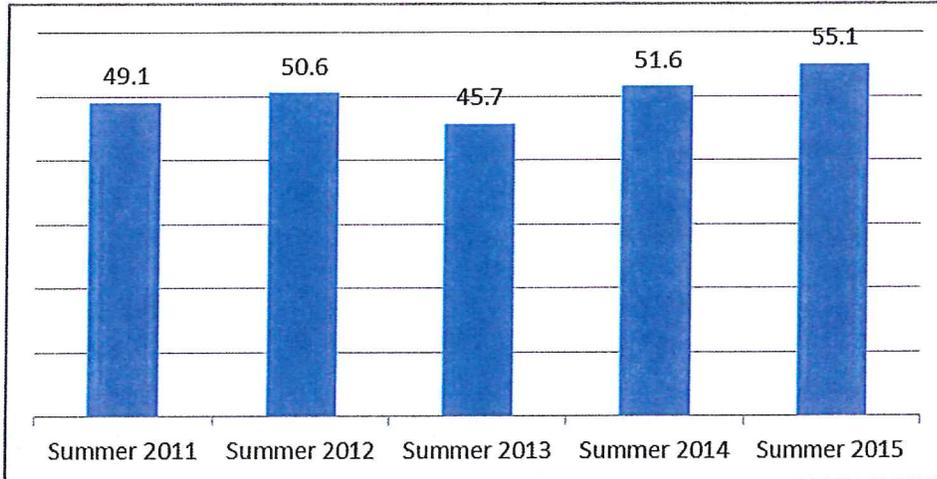
The last change in water rates took place August 1, 2014 with the introduction of a new high volume rate – over 2,750 cf. Also, the amount of water allowance included in the base monthly rates was reduced to match the same amount of 550 cubic feet used for sewer base rates. The following table shows the prior and current water rates as a result of those changes.

	<u>Prior</u>	<u>August 2014</u>
Base Rates:		
Consumption Allowance (cu. ft.)	667	550
Monthly Charge by Meter Size (inches):		
0.75	\$ 23.54	\$ 21.54
1.00	\$ 32.96	\$ 30.16
1.50	\$ 58.85	\$ 53.85
2.00	\$ 96.51	\$ 88.31
3.00	\$199.70	\$183.09
Volume Rate 1:		
Consumption Range	667 – 1,334	550 – 1,375
Charge per cubic foot	\$.029	\$.029
Volume Rate 2:		
Consumption Range	1,334 +	1,376 – 2,750
Charge per cubic foot	\$.03625	\$.03625
Volume Rate 3 (new):		
Consumption Range	n/a	2,750 +
Charge per cubic foot	n/a	\$.0435

With the reduction of the water allowance in the base rate, about half of system revenue is generated from the volume rates. As such, there is a significant amount of volatility in water system revenue that is influenced by customer irrigation practices. Forecasting water revenue is akin to forecasting next year's summer - June through September. In 2015, over half of the water sold took place in June

through September, with July sales about 3 times the average winter monthly sales. The following table shows summer water sales in recent years.

Water Sales (Millions of Gallons)



Periodic transfers from the Water Fund to the Water CIP Fund are used to fund replacement of failing water lines and other improvements that are not covered by system development charges (SDCs). (Note: SDCs may not be used for maintenance and repair, and may only be used to finance capital improvements needed to accommodate new development or reimburse the use of excess system capacity of existing infrastructure by new development) The proposed FY 2016-17 budget includes a transfer of \$220,000 to the Water CIP, of which about \$117,000 will be used for on the accelerated debt service for the refunded 2010 water reservoir loan. This leaves about \$103,000 for water system improvements. Water sales in summer 2015 represent a record high in recent years, however, my revenue estimate for FY 2016-17 is based on a more typical year similar to summer 2014. I recommend no change to water system rates at this time.

Sewer

The 2010 cost of service rate study completed by Galardi Consulting resulted in monthly base sewer charges for the first 550 cubic feet of water consumption. The base charge includes a component for the effect of inflow and infiltration (I&I) on the new wastewater treatment facilities. This I&I fee is a fixed amount per account. The other component of the base charge was established at four different rates to reflect the strength of effluent by class. The volume rates are determined from the non-I&I component of the base divided by 550 cubic feet. The new strength-based sewer rate structure was phased over three years, with the final phase implemented in August 2012. In August 2014 the sewer rates were increased \$3.50 for the I&I component of the monthly base charge only. In August 2015, both the components of the base rate were increased, as well as the volume rates.

Since the beginning of the new wastewater treatment facilities coming on line in fall 2012, the plant has experienced much higher I&I than expected during significant storm events. About a quarter million dollars were expended investigating and correcting I&I since 2013; including: purchase of five

manhole flow monitors, CIPP lining sewer mains, smoke testing, video inspection, and manhole repairs. Although we now have identified and plan the repair of damaged laterals and sewer mains in FY 2016-17 with the assistance of a \$75,000 bank loan, it is likely that monitoring and keeping I&I at reasonable levels will be an ongoing effort in the future. The I&I work completed in the past three years consumed a significant amount of the sewer utility reserves needed for the eventual replacement of the original MBR panels. The MBR panels were estimated to have a life of about ten years depending upon their use. The sewer rates were first established to meet the minimum requirements of the loan with DEQ, however, they do not allow for setting sufficient funds aside for the eventual replacement of the membrane units as they wear out (not eligible for SDC reimbursement) nor the high cost of periodic sludge removal from the facultative sludge lagoons. The August 2015 rate increase was a start in accumulating funds for those future needs, but increased operating cost reduced some of those gains. The proposed FY budget anticipates a rate increase to bring in an additional \$24,000 in total service fees over the current year-end estimate. To achieve the revenue estimate I propose an increase of \$1.50 per month in the base charge for the domestic/low commercial class, including the recalculated volume rates. The recommended rate changes for all classes are as follows:

<u>Class</u>	<u>August 2015 Base / Volume*</u>	<u>Proposed 2016 Base / Volume*</u>
Domestic/Low I&I	\$46.76 / \$.0841 <u>\$18.20</u> \$64.96	\$47.84 / \$.0870 <u>\$18.62</u> \$66.46
Medium I&I	\$56.58 / \$.1018 <u>\$18.20</u> \$74.78	\$57.89 / \$.1052 <u>\$18.62</u> \$76.51
High I&I	\$77.35 / \$.1352 <u>\$18.20</u> \$92.55	\$76.07 / \$.1383 <u>\$18.62</u> \$94.69
Very High I&I	\$92.58 / \$.1683 <u>\$18.20</u> \$110.78	\$94.72 / \$.1722 <u>\$18.62</u> \$113.34

*Volume rate is per cubic foot over 550 cubic feet.

Storm Water

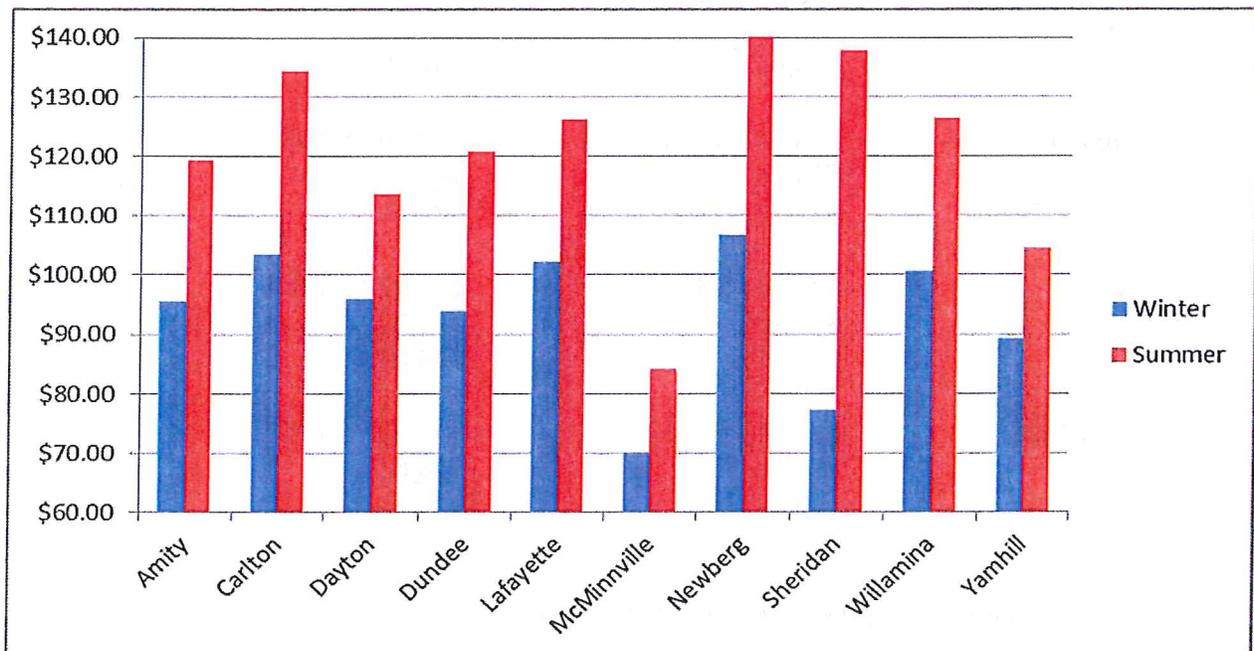
The storm water fee was first adopted in 1997 at the base rate of \$5.00 per month. The assumed impervious surface area per residence is 3,000 square feet. Commercial and multi-family (three or more dwelling units) are billed at a rate of the 3,000 divided by the base rate times the actual total impervious surface area for that customer. In August 2015, the base rate was increased to \$5.50 in anticipation of a 20-year DEQ (\$150,000). Instead of pursuing the DEQ loan, Council elected to take out a \$150,000 loan from US Bank with a seven year maturity. The loan will fund improvements that

increase the capacity to receive storm water from the Seventh Street facilities and improvements that will address recurring flooding at Charles Street. The proposed FY 2016-17 budget anticipates a rate increase to accommodate the accelerated repayment schedule. The recommend rate changes are as follows:

	<u>August 2015</u>	<u>Proposed 2016</u>
Residential (per dwelling)	\$5.50	\$6.00
Multi-Family/Non-Residential:		
Minimum Base	\$5.50	\$6.00
Per 100 sf of impervious area that is in excess of 3,000 sf.	\$0.1833	\$0.20

Rate Resolutions

The graph below represents the comparison of the existing residential combined water and sewer rates for the ten Yamhill County cities including the recommended rates for Dundee. Winter use is assumed at 600 cubic feet and summer use caps the sewer charges at 600 cubic feet, but calculates water charges at 1,500 cubic feet. A more detailed comparison is attached.*



*Does not include Dundee's proposed \$6.00 storm water fee or other related monthly utility fees collected by the following cities: Newberg storm water - \$8.67, Sheridan storm water - \$3.50 and Amity street fee - \$2.00

Following the Council's review and consensus on rate changes I will bring back resolutions for adoption at the May 3 meeting to go into effect August 1, 2016. This will allow publication of an article on the rate changes in the next City newsletter prior to the rates going into effect.

Comparison of Residential Water and Sewer Rates

		Winter Average			w/ Summer Water*			Comments
		400	600	800	1000	1500	2000	
Amity:	Water	36.73	42.00	47.26	52.53	65.69	78.86	No Base Allowance
	Sewer	49.19	53.60	58.01	49.19	53.60	58.01	No Base Allowance
	Total	85.92	95.60	105.27	101.72	119.29	136.87	
Carlton:	Water	46.78	52.64	59.58	66.52	83.47	101.22	No Base Allowance
	Sewer	50.86	50.86	50.86	50.86	50.86	50.86	Flat Rate
	Total	97.64	103.50	110.44	117.38	134.33	152.08	
Dayton:	Water	59.00	62.00	65.12	68.24	79.64	91.04	Minimum Base - 400 cu. ft.
	Sewer	34.00	34.00	34.00	34.00	34.00	34.00	Flat Rate
	Total	93.00	96.00	99.12	102.24	113.64	125.04	
Dundee:	Water	21.54	22.99	28.79	34.59	50.00	68.12	Minimum Base - 550 cu. ft.
	Sewer	66.46	70.81	88.21	66.46	70.81	88.21	Minimum Base - 550 cu. ft.
	Total	88.00	93.80	117.00	101.05	120.81	156.33	
Lafayette:	Water	45.82	49.05	53.28	58.57	73.12	87.67	Minimum Base - 300 cu. ft.
	Sewer	45.72	53.16	60.60	45.72	53.16	60.60	Minimum Base - 300 cu. ft.
	Total	91.54	102.21	113.88	104.29	126.28	148.27	
McMinnville:	Water	17.99	20.93	23.87	26.81	35.16	43.52	No Base Allowance
	Sewer	38.92	49.08	59.24	38.92	49.08	59.24	No Base Allowance
	Total	56.91	70.01	83.11	65.73	84.24	102.76	
Newberg:	Water	29.11	36.81	44.51	52.21	71.46	90.71	No Base Allowance
	Sewer	53.42	69.80	86.18	53.42	69.80	86.18	No Base Allowance
	Total	82.53	106.61	130.69	105.63	141.26	176.89	
Sheridan:	Water	26.92	40.38	53.84	67.30	100.95	134.60	Volume Rate Only
	Sewer	36.75	36.75	36.75	36.75	36.75	36.75	Flat Rate
	Total	63.67	77.13	90.59	104.05	137.70	171.35	
Willamina:	Water	35.41	41.15	46.89	52.63	66.98	81.33	Minimum Base - 750 cu. ft.
	Sewer	59.43	59.43	59.43	59.43	59.43	59.43	Flat Rate
	Total	94.84	100.58	106.32	112.06	126.41	140.76	
Yamhill:	Water	37.56	37.56	37.56	41.85	52.70	63.54	Minimum Base - 802 cu. ft.
	Sewer	51.68	51.68	51.68	51.68	51.68	51.68	Flat Rate
	Total	89.24	89.24	89.24	93.53	104.38	115.22	

* Assumes winter average use for sewer and 2.5 times winter average use for average August water (irrigation) consumption.

