

**CITY COUNCIL MEETING
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June 17, 2014**

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City of Dundee
City Council Meeting Minutes
June 17, 2014

Call to Order

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

Council and Staff Attendance

Council and Staff Attendance

Present: Mayor Ted Crawford, Councilors Jeannette Adlong, Jennifer Munson, Storr Nelson, Doug Pugsley, David Russ, and Tim Weaver. Staff members: Rob Daykin, City Administrator, Peter Watts, City Attorney, Shelby Rihala, City Attorney, Charles Eaton, City Engineer, Alan Mustain, Public Works Supervisor, and Debra Manning, Assistant City Recorder.

Public Attendance

Dave Huber, Waste Management, Faith Gerstel, American Legion Post 57, Lee Odell, CH2M Hill, Barbara Halle, PGE, and Deane Funk, PGE.

Agenda Changes:

Added New Business item 7.4 TE Project Update; to be discussed after item 7.1 Storm Water System Improvements.

Public Comment:

Faith Gerstel, American Legion Post 57, presented a commendation for meritorious service to Sergeant (retired) Tim Weaver, Newberg/Dundee Police Department for presenting the Gettysburg Address, from memory, at the Memorial Day Services for many years.

Consent Agenda

The motion was made and seconded to approve Consent Agenda items, 5.1 City Council Minutes, June 3, 2014 and Financial Report Ending May 31, 2014. **The motion** passed unanimously.

Old Business

Water Master Plan Update-Engineering Services Agreement

Request for proposals for a Water Master Plan update were issued in January. CH2M Hill's response, with a proposal for riverbank filtration as a cost effective method of acquiring water through the City's surface water right without substantial water treatment cost, stood out from the other proposals.

Lee Odell, CH2M Hill, working with Ground Water Solutions proposed an additional option of riverbank filtration using a groundwater (shallow) well to pull water through the ground from the river. Two options: 1) one with test well drilling (over the budget of \$120,000 for the Master Plan) and one without it. The log for well 4 notes a significant sand and gravel aquifer (sixty feet deep, thirty-three feet wide with thirty feet of clay), adjacent to the river. CH2M Hill suggests placement of a test well and a monitoring well in the area with test pumping to determine if it is hydraulically connected to the river and water quality testing to determine if the water is coming from the river or from upland areas. The Oregon Water Resources Department is concerned whether or not it is hydraulically connected to the river. If it is the water right will be amended to pull water from the ground. Oregon Health Authority is concerned with the risk of microbial contaminants entering the water. A water quality test will be completed; but it will not completely answer all water quality questions. Possible outcomes include:

1. the well is not hydraulically connected to the river and we can't use the surface water right for access to the ground water
2. the well is hydraulically connected, but the water quality test shows a high risk. The water right could be amended but the level of treatment would be costly
3. the well is hydraulically connected, the water quality test shows a low risk, the city would receive a filtration credit and the level of treatment would be fairly low

Odell noted in outcomes 2 and 3 the water could be used as a non-potable water supply until the city is ready to treat the water for a potable supply. Part of the study reviews how big the well needs to be to produce the full 2.5 million gallons under the water right. Water would need to be pumped during summer and winter conditions to review the water quality risk before we could receive final approval from the Oregon Health Authority. The city has the option to test for other contaminants. A riverbank filtration well could save the city a lot of money.

Public Works Supervisor Mustain inquired if well 4 could be placed into use. Odell replied that well 4 draws from the lower aquifer and might have water quality concerns which would require treatment. The well would not allow use of the surface water rights; but it could be reviewed to be added to a future facility or to be used as a replacement well in the same quarter section.

Councilor Pugsley questioned if river filtration could help with endocrine mimicking agents and pharmaceuticals filtration. Odell referred to a study which documented riverbank filtration doesn't remove everything; but it removes some of almost everything. He suggested the Council members review the report left with staff. Daykin advised if the well is hydraulically connected to the river without the water quality requiring more extensive treatment; then the water could still be used as non-potable water for irrigation purposes through a purple pipe system. Also, when the City decides to provide treatment at a later date then the well would serve as the intake and there would not be a footprint in the river; thus avoiding the environmental permitting issues and the cost for placing a structure in the river.

Councilor Nelson inquired if the distance from river improved the water quality. Odell advised the State does not require any tests if you are more than 350 feet from the river. Nelson inquired the distance from the river for the Boardman well. Odell estimated twenty to thirty feet. Nelson asked the best soil type for water filtration. Odell replied larger sand and gravel mean less filtration; more distance would provide a denser sand and organic material. Nelson questioned the long term degradation with riverbank filtration; such as silt problems. Odell referred to Aurora, Colorado; they have a riverbank filtration project where they do artificial recharge on the ground and then process the water through a treatment plant. They are seeing biological growth in their wells which is clogging their screens. The problem is the introduction of dissolved oxygen into the water.

Councilor Munson questioned the annual maintenance cost compared to other wells. Odell stated a well would typically need to be cleaned every five to ten years at an estimated cost of \$20,000 to \$30,000.

The scope of work will review the potential to have a lower pressure zone feed the Riverside District. This well could be a good candidate to feed a lower pressure zone.

Councilor Adlong asked for a better idea of what is 2.5 million gallons a day. Odell noted the current supply is estimated at 1 million gallons a day at total capacity. Projections from the feasibility study on recycled water show the need of 1.8 million gallons a day at full development; almost double the current supply. Daykin suggest the city will be dependent on the other wells for the long-term as it will be difficult to expand the City's water right on the river. The city will have to maintain its current wells and consider a purple pipe, recycled water,

system. Councilor Pugsley supports continued movement toward a purple pipe system. Daykin stated the feasibility study for the recycled water program showed substantial infrastructure cost to make it available to store and pump the water to new development; whereas non-potable river water is far less expensive. In the future we might want the river water to treat and then use the recycled water for the purple pipe system. Daykin noted that the river water right has a curtailment provision of 25% if river water flows are below certain thresholds throughout the year. If there is a curtailment issue on water from the river; the city will get a credit for water from the wastewater treatment plant into the river.

C. Adlong questioned the taste of the water from the riverbank filtration. Odell relayed it would be unknown until after the pump test.

Mayor Crawford asked if the well could provide water for Dayton, Lafayette, and McMinnville and if it would be too expensive. Odell estimated it would be too expensive to deliver water to them.

Staff recommends proceeding with Option 2 with the well drilling. Councilor Russ asked if there would be a cost difference for a smaller well. Odell replied that would be more evident after the pump testing. It will be shallow well, 60 feet of drilling, the cost difference could be minimal. Daykin shared the test drill will be on another piece of property; possibly north of well 4 and on Edwards' property. The drilling cost was originally higher with a cost to drill more than one exploratory well; there is some risk with going with one well. Odell stated the original proposal was a deeper test well and a couple monitoring wells with longer pumping at almost double the cost. They scaled it back and believe the current proposal is sufficient to establish the hydraulic continuity and the water quality tests.

Public Works Supervisor Mustain asked if well 4 could use the water supply from the upper aquifer, if it is determined it is not river water, under the water rights. Odell believes it is a possibility.

The motion was made and seconded to accept the Scope of Work Option 2 in the amount of \$134,700 and authorize the city administrator to execute the professional services agreement with CH2M Hill as approved by the city attorney. **The motion** passed unanimously.

Resolution No. 2014-07, Solid Waste Fees

Dave Huber, Waste Management (WM), was present to address follow-up questions from their presentation at the June 3rd Council meeting. This resolution adopts changes in garbage rates effective August 1st. Mayor Crawford inquired how the first Tuesday pickup went. Huber noted it went well; but the mailings went out late. C. Russ noted confusion with WM's phone messages. A draft of questions for the upcoming Dundee yard debris survey was presented to the Council. C. Pugsley suggested adding the wording "home/curbside collection in May" wording to clarify the difference between the curbside pickup and drop off at the bin disposal boxes. C. Adlong suggested amending question 6 to "choose between either two additional spring or two additional fall pickups". The Council would like to review the survey results during the August 5th Council meeting. Crawford noted that WM's website did not contain any information on the change of pickup days and suggested communication to the customers be updated. **The motion** was made and seconded to approve Resolution No. 2014-07, a resolution adopting solid waste and recycling service rates for Waste Management of Oregon, Inc. effective August 1, 2014. **The motion** passed unanimously. C.A. Daykin informed the Council that WM will send a notice on rate change, the information on the Saturday pickup program and the survey. The city will include the information the next city newsletter due out in July. C. Nelson suggested placement on the city's website and on Facebook.

Ordinance No. 531-2014, PGE Franchise

City Attorney Watts introduced Shelby Rihala, Jordan Ramis PC, who is representing the city with PGE. She will also cover Attorney Watts when he is not able to attend the Council meetings. Barbara Halle and Dean Funk from PGE were present. C.A. Daykin shared the existing franchise fee of 3.5 % will be maintained, imbedded in the rates. The City Council has the option to increase it to 5% with sixty day advance notice to PGE and a resolution. The additional fee will show on the customer's bill. C. Adlong questioned how it appears on the bill. Halle advised it is itemized as a privilege tax. State law identifies a privilege tax as the charge paid for the right to do business and have the facilities in the right-of-way (ROW). PGE will send notice to their customers prior to the increase. C. Pugsley asked if the communication can directly note the increase is for the undergrounding of the utilities along Highway 99W. Halle confirmed it could. She advised that PGE can also provide notice if the fee is set to sunset upon project completion.

C.A. Daykin relayed the city's desire to underground the Comcast and Frontier utility lines during the Transportation Enhancement (TE) sidewalk project. Staff expressed concern that if the city undergrounds the utility lines attached to the PGE poles (the PGE high voltage lines cannot be undergrounded) and another utility comes later to PGE with a request to hang their lines on the poles. An ordinance addressing the city's authority on the issue will be returned to the Council. PGE will abide by the Council approved regulation. City Attorney Rihala shared staff is working on the ordinance which will: fit into the existing code, address the 35,000 volt lines along Highway 99W, and also address future franchises. Funk asked if extra ductwork would be placed to accommodate future utilities along the ROW. The City Engineer confirmed that will be completed. Halle advised their pole attach agreement states that whoever attaches to a PGE pole has to comply with local law. Engineer Eaton noted that the city can declare safety zones around our own lighting facilities. He noted the city will have to mark our own electrical lines and we will have to develop policies for what will be placed on our poles, etc.

C.A. Daykin reminded the Council that the city has to decide what type of street lights will be in the Riverside District; option A LED lights or something different. PGE only offers Option A for LED lights. Halle noted option B is being phased out. The options are that PGE owns, maintains and provides the energy for the light or they provide the energy and the city owns the light.

The motion was made and seconded to adopt Ordinance No. 531-2014, an ordinance granting a renewal of the non-exclusive franchise with Portland General Electric Company (PGE) to operate an electric utility system in the City of Dundee, Oregon, including the right to place and operate this system in the public rights-of-way; fixing the terms and conditions for said franchise; repealing Ordinance No. 305 and extension under Ordinance No. 511-2012; and authorizing the city administrator to sign this agreement. **The motion** passed unanimously. Discussion on a 1.5% increase to the PGE franchise fee will be on the agenda for the July 15th meeting.

Resolution No. 2014-08, Adopt FY 2014-15 Budget

Changes to the FY 2014-15 budget from the June 17th meeting include: utility billing software to be purchased in FY 2014-15, deletion of dog license revenue since the City of Newberg is no longer providing the service, and deletion of the payment to the Newberg Animal shelter. The Mayor questioned the change to the Tourism Fund. Daykin noted the increase is from additional work on First Street landscaping moved to FY 2014-15 and an higher than anticipated increase in revenue from the Inn at Red Hills. **The motion** was made and seconded to approve Resolution No. 2014-08, a resolution adopting the 2014-2015 fiscal year budget, appropriating funds and levying property taxes for the fiscal year 2014-2015. **The motion** passed unanimously.

Resolution No. 2014-09, FY 2014-15 Salary Schedule

The salary schedule adopts the benefit package and salaries, with a 1.8% COLA increase, that were incorporated in the preparation of the fiscal year budget. **The motion** was made and seconded to approve Resolution No. 2014-09, a resolution establishing employee compensation ranges and the HRA VEBA contribution amount for fiscal year 2014-15. **The motion** passed unanimously.

Resolution No. 2014-10, Water Rates

The water rate reflects changes reviewed at the last Council meeting: a new volume rate for the higher volume users, a small reduction in base rates which accompanies the reduction in the base rate consumption allowance from 667 cu. ft. to 550 cu ft., and the previously approved hydrant water sales. **The motion** was made and seconded to approve Resolution No. 2014-10, a resolution setting water consumption rates and associated charges and repealing Resolution No. 2012-10. **The motion** passed unanimously.

Resolution No. 2014-11, Sewer Rates

The resolution includes the change to the flat fee rate of \$3.50 for all of the classifications to cover excess Inflow and Infiltration (I&I) calculations for the base rates. **The motion** was made and seconded to approve Resolution No. 2014-11, a resolution setting sewer rates and repealing Resolution No. 2012-09. **The motion** passed unanimously.

Resolution No. 2014-12, Storm Water Rates

The resolution changes the nonresidential customer to the minimum rate of \$5 per month; same as for residential customers. C. Nelson inquired who evaluates onsite mitigation. Daykin replied that would normally fall to the City Engineer. Engineer Eaton stated that staff will be developing policies for yearly inspections as part of the Total Maximum Daily Load (TMDL) requirements for discharging into the Willamette River. Daykin stated the fee's purpose is to offset the cost for people using city approved and reviewed mitigation techniques to allow a reduction in the System Development Charge (SDC) calculation. Nelson suggested consideration of a different fee for commercial and industrial versus residential applications. Daykin offered the option based on the actual cost of the review. Staff calculates the impervious surface areas for a new development under the SDC; the developer can mitigate the SDC charge with approved options and reduce part of the fee. C. Russ questioned the difference for the city engineer to analyze a small lot versus a large lot. Eaton confirmed there is. Daykin emphasized the city engineer only reviews the analysis submitted by the developer's engineer. **The motion** was made and seconded to approve Resolution No. 2014-12, a resolution setting storm water rates and associated charges and repealing Resolution No. 2012-19. **The motion** passed unanimously.

New Business

Storm Water System Improvements

Engineer Eaton passed out analysis sheets prepared by Michael Humm, Kennedy/Jenks Consultants. The Master Plan calls for replacement of everything along Highway 99W with up to forty-two inch pipes. The engineer who prepared the Master Plan assumed on the conservative side. There are possibilities to subdivide the basin along the highway into multiple basins that will reduce cost. Eaton suggested splitting the runoff from the hill between Fifth (down to Edwards Drive), Seventh, and Ninth streets. The highway system cannot handle the storm water inflow at Seventh Street; where it overloads the highway piping. The 12th and Maple Wine Company will place a storm water pipe along their frontage parallel to the railroad tracks to act as a collector for their property. They own from Parks Drive to Eleventh Street; with vacant property from there to the Fire Hall. Staff's suggestion is to improve the section from Seventh Street to past the Fire Hall; this would allow the rest of the system to work. A thirty-six inch pipe would run parallel to the railroad tracks, but out of the railroad ROW, down the vacant properties. The 12th & Maple

Wine Company needs a fifteen inch pipe; they would receive SDC credits for installing the oversized thirty-six inch pipe. Proceeding in this direction would reduce the cost to the city with most of the improvements the responsibility of the developer.

C. Russ confirmed the question is to take a twenty-one inch pipe from Seventh Street to Eighth Street and a twenty-four inch back to the railroad tracks. Engineer Eaton offered a possibility that we could extend the line to the back corner by the Fire Hall and let it run out above ground into the railroad ditch as the pipe is located at eighteen inches underground at that point. The question is do you want the pipe exposed. Another question is whether to install a twenty-one inch pipe parallel to the twelve inch pipe or two eighteen inch pipes at basically the same cost. The twenty-one inch pipe would require a reinforced concrete cap. Staff is suggesting two eighteen inch pipes. Placement of the parallel pipe would be an estimated additional cost of \$72,000; placement of a bore would be an estimated \$101,000. Eaton believes that a major cause of storm water issues at the Fifth Street intersection occurred when ODOT severed the connections to the old storm water system during the improvements to the intersection. He cautioned that we need to be aware of the drainage to the railroad ditches to prevent damaging them. Eaton noted that Tenth Street already drains to the railroad ditches. C.A. Daykin noted \$98,000 was included in the budget for this type of project. Eaton estimated the full cost of the project at \$101,000; but it does not include an easement along Bergstrom's property. He suggested keeping the twelve inch pipes connected and continuing to utilize them and he recommended the use of larger pipes in the project. The majority consensus was to move forward with the project.

TE Update

ODOT is not progressing on the project and it could be February before they are ready with their Phase 2. They will not allow their water quality subcontractor to move forward with this project until the Springbrook section of the Bypass is completed. This causes design issues for the city engineer without information on the storm water connection at Eleventh Street and electrical information on the drops and power pole connections.

DKS Associates planned to use one controller; which would mean two expensive bores underneath Fifth Street. Eaton asked them to review their plan and to consider use of two controllers. The City Engineer can proceed with work from Third to Fifth streets; but he needs the electrical drop information for Fifth to Tenth streets. He expressed concern at the amount of funds that ODOT is expending from our engineering budget. He noted that we could cancel ODOT's contract and hire our own engineers; it would give us more control, cost us more and not save us any time. Daykin believes DKS Associates can complete the work in a timely manner; after they resolve their contract issues with ODOT. He suggested we separate out the work that we can't address with the storm water connections between Phase 1a and Phase 1b. Eaton cautioned the unit price might not be good on the Phase 1b dependent on the split. Daykin suggested addressing the storm water improvement from Seventh to Eighth streets, the Eleventh Street improvements, and the part of Eighth to Tenth streets and from Third to Seventh on the river side of the highway.

After further discussion the majority Council consensus was to move forward with the whole project. Mayor Crawford will follow up with contacts to facilitate moving the project forward. Eaton sent the mandatory utility relocation to ODOT two months ago and they have not addressed it. Daykin noted the utilities have ninety days to respond after they receive ODOT's notification. The city can notify the utilities. City Attorney Watts concurred that the city can move forward on the utility relocation notice.

Resolution No. 2014-13, County Roads Transfer

Yamhill County agreed to the transfer of four county road segments to the City: 1) Parks Drive, from Highway 99W to Fulquartz Landing Road, 2) Fulquartz Landing Road, from the south right-

of-way line of Parks Drive south 900 feet, 3) Niederberger Road, from Highway 99W to the west right-of-way line of Charles Street, and 4) Ninth Street from Alder Street to the point where the west line of Red Hills Subdivision #1 intersects with the right-of-way of Ninth Street (at the point where the city limit leaves the centerline of Ninth Street and turns 90 degrees to the north. In exchange for the transfer the City will receive the funding negotiated with ODOT for the use of the county road segments. A subsequent agreement with the County will follow, since the segments are partially located outside of the city limits, stating that the city will be responsible for maintenance of the county side of the roads transferred. **The motion** was made and seconded to approve Resolution No. 2014-13, a resolution accepting an offer from Yamhill County Roads to transfer jurisdiction of portions of Yamhill County roads to the City of Dundee. **The motion** passed unanimously.

ATV Utility Vehicle Bids

Public Works Supervisor Mustain relayed their current ATV is fourteen years old. The unit is used for meter reading. The department is requesting a new ATV, which would allow the old ATV to be available for use by temporary help for landscaping and trail work. C. Nelson inquired if there are available funds in the budget for the purchase. Mustain confirmed funds are available. **The motion** was made and seconded to accept the bid from Taylor Motorcycles for a 2014 Kawasaki Mule 610 4x4 at the price of \$7,650.00. **The motions** passed unanimously.

Council Concerns and Committee Reports

C. Adlong expressed her concern for ongoing light pollution from the 12th and Maple Winery. The Council had previously discussed shielding for their lighting and the issue remains unresolved. She directed attention to an additional area light on a PGE pole in the ROW on the other side of Maple Street which should also be shielded. Daykin questioned the City Engineer if the winery's application proposed any exterior lighting. Eaton replied they didn't propose any post mounted lights; he is unaware of side mounted lighting which would be reviewed by the Building and Planning departments. Daykin will make PGE aware of the floodlights attached to PGE poles and see how they respond. Mayor Crawford supported readdressing the lighting issues with winery. Staff will follow up with 12th and Maple Winery.

Councilor Munson inquired if the city had been contacted by the Fueled by Fine Wine Half marathon group. Daykin advised staff has not had any contact. He noted a parade permit would be handled by the Newberg/Dundee Police Department; whereas the noise issue should come before the Council. Mayor Crawford will follow up with the group and C.A. Daykin will follow up with the police department.

The Tourism Committee has field note books ready to go into the Fueled by Fine Wine swag bags. There will be extra for future tourism usage.

A tourism kiosk with access to the Travel Dundee Oregon website is now located in the Ponzi Bistro.

Mayor Crawford asked if notice had been sent to Hillary's Coffee shop to remove the sandwich boards from the ROW when the shop is closed. Daykin replied notice has been sent; staff will follow up on compliance.

C. Adlong expressed concern with the three used cars near Fifth Street and Highway 99W. Daykin replied they are allowed if they are his personal vehicles.

Mayor's Report

The Bypass bids for the Dundee section were awarded and came in at \$36 million; less than the expected bid amount of \$40 million.

City Administrator's Report

Information on the League of Oregon Cities' biennial survey was distributed to the Council. The Council will be polled for the top four priorities at the next meeting.

ODOT will make a presentation at the July 15th meeting addressing the aesthetics for the Bypass overpass.

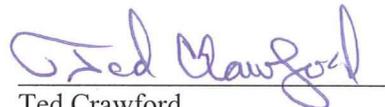
Notice has been sent for the Planning Commission hearing scheduled for July 16 on the Development Code changes.

PGE did not connect the electrical power to the Fire Hall this week, which will delay the planned partial occupancy. The Chief is now looking at waiting until the building is completed before moving in.

Public Comment:

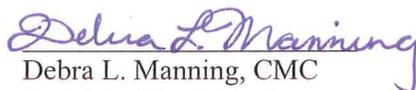
None.

The meeting was adjourned at 9:31 P.M.



Ted Crawford
Mayor

Attest:



Debra L. Manning, CMC
Assistant City Recorder