

**CITY COUNCIL MEETING  
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June 19, 2012**

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**City of Dundee  
City Council Meeting Minutes  
June 19, 2012**

**Call to Order**

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

**Council and Staff Attendance**

Present: Mayor Crawford, Councilors Adlong, Munson (7:24), Miller, Nelson, Pugsley, and Reddell. Staff members: Rob Daykin, City Administrator, Jeff Bennett, City Attorney, Dave Monson, City Engineer, Alan Mustain, Public Works Supervisor, and Debra Manning, Secretary.

**Public Attendance**

Brian Ginter, MSA, Larry Eaton, GSI Water Solutions Inc., Matt Kohlbecker, GSI Water Solutions Inc., Joyce Colling, Dundee Woman's Club, Becky Tuning, and Roxanne Contini.

**Agenda Changes**

Item 8.3 Resolution No. 2012-12 accepting the results from the May 15th General Obligation bonds election for a new Fire Station was added to the agenda. Items: Old Business 7.2 Resolution No. 2012-06 and New Business 8.1 Water Bill Appeal were relocated after the Consent Agenda.

**Public Comment**

None.

**Presentation:**

**Intermediate Water Supply Feasibility Analysis**

Brian Ginter, MSA, introduced Matt Kohlbecker and Larry Eaton of GSI Water Solutions, Inc. They were present to give a preliminary report of the near-term water supply analysis. The current ground water supply produces approximately one mgd. The current maximum day demand is .92 mgd. Demands are expected to exceed the capacity of supply in next few years. The 2005 test well results indicated that additional ground water development would not meet the city's long-term needs. The recommended long-term option was Willamette River water, but the cost and challenges associated with development are much more expensive. Near-term options being considered as interim supply options include:

- City springs: they have not been used for thirty years. The city has .35 mgd water rights. They are seasonal with a peak flow of 55 gpm, a low flow of 6 gpm in the summer, and an average flow of 25 gpm. They are not a viable source for the peak summer demand. They have the potential for a limited winter season gravity supply and limited potential as an ASR recharge source. Next steps include: develop the source, a microscopic particulate analysis (MPA) at an estimated cost of \$6,000 for 2 sites which will determine if it is influenced by surface water, reconnect the piping, and disinfect with chlorine. If it is under the influence of surface water, it must be treated with ultraviolet lamps, an expensive option for the flow rate.
- Harvey Creek: The city has .16 mgd water rights. There are no water quality fatal flaws. The creek has a high variation in flow through the seasons. Developing the source would require: a creek intake facility, a pump, a packaged membrane treatment system and chlorine. The winter flow exceeds the water right (130 gpm), but drops to 13 gpm in the summer peak season. The creek is a potential recharge supply for ASR at an estimated cost of \$600,000 to \$700,000.

Matt Kohlbecker, GSI Water Solutions Inc., reviewed Aquifer Storage and Recovery (ASR: the storage of water in an aquifer during low demand periods for usage during peak demand). Councilor Adlong asked if there isn't natural recharge of the well during the winter. Kohlbecker replied ASR enhances the natural recharge. The city of Lafayette has successfully implemented ASR. Dundee has existing infrastructure, the test well, that can be used to store water from the creek and/or springs. Lafayette takes water from Bluebird Springs into Well 10 as storage over the winter for use in the summer. They have just completed their first year of ASR testing with a ninety day cycle, placing 3.5 million gallons of water in the ground. They are recovering the water now with no adverse impacts to the well. Harvey Creek and the test well could be a good match for ASR with an estimated injection of 18 million gallons and a recovery of 200 gpm over sixty days. Next steps include review of the compatibility of the creek water and the ground water, an ASR limited license, engineering at the test well, and the pilot testing process. Daykin questioned the winter flow rate exceeding the water right. Ginter advised the city could likely acquire a water right to cover the gap between 112 to 130 gpm during the winter and other options could be considered.

- Develop the Test well as a peak season supply at an estimated cost of \$300,000
- ASR with the Test Well: estimated costs would include the limited license at \$30,000 and \$15,000 for ASR annual reporting

Public Works Supervisor Mustain suggested a two phase approach using Harvey Creek water to allow the nearby wells to regenerate, while pursuing an ASR system.

Mayor Crawford inquired the cost of infrastructure for the test well. Eaton estimated \$50,000 to equip the well for ASR.

Mustain asked for an expected timeline for ASR. Ginter replied an estimated six months for the permit and an estimate of a year to the injection of water and testing. Kohlbecker added the limited license allows the city to determine system size. Lafayette is on two year plan.

C. A. Daykin asked the recovery rate for 18 million gallons injected into the aquifer. Ginter responded 95% is expected.

City Engineer Monson inquired the expectation of production from the developed test well. Eaton confirmed it would be a short-term option. If you take more water out of the aquifer than it can recharge, the well will fail in time. He suggested not investing in Harvey Creek, by itself, with the associated cost. Ginter stated that none of the options or even all of them together will solve the long-term supply issues; they will buy time to develop a long-term water source. Monson asked if the abandoned well by the river has been considered. Ginter replied it could be considered. Mustain informed the Council that the water from that well was determined to be surface water which would require treatment and was not pursued. Monson suggested consideration for a scope of work to determine the possible use of the river well.

Councilor Nelson asked for a cost per gallon comparison between development of Harvey Creek and going to the river. Ginter confirmed Harvey Creek/ASR project would be substantially more on a cost per gallon basis than a treatment plant using the Willamette River. The Willamette River treatment plant project would have a significantly larger investment and operating cost, but would process more water.

Councilor Pugsley questioned the estimated cost for a water treatment facility for Willamette River water. Ginter replied an estimated \$5 million plus property costs. Mayor Crawford noted development of the test well could supply an estimated 200 additional households during peak

demand. Daykin noted growth from an additional water supply could focus the revenue burden on future development. Development of the test well into a production well was included in the budget. He inquired the cost of additional analysis to help determine the size of the facility. MSA will provide an estimate. C. Pugsley asked if the information on the test wells' recharge could be provided from the data logger installed years ago by Oregon Water Resources Department. Eaton advised the data can be reviewed to determine how the well is doing.

Ginter recommended: 1) proceed with MPA analysis for the spring source, 2) develop the test well for peak season supply, and 3) consider pursuing an ASR limited license and development of the surface water supply for injection. A more detailed financial analysis on the intermediate supply issues will be brought back to a future Council meeting.

## Consent Agenda

**The motion** was made and seconded to approve Consent Agenda items 6.1 City Council Minutes, June 5, 2012 and 6.2 Financial Report Ending May 31, 2012. **The motion** passed unanimously.

## Old Business

### Resolution No. 2012-06, Adopt FY 2012-13 Budget

The resolution was prepared on the Budget Committee's recommended approved budget. Council may make changes; increasing expenditures is limited to the greater of 10% of the fund total or \$5,000. C.A. Daykin shared the Dundee Woman's Club received a conditional use permit contingent on a non-remonstrance agreement being executed for 10th Street improvements. The restoration of the building has started. If it is confined to the existing footprint, they do not need a conditional use permit with its additional requirements.

Joyce Colling, Dundee Woman's Club, shared the expectation (sometime in the distant future) to replace the stage, which burned in the 1970's, and add new ADA restrooms (replacing the current ones built after the fire). The main building is currently being restored following procedures for restoration of historic buildings. Colling submitted the funding request without a dollar amount to allow the Council to decide from available funds what the community center merited. She noted that the Dundee Garden Club, a sub-club of the Woman's Club, provides gardening services to the city and the hall is open to use for all Dundee citizens without charge.

After further discussion **the motion** was made and seconded to contribute \$1,400 for the Dundee Woman's Club Community Center restoration project from the State Revenue Sharing fund. C. Adlong noted that the contribution to Your Community Mediators was omitted from the list in the packet. Daykin confirmed that the expenditure to YCM is \$700 and is included in the memo and budget totals. **The Vote:** Mayor Crawford-aye, Adlong-aye, Miller-Aye, Munson-aye, Nelson-aye, Pugsley-aye, and Reddell-abstain. **The motion** passed six in favor and one abstention. This increases the appropriations for the State Revenue Sharing Fund to \$29,000, the line item for Materials & Services to \$19,000, and Total all Funds appropriations to \$19,236,100. **The motion** was made and seconded to approve Resolution No. 2012-06 the 2012-2013 fiscal year budget with amendments described and levying property taxes for the fiscal year 2012-13. **The motion** passed unanimously.

## New Business

### Water Bill Appeal

C. A. Daykin shared a high April water use for 860 SW Upland Drive, where no leak was discovered. The water usage is back to normal. In the past, if the Council found that the excess water did not enter the sewer, a credit was given on the excess sewer charges. Daykin noted that

if the high water use occurred one month later, then the sewer charges would have been based on the winter average and there would not have been any additional sewer charges.

Becky Tuning, property owner and account customer, shared that they do not use any water outside for the lawn or anything else. There was no explanation for the water usage, no change to their water habits, and no wet spots or changes to the property/landscaping.

C. Pugsley inquired when city staff came to check for a leak. Tuning advised the City crew checked for a leak the day they received the bill and didn't find anything.

**The motion** was made and seconded to reverse the extraordinary sewer charges incurred in the April 2012 billing for 860 SW Upland Drive by \$381.13 finding that the high water use for the bill did not likely enter the sewer system. **The motion** passed unanimously.

## **Old Business**

### **Well No. 3 Pump House Project**

City staff met with the City Engineer, representatives for Keizer Excavating, Blazer Industries, and the electrical engineer to review the proposed bid for Well No. 3 pump house. The Council was presented with the revised bid.

Engineer Monson advised the bid amount was reduced by \$38,532 to \$131,878. The Engineer's recommendation is to award the bid to Keizer Excavating in the amount of \$131,878.

C. Reddell expressed concern for the high cost of the project and questioned the size of the project. Monson advised it is about twice the size of the current building to properly accommodate chlorine storage. The design is low maintenance and high durability with an expected lifespan from 50 years (with minimal maintenance) to 100 years (well-maintained). The electrical work is a major expense. Other facility options could be considered to reduce the project's cost.

Mustain noted the electrical needs of the building need to be updated with the telemetry for wells 9 and 10 and the Martsoff wells housed there.

C. Munson asked for a breakdown of costs. The majority consensus was for the engineer to bring back cost options for wood and metal buildings and a breakdown of the costs in the bid. Daykin noted that the city has incurred costs for the project with the design services. Engineer Monson will bring back alternates.

### **Resolution No. 2012-07, Outdoor and Temporary Uses**

This returns at Council's direction to the City Planner to initiate an amendment to the Development Code on the limitations to outdoor and temporary uses.

C. Nelson asked for the history of the issue. Daykin advised there is a temporary use permit for the BBQ at Highway 99W and 9th Street, who plans to remodel and continue the operation as a walk up/take out restaurant. Their temporary use permit for 90 days will expire and the code is unclear if they can stop use on day 89 and renew two days later for another 90 days. The limitation of use on outdoor dining states that outdoor dining cannot exceed 75% of the interior dining; there is no interior dining at this location and the limitation on use does not allow outdoor cooking. It was noted that other restaurants are also cooking outdoors.

**The motion** was made and seconded to approve Resolution No. 2012-07, a resolution initiating an amendment to the Dundee Development Ordinance relating to the limitation on outdoor uses

provision in the Community Commercial Zone and the Central Business District Zone and initiating an amendment related to the duration of permitted temporary uses in Dundee. **The motion** passed unanimously.

### **Resolution No. 2012-08, Suspend Enforcement on Outdoor Uses**

The resolution addresses Council's direction regarding suspension of enforcement of the current rules on the limitation of outdoor uses for 90 days, with a change to 180 days at the suggestion of the City Planner.

**The motion** was made and seconded to approve Resolution No. 2012-08, a resolution of the Dundee City Council directing staff to suspend strict enforcement of the Development Ordinance related to limitations on outdoor uses in the Central Business and Community Commercial Districts for a specific period from June 20, 2012 through December 20, 2012.

C. Adlong questioned how this would affect a new application during this timeframe. Daykin noted this would be similar to the plant sale location addressed by the Council a few years back. Staff will have to inform the prospective business of the current code and that it may or may not change. Adlong noted the resolution addresses outdoor uses and questioned if the wording opened the door to options the Council doesn't want. City Attorney Bennett suggested wording that there are specific types of activities which will not be enforced in the timeframe noted, while the Planning Commission reviews the code.

**The motion** was made and seconded to amend Resolution No. 2012-08, Section 1: City staff is hereby directed to suspend enforcement of the provisions of sections 2.106.04(A) and 2.107.04(A) of the Dundee Development Ordinance to allow outdoor dining and cooking. **The motion** passed unanimously. **The motion** was made and seconded to approve Resolution No. 2012-08, as amended. **The motion** passed unanimously.

### **Resolution No. 2012-09, Setting Sewer Rates**

The resolution implements the third phase of the sewer rate structure proposed in 2010. The Council reviewed the status of the sewer rates at the May 15, 2012 meeting. The rates will become effective August 1st. **The motion** was made and seconded to approve Resolution No. 2012-09, a resolution setting sewer rates and repealing Resolution No. 2011-08. **The motion** passed unanimously.

### **Water Project Loans**

The City has approval for two loans with the State (\$1.1 million) for the construction of the cemetery reservoir and the water main from the reservoir to the Upland reservoir. Cash resources were used for the projects. The loans can be used to provide cash resources to address other projects. The approved budget assumes taking advantage of the loans. The loans do not have prepayment penalties. The deadline for the decision to use the loans is October 23rd. Staff has recommended a rate adjustment to water to help provide relief to the rate payers in consideration of the high sewer rates. This will reduce revenue in the Water Fund by an estimated \$84,000. The Water CIP Fund is anticipated to have about \$300,000 on July 1st, with an anticipated transfer of \$270,000 from the Water Fund and \$793,000 in capital projects. Daykin anticipated loaning funds from the Water CIP Fund to the Equipment Reserve Fund to finance the city shops project with a payback of five years.

Councilor Reddell inquired if the current expenditures for the Wastewater Treatment Plant and the Fire Hall will affect the City's financial rating for future funding for the Willamette River water facility. Daykin noted it depends on the type of debt: revenue bond debt repayment is typically exclusive from the system whereas full faith and credit considers the City's potential to

repay from other sources. Reddell asked if the current water rate should be maintained to provide funding for the city shop relocation. Nelson expressed concern that a water rate discount will go a long way to build goodwill with the citizens. Daykin offered the ASR appears to be too expensive for what it will provide on an interim basis. If the ASR project is not selected, then the Council may decide to take only part of the loan funding with lesser debt service. The majority consensus was to table further discussion to a later date following review of a refined analysis of the intermediate supply options.

C. Adlong suggested a decrease to the base (667 cu. ft.) for water consumption. Daykin noted the winter average was presumed to be 667 cu. ft. (5,000 gallons), but the actual winter average has declined to about 610 cu. ft. in recent years. This is probably a response to the sewer rates. The problem for the water system is higher demand occurs during the summer months. He suggested consideration for additional high volume tier rates and a review of the water rates early in 2013.

### **Resolution No. 2012-10, Setting Water Rates**

The resolution includes the addition of charges for hydrant water sales, which the Council adopted by motion a few years back. **The motion** was made and seconded to approve Resolution No. 2012-10, a resolution setting water consumption rates and associated charges and repealing Resolution No. 2009-06. **The motion** passed unanimously.

### **Fire Station IGA**

The final draft includes the Rural Fire District's request for a dedicated office space. The Rural Fire District approved the IGA last night and is moving ahead with their bond sale. They requested inclusion of language guaranteeing the City is prepared to sell bonds when Rural Fire starts selling their bonds. City Attorney Bennett counseled Rural Fire need assurance that the City will have funds available to allow them to obtain underwriting for their bond sale. Daykin noted staff is moving forward with the application to USDA Rural Development working on the conditions including identifying property, an environmental review of the property, and a site plan. Once approval is received, the City will have to obtain interim financing for the property purchase, the design, and the construction. USDA will reimburse after completion of the project. The city will incur costs for: bond counsel, financial services, etc. If the Rural Development loan doesn't occur the city will have to issue our own debt for the financing.

C. Pugsley questioned if the City is locked into a set dollar amount by the bond measure and expressed concern to build the most efficient structure. Daykin shared the City's authority is \$2,578,000, which may not all be used. Mayor Crawford confirmed that funds from the sale of the current fire hall property it is not a part of the agreement.

**The motion** was made and seconded to authorize the City Administrator to execute the intergovernmental agreement between the City of Dundee and the Dundee Rural Fire Protection District. C. Nelson inquired when the request for an office was received from the District. Daykin replied it was a late request. They will be able to use the office for the term of the agreement. **The motion** passed unanimously.

## **New Business**

### **Resolution No. 2012-11, FY 2012-13 Salary Schedule**

The resolution adopts the 2012/2013 salary schedule, which includes a 3% COLA based on the same methodology used in the past and continuing the \$113 monthly contribution to the HRA VEBA account for eligible employees. Job descriptions for the city staff are being updated. **The motion** was made and seconded to approve Resolution No. 2012-11, a resolution establishing employee compensation ranges and the HRA VEBA contribution amount for the fiscal year 2012-13. **The motion** passed unanimously.

### **Resolution No. 2012-12, Declares Passage of Measure 36-152**

The election information was received from the County Clerk today acknowledging the results that the Fire Station bond measure passed. **The motion** was made and seconded to approve Resolution No. 2012-12, a resolution accepting the abstract of votes regarding the City of Dundee \$2,578,000 general obligation bonds election for a new Fire Station. **The motion** passed unanimously.

### **Council Concerns and Committee Reports**

Councilor Munson updated that the Tourism Committee has received the preliminary logo designs and a marketing plan. Committee members did not provide much feedback on the choices. The proposed logos were presented to the Council and reviewed. C.A. Daykin shared the intent to apply it as the City's logo on city signs, vehicles, letterhead, website, etc. There is a tentative committee meeting scheduled for Friday to provide the consultant with further direction. The Council suggested a mixture of options eight and nine, with a tie to the river, the fields and the hills without the shield/glass border. C. Adlong questioned the fonts. The majority consensus was in favor of the fonts in options #1 and #2's without the script for "Oregon".

C. Munson judged (in Mayor Crawford's place) a car show on Sunday at Dundee Covenant Church, selecting a 1955 Chevy Bellaire for the Mayor's Choice. The Pastor's Choice was won by a Stingray with a 1939 Cadillac taking the People's Choice.

### **Mayor's Report**

Fortune Park update: City Attorney Bennett advised that response is pending from CPRD's attorney, Allyn Brown. Counsel will prepare a revision to the agreement incorporating a choice of four or six months for prior notice to a demand for improvements to Locust and Maple streets to be made, which would give CPRD time to determine funding sources for the improvements. Daykin noted the focus is on Locust Street, which the city wants to regrade. This would allow CPRD time to work with a developer prior to the improvements versus the City imposing a Local Improvement District (LID). The Mayor shared that work has started on installation of the basketball court equipment. Daykin noted that CPRD has not completed the dedication of Maple Street or the partition. Counsel shared that CPRD's attorney relayed the Board's displeasure with the requirement to complete the street improvements. The agreement will be presented to Attorney Brown and Don Clements, CPRD.

The Worden Hill Pedestrian/Bicycle path has been completed; the striping will be placed when the weather permits.

### **City Administrator's Report**

Staff met with ODOT and Tonya Sanders, YCTA, to discuss the Transportation Enhancement (TE) grant. The consensus was not to install bus pullouts to address the problem of traffic on Highway 99W being impeded by the bus stops at Ninth and Tenth streets. A consideration is to relocate the stops by the Eighth Street intersection, which would not involve TE grant improvements. ODOT is still working on design for the highway surface preservation project. DKS Associates will provide lighting options to the Council at the July 3rd meeting.

Water leak testing discovered several minor leaks. The staff recommendation was to discontinue testing at this time, focus on resolution of the located leaks, and consider additional leak testing at a later date.

Staff attended the first Yamhill County Emergency Plans meeting; funded by a county grant to help the eight smaller cities in the county prepare emergency operations plans.

The Waste Water Treatment Plant startup will be delayed until after July 4th, but it is not expected to change the fall completion date.

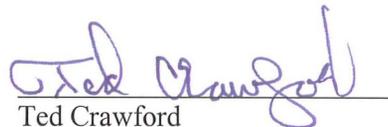
Staff has been reviewing additional options to augment the budget for the new Fire Hall, such as acquiring an emergency generator through Yamhill County Emergency Services' grant process, a grant for the vehicle exhaust system through the Homeland Security Program, and the use of a grant writer with consideration to incorporate the use of the training room as a community meeting room. The grant writer's initial fee is \$1,900, which was not included in the budget. The majority consensus was in favor of proceeding.

**Public Comment**

None.

**Executive Session:**

The City Council entered Executive Session at 10:31P.M. in accordance with ORS 192.660 (2) (e) to conduct deliberations with persons designated by the governing body to negotiate real property transactions. Executive Session ended at 10:59 P.M. and the Council did not reconvene.

  
Ted Crawford  
Mayor

Attest:

  
Debra L. Manning, CMC  
Assistant City Recorder