

CITY OF DUNDEE
CITY COUNCIL MEETING
Fire Hall Community Room

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

JULY 5, 2016 7 - 9 PM.

Times printed are estimates. Actual time may vary.

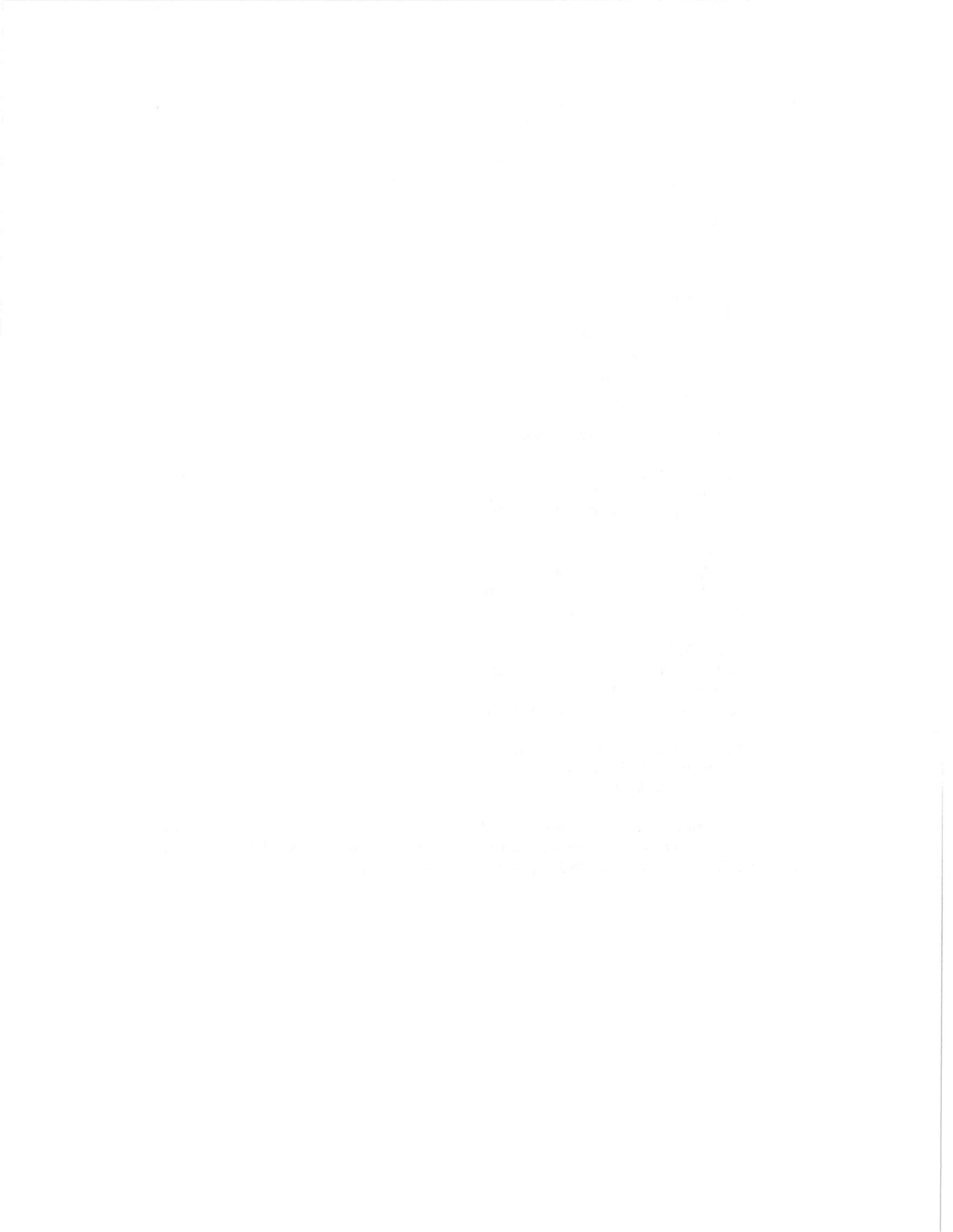
1. Open Regular City Council Meeting
2. Pledge of Allegiance
3. Amendments to the Agenda, if any
4. Public Comment: Each speaker will be allowed up to 5 minutes to speak after being recognized by the Mayor. Out of courtesy for the speaker, please refrain from talking.
5. Consent Agenda: The following 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, June 21, 2016 Pages 1-10
Action Required: Motion to Accept the Consent Agenda
6. Old Business:
 - 6.1 Resolution No. 2016-17, Bypass Construction Savings Pages 11-12
Action Required
 - 6.2 Urban Renewal Plan Proposal Pages 13-18
Action Required
 - 6.3 Sewer System Repairs Bids Pages 19-20
Action Required
 - 6.4 WWTP MBR Maintenance Quotes Pages 21-22
Action Required
 - 6.5 Ordinance No. 548-2016, Helicopter Landing Nuisance Pages 23-24
Action Required
7. New Business:
 - 7.1 2017 SCA Grant Program Pages 25-26
Discussion
 - 7.2 LOC Legislative Issues Survey Pages 27-46
Action Required
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)(h) to consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.
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
3. City Council
 - 3.1 Update SDC Methodologies
 - 3.2 LID 2013-01 Final Assessment Ordinance
 - 3.3 Urban Renewal Plan
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. 548-2016
 - 5.2 Resolution No. 2016-19

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.



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City of Dundee
City Council Meeting Minutes
June 21, 2016

Call to Order

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

Council and Staff Attendance

Present: Mayor David Russ, Councilors Jeanette Adlong, Storr Nelson, Kristen Svicarovich, Tim Weaver, Doug Pugsley, Ted Crawford. Staff members: Rob Daykin, City Administrator; Shelby Rihala, City Attorney; Jessica Pelz, City Planner; Greg Reid, City Engineer; Melissa Lemen, Administrative Assistant.

Public Attendance

Tess Fields, Comcast; Renata Wakeley, Mid-Willamette Valley Council of Governments; Tom & Kay Edwards, River Farms, L.L.C.; Larry Anderson, River Farms, L.L.C.; Darrick Price, River Farms, L.L.C.; Rod Grinberg, Lindquist Family; Nathan Bean; Brian Rupp

Agenda Changes

Item 6.4, Block Party Application, Brian Rupp was added to the consent agenda.

Public Hearing: LURA 16-06, Code Amendment – LI Zone Design Standards

Mayor Russ called the hearing to order at 7:01 P.M. to adopt design standards for industrial development.

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. Pelz notes that although the City has talked about setting design standards for industrial development for quite some time, now is a good time to proceed with development picking up. Pelz reviewed the proposed amendments, noting that some also amend several existing code sections, such as fence standards. A section is being added stating that fences in the industrial zone which are taller than 6 feet can't be chain-link, and that fences shall not exceed 8 feet tall except where used for outdoor storage and not adjacent to the right-of-way. Pelz noted that we are also adding a section for minimum landscape area, increasing it from 6% to 10% of the gross lot area. Also, rooftop mechanical equipment has been added to the list of things that should be screened and buffered from view. Pelz noted that added was a section to the parking lot landscaping and screening standards where any parking area of drive aisle adjacent to lot lines gets some additional landscaping and screening as well.

Public Input:

None.

Questions from Council:

Mayor Russ asked for clarification of Item 1 of the General Standards under 17.202.050 Fence Standards which Pelz reviewed. Mayor Russ noted that if barbed wire fencing was needed in the future in the industrial zone area, we could potentially change the design standards to allow that. Adlong expressed concern that at this time she feels the City should be getting away from barbed wire fencing, and possibly expand the prohibition of barbed wire fencing through all of the zones in the future.

Opponents:

None.

Deliberations:

C. Crawford inquired about how adoption of these amendments would affect present fencing that might not be in compliance. Planner Pelz responded by explaining that when new standards are adopted, it is not required that nonconforming things be brought into compliance until updates/changes are made. At C. Adlong's request, Pelz explained the details of the landscape requirements under Ordinance No. 547-2016, comparing the look of the layout as similar to the Dundee Fire Station. Mayor Russ inquired about the number of parking spaces required and Pelz explained that the number is usually based on one parking space per 300 SF of gross floor area, or 700 SF, depending on what the use is. C. Svicarovich inquired about whether there is a preferred plant list for landscaping. Pelz responded that there is not a specified list, but generally a mix is specified.

Ordinance No. 547-2016, Design Standards for Industrial Development

The motion was made and seconded to adopt Ordinance No. 547-2016, an ordinance amending the Dundee Development Code to add design standards for industrial development. **The motion** passed unanimously.

Public Comment

Nathan Bean, 660 SE Locust Street, approached the Council with his request that the City ordinance pertaining to the keeping of chickens be expanded to include turkeys as well. He suggested a maximum number of two turkeys. Mr. Bean indicated that in Newberg a no-cost permit can be obtained to keep turkeys. He is interested in a similar permit being available to Dundee residents, and suggested the idea of adding a small fee of \$2 to \$5. Mr. Bean indicated that presently he has a chicken coop which is in compliance. He stated that his neighbor voices complaints about various issues on a regular basis pertaining to his property, and/or the animals on his property. City Administrator Daykin advised that he received a complaint about the keeping of a turkey, which at this time is not allowed under our nuisance ordinance, and so a letter was sent to Mr. Bean regarding this and informing him that the turkey needs to be removed from the premises. Mr. Bean indicated that he misunderstood the ordinance allowing poultry, assuming that it included turkeys as well. C. Pugsley inquired about whether turkeys are noisy. Mr. Bean replied that his hens have not been, although he believes that toms can be. C. Pugsley noted that this should be considered with regard to the ordinance as well. C. Nelson inquired further about the details of the no-cost permit available in Newberg for turkeys. City Planner Pelz advised that she will look into the details of Newberg's permit. The consensus of the Council is to put this issue on a future agenda, while holding off on enforcement of the current situation with regard to Mr. Bean.

Tess Fields, Director of Government Affairs from Comcast, 9605 SW Nimbus Avenue, Beaverton, Oregon, approached the Council to discuss the forced relocation of their above ground aerial wires to underground. Ms. Fields explained that Comcast has a franchise agreement with the City and indicated they pay 5% of their gross revenue to the City. She also indicated that

Comcast is in support of the beautification project in Dundee, including placing all of the wires underground and placing street lights. Ms. Fields advised that prior to their franchise agreement there was an ordinance passed in 2009 that states that if the City Council or the City wants Comcast to relocate their wires, then financially Comcast must cover those expenses. Ms. Fields indicated that in some areas where the wiring would be moved underground the City is providing for trenching and conduit. There is another part that is not provided by the City. The cost estimate that Comcast has deduced, depending on the amount of conduit and trenching that is provided, is anywhere from \$185,000 to \$445,000. Ms. Fields indicated that, although Comcast could be required by the City to incur those costs, what they would like to do is to meet the City halfway. She indicated that Comcast cannot absorb these costs independently, and that it could potentially raise the rates of their customers here. She further pointed out that Dish Network, Direct TV, and others don't pay franchise fees because they are satellite companies and don't need access to the public right-of-way. She explained that already there is a disparity between what they have to charge their customers versus what they (satellite companies) need to charge their customers. Ms. Fields advised that they are trying to stay competitive in their market. She indicated that they are prepared to work with the City and spend \$185,000 for the beautification project, but they would like to see the City provide, in addition to providing the trenching and the conduit for the areas that are already allocated, to do it for the rest of the length of the project as well. She indicated that during the construction process, Comcast services of internet and cable services will have to shut down for a period of time, which will impact businesses and local residents. In addition, she indicated that if a "working together" agreement isn't reached, then the proclivity for their customers' cable rates to go up is definitely a possibility.

C. Nelson inquired if Ms. Fields is aware of any other cities in which undergrounding was required that did impact the customer rate. Ms. Fields responded that most of the force relocation work they do is directly equitable to public safety and they do absorb that cost. She stated that presumably that is passed on to rate payers, at least partially, but she doesn't know all of the data pertaining to that. She pointed out that for this particular project in Dundee, it is not a public safety issue. She noted that the poles will remain standing and PGE will continue to utilize them. She indicated that public cable entities are the only ones being asked to relocate due to the street lights that are being put in; there needs to be a specified distance between where their lines fall and the street lights come to. Mayor Russ pointed out that due to the potential cable line interaction with the light fixtures, as well as the need for light on the street, that this is a public safety issue. Mayor Russ felt that the issue of Comcast being competitive as a business is a continuous issue that needs dealt with regardless of the project in Dundee. Mayor Russ went on to explain that our funding for the project is very tight and inquired of the possibility of doing an LID for the undergrounding costs, inquiring if payments to Comcast over ten years would affect the viability of the situation. Ms. Fields mentioned that one alternative as well would be to cut franchise fees to help pay for the project.

C. Crawford inquired about the number of customers who may benefit downstream from Dundee cable project. C. Crawford pointed out that it's unfair for Dundee residents to pay for cables that are servicing other communities further downstream. Ms. Fields responded that she is unsure of those numbers but that she will provide those.

Ms. Fields indicated that Comcast is waiting to get further information from the City Engineer on the exact number of feet for the trenching and conduit that needs to be placed. She indicated she will continue to work with the City Administrator. Ms. Fields informed the Council that their customers want them in Dundee. She pointed out that Comcast is a really solid business partner with the City, that they provide significant revenue to the City to access the public right-of-way, and that they want to work with the City but are also looking to form a partnership for the project. Mayor Russ responded that he feels the City has done some partnering with Comcast along the

way thus far, and explained that the City is trying to do and give all that it can to the project. Ms. Fields reviewed that it is the desire of Comcast to support the project and work with the City, but in areas where the trenching and conduit is not being provided they'd like to try and partner with the City so that there is not a consequence to their customers.

Consent Agenda

The motion was made and seconded to approve Consent Agenda items 6.1 City Council Minutes, June 7, 2016, 6.2 Financial Report Ending May 31, 2016, 6.3 OLCC Liquor License Application, Ariniello Vineyard, and 6.4 Block Party Application, Brian Rupp. **The motion** passed unanimously.

Old Business

Riverside District Master Plan

City Planner Pelz indicated that implementation of the Riverside District Master Plan has been discussed with the property owners over the past couple of years. Pelz reviewed the background of the Plan, including work completed and the steps remaining. We are still in the beginning stages and development cannot move forward until either the new Riverside District zone is established or until the master plan is repealed to allow the application of existing zones. Pelz reviewed the options beginning on page 28 of the agenda packet. In the first option in which the property owners fund an outside planning consultant, Pelz reviewed the fact that the preliminary estimate from Angelo Planning Group is \$29,000, which does not include any changes to the Master Plan itself, which is felt to likely be necessary due to conversations with the property owners about the mix of uses; additional changes could potentially increase project cost by \$10,000 or more. Pelz feels that development will be really limited in the flood plain due to a risk assessment initiative by FEMA, which might have repercussions for the plan. Pelz detailed the second option in which grant funding would be pursued to hire a consultant to create the zone. She indicated the Oregon Transportation and Growth Management Program (TGM) would be a good candidate for a grant project, especially because this was a grant-funded project to begin with. The caveat is that the funding for the grant would not be available until July 2017, so work could not begin until then. In the third option the City Council could repeal the Riverside District Master Plan, meaning that the property owners would be able to apply for a zone change to any of our existing zones. She further outlined the details of this option as written on page 69 of the agenda packet. Pelz explained that the downside of this option is that the City does not currently have a mechanism for park land dedication and/or payment; this would require a separate Development Code amendment if the City wished to pursue this policy. Mayor Russ inquired whether our Master Plan specifically states the need for a consultant and C.A. Daykin and Pelz both indicated this is not the case. There is also no specific law stating the need for a planning consultant.

C. Pugsley inquired about what the costs to the City would be for each option outlined. Pelz noted that in Option 2 (the grant) the cost to the City would be very minimal but would include the planning time need to manage it, possibly approximately 80 hours. Pelz explained that Option 1 would need to be a coordinated effort so that it's something that works for the entire Riverside district. C.A. Daykin states that typically the City would be responsible for the legislative process, but it was known back in 2011 that we do not have the resources available. This information was previously shared with the owners, along with the option of pulling together their resources if they wished to move things along more quickly, with the City helping coordinate this effort on their behalf. The cost of this option would be more than if we hired an independent contractor through the state program, at least triple the staff hours, plus the cost for the consultant as well. In Option 3, C.A. Daykin explained that the cost depends upon how much work will need to be done. If the Master Plan is repealed, additional work could involve developing residential design standards or standards for developing parks. Minimal costs would

be involved if we are going to replace the comp plan map with new designations that match up with our zoning districts and rely on current Development Code standards. To save on costs, Mayor Russ inquired if it would be possible to authorize our Planning Commission to recommend zones to the City Council, including minimum zones for parks, and send that back as a recommendation. Pelz explained that the zone creation itself is a big project because the Riverside Zone needs to implement the Master Plan. Conversation ensued regarding the details of this process. It would likely take a year or more to go through this sort of a process. Mayor Russ expressed concerns that the funds from the grant process may not be enough to cover the whole project, but Pelz reassured him that there is typically enough funding. C.A. Daykin explained part of the complexity of implementing the Riverside District Plan. In the Plan the subareas are allotted a maximum number of dwelling units and a maximum amount of square footage of either industrial or commercial buildings, but there are not standards in place to guide how these uses are developed. When the zone change applying the change is done there must be a Master Plan specific to the subarea. C.A. Daykin explained that we don't have a process for reviewing Master Plan requirements in our development code. We would need to come up with a process that makes sense for us. Conversation ensued regarding the details of the potential process. Given the various complexities of the project, C.A. Daykin doesn't feel the Planning Commission alone will be able to effectively facilitate this process. C. Svicarovich inquired about who the third party would be in mediating the process regarding the zones. Pelz responded that the City would typically be the project manager for a TGM grant, especially for legislative actions.

Rod Grinberg, representing the Lindquist family, expressed concerns regarding the overwhelming complexity and difficulty of trying to complete the Riverside Master Plan. He advised the Council that a portion of their property is on the west side of the bypass, fitting in with the residential grid of the existing streets. He indicated that the family attempted to work with a private consultant regarding preparation of a zone with development standards, but that didn't end up working out. Mr. Grinberg indicated they would like to find a way to make the project more simplified, maybe by finding a phased solution that might work. Their feeling is that by breaking down the project into smaller pieces, allowing some development to start happening now, this may provide a much better process while we work through the larger Master Plan thus giving momentum to the project as a whole.

Larry Anderson, Anderson Engineering in Newberg, and Darrick Price, Financial and Development Consultant, indicated they are pleased that the project may be moving again. Mr. Anderson noted that there have been a lot of changes since the plan was adopted, mainly with transportation. He indicated he was involved in original planning, but that was prior to the bypass project construction beginning. Conversation ensued regarding additional changes that have taken place. Mr. Anderson indicated that they like the idea of a set of standards for all development within the plan, so that they can pass this information along to home buyers who will then know what to expect in future phases. He also advised they would like to look again at the viability of the size of the commercial centers and that they are looking to see what kind of flexibility they would have in that. They want to know the City's perspective on how to move through the process and how to move forward.

C. Crawford expressed concern regarding the sewer line which needs to be built to service the Edwards property as well as the Lindquist property. He suggested that the property owners work together to help pay for the consultant and move forward to start to build the sewer infrastructure. Mr. Price discussed the two sewer options in more detail. He indicated that the Bypass related roads have been fixed and the water line is in the ground, so there are no water supply issue as well as no issue regarding the treatment system capacity. Mr. Price stated the City has an ordinance for advanced financing of public improvements if they need to get across the Lindquist

property or they bring the sewer across to them. He suggested the means are in place for the City to reimburse whoever builds the sewer for the other person's benefit. He added that we need to start with the early planning steps. Mayor Russ advised that we need to make sure the project is done right for the future of the City and the happiness of the residents in that area, as well as the viability of their investment. Mayor Russ acknowledged that while a staged project would be nice, without the development of a plan the individual stages cannot even be discussed. Mr. Price indicated that they are present today because they want to learn what the next steps in the process involve so they can move forward.

C. Pugsley expressed concerns to Mr. Anderson regarding the direct 5th street access outside of the UGB no longer being viable, and inquired whether this has changed his commercial viability computations. Mr. Anderson indicated that quite some time back, before the bypass was certain, the thought was that in order to make that work you would need to have good access to highway 99. With the bypass in place, the downtown improvement plan, and all of the underutilized commercial land right in the heart of the city that Dundee is going to blossom. Mr. Anderson went on to suggest that it wouldn't be desirable or viable to have a large commercial center with a vacant parking lot; this area would likely be better utilized (under Edwards plan) for a residential area with the park land and river front. He emphasized that unlike other developers, the owners really want something nice for this property, a quality product. Mayor Russ shared his perspective on the future of the bypass. Although exactly what it will look like is not entirely clear, part of his vision includes an exit off the bypass potentially somewhere near that area which would then make it more accessible to all of the residents (as well as commercial) and be very good for the City.

The consensus of the Council is to move forward with implementation of the 2011 Riverside Master Plan, and remove Option 3 from consideration. Mayor Russ stated that he would like the City attempt to obtain the TGM grant to help out with the situation, but notes that won't pay for the entire process. Mayor Russ suggested that someone put money forward now to begin the process if possible, and that the landowners work together if feasible. C. Pugsley proposed beginning with Option 2, which may answer some of the questions being brought forward. City Planner Pelz referenced the zone details as outlined on page 117 of the agenda packet. In addition to this would be the changes to the Master Plan itself as previously discussed. C. Nelson pointed out that the City beautification, sidewalk improvements, transportation changes (specifically 11th street), and potential Urban Renewal is going to change the whole dynamic downtown.

At the end of the discussion, Rod Grinberg suggested that this would be a good time to get together with the Edwards' to discuss Options 1 and 2. He advised that next month they potentially could return to discuss their consensus on what they think would be best.

C. Crawford inquired about what the land use requirements are for the City. Pelz advised there is the 20 year supply, and that our UGB is very small in Dundee because we have the entire Riverside area which is undeveloped. State law requires planning for a 20 year supply of every category of land, and if you don't then an urban growth boundary expansion is initiated. A buildable land inventory was done when the commercial zone work and rezoning was done. Pelz indicates that although she doesn't know the exact numbers, this is something that we would have to take into consideration. C.A. Daykin also indicated that we don't have design standards for residential development or multifamily residential developments. We also don't have a process to explain how a Master Plan is produced for a subarea, what's to be included in it or what process to use. He also advised that we need to come up with a process for development of parks that everyone is going to be in agreement is a good process (those that maintain the parks, those who own the parks, and those that are putting assets into development of the parks). The

consensus of the Council at this time is to move forward with Option 1 for the next 30 days, until we hear back from the property owners, and then make a clear choice whether it's Option 1 or 2 after that.

Urban Renewal Plan Proposal

Renata Wakeley, Community Development Director with the Mid-Willamette Valley Council of Governments (COG) discussed with Council a scope of work for assistance from the OCG for the preparation of an urban renewal plan. Ms. Wakeley indicated that typically they don't work on the financial analysis aspect, and have reached out to Eco NW that also does financial analysis. Although she does not have quotes available at this time, the hope is that by July 5th she will hear from them and be able to bring a proposal. Ms. Wakeley also informed the Council that they can provide maps which provide identification of the urban renewal area, and some design standards, but they don't have landscape architects, etc. on staff to provide drawings for the plan document, so that would be something that could be subcontracted out if we are interested. Ms. Wakeley referenced the project timeline, estimating that a series of 3-5 meetings at a minimum of two hours each will be needed to move the plan forward. She advised that if we wanted the consultants to attend additional meetings, or add other work to the scope, that is a possibility but she would need to know that in advance. Ms. Wakeley estimated that the financial subcontractor costs could be between \$8,000-\$10,000 given the number of meeting and the timing requirements. Ms. Wakeley inquired of the Council whether they would like to serve as the Urban Renewal Agency, or assign a Technical Advisory Committee or Steering Advisory Committee. Options for meeting arrangements were discussed. Mayor Russ indicated that he likes the idea of having a certain number of Councilors and citizens at-large on the committee. C. Svicarovich suggested the idea of adding members from the Planning Commission to the group as well. The consensus of the Council was to hold the Urban Renewal Agency meetings separately from City Council meetings. Initially, the City Council will need to convene as the Agency and adopt bylaws and rules, and then determine how to go forward. The consensus by the Council pertaining to the future of the Urban Renewal Agency is to likely have three City Council members, two Planning Commission members, and two citizens form a committee. Ms. Wakeley will hope to have the proposal ready to present to the City Council on July 5th. At City Administrator Daykin's suggestion, the Council agrees to meet as the Urban Renewal Agency following the City Council meeting on July 19th. At that time there will be a short Urban Renewal Agency meeting to adopt bylaws and appoint people for the committee, and then a date will be set for the next Agency meeting.

Resolution No. 2016-13, Budget Transfers

The motion was made and seconded to approve Resolution No. 2016-13, a resolution transferring budget line item amounts within a department or fund for fiscal year 2015-2016. **The motion** passed unanimously.

Resolution No. 2016-14, Budget Adoption

The motion was made and seconded to approve Resolution No. 2016-14, a resolution adopting the 2016-2017 fiscal year budget, appropriating funds and levying property taxes for the fiscal year 2016-2017. **The motion** passed unanimously.

New Business

Alder Street Parking Restrictions

City Administrator Daykin reviewed the issue of parking on Alder street. He indicated that the police department has advised him that they cannot conduct enforcement action if vehicles are parked on the east side of Alder street, in the areas between 7th Street and Upland. C. Svicarovich expressed concerns about the proposed signage, stating they could get hit or removed by unhappy residents/citizens. C. Nelson suggested a combination of signage and striping. C.A. Daykin

advised he will work with the City Engineer to place the signs appropriately. C. Svicarovich expressed additional concerns about a sign being placed in front of a residence. C.A. Daykin explained that the only other means beyond signing in our ordinance that indicates no parking would be a painted yellow curb, and given the fact that there is no curb present in this area this would not be an option. C. Nelson suggested the idea of placing two signs, one at each end of the restricted parking area, without having additional signage between them. C. Svicarovich reviewed the fact that the reason for the parking restriction is for the issue of safety, including pedestrian safety. **The motion** was made and seconded to prohibit parking on Alder Street between 9th Street and Upland Drive. **The motion** passed unanimously.

Resolution No. 2016-15, Banking Services

Mayor Russ briefly reviewed the banking comparison information. He inquired whether access to U.S. Bank was convenient for Staff. City Administrator Daykin responded that although the bank location in Newberg is not as convenient, more of our banking is done online as time goes by. **The motion** was made and seconded to approve Resolution No. 2016-15, a resolution authorizing persons in specific positions with the City of Dundee to transact business with U.S. Bank and repealing Resolution No. 2015-01. **The motion** passed unanimously.

Tourism Committee Appointment

Mayor Russ indicated that he and Tourism Committee Chair Ted Crawford are recommending appointment of Diana Szymczak to the Committee. At-Large resident Robin Sikkens has relocated to Newberg and is no longer eligible to serve in that position. **The motion** was made and seconded to appoint Diana Szymczak to the Tourism Committee with a term expiring December 31, 2017. **The motion** passed unanimously.

Resolution No. 2016-16, Municipal Services Certification

The motion was made and seconded to approve Resolution No. 2016-16, a resolution certifying the municipal services provided by the City of Dundee. **The motion** passed unanimously.

Council Concerns and Committee Reports

C. Adlong reported that the Parks Advisory Committee met earlier in the month to discuss and review some of the costs associated with the development of the Viewmont Greenway Park. She indicated that items in the budget are costing more than their original budgeted amount. C. Adlong advised that they are reviewing the costs associated with the items needed, and taking a closer look at each component of the park. She noted the loss in the investment of the plants placed at the park by the student volunteers. She indicates that about 90% of the plants have been lost due to lack of irrigation and no weeding done. C.A. Daykin advised that Brian Stewart (CPRD) took a look at the area and is fairly confident that a lot of the plants are there and he's going to be spraying the weeds around them and trying to preserve the plants. C. Adlong informs the Council that a subcommittee has been formed to come up with some ideas for doing additional fundraising, possibly utilizing tiered levels of fundraising where people in the community could donate and get recognition for their donations along the trail. Mayor Russ suggested the idea of potentially adding this information to the City Newsletter for July. C. Adlong indicated she will get the information submitted by mid-next week. C.A. Daykin stated City crews have been busy trying to clear off the stockpiled asphalt grindings, allowing the soil to aerate and dry out, and then a contractor will be brought in to do some final shaping work before we then install the forms for the picnic area and pour the concrete. We will be relying on Public Works Staff to do much of the work, but their availability is limited.

Mayor's Report

Mayor Russ indicated that last week he traveled with the Mayors of Newberg and McMinnville, the Chair of the Parkway Committee, and County Commissioner Primozich to Hood River to talk with the Oregon Transportation Commission (OTC). He indicated their petition to the Commission was to put into the State Transportation Improvement Program the purchase of right-of-way for what we're calling Phase 2 of the bypass between 219 and 99W at Rex Hill. Mayor Russ stated that they approved that pending that the entities of Dundee, Newberg, McMinnville and the County of Yamhill all agree to leave their savings from the bypass in the fund. Dundee's contribution is somewhere between \$6,000-9,000. Mayor Russ indicated a Resolution to approve this will be brought to the next Council meeting. He also goes on to explain that having a portion of the right-of-way bought will make it a higher priority for construction funding. This is also going to protect it (the land) because the land owners were starting negotiations to sell it off to get it developed which would have put a big blockage because the price would have gone way up. Mayor Russ indicated that this is a major step forward for the bypass and the future of the bypass, Dundee, Newberg and all of Yamhill County because the issues at Springbrook Road are a much bigger issue than the Fishhook (Bypass connection to 99W south of Dundee). Mayor Russ pointed out that he feels if that portion gets built, it will put so much pressure on the Fishhook that ODOT will have to do something to address that very quickly

City Administrator's Report

C.A. Daykin advised that he recently heard from Michael Humm, Kennedy/Jenks Consultants, who recently had a meeting with the Ovivo (membrane consultant) on the waste water treatment plant problems and the permeability. He indicated that they're coming up with a plan for cleaning but to keep costs down it would require an intensive amount of work utilizing our staff. The recommendation is to pull the filters out and do intensive manual cleaning, probably requiring 20+ days to complete. C.A. Daykin is concerned about this affecting other projects that we have going on.

C.A. Daykin advised that we are planning to advertise the open vacancy on the Planning Commission so that appointment can be made at the August 2nd Council meeting. C.A. Daykin inquired about whether applicants will be interviewed, as the process has been done previously. Consensus by the Council is to continue the same process and C.A. Daykin stated he will advise applicants. C.A. Daykin informed the Council that we still have not received a letter of resignation from Mr. Sikkens. It is the consensus of the Council that the position is considered vacant with the change of residency by Mr. Sikkens from moving from the City of Dundee to the City of Newberg.

Public Comment

None.

Executive Session

The City Council entered Executive Session at 9:03 P.M. in accordance with ORS 192.660 (2)(h) to consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed. Executive Session ended at 9:25 P.M. and the Council did not reconvene.

David Russ, Mayor

Attest:

Rob Daykin, City Administrator/Recorder

RESOLUTION NO. 2016-17

A RESOLUTION AUTHORIZING AND APPROVING AMENDMENTS TO THE LOAN AGREEMENT, BETWEEN THE STATE OF OREGON ACTING BY AND THROUGH ITS DEPARTMENT OF TRANSPORTATION (“ODOT”) AND THE CITY OF DUNDEE, A MUNICIPAL CORPORATION OF THE STATE OF OREGON (“DUNDEE”), DATED JULY 1, 2013 (THE “LOAN AGREEMENT”).

WHEREAS, on the 1st day of July, 2013, ODOT and Dundee entered into the Loan Agreement; and

WHEREAS, pursuant to the Loan Agreement, a portion of the cost savings resulting from construction of Phase I of the Newberg-Dundee Bypass would benefit Dundee; and

WHEREAS, Dundee desires that any Phase I cost savings benefitting Dundee be allocated to Phase II of the Dundee-Dundee Bypass consisting of the acquisition of right of way, engineering and construction of Phase II of the Newberg-Dundee Bypass, beginning at Oregon Highway 219 and traveling north through Newberg and connecting to Oregon 99W; and

WHEREAS, it is in the interest of Dundee to so amend the Loan Agreement to allow project savings to be applied to Phase II;

NOW, THEREFORE, THE CITY OF DUNDEE RESOLVES that the City Administrator is hereby authorized to sign necessary amendments to the Loan Agreement that allow project savings to be applied to Phase II, and the City Administrator is authorized and directed to execute all documents as are necessary to effectuate such Amendments to the Loan Agreement.

Passed by the City Council this _____ day of _____, 2016.

Approved:

David Russ, Mayor

Attest:

Rob Daykin, City Administrator/Recorder

REPORT

To: Mayor Russ and City Council
From: Rob Daykin, City Administrator
Date: June 28, 2016
Re: Urban Renewal Plan Agreement

Renata Wakeley will review the proposed agreement from the Mid-Willamette Valley Council of Governments (COG) for assistance in preparation of an urban renewal plan with the Council at the July 5 meeting. As mentioned at the prior meeting, the COG will use a sub-consultant for the financial feasibility analysis and forecasting of tax revenue. As of the date of this memo the sub-consultant has not yet been selected, however the proposed not to exceed fee of \$22,000 does anticipate this cost. Other costs not included with the COG agreement will include City Engineer services for preparing the legal description of the plan boundary and updating project cost estimates. \$26,000 was appropriated in the adopted FY 2016-17 budget for the development of an urban renewal plan.

The ordinance activating the Dundee Urban Renewal Agency goes into effect July 7. I plan on scheduling the first meeting of the Agency to follow at the end of the July 19 council meeting. I'm preparing a resolution for the July 19 meeting that establishes an advisory committee to work directly with the consultant in the preparation of the urban renewal plan. While the prepared plan will have opportunities for public input; including an open house, Planning Commission public hearing and City Council public hearing, I propose a nine member advisory committee that reflects a range of perspectives to represent varying aspects of the plan's objectives. In addition to promoting private development and redevelopment, many urban renewal plans include investment in public facilities, transportation infrastructure, utilities, parks and open space, community livability, and historical preservation. The draft resolution provides the following membership makeup for the advisory committee:

- 3 Dundee Urban Renewal Agency members
- 1 Planning Commission member
- 1 Tourism Committee member
- 1 Parks Advisory Committee member
- 2 Citizens at-large
- 1 Dundee Business representative

I'm looking for input at this time to help expedite the process of selecting and appointing members at the first Dundee Urban Renewal Agency meeting.

Recommendation: Motion approving the agreement with the Mid-Willamette Valley Council of Governments for assistance with the development of an urban renewal plan.

AGREEMENT

between

MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS

and

THE CITY OF DUNDEE

WHEREAS, the Mid-Willamette Valley Council of Governments (COG) and the City of Dundee (CITY), have long had interests in common; and

WHEREAS, the CITY wishes to prepare an urban renewal plan; and

WHEREAS, the CITY desires assistance with the development of a plan from the COG and the COG provides such service;

IN CONSIDERATION of the mutual benefits and obligations set out herein, the parties agree that from the date of this agreement's execution to the last day of June 2017 or until all activities carried out with grant funds have been completed, whichever comes first, the following provisions shall apply:

I. Description of Work to be provided by COG:

- A. Assist CITY with the public outreach activities associated with the development of an urban renewal plan to cover the downtown area. The activities will include:
 - Attend and assist with the preparation for and facilitation of up to three (3) meetings of a technical advisory committee appointed by the Urban Renewal Agency.
 - Assist the City Administrator with preparation for a meeting with representatives of taxing districts potentially affected by an urban renewal district.
 - Assist as requested with the preparations for a public hearing.

- B. Procure and oversee the services of an urban renewal financial/technical subcontractor. The choice of subcontractor must be approved by the City Administrator prior to a contract execution. Subcontractor shall:
 - Attend up to one (1) meeting with Urban Renewal Agency, one (1) open house, and one (1) public meeting/hearing with City Council.
 - Complete the financial feasibility analysis, included up to three (3) tax increment financial projections to support bond sales or other loans.
 - Identify funding sources/methodologies for moving the projects forward.

- Legal requirements for a planning process and establishment of the Urban Renewal Area and financing path.
 - Review and comment on draft urban renewal plan.
- C. After consultation with the Urban Renewal Agency, City Administrator and technical subcontractor, prepare a district boundary map, urban renewal governance policies, goals and objectives of the area, and a description of potential projects to be financed by the urban renewal program.
- City to provide legal description for final Urban Renewal District Boundary.
 - City Engineer to provide updated/final cost estimates for identified projects to be used by technical subcontractor on project financing/maximum indebtedness.
- D. After consultation with the technical subcontractor, refine the financial analysis and projections for future district revenues.
- E. Upon approval by the City Administrator and Urban Renewal Agency, prepare the draft urban renewal plan and report and presentation to Planning Commission and City Council for final adoption.

II. Use of a Subcontractor.

COG shall subcontract with an urban renewal technical consultant for portions of the project work.

III. Method of Payment and Payment Schedule

The CITY agrees to pay COG an amount not to exceed \$22,000 for all activities described above performed under this agreement. COG agrees to submit written invoices that include a description of the work performed in the invoice period and appropriate documentation of costs. The CITY agrees to make full payment with project funds upon proper receipt of each invoice.

IV. Termination and Amendment

- A. This Agreement shall be terminated on June 30, 2017 or upon me completion of all work activities described in section I above, whichever first occurs.
- A. This Agreement may be terminated for convenience by either party upon written notice of 30 calendar days and compensation for any work performed prior to that notice.
- B. This Agreement may be amended only by written agreement executed by both parties.

V. Independent Contractor

CITY has engaged COG as an independent contractor for the accomplishment of a particular service. Neither party, nor the officers and employees of either party shall be deemed the agents or employees of the other party for any purpose.

VI. Limited Warranty

In no event shall COG be liable for indirect or consequential damages of any nature. In no event, regardless of theory of recovery, shall COG be liable for any damages in excess of the amounts actually paid by CITY to COG; under paragraph III. hereof.

IN WITNESS WHEREOF, COG and the CITY have by approval of their respective governing bodies, caused this Agreement to be executed as of the day and year aforesaid.

**MID-WILLAMETTE VALLEY
COUNCIL OF GOVERNMENTS**

CITY OF DUNDEE

By: _____

By: _____

Date: _____

Date: _____

REPORT

To: Mayor Russ and City Council
From: Rob Daykin, City Administrator
Date: June 30, 2016
Re: Sewer System Repair Bids

We did not receive any bids for the sewer system repairs project. Engineer Michael Humm contacted several of the contractors to determine why there was not a response. One of the factors that may have contributed to the lack of response is the project allowed two modes of work: 1) excavation to replace the failed section of sewer main or lateral, and 2) a trenchless pipeline rehabilitation method. Michael will also review availability of the contractors to do the work and negotiate quotes for two separate projects based on the mode of work. I reviewed the circumstances with the City Attorney and the urgency to complete this work. If successful, the intent is to bring the negotiated quotes from a contractor using the excavation method and a contractor using the CIPP (cured in place pipe) method for award at the July 5 meeting.

REPORT

To: Mayor Russ and City Council
From: Rob Daykin, City Administrator
Date: June 30, 2016
Re: WWTP MBR Maintenance Quotes

Following consultation with the WWTP system design consultant, Ovivo, on the declining permeability of the MBR (membrane bioreactor) plates in basin 2, the recommendation is to remove the SMUs (submerged membrane units) from the processing basin to conduct a manual clean. There are 10 SMUs, five double-stacked, each containing 400 MBR plates for a total of 4,000 plates. Engineer Michael Humm is in the process of soliciting quotes from contractors to dis-assemble the SMUs and remove them from the basin. An Ovivo representative will be on site to advise City crews regarding removing the individual plates and cleaning them. Essentially, cleaning involves using low pressure water to rinse off the excess accumulated biosolids adhering to the plates. However, the plates have to be partially removed from the SMU cartridge to effectively clean them. Ovivo advised that due to the delicate nature of the plates combined with the propensity for the accumulated biosolids to act like glue, it is not uncommon that up to 5% of the plates would be damaged in the cleaning process. In our case 5% would be 200 plates. Ovivo has 133 plates available for immediate shipment; unfortunately any additional membrane plates will not be available until October. The cost is \$115 each, or \$15,295 for 133 plates. Michael Humm was also going to reach out directly to Kubota, the original manufacturer of the plate for a quote and availability.

Discussions with prospective contractors indicate that they would be able to remove the SMUs in late July or early August. The time to manually clean the plates using City crews is estimated between 3 to 4 weeks, which hopefully allows re-installation of the SMU's in the basin prior to the start of wine processing in September. The FY 2016-17 budget included a \$10,000 appropriation for this project when it was only anticipated to accommodate the use of a crane operator and some limited contract expertise. In addition to providing the quotes for MBR replacement plates and contractor quotes for removal and re-installation of the SMUs for consideration at the July 5 council meeting, I will review the Sewer maintenance budget with staff to prepare a recommendation on use of the Sewer Fund contingency.

ORDINANCE NO. 548-2016

AN ORDINANCE RELATING TO NUISANCES AFFECTING PUBLIC HEALTH AND SAFETY AND AMENDING CHAPTER 8.16 OF THE DUNDEE MUNICIPAL CODE.

WHEREAS, the Dundee City Council finds that helicopters and aircraft landing on property other than registered helipads or airports within the City limits create nuisance conditions for neighbors; and

WHEREAS, in order to protect the livability of the community, for both residents and businesses, Council finds it necessary to immediately take action to prevent such nuisance conditions.

THE CITY OF DUNDEE DOES ORDAIN AS FOLLOWS:

Section 1. Section 8.16.115 is hereby added to the Dundee Municipal Code to read as follows:

No person shall cause or permit the landing or takeoff of any helicopter or aircraft on property within the city, except at an airport or heliport registered with the State of Oregon Department of Aviation or in an emergency.

Section 2. Being necessary for the immediate preservation of health, safety, and welfare, an emergency is declared to exist and this ordinance is effective upon passage.

ADOPTED by the Council this _____ day of _____, 2016.

Approved:

David Russ
Mayor

Attest:

Rob Daykin
City Administrator/Recorder

REPORT

To: Mayor Russ and City Council
From: Rob Daykin, City Administrator
Date: June 30, 2016
Re: 2017 SCA Grant Program

The deadline for applications to the Special City Allotment (SCA) grant program for funding in 2017 is August 1, 2016. Cities under the population of 5,000 are eligible to apply for the \$50,000 grant for repairs or improvements to city streets. This is a very competitive grant, only 20 grants are approved annually statewide. Projects submitted to SCA are ranked using the following criteria: road surface condition, traffic load, population growth, and safety improvements. In 2006 the City selected the portion of Alder Street, from the Ninth Street intersection to about midway to Seventh Street intersection for an SCA application. The project was approved by ODOT and the City started design work on the project in 2007. However, the proposed project was to be constructed per the collector street standards at that time - 36 feet wide, and the project was subsequently aborted by the Council out of concerns of the overall costs, neighborhood impacts and the need to use City funds for other road improvement priorities. Staff also noted that the abutting properties had a prior recorded obligation to pay for street frontage improvements and that it made more sense to tie it into a larger project when the vacant land further uphill starts to develop. Earlier this year the City conducted a pre-application meeting for the subdivision of the undeveloped 3 acres next to Alder and Seventh Street, and the developer's engineers have continued to communicate with the City Engineer on street development requirements.

Another change since 2006 is the adoption of a new collector street standard in 2015 that now allows for a constrained collector with a 28 foot width. The constrained collector is used where topography or other factors are in conflict with the standard collector width. The constrained collector standard was shared with the prospective developer, as well as the builder of the new residence at 809 Alder Street. Staff recommends preparing an application to the 2017 SCA grant program for the construction of a constrained collector, per the Dundee TSP, on Alder Street to match up with the street improvement that will be required for the development of the 3 acre parcel. Staff believes this is a good candidate for the SCA program since it was already vetted and approved previously, and using the grant will reduce the financial obligation of the abutting properties.

Note: A resolution authorizing the SCA project application will need to be adopted at the July 19 meeting.



1201 Court Street NE, Suite 200 • Salem, Oregon 97301
(503) 588-6550 • (800) 452-0338 • Fax: (503) 399-4863
www.orcities.org

June 6, 2016

Dear Chief Administrative Official:

For the past three months, eight policy committees have been working to identify and propose specific actions as part of the League's effort to develop a pro-active legislative agenda for the 2017 session. They have identified 29 legislative objectives as set forth in the enclosed ballot and legislative recommendation materials. These objectives span a variety of issues and differ in the potential resources required to seek their achievement. Therefore, it is desirable to prioritize them in order to ensure that efforts are focused where they are most needed.

Each city is being asked to review the recommendations of the policy committees and provide input to the LOC Board of Directors as it prepares to adopt the League's 2017 legislative agenda. After your city council has had the opportunity to review the 29 proposals and discuss them with your staff, please return the enclosed ballot indicating the top four issues that your city council would like to see the League focus on in the 2017 session. **The deadline for response is July 22, 2016.** The board of directors will then review the results of this survey of member cities, along with the recommendations of the policy committees, and determine the League's 2017 legislative agenda.

Your city's participation and input will assist the board in creating a focused set of specific legislative targets that reflect the issues of greatest importance to cities. Thank you for your involvement, and thanks to those among you who gave many hours of time and expertise in developing these proposals.

Do not hesitate to contact me or Craig Honeyman, Legislative Director, with questions.
Sincerely,

Michael J. McCauley
Executive Director

INSTRUCTIONS

1. Each city should submit one form that reflects the consensus opinion of its city council on the **top four** legislative priorities for 2017.
2. Simply place an **X** in the space to the left of the city's top four legislative proposals (last pages of the packet).
3. The top four do not need to be prioritized.
4. Return by **July 22nd** via mail, fax or e-mail to:

Paul Aljets
League of Oregon Cities
1201 Court St. NE, Suite 200
Salem, OR 97301
Fax – (503) 399-4863
paljets@orcities.org

Thank you for your participation.

City of: _____

Please mark 4 boxes with an X that reflect the top 4 issues that your city recommends be the priorities for the League's 2017 legislative agenda.

Legislation

Community Development

- A. Needed Housing Assistance Program
- B. Natural Hazard Land Use Reform
- C. DOGAMI Disaster Mapping
- D. Floodplain Technical Assistance

Energy

- E. Green Energy Technology Requirement
- F. Funding Public Energy Projects
- G. Updates to Oregon Energy Code

Finance and Taxation

- H. Property Tax Reform - Market Value / Local Control
- I. Property Tax Reform - Fairness and Equity
- J. Local Lodging Tax
- K. Nonprofit Property Tax Exemption
- L. Marijuana and Vaping Taxes

General Government

- M. Restore Recreational Immunity
- N. Increase Local Liquor Fees
- O. Marijuana Legalization Implementation
- P. Mental Health Investments
- Q. Qualification Based Selection

Human Resources

- R. Subsidy for Retiree Health Insurance Repeal
- S. PERS Reform
- T. Arbitration Reform
- U. Veterans Preference Clarifications

Telecommunications

- V. Rights of Way
- W. Franchise Fees
- X. 9-1-1 Emergency Communications
- Y. Technology Funding

Transportation

- Z. Transportation Funding and Policy Package

Water/Wastewater

- AA. Funding Water System Resilience
- BB. Enhanced Prescription Drug Take-Back
- CC. Water Supply Development Fund

Community Development

Legislation

A. Needed Housing Assistance Program

Create state grants and technical assistance to cities working to develop housing development programs directed at new or innovative means of providing housing solutions for low-income or senior populations.

Background

Cities are looking for new ways to serve the needs of a variety of people needing housing options and putting more resources toward housing projects. However, there is a need for state resources and assistance in implementing these programs. Funds that cities could access could be used to assist in land purchases for leasing for long-term low income housing, incentives for creating single story housing for seniors, tiny housing development, and planned developments that serve a range of incomes. Technical assistance to other cities should help a city determine what programs or planning options are available tools to help cities reach the goals set in the comprehensive plan.

B. Natural Hazard Land Use Reform

Create process for communities to move the UGB from an identified hazard area to resource lands and planning for replacing significant urban areas lost after a natural disaster.

As science has better located some hazards areas and as regulations impact the expected development of other areas, cities need to find ways to respond more efficiently to address long-term planning for development. This requires a simplification of the process for changing the location of development, including adding new areas to the UGB, to account for lost development capacity. There also needs to be a streamlined process for a city to identify areas of new development should a disaster remove a large portion of the buildable land supply if a disaster should strike.

C. DOGAMI Disaster Mapping

Increase funding for DOGAMI to complete comprehensive disaster mapping of cities, including landslide and floodplain risk identification, and natural hazard related evacuation planning for additional potential risks such as tsunami or wildfire inundation.

The Oregon Department of Geology and Mineral Industries (DOGAMI) provides a number of technical resources to cities to identify hazards that could impact development. The department is also an integral partner in creating plans for the emergency response for many disasters that could occur in the state. Increasing funds for comprehensive maps will help with long-term planning for hazard mitigation, resilience, and survival.

D. Floodplain Technical Assistance

Provide DLCD funding for technical assistance to cities implementing required changes to floodplain development management practices from FEMA.

Because of the recent release of the Biological Opinion from the National Oceanic and Atmospheric Administration Fisheries Service related to the National Flood Insurance Program's potential to impact endangered species, there is a need for cities to receive significant assistance in implementing any changes required by the Federal Emergency Management Agency. As the federal process moves forward, the state must provide resources to help cities update comprehensive plans and development codes. This issue will have a number of impacts and assistance in the form of model codes, staff resources, grants, and other expertise will be necessary for cities trying to implement any changes or additional work.

Energy

Legislation

E. Changes to 1.5 Percent Green Energy Technology Requirement

Advance legislation to statutorily modify the existing “1.5 percent green energy technology for public buildings” requirement to allow for alternative investment options such as offsite solar or community solar projects.

Background

Oregon statute currently requires public contracting agencies to invest 1.5% of the total contract price for new construction or major renovation of certain public buildings on solar or geothermal technology. The requirement allows for offsite technology, but only if the energy is directly transmitted back to the public building site and is more cost-effective than onsite installation.

Removing the requirement that an offsite project be directly connected to the public building project could result in increased flexibility for local governments to invest in solar projects that are more cost-effective and provide for increased solar energy generation. In addition, the League will work to allow 1.5 percent funds to be invested in alternative projects that provide a greater economic or social return on investment. As an example, a city could use the funds on a community solar project to benefit low-income residents rather than being required to invest in solar generation at the site of the public building project.

F. Funding for Public Energy Projects

Support enhanced incentives for public energy projects including grants for technical assistance, feasibility studies and resource recovery projects for energy and fuel generation.

There are programs that exist in Oregon for the purpose of incentivizing energy projects including renewable energy generation, alternative fuel vehicles, and energy efficiency. Programs such as the Business Energy Tax Credit (BETC), which was discontinued in 2014, and the State Energy Loan Program have been important tools for incentivizing energy projects for local governments. However, as a result of scrutiny over the administration of these incentives including private loan defaults, these programs are either no longer available, such is the case with the BETC program, or are at risk of being discontinued. It is critical for municipalities to have ongoing access to incentive opportunities as energy projects can be difficult to pencil-out and even more difficult for smaller communities to finance. The state of Oregon should take into consideration that loans for public energy projects, including cities, are lower-risk and should not be penalized in light of recent scrutiny. In addition, investments in these projects often result in environmental, social and economic benefits including long-term savings for taxpayers and reductions in greenhouse gas emissions.

The League will work to enhance funding, including grants for technical assistance and feasibility studies for communities that currently do not have access to resources. The League will also advocate for incentives for energy and fuel generation projects. Examples of projects that warrant funding incentives include methane capture for fuel or energy generation, investments in community solar projects, renewable energy generation, and energy efficiency improvements.

Energy (Continued)

Legislation

G. Require Updates to Oregon Energy Code

Require the Oregon Building Codes Division (BCD) to engage in more frequent review of the state's energy code to reduce greenhouse gas reductions and ensure that Oregonians can more affordably and efficiently heat their homes and businesses.

Background

Oregon's statewide energy code for commercial and residential buildings is an important tool for achieving greenhouse gas reductions through decreased energy consumption while helping to ensure that Oregonians are able to more efficiently and affordably heat their homes and businesses. Federal law requires each state to certify that their state energy code is equivalent to federal model energy codes. While Oregon was once a leader in energy code adoption and implementation, the state is now in a position of falling behind the federal code. This is due, in large part, to a decision made by the Oregon Building Codes Division in 2013 which changed the code cycle from a three-year update to a six-year update. Major code changes, including adoption of national codes, will now occur every six years with minor changes occurring every three years. This change will impact Oregon's ability to keep pace with federal standards and new technologies in energy efficiency.

The League will work to support efforts to align new construction building codes with the state's climate goal timelines. In addition, the League will support efforts to establish a periodic review schedule to ensure that Oregon more frequently updates the state energy code in order to reflect federal code requirements. Also, the League will encourage the state to set specific targets for increased energy efficiency in residential and commercial building construction with specific goals for increasing energy efficiency standards for affordable housing projects and increasing use of net-zero and passive house building requirements. Finally, the League will work to require BCD to make regular reports back to the legislature to update on energy code implementation and goals.

Finance and Tax

Legislation

H. Property Tax Reform – Market Value / Local Control

A legislative constitutional referral to reform the property tax system:

- a) to achieve equity, transitions to a market based property tax valuation system; and
- b) to restore choice, allows local voters to adopt tax levies and establish tax rates outside of current constitutional limits in their taxing jurisdictions.

Background

Property taxes are regulated largely by Measure 5 (1990) and Measure 50 (1997), as provided in the Oregon Constitution. Measure 50 established a new method for assessing property, discounting the assessment at 10 percent of the real market value and calling this assessed value. Assessed value is capped at an annual growth limit of 3 percent. As a state total, due to the limits and market changes, the gap between real market value and assessed value has now grown to nearly 25 percent over the past 20 years. This gap varies widely on a property by property basis, creating considerable property tax inequities for properties that sell for similar prices in a city. In short, Oregon property taxes have become disassociated from real market value and the result is considerable inequity.

For FY 2014-15, 60 percent of cities, 97 percent of counties, and 89 percent of school districts had some compression. This means that the Measure 5 caps of \$5 per \$1000 for education and \$10 per \$1000 for general government on real market value have been exceeded in most taxing jurisdictions. The caps are over 25 years old and were set low as voters were anticipating a sales tax to be coupled with it. Voters can no longer vote for the services they desire due to these caps. With looming PERS costs increases, paying for services with the present restrictions will become very difficult in some cities.

I. Property Tax Reform – Fairness and Equity

A bill that pursues statutory modifications to the existing property tax system that enhances the fairness and adequacy of the current system.

There are some adjustments to the property tax process and calculations that can be done statutorily. These include altering the changed property ratio statute and the statutory discount given to property owners who pay their taxes by November 15th. New property is added to the tax rolls using a county-wide ratio (assessed value to real market value) for determining the discount to apply to the real market value and that could be changed statutorily to a city-wide ratio in taxing districts who elect the change.

Finance and Tax (Continued)

Legislation

J. Local Lodging Tax

A lodging tax bill, the outcome of which, would:

- a) Provide jurisdictions greater flexibility to spend local lodging tax revenue to plan for and provide services and infrastructure related to tourism;
- b) Reduce or eliminate the required reimbursement charge that a lodging tax collector is allowed to retain for filing a local lodging tax return; and
- c) Improve efficiency and collection of local lodging taxes in cooperation with the state.

Background

State law restricts how local lodging tax revenues may be expended. Post 2003, any new taxes or any tax increase requires a 70 percent revenue dedication to tourism promotion or tourism-related facilities. In addition, state statute provides that cities may not lower the actual percentage of lodging tax revenues that were dedicated to tourism prior to 2003. This means that cities have varied percentages of restricted local lodging taxes revenues. These numbers are arbitrary as they were set based on circumstances in 2003 that have often greatly changed. In addition, the legislative history shows that the legislature intended to provide some revenue flexibility and provide that certain infrastructure (roads, sewer lines, etc.) would qualify as tourism-related but the statutes need revision and clarification.

State law requires local governments to provide a 5 percent collector reimbursement charge if they impose a new lodging tax or tax increase after January 1, 2001. This is a deduction from the taxes that would otherwise be due. The state also provides a 5 percent collector reimbursement charge for state lodging taxes. In addition, local governments that had a reimbursement charge, must continue it. Thus, cities have very different reimbursement requirements—some are at zero, others are at 5 percent, and some are in between. When coupled with the state deduction, the deduction seems too generous.

The Oregon Department of Revenue now collects state lodging taxes throughout the state and could collect and enforce local lodging taxes at the same time if given statutory authority. Local governments could then enter into voluntary agreements with the state to delegate the collection. This option could make collection much more efficient and cost-effective for some local governments. In addition, cities continue to struggle with collections and auditing, particularly from online companies and private home rentals (through Airbnb, etc.) and this area of the law could be improved.

Finance and Tax (Continued)

Legislation

K. Nonprofit Property Tax Exemption

Clarify and reform the statutory property tax exemption provided to nonprofit entities to address cost-benefit concerns for the continued full exemption in light of cost of city services provided to nonprofits and the changing services and business models of some nonprofit entity types.

Background

Nonprofit organizations that are charitable, literary, benevolent or scientific are provided a property tax exemption that will cost more than \$194 million in the 2015-17 biennium. In addition, exemptions for the property of nonprofit religious organizations costs more than \$113 million for the biennium. For many cities, much of the city is exempt from property taxes due to the public property exemption and these nonprofit exemptions. This includes hospitals, nursing homes, etc.

The Legislature has formed a work group to look at the nonprofit property tax exemption issue as the nature and number of nonprofits is changing and the administration of the exemption has become complex for county tax assessors. Nonprofit entities require significant services, including transportation, water, sewer, police, fire, etc. Thus, the legislature is looking at property taxes more as a service tax and considering how the full exemption could be adjusted to have nonprofits pay for their fair share of costs of services or otherwise meet a benefit test for continuing an exemption.

L. Marijuana and Vaping Taxes

Defend against restrictions and preemptions regarding local marijuana and vaping taxes and advocate for appropriate state shared revenue levels and distribution formulas for state marijuana taxes and potential vaping taxes.

There are no revenue use restrictions on local marijuana taxes, but the local marijuana tax rate is capped at 3 percent. There are no restrictions on local governments imposing a vaping tax. The state has not imposed a tax on vaping products to date but is considering a tax. Often when the state imposes a tax (for example, cigarette or liquor), the state preempts local governments from also imposing a tax.

10 percent of state marijuana taxes will be distributed to cities after state administrative costs. Distributions will be made per capita for revenues received prior to July 1, 2017. After July 1, they will be distributed based on the number of the various marijuana licenses issued in a city. Cities that prohibit establishments for recreational marijuana producers, processors, wholesalers or retailers will receive no state shared revenue. Likewise, cities that prohibit a medical marijuana grow site or facility will receive no state shared revenue.

General Government

Legislation

M. Restore Recreational Immunity

Cities should enjoy protection from unreasonable litigation when offering recreational opportunities to the public.

Background

ORS 105.682 grants that a land owner is not liable for any personal injury, death or property damage that arises out of the use of their land for recreational purposes as long as no fee is charged in order to access that property. This statute allows cities to operate parks and trails without fear of lawsuit.

However, in the recently decided Oregon Supreme Court case, *Johnson v Gibson*, It was held that even though the landowner may be immune from liability, their employees are not. As a result, two employees of the City of Portland were found liable for injuries sustained by a jogger in a park, employees who are indemnified by their employer.

The practical effect of this ruling is that the immunity previously enjoyed by cities that allowed for robust park development have been eroded to the point of being non-existent. This priority directs LOC staff to seek to amend the ORS 105.682 to restore that immunity.

N. Increase Local Liquor Fees

Cities play an important role in the review and investigation of liquor license applicants and should be able to recoup costs associated with that role.

ORS 471.166 allows cities to adopt fees that are "reasonable and necessary to pay expenses" associated the review and investigation of liquor license applicants. However, the same statute limits the amounts of those fees to between \$25 and \$100 depending on the license or approval being sought by the applicant.

This priority is to pursue changes to this statute that allow cities to recoup the actual costs associated with performing their role in the liquor licensing process and allowing for periodic increases.

General Government (Continued)

Legislation

O. Continue Marijuana Legalization Implementation

Allow for civil enforcement of marijuana laws.
Ensure equitable distribution of marijuana shared revenues.
Eliminate limitations on shared revenue use.

Background

One of the promises made by marijuana legalization advocates is that illicit sales and production of marijuana would shift into a legalized and regulated market. This has occurred to a large extent but many producers and retailers continue to seek the financial benefits or participation in the marijuana industry while avoiding the inconvenience of its regulatory framework. This priority seeks legislation that gives the Oregon Liquor Control Commission (OLCC) the same civil and administrative authority to prevent unlicensed sales and production of marijuana as it has in regards to liquor.

Beginning in 2017, state shared revenue from marijuana will be distributed to cities based in the number of OLCC licensed commercial marijuana entities exist in their jurisdiction. This priority is to alter that arrangement so that is it distributed on a per capita basis to ensure equitable distribution among cities that are incurring costs.

Measure 91 required that money distributed by the state to cities be used exclusively for costs associated with marijuana legalization. Tracking a dollar through a city's general fund and determining if a service was related to marijuana is inefficient if not impossible, and is not imposed for the receipt of liquor revenue. This priority is to advocate for legislation that removes this burden.

P. Protect Mental Health Investments Made in 2015

Oregon made significant and strategic investments in protecting and caring for the mentally ill in 2015 that should be maintained.

The Legislature increased access to mental health care and expanded existing, proven programs designed to de-escalate police contacts with the mentally ill. Those programs could be vulnerable in a difficult budget environment made challenging by increased PERS rates.

This priority is defensive in nature and seeks to preserve investments that are improving the lives of mentally ill Oregonians.

Q. Remove Qualification Based Selection Mandate

Cities should be allowed to consider cost when making initial contract award decisions when hiring architects and engineers.

Cities are currently required to use a procurement method that prevents the consideration of cost when contracting with architects and engineers for public improvements. Instead, cities must base their initial selection for these services based solely on qualifications and can only negotiate the price after an initial selection is made.

This mandate is not a cost effective means for procuring services and is poor stewardship of the public's dollars. This priority is to seek the removal of this mandate.

Human Resources

Legislation

R. Repeal Requirement to Subsidize Retiree Health Insurance

Public employers should not subsidize the health insurance of former employees when reasonable, cost competitive options exist.

Background

ORS 243.303 mandates that local governments provide retirees with access to health insurance and requires that they be placed in the same risk pool as active employees. As retirees are approximately 2.5 times more expensive to insure than active employees this mandate results in employers and current employees subsidizing the health insurance costs of former employees. This subsidization, according to the Government Accounting Standards Board, must be shown on an audit as long term liability, thus creating an inaccurate perception of a city's financial condition. Further, this requirement could be described as anachronistic as individuals are now able to purchase health insurance under the Affordable Care Act.

This priority is to eliminate ORS 243.303 from Oregon's laws.

S. PERS Reform

PERS benefits should be adjusted where legally allowable and investments should be maximized to ensure a sustainable and adequate pension system.

The PERS unfunded liability stands at \$22 billion and employer rates are anticipated to approach 30 percent of payroll in the coming biennium. Rates are expected to remain at that level for the next twenty years. This is not sustainable.

This priority is to seek any equitable changes to benefits that will reduce employer rates while not pursuing options that are legally tenuous or counterproductive. Additionally, changes are to be sought to the investment portfolio that will maximize returns through improved risk management and efficiencies.

Human Resources (Continued)

Legislation

T. Arbitration Changes

Public employers should have greater influence over the disciplining of their employees.

Background

Currently under the Public Employee Collective Bargaining Act, contested employee discipline matters must be submitted to an outside arbitrator for adjudication. Decisions by arbitrators are binding unless the conduct was a violation of public policy as defined by the state, there was serious criminal conduct or an egregious inappropriate use of force.

This priority is to seek the following changes to the statute:

- Arbitrator decisions should also comply with local policies;
- Decisions should comply with policies related to any inappropriate use of force a;
- Arbitrator decisions should recognize all criminal misconduct related to employment not just “serious”;
- Employer disciplinary decisions as it regards employees who are supervisors as defined by the EEOC and BOLI should be given more weight.

U. Veterans Preference Clarifications

Requirements that veterans be given preference in public sector hiring should be clear and unambiguous for the benefit of veterans and employers.

The State of Oregon requires and the League agrees that honorably discharged veterans deserve special consideration in public sector hiring. However, statutes describing how this is to be accomplished are unclear and ambiguous. Vague statutes do not serve the interests of employers or veterans.

This priority seeks a clear definition of “preference” in the statute, ensure that recently separated veterans receive the consideration necessary for them to successfully enter the workforce and establishes clarity as to when the preference is to be applied.

Telecommunications, Cable & Broadband

Legislation

V. Rights of Way

Oppose legislation that preempts local authority to manage public rights-of-way and receive compensation for their use.

Background

In its commitment to the protection of Home Rule and local control, the League consistently opposes restrictions on the rights of cities to manage their own affairs. From time to time, in the context of franchise fee and rights-of-way management authority discussions, proposals to restriction to this authority arise. These include a statewide franchise policy and revenue collection system as well as limiting the ability of cities to charge fees of other government entities. This is contrary to local government management authority, the ability to enter into agreements with service providers either by agreement/contract or ordinance and to derive revenues from business fees charged to users of public rights-of-way.

W. Franchise Fees

To ensure market fairness and equity, prepare legislation for possible introduction repealing ORS 221.515 (HB 2455 -7 in 2013, and HB 2172 in 2015) to remove franchise fee rate and revenue restrictions which currently apply to incumbent local exchange carriers but not to competitive local exchange carriers.

Oregon statute currently contains a discrepancy between how cities collect franchise fees from incumbent local exchange carriers (ILECs) and competitive local exchange carriers (CLECs). ORS 221.515 limits cities collecting franchise fees from ILECs to a maximum of 7 percent of revenues derived from dial-up services, which represents only a portion of ILEC total revenues due to the addition of a broader array of customer services. There is no such rate cap or revenue restriction on CLECs, hence the discrepancy. In the past the League has worked with CLECs to "level the playing field." Repeal of ORS 221.515 would accomplish that.

X. 9-1-1 Emergency Communications

Support legislation enhancing the effectiveness of the state's emergency communications system through an increase in the 9-1-1 tax and/or a prohibition of legislative "sweeps" from accounts managed by the Oregon Office of Emergency Management.

The League worked with other stakeholder groups in 2013 to extend the sunset date on the statewide 9-1-1 emergency communications tax to January 1, 2022 (HB 3317). In 2014, the League also worked to pass legislation including prepaid cellular devices and services under the 9-1-1 tax (HB 4055). As concerns mount with regard to disaster preparedness and recovery and as new upgrades to communications technology becomes available, it is apparent that state and local governments do not have the resources necessary to address challenges or take advantage of opportunities. Additional funding is needed and the practice of periodically sweeping funds out of the state's emergency management account for other uses should cease. It is worthy of note that the practice of "sweeps" disqualifies the state from receiving federal funds for emergency communications. It is unknown how many federal dollars have been foregone as a result of this policy.

Telecommunications, Cable & Broadband (Continued)

Legislation

Y. Technology Funding

Seek additional funding to assist for cities in:

- **Increasing high speed broadband deployment and close the digital divide.**
- **Purchasing upgraded emergency management communications equipment.**
- **Providing local match money for federal funding programs, such as high speed broadband deployment.**

Background

The deployment of broadband throughout the state of Oregon is critical to economic development, education, health and the ability of citizens to link with their governments. Additional funding, from various sources, including the state and federal government, needs to be allocated for this purpose. The need becomes even more acute when consideration is given to the certainty of a major seismic event. Often federal assistance comes with the requirement of a state or local match which is problematical for cities. A state mechanism for providing matching fund assistance would be helpful to those communities seeking to take control of their broadband destiny.

Transportation

Legislation

Z. Comprehensive, Multi-modal Transportation Funding and Policy Package

The League of Oregon Cities proposes that transportation infrastructure be raised to the same level of importance as other utilities, and be funded at a level capable of maintaining appropriate standards of operation and service. Therefore, the League will help draft and advocate for a comprehensive, inter-modal and statewide transportation funding and policy package that:

1. Provides a significant increase in resources available for the preservation and maintenance of city streets by:
 - Substantially increasing the state gas tax and licensing and registration fees.
 - Indexing the state gas tax.
 - Continuing efforts to identify and implement alternative funding mechanisms (VMT, tolling, public-private partnerships, etc.).
 - Disaster resilience and seismic upgrades for all transportation modes.
 - The completion of transportation projects begun but not yet completed due to lack of funding or changes in funding criteria.
 - Providing additional funding for voluntary jurisdictional transfer.
 - Funding transportation enhancements such as bike-ped facilities.
 - Increasing funding for the statutory Special City Allotment program while maintaining the 50%-50% ODOT/city split.
 - Repealing the referral requirement (2009 Jobs and Transportation Act) on cities seeking to create/increase local gas tax.
2. Addresses statewide needs relating to intermodal transportation through:
 - Additional funding for transit operations and capital projects.
 - Additional funding for freight rail capital projects and operations (*ConnectOregon*, short-line rail and transload facilities).

Background

Maintenance and preservation needs have outpaced the resources available for streets, roads and highways. In its March, 2016 Infrastructure Survey Report the League identifies a \$3.7 billion capital need for highway and non-highway transportation projects (\$2.6 billion highway / \$1.1 billion non-highway). In addition, the report shows, for the 120 cities that participated, an aggregated street budget shortfall for operations and maintenance of approximately \$217 million per year. Safety and disaster resilience were cited as major challenges and needs by most cities. Cities also expressed support for a voluntary jurisdictional transfer program (the sensible alignment of highway facilities and management responsibility) provided the availability of adequate funding to facilitate the transfer and to maintain the asset.

Given the threat that inadequate funding represents to investments already made in the transportation system, the League will insist on a transportation package that increases and makes more sustainable the ability of all government jurisdictions to preserve and maintain these assets. Notwithstanding its emphasis on the need to preserve and maintain existing streets, the League of Oregon Cities agrees that the state's transportation system and the policy and funding programs that support it must be multimodal and statewide in scope. The League will therefore work to pass legislation in 2017 that addresses funding and policy initiatives relating to all modes (streets, bike/ped, transit, rail, aviation and marine) and in so doing address such issues as:

- Connectivity and capacity (especially truck mobility/rail)
- Safety for all users across all modes
- Resiliency and recovery (seismic retrofit across all modes)
- Jobs and economic development
- Impact on climate change
- Active transportation and public health
- Transportation access available on an equitable basis to all Oregonians
- Continuing and extending *ConnectOregon*
- Ensuring adequate new revenues for program/equipment such as the Oregon Department of Motor Vehicles technology upgrade
- Creative solutions to ongoing challenges (dedicated non-roadway fund, increased local authority to fund transit, bike-ped funding, etc.)

- **Additional funding for passenger rail operations, equipment and capital projects (federal matching money and AMTRAK Cascades).**

- **Maximizing local benefits of the federal FAST Act in Oregon**

3. Does not:

- **Preempt local government ability to self-generate transportation revenues for street maintenance and preservation.**
- **Change the dedication of State Highway Fund dollars to highway, road and street projects contained in Article 8, Section 3a of the Oregon Constitution.**
- **Reduce cities 20% share of the State Highway Fund.**
- **Create unfunded mandates requiring cities to undertake specific programs, such as greenhouse gas reduction scenarios.**
- **Further complicate the planning and regulatory process that currently governs the project delivery process.**

Water & Wastewater

Legislation

AA. Funding for Water System Resilience

Secure dedicated funding for water and wastewater system resilience and emergency preparation. This would include additional funds to plan for and upgrade water systems to increase seismic resiliency and funding to better position communities to better prepare for water supply shortages due to drought, climate change or other emergency scenarios.

Background

In general, Oregon’s drinking water and wastewater systems are woefully underprepared for a catastrophic earthquake event. Restoration of water supply following such an event is critical for fire suppression, first aid, and for human health and safety. In 2013, the Oregon Resilience Plan provided estimates for service recovery of water and wastewater systems in the event of a Cascadia earthquake under current infrastructure conditions. According to the plan, the estimated timeframe for service recovery in the valley ranges from one to twelve months. For the coast, service recovery is estimated between one to three years.

In addition to risks associated with significant natural disaster events, recent drought conditions in Oregon have demonstrated the need for emergency supply planning and coordination with other water users to better address water supply challenges. It is critical that communities are able to acquire alternative and back-up water supplies from multiple sources in order to better prepare for supply shortages or emergency situations, such as natural disasters or supply contamination.

The League will work to identify and secure low-interest loans or grants to seismically upgrade drinking water and wastewater system infrastructure and to help ensure that these systems are more resilient and better positioned to respond to water supply shortages resulting from drought, climate change, natural disasters, or other system failures.

Water & Wastewater (Continued)

Legislation

BB. Promote an Enhanced Prescription Drug Take-Back

Advocate for enhanced prescription drug take-back program funding and additional collection locations to reduce contamination of water from unwanted prescription drugs.

Background

Unused prescription drugs are problematic from both a public health and safety perspective as well as from a water quality perspective. Drug take-back programs help to ensure that unused prescription drugs are properly disposed of which keeps them from being abused, keeps them out of the hands of children, and keeps them from entering Oregon's waterways. Unwanted prescription drugs are often flushed down the toilet and despite wastewater treatment systems, they can end up contaminating lakes, streams and rivers. In 2014, U. S. Drug Enforcement Administration (DEA) expanded the types of locations allowed to accept unwanted medications including retail pharmacies and drug manufacturers. Prior to 2014, drug-take back programs were primarily supported through police department drop boxes. The challenge in expanding prescription drug take-back programs is now focused on the cost of transporting unused drugs from the take-back location to the disposal site and in educating the public about responsible disposal opportunities.

The League will work with a variety of stakeholders, including public health advocates, to identify additional funding mechanisms to increase drug take-back collection locations across Oregon. Funding should support the transportation and responsible disposal of unused prescription drugs. Funds should also be dedicated for enhanced education of disposal opportunities and the establishment of convenience standards to ensure that all Oregonians have reasonable access to drug take-back locations.

CC. Increased Funding for Water Supply Development

Support additional water supply funding through the state's Water Supply Development Account.

According to a survey conducted by the League, Oregon's water and wastewater infrastructure needs for cities alone are estimated to be \$9 billion over the next twenty years. In addition, the survey identified 66 percent of respondent cities as being in need of additional water supply storage. The 2015 drought highlighted the need for additional investments in water supply infrastructure, including storage and water delivery system efficiencies. Additional storage project investments are not only critical for adequate drinking water supply, they are an important tool for supplementing streamflows and habitat restoration.

The League will work to secure additional funding for existing water supply development programs. This includes support for feasibility grants and for the state's Water Supply Development Account which provides funding for water supply storage, reuse, restoration and conservation projects.