

**CITY COUNCIL MEETING
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August 4, 2015**

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City of Dundee
City Council Meeting Minutes
August 4, 2015

Call to Order

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

Council and Staff Attendance

Present: Mayor David Russ, Councilors Ted Crawford, Storr Nelson, Doug Pugsley, Kristen Svcarovich, and Tim Weaver. Excused Absence: Councilor Jeannette Adlong. Staff members: Rob Daykin, City Administrator, Shelby Rihala, City Attorney, Chuck Eaton, City Engineer, Alan Mustain, Public Works Supervisor and Debra Manning, Assistant City Recorder.

Public Attendance

Lee Odell, CH2M, and Dale Jutila, CH2M, Brent Russell, Chalice Farms, Hana Weller, Mike Genovese, Chalice Farms, Casey Taylor, Newberg Graphic, Mike Lord, and Brandan McGarr.

Agenda Changes

None.

Public Comment

Brent Russell, Chalice Farms, informed the Council that they plan to do early sales (October 1st) of recreational marijuana through their medical marijuana dispensary on Highway 99W. Mayor Russ inquired if they would have a separate sales area for early recreational sales. Russell replied that the state issues the Oregon medical marijuana patient cards; their system differentiates if the customer is or isn't a medical patient. The customer needs to provide identification that they are 21 or older if they are not a patient. Recreational sales will be tracked by customer name with a bar code and regulated by the OLCC.

Consent Agenda

The motion was made and seconded to approve Consent Agenda item 5.1 City Council Minutes, July 21, 2015. The motion passed unanimously.

Old Business

Water Master Plan

The update will address the proposed capital improvement projects (CIP), changes in the proposed Master Plan Update including the creation of a new pressure zone to serve the riverside area and other properties east of the railroad tracks, and the recycled water program. Handouts were distributed. Lee Odell, CH2M, referred to the Water System Information Chart with the historical peak and average day per capita/person usage noting average day use (indoor) stayed fairly steady while the peak day use has seen a significant decrease since 2006. This means the City's water supply can support more homes than had been anticipated with less storage needed. Water use, including leaks, existing pipe materials and size, and facilities were reviewed in the update of the water distribution system. The Water Demand Forecast chart notes that demand will be met for an additional 394 ERUs (with the firm capacity defined as the largest water source to be out of service) after Well 11 is brought online with an expected 250 gpm supply capacity to cover peak demand needs until after 2025. Dale Jutila, CH2M, added this provides the opportunity to collect SDC revenues from the new homes which will provide funds for supply expansion.

Councilor Nelson questioned the reason for the drop in peak demand. Odell shared it appears to be a trend not only with the City, but nationally. People have become more cognizant of how they use water because of lifestyle changes. Nelson asked if the cost of water and the economic depression are also affecting the trend. Jutila agreed they are part of the reason.

Councilor Pugsley asked if the engineer's model continued the downward trend. Odell advised it did not; they used the average of the last four years at 204 gallons per person.

Long term water supply options include: water from the City of Newberg, a Ranney collector well, additional spring wells, surface water intake, reuse, and replacement of Well No. 4. Council's direction from January of 2015 was to review a Ranney collector well and regional alternatives with a long term goal of Willamette River water. Fire flows drive the need for storage improvements. The recommended fire flows have increased significantly due to building code changes over the past several years. Jutila added that fire flow also takes into consideration how many hours the flow will be available. In the past the emergency supply drove storage needs with the old plan showing a deficiency. The existing pressure zones have enough storage through the twenty year plan. The new riverside area will need storage for operations, fire flow and emergencies. The riverside storage requirements (when it is fully built out) will be about a million gallons; but one half million gallon storage could serve over the twenty year planning period. Storage and pumping at the Waste Water Treatment Plant (WWTP) would allow the city to provide reuse water. The hydraulic model of the water system guided the recommendations for system improvements. A total of 22 water distribution piping projects were recommended, including a backbone system for the riverside transmission, for fire flow needs and material replacement of older steel or asbestos pipes. Other capital improvements include source projects involving a three-year program to review the feasibility of a Ranney collector well, a long-term project for the intake and water treatment plant, a new pressure zone for the riverside district, and the reuse project at the WWTP to allow a purple pipe system. The overall cost of the reuse system, which could support 1800 homes, is for the reservoir and the booster pump station. The associated cost is the distribution system to be constructed by new development with an estimated cost of \$800 a house.

Mayor Russ inquired if the operational cost for a purple pipe system is less than for potable water. Daykin advised there are additional costs for higher levels of disinfecting and testing. Jutila added that a Ranney collector or a surface water plant will probably have less additional operating cost.

C. Pugsley questioned if we will need to build a system on the river if the downward usage trend continues. Odell responded the trend would push out the need to develop that project to a later date.

C.A. Daykin asked for confirmation that the plan assumes building the intake structure in the river and that it would cost less if a Ranney collector will work. Odell confirmed it could be half the cost. The hydrogeologist will complete a feasibility study to determine how much water we can get. It is possible to get 2.5 million gpm from one well; that amount is the Willamette River right.

Jutila advised that some of the CIP projects are eligible for System Development Charge (SDC) funding. They have to be related to the cost of improvements to the system required to serve new customers. They are made up of a reimbursement charge and improvements charges for improvements to provide for excess capacity and for those to be built. The estimated cost for the new water system improvements SDC is \$10,000. Odell suggested either the possibility that a backbone transmission system could provide fire flow for the riverside with a twelve-inch main to Eleventh Street which could provide SDC fees or the addition of a condition to the Development

Standards that developers are to provide an eight-inch looped line or a twelve-inch line to supply fire flow to their development. City Engineer Eaton cautioned we would have to pay the developer SDC credits once it is off of the developer's property or if the city requires pipes larger than eight inches. Odell clarified that an eight-inch looped system will meet the fire flow. Jutila acknowledged that the developer may install a twelve-inch line; paying for an eight-inch line with the city paying the estimated 20% cost difference.

C. Svicarovich asked how Dundee's SDC fees compare locally. Eaton estimated most of the communities range from \$7,000 to \$10,000. Mayor Russ questioned the added cost to the developer. Daykin noted a developer will have both SDC's and system construction costs to serve their development. Daykin requested the engineers review the least cost method for meeting fire flow requirements in the riverside area. Eaton noted that attaching a water line to the bridge structure is not recommended. Daykin stated there is already a twelve-inch line crossing both sides of the Bypass at Eighth Street and there is a conduit under the Bypass for an additional water line at Fulquartz Landing Road. The engineers will work on the alignment and look for the least cost between individual developer loop and the main transmission system.

C.A. Daykin asked if the Council supported the conceptual placement of the new million gallon reservoir on undeveloped Chehalem Park and Recreation property next to the railroad. Russ asked the size of the reservoir. Odell advised height could vary from twenty-four to thirty feet, it is not an elevated reservoir for system pressure. Daykin noted there is room on the site to add landscaping to obscure the reservoir. The reservoir needs to be placed from the railroad tracks to the river to supply the riverside district. A concept plan for the location will be brought back to the Council.

Daykin asked the Council to confirm that the city will include requirements for new subdivisions to place a purple pipe recycled water utility as a condition of approval for the subdivisions. The majority consensus confirmed.

Early Marijuana Retail Sales Prohibition

At the July 21st meeting the Council directed staff to return an ordinance to prohibit early sales of recreational marijuana for consideration. Daykin stated if city prohibits early sales the medical marijuana dispensary will eventually have the right to sell recreational marijuana when the OLCC completes their regulations. After further discussion of concerns Mayor Russ inquired the city's options if the State allows medical marijuana dispensaries to continue to dispense recreational marijuana. City Attorney Rihala replied the city can regulate as long as the sellers do not have a recreational permit with the State. The city has the options: 1) to not take action now and to come back in six months, 2) to not take action now but to pass an ordinance to be referred to the voters in November of 2016, or 3) take action now. C. A. Daykin clarified that the Council did not need to take any action unless they wanted to prohibit early sales. Mike Genavese, Chalice Farms, pointed out that they will be the only store in Dundee. They are setting high standards. Chalice Farms expects to have ten stores in Oregon by 2016. They will be allowed to sell an ounce of marijuana flower as of October 1st. Chalice Farms will apply for a recreational permit in January of 2016. The Council did not take action.

Fire Department Committee

C.A. Daykin shared that there will be another Council committee formed shortly for the Urban Renewal process. Councilor Weaver volunteered to chair the Fire Department Committee to review the recruitment and retention of volunteers and paid firefighters. Councilor Pugsley volunteered to serve on the committee. Daykin suggested that the District board could name their participants. The Mayor recommended the appointment of Councilors Weaver and Pugsley with two representatives of the Dundee Rural Fire Protection District to form the committee. **The**

motion was made and seconded to accept the Mayor's appointment of Councilors Weaver and Pugsley with two representatives of the Rural Fire District to form the Fire Department Committee. **The motion** passed unanimously.

Councilor E-mails

C.A. Daykin referred to the report prepared by Assistant City Recorder Manning and noted that email correspondence by Councilors on their personal electronic devices are public records subject to the Public Records laws and State retention requirements. Manning is available for records retention help. He suggested a separate email account to separate private from Council business. Staff forwarded two options: 1) a separate individual Gmail account with a consistent format for use on newsletters and the website or 2) incorporate with the city's email accounts under Dundecity.org program with additional fees. Under either option Councilors would be responsible for maintenance of their email. Under the city account the emails would be backed up; whereas under the individual account emails could be deleted prematurely and lost.

Mayor Russ supports a Dundecity.org as a Gmail account. Councilor Svicarovich suggested Dundecity.com could be the address. Russ expressed the future need for the city to host its website and have its own exchange server. He will research how to move forward under Dundecity.com through Gmail.

Councilor Crawford questioned the retention periods for emails. Manning referred to the memo with the link to the City's Retention Schedule noting that most emails will probably fall under the retention for Requests and Complaints with a minimum retention of two years. She will forward the retention schedules to Council members and is available for questions.

New Business

Sewer Charge Adjustment

Public Works Supervisor Mustain and C. A. Daykin met with Victor Lopez, La Sierra Restaurant to review their high water use. Lopez has a water cooled condenser walk-in cooler, which was turning on and off while staff was present. The water exits through the rain gutters, not through the sewer system. Since sewer charges are based on the amount of water used, this arrangement results in excess sewer charges for the water not entering the sewer system. There are no measurements available to distinguish how much water is not entering the sewer system to accurately adjust the account, however, based on observation when the water cooled condenser was operating and by comparing the water use at their prior location, the amount of water diverted to the storm system was substantial. Typically, there is no distinction of water not entering the sewer system made for commercial buildings with irrigation systems; unless they install a separate irrigation meter. Staff recommends the condition of a change to a non-water cooling system if the Council wants to apply a credit against the sewer charges. It is unknown how hard or easy it is to make the change to the cooler.

C. Nelson inquired if Riteway Meat Company used the same type of cooling system. Mustain replied their system was different. He estimated it might cost \$500 to change to one that doesn't use water.

Mayor Russ inquired if anything had been done to mitigate the water use. Daykin replied not at this point; it wasn't apparent until the water charges increased substantially as hot weather hit. Mustain noted that the owner does not irrigate the existing landscaping. Russ suggested giving a credit for the difference after Lopez mitigates the issues and a consistent drop of usage is reflected on his account. Staff recommended making the change to an appliance which does not use water and then a credit based on the change as directed by the Council.

C. Pugsley inquired if there were any accounts using similar water for irrigation without a separate meter which could request a credit based on the water not entering the sewer. Daykin responded that Tina's has drawn attention to their irrigation usage in the summer which is not measured. They were advised they could install a separate irrigation meter as others have done. Pugsley expressed concerned with setting a precedent.

The Mayor suggested limiting the number of months to go back. Daykin supported it would not be unreasonable to limit the credit back three months. Staff asked for a recommendation for Mr. Lopez. Russ suggested three months of credit. Weaver suggested going back six months to determine the credit if the issue is fixed within thirty days. Daykin reiterated the majority consensus was for the unit to be replaced within thirty days, it will not be dependent on water use, future usage will be monitored and the credit will be determined using a six month prior history subject to the Council's approval. Daykin suggested the Council determine a dollar amount as the credit on excess sewer charges if the conditions are met in thirty days. The Council consensus supported a credit of \$2,000 of sewer charges. It was noted that Lopez is a renter and does not own the equipment; it is owned by the property owner.

The motion was made and seconded to authorize the City Administrator to negotiate a sewer credit with Victor Lopez, La Sierra Restaurant, under the conditions that they mitigate the water use issue to change the cooler unit to a non-water source within thirty days (subject to scheduling a contractor) to receive a sewer adjustment in the amount of \$2,000. **The motion** passed unanimously.

Council Concerns and Committee Reports

None.

Mayor's Report

Mayor Russ advised the League of Oregon Cities (LOC) that the City of Dundee intends to collect the local marijuana tax. Councilor Crawford relayed City Attorney Watts' opinion that the State will not challenge the City's medical marijuana tax. It is questionable if the recreational tax will be challenged by the State. Russ supports staff continuing to try to collect the tax. Daykin advised that Chalice Farms was advised by mail that the City is pursuing collection of the tax and the form was included. Russ shared an email from Chalice Farms stating "the City is confused about the tax".

City Administrator's Report

C.A. Daykin will discuss moving forward with the Urban Renewal process with Jennie Messmer, COG. He suggested including community members in the process. Messmer is coordinating an update of Dundee's zoning map, currently retained with the City of Newberg. The COG will need the map for the study.

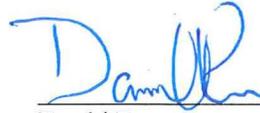
A beaver dam was removed from the sewer outfall at the WWTP.

City Engineer Eaton has been hired by the City of Milwaukie as lead engineer starting August 24th. C.A. Daykin met with the city managers from Amity and Lafayette to discuss further sharing of an engineer.

Public Comment

None.

The meeting was adjourned at 8:51P.M.



David Russ
Mayor

Attest:



Debra L. Manning, MMC
Assistant City Recorder