

**CITY COUNCIL MEETING
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June 20, 2017**

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City of Dundee
City Council Meeting Minutes
June 20, 2017

Call to Order

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

Council and Staff Attendance

Present: Mayor David Russ; Councilors Storr Nelson, Doug Pugsley, and Jeannette Adlong.
Absent: Councilors Kristen Svicarovich, Tim Weaver and Ted Crawford. Staff members: Rob Daykin, City Administrator; Shelby Rihala, City Attorney; and Melissa Lemen, Administrative Assistant.

Public Attendance

Mike Wiltshire, property owner; Michael Humm, P.E., Kennedy/Jenks Consultants; Kevin Aguiar; Faruk Urrao; Jesus Sanchez; and Rowan and Tristan Gallardo.

Agenda Changes

None.

Public Comment

None.

Consent Agenda

The motion was made and seconded to approve Consent Agenda Item 5.1 City Council Minutes, June 6, 2017, Item 5.2 Financial Report Ending May 31, 2017, Item 5.3 OLCC Liquor License Application, Cougar Crest Estate Winery, Item 5.4 OLCC Liquor License Application, Redquim, and Item 5.5 OLCC Liquor License Application, Utopia Wines, LLC.. **The motion** passed unanimously.

Old Business

Vacate Parking Lot and Access Easement

Mike Wiltshire, 32049 NE Corral Creek Road, Newberg, OR 97132, approached the Council and informed that he is one of the owners of Parcel 2 of Partition Plat 95-95. He advised that he is present to request the vacation of a parking lot easement on his property. He reviewed that the easement had been previously granted by the property owners (himself included) to the City in a cooperative effort to facilitate a commercial development twenty years ago. Mr. Wiltshire informed that due to economic reasons that development was not completed. He informed that the property has since sat undeveloped for twenty years and the easement was largely forgotten. Mr. Wiltshire advised that they presently have a third party who is interested in purchasing and developing the property. He noted that in the buyers' due diligence period they discovered and objected to the easement as it prohibited their design. The buyers have asked the present owners to initiate this action. Though the easement made sense for their previous design, it severely restricts the design capability of something different. Mr. Wiltshire pointed out that they feel this is in the best interest of all parties, including the City, as it will allow the Planning Staff to impose their current development standards on the new potential development, give flexibility to the buyers in terms of their design team and what they will be able to put on the site, and create a new commercial development that could be a centerpiece in downtown Dundee.

A brief discussion ensued. A **motion** was made and seconded to initiate the vacation of the discussed parking lot and access easement granted to the City of Dundee on February 21, 1996. **The motion** passed unanimously.

Sewer Video Inspection Report

Mr. Humm reviewed that fourteen manhole to manhole segments (about 4800 lineal feet) were video inspected. He noted that City Staff had been doing manhole inspections and during the course of their work they came across areas where they suspected I&I to be present. City Staff noted that a couple of the segments also included segments that had work completed on them previously. Mr. Humm informed that in the fall of 2016 C-More Pipe did grout work repair and CIPP liner patches. He also informed that this was a good opportunity for Staff to review the performance of their work. Mr. Humm provided a PowerPoint presentation and reviewed a map reflecting the areas inspected. He reviewed the results and noted that the joints are the areas where some problems are being seen. He advised that the connections where laterals tie into the mainline are also a weak point. The pipe walls looked good. He pointed out that they did not see a lot of exposed aggregate or mainline decay which is good; this means there is a remaining life in the system which has been pretty consistent with what they have seen around town. Details pertaining to the previously completed repair work were reviewed. Costs of the repair work were also reviewed. Additional discussion regarding the decision making process with regard to the type of repair work performed ensued. Mr. Humm informed that they will go back to C-More Pipe and ask for some warranty work to be completed. He noted that a couple of the grout locations were found to be failing, and they also found a location where the City had asked for a CIPP liner and C-More Pipe installed a grout repair. Mr. Humm pointed out that reviewing the work following completion is important. He also informed that under C-More Pipe's contract they were required to provide CCTV. It was noted that during the dry season and immediately after those same grout failures weren't seen. Mr. Humm informed that they will go back to C-More Pipe as it is still well within the one-year warranty period. He also reviewed that seven mainline defects were found, as well as eleven other potential signs of staining on the wall, cracks that were dry, etc. Additionally, he reviewed that six of ninety-six lateral defects are actively being followed for suspected I&I with thirty-six others being flagged with potential defects as well.

Mr. Humm reviewed that the City has a pretty good approach in place for the sewer main lines. He reviewed that the laterals have been treated on a more case-by-case basis. Mr. Humm supported the importance of prioritizing the repair work while focusing less so on the smaller defects. He also expressed his belief that it is important to continue with the manhole inspections. Additional detailed discussion ensued regarding the potential of doing lateral launch when identified during CCTV activities. C.A. Daykin led a detailed discussion regarding specific instances in Dundee where laterals have been repaired and were the property owners' responsibility. In one instance the property owners were upset and felt that the policy was unfair and should be reconsidered. C.A. Daykin noted that he informed the property owners that ultimately a discussion would be had with City Council again in the future; at that same time he was also told by City Staff that there are a number of other potential problems with other laterals. Additional detailed discussion ensued regarding the potential complications with this process. C.A. Daykin pointed out the importance of revisiting this policy as it could happen to anybody and it may not be because of any negligence of the homeowner, potentially the age and circumstances of the lateral's construction are significant factors. C.A. Daykin noted that at such time when additional problems with laterals are discovered, Staff will come back to Council to reaffirm how they wish the City to approach the issue.

Mr. Humm reviewed that Kennedy/Jenks has been keeping track of a sizeable amount of data for a long time now, and pointed out that they are trying to look at how well things are doing, where

things are doing well and why. He informed that though they have been pretty consumed in getting the work done at the WWTP plant for the past couple of months, they are starting to really put some analytical data back onto the updated flows from last winter. Mr. Humm advised that WWTP Operator, Todd Miller, has subjectively reported that things are better. Mr. Humm reviewed and discussed the Plant graph as part of his presentation.

WWTP Improvement Projects Update

Mr. Humm informed that the MBR's were pulled on June 6, 2017. The cleaning was completed by City Crews and they will be reinstalled tomorrow. City Crews noted that less surface area was impacted across all of the membranes; though they contained the same problem of plugging. Overall things went well though there was a small repair made to one of the headers.

Mr. Humm informed that the MBR panel replacement project is underway. Conduit has begun to be pulled and cleaned. They will be completing the wire work first and have begun replacing wires already. The big shutdown was noted to be taking place the third week in July.

Biosolids Disposal Plan

Michael Humm, P.E., Kennedy/Jenks Consultants, was present to provide an update. He had anticipated he would be here today to present hauler quotes for the actual land application. He informed that the Biosolids Management Plan was submitted to the Department of Environmental Quality (DEQ); the comments were addressed and it was then submitted to them as final. Mr. Humm informed that they had solicited the farmers and landowners; land agreements were in place. As part of the public notification process there was a review of the City's permit. During this process it was noted that the City's permit had expired in March of 2016 and was not renewed; it was administratively extended, which he explained is a nuance way in which they can continue to enforce the permit without renewing it. He explained that the permit cannot be renewed because the Willamette River Total Maximum Daily Load (TMDL) has been under protest. He further explained that the way that DEQ is implementing the mercury and copper discharge limits is being litigated as it is not in line with the Environmental Protection Agency's (EPA) rule. Discussion ensued regarding the fact that at this time the DEQ and EPA haven't resolved the issues regarding water quality criteria, which is preventing them from moving forward with any permit renewal along the Willamette. It was noted that this is impacting a lot of other communities. Instead of renewing permits, permits are being administratively extended. Mr. Humm explained that in order to adopt the Biosolids Management Plan the permit needs to be active. He informed that they have had a number of discussions with DEQ and they have been very responsive. He explained that there were a number of options provided to them and the City. One of these options involved DEQ issuing a zero mercury discharge criteria. This option was explained and discussed in detail. A second option was to wait until the mercury issue had been addressed and resolved, although the timing on this is unknown though would likely be years which time does not allow for with regard to the plant. The other alternative discussed was issuing a Mutual Agreement and Order (MAO). It was noted that the City operated under MAO when there were the lagoon plants. Mr. Humm described that the discussed MAO would be in addition to the permit, so the City would continue to operate on the liquids discharge under the permit (which was administratively extended). The Biosolids Management Plan would operate under the MAO with the idea that once the permit can be renewed, the two can then be folded together. Mr. Humm advised that an MAO does provide the regulatory shield of DEQ; it is issued by DEQ and it is a route in which cities can operate. He pointed out that there is a little bit of risk in that it's not truly operating under a NPDES permit. Mr. Humm supported this being the best path moving forward which DEQ is in favor of as well. He reviewed the MAO draft copy which was provided to Council. He informed that it reads similarly to how the permit would have in that all of the Federal regulations and all of the DEQ requirements must be followed. Mr. Humm advised that the Biosolids Management Plan must be issued under a public notice. C.

Nelson and Pugsley inquired as to what the risk is with this type of option. Mr. Humm explained that if the MAO goes out for public notification it would run concurrent to the Biosolids Management Plan public notice. He pointed out that it provides the public, including northwest environmental advocacies, the opportunity to comment and raise flags about why DEQ is operating outside of an NPDES permit. It was his feeling that if there is an issue it will be raised during that public notification process. He pointed out that the advocacy groups really want DEQ to resolve the mercury issue.

C. Pugsley inquired as to whether or not the City is able to wait until next summer to begin hauling biosolids. Mr. Humm explained that the south facultative storage lagoon (FSL) is full and that the plant is now discharging to the north FSL. He noted that there would be room for another season though it does impact how flows would be managed at the plant. He also pointed out that the south FSL has been left to sit idle, tested, and is ready to go; it would be nice to get this emptied out.

Additional discussion ensued regarding the potential risks involved. Mr. Humm shared his belief that the risk is really addressing the question of why the City has an MAO and not a NPDES permit. Mr. Humm explained his view that it's really more of an administrative issue; it's allowable but it's not how DEQ should be operated.

M. Russ inquired as to whether or not the discussed process affects the land agreements with property owners and farmers. Mr. Humm advised that those ten-year agreements are already in place. Additional detailed discussion ensued. Mr. Humm explained his belief that once the Biosolids Management Plan has been approved, when the permit is renewable the two will be folded together. He does not expect that the City will have to revisit or update the Biosolids Management Plan. M. Russ expressed his opinion that storing additional biosolids on site is not a good idea. C. Nelson supported this as well and noted the importance of taking care of the City waste.

C.A. Daykin reviewed the process moving forward with regard to the MAO. He informed that some additional information needs to be added to the draft and there will be a hearing date determined for the biosolids plan. A **motion** was made and seconded to authorize the City Administrator and City Attorney to finalize the official mutual agreement and execute it with DEQ. **The motion** passed unanimously.

Mr. Humm discussed a potential timeline moving forward. He noted that he received the drafted MAO yesterday and that he should have the draft of the public notice by Friday, which should be published on June 30th. Mr. Humm discussed the notification process and noted that if more than ten people have comment, a public hearing can be requested. Additional details pertaining to this process were reviewed. In an effort to save time, Mr. Humm advised that they will go ahead and issue a date of the public hearing and run both of those time frames concurrently. The public hearing will be on July 31, 2017 in Dundee. The hearing will be facilitated by DEQ and include the DEQ permitting manager as well as the DEQ permit writer. Mr. Humm explained that farmers typically target July or August for biosolids application, though August or September would also be okay. It was explained that in order to be prepared to haul in this timeframe, the City would need to advertise for the hauling contractor and have bids back right around when the public hearing takes place.

Resolution No. 2017-09, Adopt FY 2017-18 Budget

M. Russ briefly reviewed the resolution. A **motion** was made and seconded to adopt Resolution No. 2017-09, Adopt FY 2017-18 Budget. **The motion** passed unanimously.

New Business

2018 Special City Allotment Grant Application

C.A. Daykin reviewed that last year the City submitted an application for a project on Alder Street from Ninth Street to halfway up the hill towards Seventh Street. This was in anticipation of marrying up those improvements with improvements that were anticipated with private development. C.A. Daykin explained that the developer has made every indication that they will be starting that work this year. If the City were awarded the grant, and if Alder Street is the selected project, C.A. Daykin reviewed that a project of that complexity would likely be a 2019 project. He pointed out that the City is allowed to make an application for one project, and he would like to confirm that the Council supports this project and that this is the best project to put forth. C.A. Daykin reviewed that the City made application for this particular street segment in 2006 and was approved. However, the City ended up withdrawing the application for a variety of different reasons at that time.

C.A. Daykin informed that in the agenda packet for tonight's meeting, page 134, he has provided the Council with other potential options that may be good candidates for the grant application as well. C.A. Daykin reviewed that the cost estimate for the Alder Street project last year was over \$260,000; the grant is only \$50,000. He discussed three properties on Alder Street that were part of a partition process in years past. He noted that as a condition of approval of the petition, the property owners had the choice of either putting in the street improvements or having them deferred; they elected the deferral. Though the properties have sold over, it was noted that the deferral remains with the property. C.A. Daykin advised that at some point in the future if the Alder Street property is selected and the grant is received, City Council would have the opportunity to make decisions with regard to the correct mix of financing for the project. Additional conversation ensued regarding specifics of the project as it relates to the three properties discussed. Though C. Adlong acknowledged the benefits provided from this project, she expressed frustration with regard to the lack of continuity on Alder Street in general. She inquired about the possibility of adding sidewalk only to one side of the street in an effort to save money, even though the City standard is sidewalk on both sides. C.A. Daykin pointed out that over time, especially as the properties even further down the hill on Alder start to develop, these improved connections will happen in this area. C.A. Daykin suggested the potential idea, for those who have non-remonstrance agreements, of requiring them to put in the sidewalks and the curbs while the City takes care of the other related improvements in an effort to share the costs of the overall project. M. Russ pointed out that if property owners in the discussed section of Alder Street are not required to put in sidewalks on both sides in their section it will not be fair for the other areas of Alder Street where sidewalk on both sides will be required. C. Nelson pointed out his belief that there are also new ADA regulations that would make it difficult to not have full and complete access on both sides of the road and to each intersection. C. Adlong supported having advance good communications with the homeowners that are involved. Alternate projects on page 134 were briefly reviewed by Council. The consensus of the Council was to select the Alder Street project. C.A. Daykin informed that at the next Council meeting he will bring forward a resolution that selects the Alder Street project as the project to submit for the grant application.

Parks Advisory Committee Appointments

C. Adlong reviewed that Committee members Melody Osborne and Joyce Stalcup both have announced that they will not seek reappointment to the Committee. She noted that she does have a couple of potential Committee members in mind, though welcomed suggestions from the Council. A **motion** was made and seconded to appoint Jeannette Adlong, Nick Gilbert, Jesse Dillow and Christopher Fanger to the Parks Advisory Committee. **The motion** passed unanimously.

Council Concerns and Committee Reports

C. Adlong informed that at a recent Parks Advisory Committee meeting they discussed the possibility of applying for a state grant next year. This could be for either a small or large parks project. She informed that one option could be to try to get some grant money to try to develop the five lots that are on the corner of Neiderberger and behind the hotel, and possibly tying that into the urban renewal district if possible. She noted that one challenge would be that the Parks Committee would need to have matching grant funds. She pointed out that they could strive for a small grant, possibly adding additional equipment or further developing the Viewmont Greenway, etc. Many options are being discussed.

C. Adlong reviewed that the Parks Committee also discussed the fact that the river is no longer accessible. She suggested the idea of a couple of Parks Committee members meeting with Tom Edwards to discuss the situation and any options that he might consider.

Mayor's Report

M. Russ expressed concern that his water meter was read on Memorial Day and inquired as to why that would be done on a holiday. C.A. Daykin explained that there was a software glitch and the meters were not able to be read at the normal scheduled time.

City Administrator's Report

C.A. Daykin reviewed that the sidewalk construction work has commenced. Council members were provided with the first draft of the construction schedule. C.A. Daykin informed that a summarized format of the schedule will be available on the City website and noted that from time to time it will be updated. There will likely also be a PDF link provided on the website to access the more detailed version of the schedule.

C.A. Daykin informed that K&E is evaluating a potential staging area on the corner of Parks and Highway 99W (the ODOT property). He advised that they are in need of a site to place their construction office though there is no secondary power at that location. It was noted that K&E is having discussions with PGE to see what it would take to make that happen. The cost could be significant enough that they would elect not to do it at that location, or they might elect to just have their own portable generator for the small office. Another option that was discussed was whether the City may have any potential interest in sharing in the cost so that power would be available for a future project. C.A. Daykin advised that they will be meeting and discussing this further on Thursday with PGE. Public Works Superintendent Mustain has speculated that it might cost \$5,000, but if the City paid half that would ensure power at that location for any future needs. Discussion regarding the site ensued. C. Pugsley suggested contacting C. Crawford regarding this information. C.A. Daykin informed that K&E will need to know an answer regarding the City's potential interest right away. The general consensus of the Council was that if the costs were reasonable it would be beneficial to move forward. C. Nelson inquired as to whether or not ODOT has any interest in having power at that location. C.A. Daykin advised that he does not believe they intend to use that site. C.A. Daykin explained that his intention was to potentially pay for the costs out of the Tourism Fund where there is a tourism capitol facility, as he believes that this location is where the capitol facility was intended to be located; he will confirm this with C. Crawford.

C. A. Daykin informed that the planning for the City Employee & Volunteer Picnic is moving along. There was a recent meeting and invitations will be sent out soon. The event will be held at Billick Park from 10:00 a.m. until 2:00 p.m. on Saturday, August 5, 2017. Hamburgers and hot dogs, salads and beverages will be served. The idea of Council members participating in a dessert competition was discussed.

With regard to the changeover of the lights discussed at the last Council meeting, C.A. Daykin informed that Wildish will complete this as part of their work. He noted that they also are doing some similar work in Newberg and so the subcontractor that they're working with will also be scheduled to for this work as well, though the exact schedule is not known. C.A. Daykin identified that the lights located along Highway 99W, though not the interchange itself, would likely be the lights to be changed.

With regard to the aesthetics project, C.A. Daykin informed that they did run into some complexities and issues with fabrication. He noted that they do have the rail built and they also had the plates built and shipped which they should be receiving this week. He informed that they will likely begin the installation of the plates in the next week or two.

C.A. Daykin informed that CPRD will be having their SDC public hearing on Thursday, June 22, 2017 at 6:00 p.m. He informed that he will plan to attend and invited interested Council members to do the same. Additional information was provided to Council members including a copy of the study CPRD used as well as their Parks Plan. He noted that there are a wide range of different approaches they are using. C.A. Daykin informed that he had a number of concerns that he expressed; he did not receive answers so will attend the meeting to try to clarify those. Detailed discussion ensued regarding his specific concerns. M. Russ expressed his support of a reasonable increase in SDC's.

Public Comment

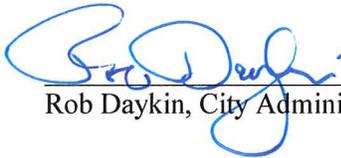
Kevin Aguiar arrived late to tonight's meeting and inquired about the biosolids portion of the previous discussion. M. Russ answered his questions and described the biosolids application process as well as the recently discovered complexities with the permit process.

The meeting was adjourned at 8:11 P.M.



David Russ, Mayor

Attest:



Rob Daykin, City Administrator/Recorder