

**CITY COUNCIL MEETING
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January 19, 2021**

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**City of Dundee
City Council Meeting Minutes
January 19, 2021**

Call to Order

Mayor David Russ called the meeting to order at 7:00 P.M. over ZOOM teleconferencing meeting platform.

M. Russ presented Kristen Svicarovich with a plaque in appreciation of her service to the City of Dundee and its citizens. Additional thanks and appreciation were voiced from members of the Council. Svicarovich noted that she would be available in the future and happy to volunteer on boards or committees as needed.

Council and Staff Attendance

Attendance Via ZOOM: Mayor David Russ; Councilors Storr Nelson, Patrick Kelly, Jeannette Adlong, Ted Crawford, Tim Weaver and David Ford (7:06 PM). Staff Attendance via Zoom: Rob Daykin, City Administrator; Bill Monahan, City Attorney; Greg Reid, City Engineer; Chuck Simpson, Public Works Superintendent; and Melissa Lemen, Administrative Assistant.

Public Attendance

Attendance Via ZOOM: Kristen Svicarovich; Ryan Pasquarella, CPA, Grove, Mueller & Swank, P.C., 475 Cottage Street NE, Suite 200, Salem, OR 97301; Donald Lowe, 959 SW 7th Street; and Sarah Cantine.

Agenda Changes

The agenda was amended to remove item 2, Election of a Council President, as this was completed at the previous meeting and was included on tonight's agenda in error.

Public Comment

Public Comment Via Zoom: None.

Presentation: Ryan Pasquarella, CPA – FY 2019-2020 Audit Report

Ryan Pasquarella, CPA, Grove, Mueller & Swank, P.C., introduced himself and informed Council that a copy of the Annual Financial Report has been provided in the agenda materials for the meeting tonight. Pasquarella discussed some of the highlights of the report. He reviewed that a \$300,000 payment was made by the City to PERS, \$75,000 of which was matched during the year related to that; this payment will reduce the City's PERS contribution percentages for the next twenty years. Pasquarella reviewed that the City paid approximately \$240,000 to ODOT for upcoming improvements that ODOT will be doing on behalf of the City. He also highlighted that the City received a Coronavirus Relief Fund grant in the amount of approximately \$95,000, which helped covered expenses through December 2020. With regard to long-term debt, Pasquarella noted that there was an amendment to the City wastewater plant construction loan with DEQ. He explained that the interest rate changed from 2.65% annually to 2.15% annually, which has no real impact for FY 2019-2020, though will be impactful moving forward and reduce interest rates related to that. Pasquarella explained that these activities are impactful to the income statement for the year; the net income for governmental activities has decreased significantly from the prior year. He highlighted and discussed additional information contained in his report.

Pasquarella provided a visual presentation of his meeting handout; copies were previously provided to Council as well as added to the meeting agenda materials. He highlighted and discussed the graph information provided for the City's government funds and general fund. Pasquarella expressed concern about the trend in the unrestricted fund balance in the water fund and suggested this be monitored; discussion ensued. Pasquarella discussed the audit process this year and the fact that audit processes this year have taken longer than normal. He explained that they were able to complete work for the City audit onsite as in previous years. The audit was complete near the end of December; it was submitted on time to the Audit's Division. Pasquarella praised staff for being prepared for the audit.

C.A. Daykin discussed that if Council has any concerns regarding the status of various funds, the City will be following up on this when a mid-year review of the current year budget is done. With regard to the start of a declining fund balance in the general fund, C.A. Daykin explained that this is mainly due to expenditures outpacing revenues and some extraordinary expenses were incurred at the close of the year which were not anticipated.

Consent Agenda

A **motion** was made and seconded to approve Consent Agenda Item 6.1 City Council Minutes, January 5, 2021. **The motion** passed unanimously.

Old Business

Waterline Relocation Project

C.E. Reid reviewed some of the details of the waterline relocation project and change orders as outlined in his report beginning on page 13 of the agenda packet. With regard to Change Order #3, he discussed the benefits of extending the new water pipe all of the way to Third Street. He pointed out that at a cost of \$70/foot, even with the change order, the cost is still less costly than when it was put in the ground for the previous highway project using standard excavation methods.

C.E. Reid explained that today at Tenth Street where the old railroad spur came through at the south corner with the highway, the contractor began encountering concrete debris and foundations while boring through in this area. C.E. Reid authorized the contractor to proceed and dig out the material in an effort to keep the project moving forward. He discussed that as a result there is now quite a pile of debris on the ground. The contractor will move forward tomorrow to see if they encounter anything else.

C. Nelson inquired about whether the project bid specifications required boring. C.E. Reid confirmed that is the case and discussed that in his opinion this would be the most cost-effective way to complete the work; even with the change orders this method is still less costly than excavating. C. Nelson inquired about whether public works was involved in the process given their historical knowledge. He also discussed the challenges of Council not being able to approve change orders in a real time manner as the contractor is expecting. C. Atty Monahan explained that though he does not have experience in a situation such as this, the specifications for the project are based on what the City's best knowledge is of the situation. He pointed out that Staff specified a particular method that they thought would be the right one; this circumstance may be unique to just this stretch of the highway, or that information is being learned for the future that was not known previously and will assist with future projects. C. Atty Monahan pointed out that by holding back the contractor and asking them to stop work, it is possible that the extra costs that could be incurred by the delays could grow substantially. He also discussed that from what he has heard and read in the documentation earlier today, he felt that Staff were making decisions at the time of specifying the project on the best information available and has acted in a judicious

manner to move the project forward at the least cost. C. Nelson expressed concern that the City specifications and contract requirements may be a little lenient from the perspective of the contractor (regarding delays and change orders). C. Atty Monahan discussed that the more loosely the City specifies the contract to their advantage, the greater the impact could be on the bid price received from the contractor. Discussion ensued. C.E. Reid pointed out that the contractor is really working with the City and that the level of issues incurred were not anticipated. He also explained that public works crews had not completed previous work located at such deep levels in this area; PW crews would typically be working with service laterals.

M. Russ inquired about the work done behind the sidewalk area at the Arco Station. C.E. Reid discussed that upon reviewing the old sewer maps it does show the whole area to be an old fill site which was not identified prior to the project. Discussion ensued. M. Russ suggested that perhaps core samples and proper fill may need to be something put into future development. C.E. Reid pointed out the City has almost completed the necessary work for the waterline though as the private properties along the highway develop, they will likely encounter similar issues; discussion ensued. **A motion** was made and seconded approving change orders 1 through 4 at a combined cost of \$51,600 plus a 5% contingency for a total of \$54,180 to cover potential variations between the estimated costs and the actual costs after the work is completed. **The motion** passed unanimously.

Sander Estate Park Letter

C.A. Daykin briefly discussed the letter that presents the Council's offer of entering into a development agreement with CPRD regarding shared costs of public improvements and the Council's position regarding inclusion of a water feature. Council voiced their support and provided feedback along with two changes suggested by C. Nelson. C.A. Daykin will update the letter.

C.A. Daykin initiated a brief discussion about potential funding sources the City could offer to assist in the project. Urban renewal could potentially finance the undergrounding of the overhead utilities along the frontage of their property, or other aspect of the improvements. C. Nelson voiced support of utilizing urban renewal. M. Russ voiced support that urban renewal could potentially play a role, especially if the project supported tourism commerce and would benefit the City more than only the local citizens. He voiced support of DURA selecting a dollar figure that they would be willing to commit which could then be used in negotiations.

C.A. Daykin discussed that the Tourism Committee voiced their support for some of these improvements, seeing a benefit that could encourage visitors to the City of Dundee. He noted that a plaza area and meeting hall, as well as a water feature, could all be attractions for visitors. M. Russ voiced his preference that the Tourism Committee commit to long-term support of these types of facilities rather than the initial construction. C. Adlong suggested that the Tourism Committee could potentially help support the restroom facility. C. Crawford voiced support of this idea if the restroom facility were located closer to Highway 99W and would serve tourists in addition to local citizens. C. Crawford pointed out that tourism funds presently support the landscaping maintenance on Highway 99W. C.A. Daykin discussed that the maintenance costs are nearly \$10,000 annually now though will increase as additional landscaping is added.

New Business

Water/Sewer Bill Appeal

C.A. Daykin briefly reviewed some of the details contained in his agenda report regarding the utility billing process and the challenges with November and December holidays beginning on page 25 of the meeting packet. Working around weekends and holidays result in billing cycles

varying in the number of days, typically from 29 to 32. The December 2020 cycle was 34 days due to the holiday next to the weekend, and likely an undetermined number of accounts incurred additional volume charges that they normally would not have. C. Ford inquired about whether there is a need to read the meters every month; he suggested this could potentially be done every other month with prorating which would save costs as well as prevent these types of issues. Though C.A. Daykin voiced support that this could be potentially be accomplished, he did not feel it would remedy these types of problems and would likely create some new problems. C. Crawford pointed out that City Staff do attempt to catch leaks and notify homeowners; evaluating this every other month would pose a problem for customers who have leaks. C.A. Daykin stated that Staff are optimistic that the meter read process can be brought down to a one day as they slowly convert more and more of the touch reads to radio read style. C.A. Daykin explained that a one-day process would provide more flexibility to scheduling the monthly read cycle. Chuck Simpson, Public Works Superintendent, lead a discussion about the process of collecting radio reads from the drive by unit being used. C.A. Daykin discussed the extraordinary effort and resources that would be required to determine whether an account would be eligible for an adjustment based on the next time meters are read. Discussion ensued.

Donald Lowe was present at the meeting and provided additional comment. He discussed that his concern is not necessarily the \$6.90, but is rather a concern about how individuals budget for utilities as well as the fact that accounts are setting baseline for sewer rates for the upcoming irrigation rate portion of the year. Lowe pointed out that if there are 400-500 customers who were overcharged during this period, then their baseline will be set effectively higher. He explained that he is seeking an adjustment to his account because within the normal parameters he would not have been charged; his baseline would also not be impacted moving forward. Lowe discussed that he would also like to see consideration given to reading the meters perhaps during the middle of the month when there are less holidays. He inquired about why the City has a flat rate billing for water charges. He pointed out that the method of a minimum number of units does not encourage conservation; it encourages people to use right up to their usage "limit" to get their money's worth. Lowe discussed that if all actual usage amounts were charged then the problem would be eliminated and thus it would not matter when the meters were read. He also inquired about why sewer charges go up in the summer when the winter is the heaviest time to process water due to the storm water.

C.A. Daykin addressed Lowe's questions. He explained that changing the billing cycle could be accomplished, though it would need to be changed in such a manner so that instead of issuing bills close to the end of the month there would need to be a different monthly cycle. Regarding calculating winter averages, if there are extra days in the December cycle this should not be impactful as this averaging takes three months combined into account. C.A. Daykin explained that with regard to sewer charges during the summer, the basis for the winter average is to freeze out any water use that would go above that average so that if water is being used for irrigation it's not being billed for sewer charges. He explained that City Council had many of those discussions with the rate consultant when the new rate structure was established for sewer charges; he would not be opposed to having those discussions again. C.A. Daykin discussed that during the comparison process of reviewing other cities in Yamhill County, there were a number of cities in which the residential accounts are simply a flat fee for sewer with no volume charge. He pointed out that though this could be considered, some accounts would pay more and some less given the nature of the rate structure. C.A. Daykin discussed the components considered when the rate structure for sewer charges was established. He explained that the design of the facility is really based on storm sewer (storm water getting into the public sewer system). C.A. Daykin explained how the present rate structure was established by a policy decision of the City Council and working with a well-known rate consultant in 2010.

C. Crawford pointed out that the tiered usage module to charge higher rates for higher water consumption is a conservation effort to require those who use more water to pay more for it. C. Adlong discussed that over time the City has reduced the number of cubic feet that was included in the base rate, bringing it down to 550 cf from 667 cf originally. C.A. Daykin pointed out annually Council reviews rates and will be doing so at a future public meeting. C. Adlong voiced support of Council reviewing this information again in detail. **A motion** was made and seconded to adjust Donald Lowe's utility billing to account for what is described in the memo. **The motion** passed unanimously.

Tourism Committee Appointments

C. Crawford identified a correction to be made to the agenda report on page 29. He explained that Noel Johnson no longer works for Duck Pond Winery; but she is a Dundee resident representative. C. Crawford acknowledged that Nanci Ponzi has been instrumental in forming the marketing and strategy for the Oregon wine industry over the last 45 years; she has been a member of the Tourism Committee for many years and began as a member of the original advisory committee. C. Crawford discussed that Jeremi Carrol from Pollinate Flowers appears to be very active in tourism and tourism promotion in the area and noted that he will be a good addition to the Committee. **A motion** was made and seconded to approve the appointment of Jeremi Carrol and reappoint Councilor Crawford and the remaining members of the Tourism Committee as presented. C. Crawford recused himself from voting on the motion. **The motion** passed unanimously.

Council Concerns and Committee Reports

C. Kelly explained that a Dundee resident raised a concern with him regarding House Bill 22-38 concerning private property during a state of emergency. He discussed that some amendments were made to this Bill; of concern is Part 3 which allows the Governor to take any other action, including through the seizure, use or possession of any real or personal property that may be necessary for the management of resources following an emergency. C. Kelly voiced his opinion that this seems like a government overreach and would be infringing on Fourth Amendment rights. Brief discussion ensued. M. Russ discussed that the County Sheriff, according to federal legal precedence, is the highest legal authority in Yamhill County.

Mayor's Report

None.

City Administrator's Report

C.A. Daykin explained that he asked Chuck Simpson, Public Works Superintendent, to attend the meeting tonight; with the very heavy rains that were seen earlier this month there was a spill event at the WWTP. Simpson discussed that last Tuesday, following 3.5 inches of rain in 36 hours, the plant became overwhelmed (and still is). He explained that presently they are unable to perform a clean in place to get the membranes back in shape, so they are able to put any water through the plant. Simpson explained that the WWTP is running at approximately 40% of efficiency. He discussed that PW Staff did prepare as much as they could prior to the rain event, but the previous heavy rain event impacted those plans. Simpson explained that there was a storm event in late November. He reviewed that they were able to clean the membranes in early December and had hoped they would hold; they did not and Staff is now a situation where they are full with no place to put any extra water and cannot keep up. Simpson explained that they did file their sanitary sewer overflow with the State and are working right now to get the other half of lagoon 1 (that was kept as a storage) functioning; they had it tested and it passed. He noted that they are able to dewater that with some minor chlorine addition into lagoon 4. Additional details of the processes taking place were reviewed with the goal of completing a clean in place on both membrane trains. C.A. Daykin explained that they consulted with engineer Michael Humm and

the full Staff on some of these issues and also in terms of looking at what's the best way of using what dollars the City has to try to mitigate this going forward in the future. At present it was noted that they are still formulating ideas though will be coming back to City Council with some plans yet to be presented. C.A. Daykin reviewed that in late September 2019 a manual clean was done for Train 2; it was discovered to be fouling recently in this late fall/winter cycle. He explained that crews found out later that there was a rip in the screen which had been undetected that may have allowed larger material to get through; the screen will be replaced.


M. Russ could not recall being notified of an incident back in November. Simpson explained that there was no overflow event in November, but rather an increased flow event that brought capacity down a bit. M. Russ voiced that Council is interested in the extra flows due to concerns about I&I. He expressed interest in the flows analysis of that compared to where the plant had been previously with high peak rains of approximately the same amount to see if I&I efforts have reduced what the maximum flow is at maximum points. Discussion ensued and M. Russ suggested that a lot of the I&I issue at this high grade is likely ground water to which Simpson agreed with. Simpson reviewed that they are working to improve this and have had approximately 70 manholes repaired over the past 5-7 years. M. Russ suggested that screen inspections should be completed more frequently which Simpson agreed with as well. Simpson reviewed additional details pertaining to the high flow events. C. Crawford suggested that a big contributing factor is likely the ground water from the flat areas of Dundee. M. Russ inquired about whether scoping has been done in the flat areas. Simpson discussed that the Highway sewer main was scoped a couple of years ago and looked really good; one crack was discovered that is being fixed next month though noted there are some private lateral repairs which need to be completed as well. M. Russ inquired about inspections of neighborhood streets to which Simpson explained that quite a few have been completed though it is an ongoing process. C.A. Daykin discussed that completing visual inspections of the flows by observing at the various manholes and recording that information may be able to provide a better idea of where the worst areas might be and assist in directing video inspections.

C.A. Daykin explained that he did reach out to the City Manager of Newberg to discuss the recruitment of a Police Chief. C.A. Daykin discussed that they are hiring a consultant to help them through the process. A profile will be created which will assist in the recruitment process; this is anticipated to be completed in February. In an effort for Dundee to be involved with this process, C.A. Daykin discussed that there will be a designated person from the City Council who will meet with the consultant for an interview. Daykin hopes to provide more detailed information at the next Council meeting.

Public Comment

None.

The meeting was adjourned at 8:35 P.M.



David Russ, Mayor

Attest:



Rob Daykin, City Administrator/Recorder