

Minutes of the Veneta City Council

February 8, 2010

Present: Mayor Sharon Hobart-Hardin, T. J. Brooker, Darrell Carman, Marion Esty and Sandra Larson

Others: Ric Ingham, City Administrator; Jerri Moore, Finance Director; Brian Issa, Community Services Director; Kyle Schauer, Public Works Superintendent; Sheryl Hackett, City Recorder; Zac Moody, Assistant Planner; Darci Henneman, Assistant City Recorder; Jerry Elliott, City Engineer, David Dougherty, Dougherty Landscaping Architects; and Don Ganer of FCS Group

Mayor Hobart-Hardin called the Veneta City Council to order at 7:02 p.m.

1. PUBLIC COMMENT

None

2. CONSENT AGENDA

MOTION: Marion Esty made a motion to approve the consent agenda as presented. Sandra Larson seconded the motion.

Vote: Marion Esty, aye; Darrell Carman, aye; Mayor Hobart-Hardin, aye; Sandra Larson, aye; and T. J. Brooker, aye.

The consent agenda as approved included Minutes for January 20, 2010, Bills Paid/Payable for January, 2010, and the Public Works Activity Report for January, 2010.

Jerri Moore referred the Council to the new format of the Bill Paid/Payable Report. Previously the Council requested staff to modify the reports to provide a greater correlation between the "accounts payable" and the "quarterly financial report" format.

3. DEPARTMENT REPORTS

a. FROM MAYOR/COUNCILORS

(1) West Broadway Update

Two business owners and one property owner attended the West Broadway Open House for the development of the West Broadway business district. Ric said Dougherty Landscaping Architects (DLA) and Webber Elliott continue to move forward with Kerry Werner from Lane County on the design and engineering. Last Thursday the engineering bid was released and will close on 2/25/10. Staff is hopeful to receive many bids. Ric introduced David Dougherty and Jerry Elliott.

Brian said Waldo Lane will not allow parking and will be a one-way eastbound street with a right turn only onto Territorial (south). ODOT would not allow for a left turn lane onto Territorial. Second, Third and Fourth Streets will all feed into Waldo and will be maximized for parking. Parking will be allowed on West Broadway.

In response to a question from Mayor Hobart-Hardin, Ric said the contract for sewer design improvements was released to Webber Elliott. The Downtown Master Plan recommended installing new 8" sewer stub lines for Second, Third and Fourth Streets which will run south to the main line and complement the West Broadway line so it doesn't need to be tore up and replaced.

David Dougherty said bio-swales with native plantings will be created along Waldo for stormwater retention. Streets will have upland planting areas with light posts and trees will be planted where they will fit with electrical outlets for seasonal lights and decorations. Street corners will have benches, litter receptacles, lighting and more flowering plants at the corners.

All of the proposed landscaping will have automatic irrigation. The corner of West Broadway and Territorial (Dari Mart) will be re-landscaped as well as the intersection of Waldo and Territorial. A center landscaped median along Territorial (between Waldo and West Broadway) will be installed. Some kind of City monumentation will be erected on the Lane Transit District (LTD) Park-N-Ride site to further enhance the streetscape and encourage people to enter into the business district. The new landscaping/streetscape calls for several smaller bio-swaes or rain gardens throughout the area rather than one large detention pond. The idea is to create several smaller stormwater detention areas rather than concentrating it in one large area (a pond). There will not be any bio swales along West Broadway.

In response to a question from T. J. Brooker, Brian said developers on West Broadway will be responsible for their own detention of stormwater. Brian said they need to be creative with their landscaping when individual lots are developed.

Ric said buildings will be brought out to the curb line on West Broadway which made overhead electricity lines incompatible with building design. Kyle worked with EPUD to relocate their transmission lines on McCutcheon making West Broadway void of large transmission lines. Lines to serve the area will be under Waldo Lane. A few poles will remain on the south side of West Broadway but for the most part all overhead lines and poles from Territorial to Fourth Street will go away.

In response to a question from Mayor Hobart-Hardin, Ric said the proposed lighting fixtures are manufactured locally and the City will receive a tax credit from EPUD for using this type of lighting. Fifty light posts will be installed; double light posts at each corner and single posts along the street. Arms for hanging decorations and flower baskets will also be utilized.

LTD recently closed on the purchase of the West Broadway and Territorial lot. DLA is working with Pivot Architect and LTD on providing a design. Pivot is working with Zac to align the crosswalks at the Park-N-Ride in an attempt to include it in the West Broadway contract.

In response to a question from Mayor Hobart-Hardin, Mr. Dougherty said LTD has reserved a spot for some kind of monumentation on the West Broadway/Territorial lot. He is working on a preliminary design and should have something back to staff in the next couple of weeks.

In regard to the Senior Center, Ric said the Community Development Block Grant (CDBG) application will be submitted in the next few days. Staff is also working on other possible foundation grants. The final design documents could be released and the project in a construction phase by this fall. St. Vincent/DePaul folks are feeling positive about their project.

Lane County Public Works will open the construction bids on February 25, 2010. We could possibly see construction begin in April or May. Staff told the West Broadway business owners and resident that once the contractor is on board, the City would hold another open house to discuss the impacts the construction will have on West Broadway residents and businesses. Currently the way the bids are written, streets will be operable during the evening hours with no open ditches. Access will be kept open as best as possible for people to come and go relatively easy.

Ric said ODOT will only permit one crosswalk on the north side of West Broadway across Territorial Rd. At this point we're going to appeal that decision and request a second crosswalk at the south side of West Broadway (across Territorial Rd). The City chose to wait until FY 10/11 to purchase the light poles which need to be delivered by

October, 2010. Current bid documents include installation of the poles but staff would like to hold off on installing the furnishings, benches, and trash receptacles and have public works install them at a later time.

Regarding the underground storage tanks, approximately 40% of the tanks are sitting within 10 feet of the Lee Kelley property. There is some contamination but the remediation efforts will be fairly quick. Staff would like to have the tanks removed and the site cleaned up simultaneously with the property swap. Mr. Kelley agreed to deed the City 10 feet of Fourth Street (west side of True Value Hardware) and split the alley on the east side of his building right down the middle. The design should be presented to the Council in the next month to six weeks.

The engineer's estimate for the streetscape, water, sewer, stormwater drains, and landscaping improvements came in from Lane County (\$1,575,000) prior to bid release and it was higher than staff budgeted. This bid does not include the light poles or furnishings but does include installation of the poles. A lot of time was spent on getting the stormwater to flow correctly.

The Council was excited to hear about the project and how quickly it's moving forward.

T. J. Brooker said even though the original budgeted figure was \$1,200,000 the updated price seems reasonable considering the amount of work being provided.

- (2) Recognition of Jim Bruvold's service on the Veneta Planning Commission
Mayor Hobart-Hardin thanked Mr. Bruvold for his 13 plus years as a Veneta Planning Commissioner. She presented him with a certificate of appreciation and a gift certificate to Rosalina's Mexican restaurant.

Mr. Bruvold said he has really enjoyed himself serving the City.

b. COUNCIL/COMMITTEE LIAISONS

Marion Esty said the senior services advisory committee is meeting tomorrow and she would like to provide an update on the West Broadway Redevelopment at that time.

Mayor Hobart-Hardin said she and Ric attended the LCOG Awards Banquet last week as well as the Oregon Country Fair (OCF) Board meeting. The OCF Board voted to donate \$2,000 to the pool fund. Mayor Hobart-Hardin hosted the Mayor's meeting last Wednesday, February 3, here at City Hall. Mayors from the 12 incorporated cities in Lane County were invited. The Area Commission on Transportation (ACT) also met last month and will meet next Wednesday to review their bylaws and meet with members from other ACTs around the state to provide our ACT with some insight on how to get started.

Sandra Larson said the Oregon Country Fair Board made a \$2,001 donation. Brick sales continue to come in. To date the pool committee has raised \$29,000.

T. J. Brooker said the library foundation met at the first of the month with new members coming onboard. They would like to see the library become a larger partner in the community.

4. STAFF REPORTS

- a. COMMUNITY SERVICES DIRECTOR.....BRIAN ISSA
 - (1) FCS Presentation on the Wastewater SDC and Utility Analysis

Don Ganer from FSC Group provided a power point presentation to the Council which outlined two options for addressing Wastewater SDCs and rate increases. Option A would create no new debt, Capital Improvement Projects (CIP) would be funded from the rate increase and SDC revenues and SDCs would be used to repay the debt.

Option B would maximize the use of SDCs for debt repayment with new revenue bonds issued for capital improvements. For both alternatives the proposed percentage increase applied across the board to all existing customers is 8.66% in 2010. It is a requirement that the City maintain a one time coverage (debt service and operation and maintenance costs) that total revenues be at least equal to the debt. To achieve that, we need to have an 8.66% rate increase effective April 1, 2010.

On behalf of FCS Group, Mr. Ganer recommended the City move forward with SDCs of \$4,754 per meter equivalent and a 2010 rate increase of 8.66%. The City Council would need to choose between options A and B for 2011 and beyond. At that point the City could implement the minimum annual inflationary rate increase.

In response to a question from Sandra Larson, Mr. Ganer said the 8.66% rate increase would become effective the last quarter of FY 2009/2010 starting April 1, 2010. Adoption of the rate increase would meet the coverage requirement.

In response to a question from Marion Esty, Mr. Ganer said a wastewater rate increase would not require a public hearing but increasing SDCs would.

In response to a question from Mayor Hobart-Hardin, Ric said if we keep the system we have SDCs would need to be increased by almost \$1500, or a 45% increase. This is significant, but not out of line with other communities. We need to address funding the CIP.

Mr. Ganer said the rate structure was put together with the assumption that the SDC increase would also be adopted. All costs that could be paid through SDCs would be paid through SDCs which minimizes the rate increases. If we changed this and adopted something less, it could lead to a higher rate increase in the future.

Ric said Council indicated to staff that future development should pay for the growth and expansion and not on the backs of existing residents. Debt services has been shifted because much of the debt service being retired has been paid by utility rates. The debt service would be paid from SDCs in both options but the difference in Option B includes future revenue bonds rather than paying for the capital improvements up front through increased rates.

In response to questions from T. J. Brooker, Ric said we cannot solely plan on SDCs to fund improvements, maintenance and debt service because we cannot be sure the growth will be consistent. Brian said new systems will be added, first as capital improvements and then as maintenance and operations. As the new systems age, maintenance and operation costs will increase. Mr. Ganer said maintenance and operation cost increases are roughly 4% annually for both options.

Ric said the Council can fully adopt the best case scenario and have resources set aside or we can take a more conservative approach and have incremental increases over an 18 month period. Option B will allow us to ease into the rate increase but eventually it will need to be made up in the future.

T. J. Brooker is concerned that current residents may be getting a disservice by having a high rate increase over a short period of time. However, he was not in favor of revenue bonds either.

Ric said because we haven't had an inflationary adjustment in the last eight years, we can't put it off any longer.

Mayor Hobart-Hardin felt revenue bonds would be the better option for our residents.

Darrell Carman said it should be considered that at some point the cost of building in the City will increase to an extent that the incentive to build here decreases, then what do we do?

After a lengthy discussion, it was the consensus of the Council to have staff provide rates from other communities prior to deciding on Option A or Option B. Brian said he would bring back some comparisons to the next Council meeting. He said however, many other communities may not be comparable because they're specific to individual systems.

MOTION: T. J. Brooker made a motioned to authorize FCS Group to prepare the Final Report. Marion Esty seconded the vote which passed with a vote of 4-1. Darrell Carman voted no.

In response to a question from T. J. Brooker, Mr. Ganer said the rate increase will always be subject to adjustments through a review process and then modified by a adoption of a resolution.

(2) Pipeline Project Preliminary Engineering Report

Staff has met with Murray Smith & Associates (MSA), Jerry Elliott, and Nancy Holzhauser on completing a draft of the Preliminary Engineering Report. A draft was taken to Corvallis last week. Staff is feeling positive about the progress thus far but there are a few obstacles in the way regarding the plant inventory and wetland delineation and other additional steps that need to be done to meet the PER requirements.

There is critical habitat for plants along the route. The plant assessment cannot be done until June. Nancy Holzhauser knows where the plants are located and will mark them for identification when the plant assessment can be completed.

In response to a question from Mayor Hobart-Hardin, Brian said the Fender's Blue Butterfly is the only animal habitat that could potentially be effected. Three species and a wetland are a concern.

Brian said the proposed pipeline will be a 24 inch pipe running east from the water tank on East Broadway, through the property we acquired from St. Catherines, east to Hunter, south on Huston and east on Perkins Rd. to Central Rd., east on Cantrell Rd., across the Army Corps of Engineers property and Coyote Creek, north on K. R. Neilsen Rd., and east along Highway 126 to the delivery point on Greenhill Road. EWEB would like to continue the line from the Greenhill station east to Terry St. This poses an issue with funding because this section of pipeline is within Eugene's UGB and EWEB would like to oversize the line to accommodate future use.

Minimum overcast and boring under the stream crossings will be a priority and no direct in-stream work will be done. Bore pits will be on the shoulder of Nielsen and Cantrell Rds. Once on Highway 126 at Neilsen Rd., the cost to construct in ODOT's right-of-way is very expensive because they want us to rebuild that section of the road. That pushes us out in the ditch but still within ODOT's right-of-way and thereby near wetlands adjacent to Highway 126. This is not considered a critical habitat area but is close enough to warrant a biological assessment along with other required criteria. Ms. Holzhauser is working on delineation and assessment but at an additional cost.

Jerry said the \$30,000 will cover the joint wetland permit application and the biological assessment and research and documentation but not the survey. Then the surveyor will need to locate Ms. Holzhauser's findings in the field and do an assessment inventory from 100 ft. on each side of the borings. In addition, Jerry received a letter from the Oregon Historical Society indicating a cultural resource study needs to be conducted on the area. He solicited three local archaeologists to conduct the study and he is hoping to get a report back soon. The cost for the cultural resource study is \$7,000.

In response to a question from Mayor Hobart-Hardin, Brian said the environmental study will take time to complete by Ms. Holzhauser but she will locate and identify where the problems and impacts are, if any.

In response to a question from Mayor Hobart-Hardin, Brian said he would have to confirm with MSA if the \$42,000 is included in the amount budgeted to environmental mitigation in the overall project scope.

Jerry Elliott said there may be enough flexibility in MSA's updated budget that the additional \$42,000 could be included in the \$86,000 environmental mitigation figure or the \$188,000 permits and approvals figure.

In response to a question from Mayor Hobart-Hardin, Brian said USDA Rural Development will cover the entire 17.33 million dollar project cost with a combination of grants and loans. All expenses associated with cost of the PER is based on 25% of the total paid by grant funds and 75% in loans. The Rural Development representatives think they can do better by giving 40% of the total project cost in grants and 60% in loans. We want to be conservative but at the last meeting both Rural Development representatives were very excited and impressed that we've made so much progress in the time they've given us. Brian said the project still looks very promising.

Ric said the big challenge is finding an alternative for funding that section of pipeline (Greenhill to Terry St.) because EWEB would like to oversize the line to accommodate their future needs in that area. USDA Rural Development will not fund any portion of the project that exceeds 20 year demand. EWEB is offering a couple of options; they would bill us a flat amount or they would build the section and include the construction costs into our bill. Initial calculations show a rate well beyond what was desirable for the City.

Brian said if you build it with USDA funds you have to own it forever and cannot transfer ownership to another entity. With loan funds you still own it but ownership can be transferred (with USDA permission) to another entity at some point in the future. If down the road EWEB wanted to start hooking up service connections to that oversized section, we could sell that section to them.

In response to a question from Mayor Hobart-Hardin, Ric said we're not sure what the timeline of ownership is so we may be better off finding an alternative to fund that section of oversized pipeline.

Brian said it's possible to split the entire pipeline project into two separate projects by keeping the grant funds and loan funds separate.

Brian reviewed the application timeline: February 15 - submit all application materials including preliminary biological assessment; March/April - USDA Rural Development review; April/May - Rural Development approval and award; May/July - City's decision making process; August 4th - deadline for the City to accept USDA Rural Development funds (contracts signed).

In response to a question from Mayor Hobart-Hardin, Brian said the cultural resource survey and the biological assessment and wetland delineation report do not need to be completed in order to follow the application timeline. USDA does want us to do our homework and identify where problems may occur and as long as we continue to work on it and keep them informed we can continue with the timeline and defining the design as we move forward.

In response to a question from Sandra Larson, Jerry Elliott said the cultural survey and the biological and wetland assessments will not hold up the project but they could make the project very costly.

Brian said the cost of drilling wells and water exploration is very expensive also and it does not guarantee locating water plus possible issues with water rights as we move further east may not leave us with an alternative.

Jerry Elliott said his consultants need a go ahead from the Council to move forward with the cultural resources study and the biological assessment and wetland delineation report at additional cost of \$42,000. Staff has not prepared a budget analysis indicating where the funds would come from.

Ric requested the Council to authorize an additional \$42,000 for completion of the cultural resources study and the biological assessment and wetland delineation report. At the next Council meeting staff will provide a budget breakdown showing where those funds will come from.

MOTION: Sandra Larson made a motion to approve an additional \$42,000 to cover the cost of the Cultural Resources Survey, Biological Assessment, and Wetland Delineation Report. T. J. Brooker seconded the motion which passed with a vote of 5-0.

In response to a question from Darrell Carman, Ric said one issue to be addressed is that USDA Rural Development only wanted to fund the project for 20 years of growth. A 24 " gravity fed pipeline with the ability to attach booster pumps would accommodate the City water needs for the next 40 years.

Jerry Elliott said it is anticipated we could deliver water to the lower reservoir with six feet of gravity pressure under peak demands. MSA's design of the pipeline was very conservative and is easily adaptable for future needs.

Ric said with the public facilities along the pipeline, i.e., fire station, pump stations, the pipeline could easily supply water to the City for a minimum of 40 to 50 years and possibly beyond.

5. OTHER

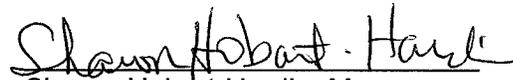
a. Annual Evaluation of City Administrator's Performance

At the previous Council meeting Mayor Hobart-Hardin informed the Council that City Administrator, Ric Ingham's annual evaluation is due soon. Staff provided the performance and development appraisal form in their Council packets and Mayor Hobart-Hardin requested the Council to complete the form and return them to Sheryl Hackett. An executive session will be held at the next Council meeting to review the forms and provide Ric Ingham with an evaluation.

Jerri Moore provided the Council with a budget calendar for the upcoming budget committee meetings and asked them to review the dates selected and let staff know if these dates will fit into their calendars.

6. **ADJOURN**

Mayor Hobart-Hardin adjourned the City Council at 9:28 p.m.


Sharon Hobart-Hardin, Mayor

ATTEST:


Darci Henneman, Assistant City Recorder
(minutes prepared by Dhennehan)