

# Minutes of the Veneta City Council

## July 12, 2010

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

**Others:** Brian Issa, Community Services Director; Sheryl Hackett, City Recorder; Kyle Schauer, Public Works Superintendent; Zac Moody, Assistant Planner; Darci Henneman, Assistant City Recorder; George Hageman, James Eagle Eye

---

Mayor Hobart-Hardin called the Veneta City Council to order at 7:03 p.m.

### 1. PUBLIC COMMENT

#### **George Hageman, 88106 Lindsay Ln., Veneta, OR**

In response to questions from Mr. Hageman, Mayor Hobart-Hardin said the City's present water system is adequate for our current population. However, the new population number came out from Portland State University and we are required by the state of Oregon to plan for growth until 2030. We are looking at options to serve that number. Currently there is not a building moratorium.

### 2. PUBLIC HEARING

#### (a) Public Hearing on Proposed Update to the City of Veneta Wastewater System Development Charge (SDC) Methodology

- (1) Mayor Hobart-Hardin opened the Public Hearing at 7:06 p.m.
- (2) Declaration of potential conflict of interest or ex-parte contacts: None
- (3) Staff Report

Brian said Resolutions 1034 and 1035 address two separate issues. In May 2009 the Council adopted the Wastewater Master Plan but since requested an updated Wastewater System Development Charges and Rate Study. The City Council recognized that the proposed Capital Improvement Program included in the Wastewater System Development Charge (SDC) Study Final Report completed on April 28, 2010, identified both future wastewater needs for the City's growing community and the capital improvement and financing needed to best address that growth.

Staff recommended the Council adopt the Capital Improvement Program referenced as Table 4 in the Wastewater System Development Charge Study Final Report as the City's Capital Improvement Plan (CIP). The Wastewater Capital Improvement Plan is intended to provide further guidance for wastewater system development within the City of Veneta and to provide the basis for future updates to the City's Wastewater SDCs.

Once the Council adopts the CIP by Resolution 1034, Resolution 1035 is required in order to establish a Wastewater System Development Charge (SDC). Resolution 1035 would repeal Resolution 719. The City wishes to impose the cost of wastewater improvements required to serve new development upon those developers. The City must adopt a methodology in order to impose SDC reimbursement and improvement fees which will be increased on a periodic basis by the cost of inflation based upon the Engineering News Record 20-City Construction Cost Index (ENR CCI).

Staff recommended the Council adopt Resolution 1035.

(4) Proponents:

**Joan Mariner, 25712 Cochran Ct., Veneta, OR**

Ms. Mariner has attended many Council meetings when wastewater SDC have been on the Council agenda. She appreciates that the Council has reviewed all their options and that staff has researched those options and presented them clearly. She said Resolutions 1034 and 1035 make sense.

(5) Opponents: None

(6) Questions from the Council:

Mayor Hobart-Hardin thanked staff for clarifying the process in Resolutions 1034 and 1035.

(7) Mayor Hobart-Hardin closed the Public Hearing at 7:10 p.m.

(b) **Resolution 1034 – A RESOLUTION ADOPTING THE WASTEWATER CAPITAL IMPROVEMENT PLAN**

**MOTION: T. J. Brooker made a motion to adopt Resolution 1034. Marion Esty seconded the motion, which passed with a vote of 5-0.**

(c) **Resolution 1035 – A RESOLUTION ADOPTING THE WASTEWATER METHODOLOGY AND CALCULATION PLAN AND REPEALING RESOLUTION 719**

**MOTION: T.J. Brooker made a motion to adopt Resolution 1035. Darrell Carman seconded the motion which passed with a vote of 5-0.**

**3. CONSENT AGENDA**

**MOTION: T. J. Brooker 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 June 14, 2010 and June 28, 2010, the Civic Calendar for August, 2010, the Public Works Activity Report for June, 2010 and a Temporary Liquor License for St. Catherine's Barbecue for July 25, 2010.

**4. DEPARTMENT REPORTS**

**a. FROM MAYOR/COUNCILORS**

Marion Esty said the Fern Ridge Community Library Foundation Board met last week and laid out solid plans for expanding services within the community.

Sandra Larson said the Fern Ridge Community Library received a substantial grant from the Ford Family Foundation. There will be a ribbon cutting ceremony in September to accept the donation.

Mayor Hobart-Hardin attended the West Lane Cities Alliance meeting on July 7. The topic of discussion was to corroborate their efforts in terms of economic development with good ideas being researched by an LCOG member. Jim Lindley from Lane Community College (LCC) Business Center said LCC may possibly offer business classes in our community this

fall. She said it was a good meeting and they are making great progress for western Lane County. The Oregon Country Fair had a good turn out and was well done.

Sandra Larson attended the school board meeting on Tuesday, July 6<sup>th</sup> where Sterling Pew was elected Board Chair and Twinkle Morton was elected Vice Chair. Dennis Friedrich the new school superintendent was introduced at the meeting. The contract with the Fern Ridge Education Association was approved. The board voted to shorten the 2010/2011 school year by 3.5 days because of budget cuts. The next meeting will be in August.

Mayor Hobart-Hardin said she is meeting with Superintendent Friedrich next week.

T. J. Brooker said camping at Zumwalt Park went very well. He said Mindy should have a report for the Council soon. Unfortunately some property was stolen from the campground. It's not known why or how this happened, but several campers had things stolen from their camp sites.

b. COUNCIL/COMMITTEE LIAISONS

5. STAFF REPORTS

a. PUBLIC WORKS SUPERINTENDENT.....KYLE SCHAUER

(1) Award of bid – Territorial Highway Sanitary Sewer Improvements (C1& C2)

On June 30<sup>th</sup> the City opened bids for the construction of the Territorial Highway Sanitary Sewer Improvements known as projects C1 and C2 in the City's Wastewater Capital Improvement Plan. The project was bid as two alternatives Alternative "A" allowed in ground technology (pipe bursting) to upsize existing sewer lines on Territorial Rd. from Cottage Court to Hunter Road. Alternative "B" allowed for the replacement of the existing lines with larger pipe by traditional trenching installations. We received four sealed bids with only one bidder choosing to provide a bid for Alternative "B". The bids came in favorable and were approximately 45% below the engineer's estimate for Alternative "A" which was \$534,204.00. The four bids ranged from \$292,170.75 to \$554,065.00. Three of the bids were within \$33,084.75 of each other.

Century West Engineering Corporation was contracted for the design and bid services for the Territorial Hwy Sanitary Sewer Improvement Project. They reviewed the bids and provided a recommendation on the lowest responsive, responsible bid which was K & R Plumbing and Construction. Century West also recommended that a contingency of \$30,000 be authorized and included for this project.

On July 7<sup>th</sup> City staff followed proper procedures by releasing a Notice of Intent to Award to all bidders recommending K & R Plumbing and Construction as the recipient of the award of contract for this project. The Notice of Intent to Award started a seven day appeal process. The actual awarding of the bid must occur after that seven day appeal period and with Council approval.

Staff recommended the Council authorize staff to award the construction contract for the Territorial Hwy Sanitary Sewer Improvement Project to K & R Plumbing and Construction for a sum of \$292,170.75 and authorize the recommended contingency of \$30,000 for a total of \$332,170.75.

In response to a question from T. J. Brooker, Kyle said potential bidders had over three weeks to review the bid documents and prepare their bid.

In response to a question from Mayor Hobart-Hardin, Kyle said K & R Plumbing and Construction is out of the Portland/Milwaukee area.

In response to a question from T. J Brooker, Kyle said he's worked with both companies (H & J Construction and Kipco) and they're both reputable companies.

**MOTION: Darrell Carman made a motion to award the Territorial Hwy Sanitary Sewer Improvement Project construction contract to K & R Plumbing and Construction for \$292,170.75 and to include a contingency of \$30, 000 for a total of \$322,170.75. Marion Esty seconded the motion which passed with a vote of 5-0.**

(2) West Broadway Redevelopment Project Update

Kyle said Babb Construction is putting the finishing touches on the West Broadway sewer lines, manholes, etc. today and are hopeful to start on water lines this afternoon and should finish on Wednesday then move down the side streets. They will continue to work on the stormwater lines on West Broadway and continue to keep access to West Broadway open.

In response to a question from Mayor Hobart-Hardin, Kyle said a few businesses have complained about the access to their establishments. Yukon's had difficulty with Fourth Street, heading north but Kyle talked with the contractor and worked to keep the area along the buildings (Yukon's and True Value) open for parking.

Kyle said he received a complaint from the state of Oregon about an archaeological find at the Waldo site and a stop work order was issued. An archaeologist on the State's list of contracts was called in to identify the items. Kyle said the archeologist just happened to be attending the Country Fair and was in the area. The archaeologist determined the items in question had no significance. Construction was able to continue and Kyle should receive a letter from the state of Oregon Archeologist's Department confirming items identified have no archeological significance.

In response to a question from Darrell Carman, Kyle said the sewer lines will run down the middle of the street with 10 feet of separation from the water lines.

In response to a question from T. J. Brooker, Kyle said extensive curbing changes will take place with the corners at Second, Third and Fourth Streets.

b. COMMUNITY SERVICES DIRECTOR.....BRIAN ISSA  
(1) Comparison on Water Source Development Options (Power Point Presentation)

Brian said staff submitted all of the materials that USDA RD required and they indicated we would know something by mid-June but we've heard nothing so far. Staff is proceeding with all of the analysis to provide to the Council. Don with FCS attended tonight's meeting to answer questions from the Council. FCS looked at the pipeline from both the SDC and future well development scenarios and provided research on both water sources.

Brian said things have changed from the Department of Water Resources. The purpose of tonight's meeting is to give an overview and try to get an idea of water rate

and SDC impacts of both scenarios, to provide the Council with a summary of the City's current water situation and development strategies, and hopefully decide whether or not to accept USDA's packet if and when it comes. Brian will provide the Council with information on the City's population projects, existing supplies, comparisons and options for future development. Current information indicates Veneta will double its population by the year 2030. He provided a graph that represented peak daily demand until 2030. Peak daily demand is high in the summer mostly due to irrigation. Over time we will have to continue to provide more wells to keep up with the growth. The City has five productive wells within the City. Two potential spots for well exploration sit outside of the Urban Growth Boundary (UGB).

In response to a question from T. J. Brooker, Brian said there are no available water rights on the Long Tom River or from Fern Ridge Reservoir. The long range alternatives are to drill more wells, the EWEB pipeline, Fern Ridge Reservoir is a possibility and new impoundment's (locate new surface water sources). Staff would like to focus on well exploration and the EWEB pipeline.

GSI did some in depth research and found that interference between wells makes a difference. The closer wells are to one another the more draw they have on one another. The further south and east the wells are the more expensive the water is. Also there is a potential for water right restrictions with existing irrigation and residential wells if we took our well exploration further south and east.

#### Groundwater Scenarios:

The optimistic option would be to drill 10 wells at 200 gallons per minute (gpm) at a cost of 1.95 million dollars per well. We would need 10 wells to get us to 2030. The total cost for 10 wells would be 19.5 million dollars.

The more conservative option would be to drill 19 wells at 100 gpm at a cost of 2.97 million dollars per well. We would need 19 wells to get us to 2030 at a total cost 56.43 million dollars.

In response to a question from T. J. Brooker, Brian said costs for treatment, water storage, and delivery upgrades of eight to nine million dollars are not included in these scenarios. Also the rate analysis does not include new wells or system improvements beyond 2019.

In response to a question from Mayor Hobart-Hardin, Brian said the cost estimates do not include maintenance and operation costs and well exploration costs do not include staff time.

In response to a question from T. J. Brooker, Brian said the worse case scenario is the conservative option -- it doesn't cost much more to maintain and operate a 500 gpm well than it would a 100 gpm well. Brian said the big question is we don't know where the water is.

In response to a question from James Eagle Eye, Brian said the potential for well exploration in a wetland area would be considered a temporary impact and isn't too difficult to accomplish.

In response to a question from Darrell Carman, Mr. Gainer said SDCs are not a reliable source of revenue so FCS works with clients to structure rate studies based on SDCs paying for only a portion of capital improvements. When capital improvements

are structured on the SDCs and growth doesn't materialize, they implement huge rate increases to cover debts or to pay for facilities they planned to cover with SDC revenue. This plan is designed to cover the construction and facilities with revenue bonds. The SDC revenue would pay back the revenue bonds so the rates need to be significant enough to pay back those bonds. If no SDC come in the rates would go up.

In response to questions from Joan Mariner, Brian said EWEB has already set aside the in stream water rights on the McKenzie River for fish habitat. If the state mandated the City to drill wells, we would have to adopt a moratorium then plan to get out of the moratorium. Every six months the City would be required to re-apply and re-evaluate our water supply.

Darrell Carman said it's hard to imagine where 20 wells could be drilled in such a small area.

James Eagle Eye felt the City needs to consider a total development package. It's hard to compare communities to one another because the variables are different. Even if we had slightly higher water rates, it doesn't mean the growth won't come.

In response to a question from Darrell Carman, Brian said USDA RD grant funds would be roughly 2.5 million dollars with the balance of the project funded by a 40 year loan from USDA RD at 3% interest.

Brian provided a rate comparison on cities the size of Veneta and the City's water rates were currently below average.

In response to questions from James Eagle Eye and T. J. Brooker, Kyle said we don't yet know if the two water sources are compatible. Our existing wells will need to continue to be maintained so we have a redundant source to get through peak days. These two water sources are different (McKenzie River water has organics). How they react to one another will be researched through a mixing study which was budgeted for in this year's budget.

In response to a question from Sandra Larson, Kyle said regardless of the pipeline going in, we will still need to continue to maintain the existing wells as a redundant water supply.

In response to a question from Mayor Hobart-Hardin, Brian said no action is required from the Council at this time. Staff is waiting to see what kind of funding package USDA RD will offer.

(2) Pool Update

Brian said the swimming pool was at capacity once last week and staff had to turn people away. The water vacuum system died and a new one has been ordered. Swimming lesson classes are all full and there are approximately 15 to 20 participants in each water aerobics class. Staff has received some complaints about the water being too warm for lap swimming. Brian will provide a financial update for the pool at the next Council meeting.

Marion Esty said her daughter enjoyed going to the pool last week.

- d. CITY ADMINISTRATOR.....RIC INGHAM  
(1) Finance Officer Update

City Attorney, Ken Jones said Ric put out an advertisement for the Finance Director position.

**6. OTHER**

Discuss meeting dates for July and August

Staff would like to know if the Council would like to cancel the July 26<sup>th</sup> and August 23<sup>rd</sup> City Council meetings if we have not yet received word from USDA RD on the EWEB pipeline funding. If so, everyone will be notified.

It was the consensus of the Council to cancel the second July and August Council meetings.

Sandra Larson said the Applegate Field Dayz was a very successful and well attended event. Funds were raised for the Mid-Lane Community Partnership. Organizers felt next year the date should be changed so the event is not held over the 4<sup>th</sup> of July holiday.

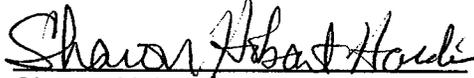
Mayor Hobart-Hardin temporarily adjourned the regular City Council meeting at 8:45 p.m. and opened the Veneta Urban Renewal Agency meeting. At 8:58 p.m. Chair Hobart-Hardin closed the Urban Renewal Agency meeting, reopened the Veneta City Council meeting, and went directly into Executive Session at 8:59 p.m.

- 7. EXECUTIVE SESSION – ORS 192.660(2) (f).** To consider information or records that are exempt by law from public inspection.

After making no decisions Mayor Hobart-Hardin closed the Executive Session of the Veneta City Council at 9:30 p.m.

**8. ADJOURN**

Mayor Hobart-Hardin adjourned the Veneta City Council at 9:30 p.m.

  
Sharon Hobart-Hardin, Mayor

ATTEST:



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