

City of Creswell
Council Minutes
November 13, 2006

The regularly scheduled council meeting was called to order by Mayor Ron Petitti and the pledge of allegiance given.

Council Present:

Nathan Marple
Cathy Morgan
Ron Hanson

Bill McCoy
Ron Petitti

Staff Present:

Mark Shrives
Ken Jones
Roberta Tharp

City Administrator
City Attorney
Utility/Court Clerk II

Council Absent:

Tim Demanett
Bob Millam

Press: 2

Audience: 12

2. Public Hearings

- A. Pursuant to OAR 918-020-0220, the City of Creswell is seeking to adopt new Building Code Fees.

Mayor Petitti opened the Public Hearing for the adoption of new building permit fees. There being no public comment received, Mayor Petitti closed the public hearing

- i. Ordinance No. 440
ii. Resolution No. 2006-27

3. Special Presentation

- A. Project Playground – Deb Jolda

Deb Jolda of Project Playground addressed the Council seeking approval of two equipment supplier quotes and a service agreement for construction oversight for the proposed playground equipment upgrades at Harry Holt Park. Construction is estimated to begin January 27, 2007. Mrs. Jolda explained that fundraising efforts have left project funding about \$1,500 short of their \$65,000 goal. The group plans to raise the money in time for the build.

Cathy Morgan moved Ron Hanson seconded to approve the playground equipment quotation from Northwest Equipment Inc. in an amount not to exceed \$7,566.60 as presented. Voted on and carried unanimously.

Cathy Morgan moved Ron Hanson seconded to approve the playground equipment quotation from Game Time Inc., in an amount not to exceed \$52,325.54 as presented. Voted on and carried unanimously.

Bill McCoy moved Cathy Morgan seconded to approve a contract for services, construction oversight for improvements to Harry Holt Park, in an amount not to exceed \$1,500.00 as presented. Voted on and carried unanimously.

Ron Hanson moved Cathy Morgan seconded to approve spending up to \$1,500.00 from Capital Outlay for Parks and Land Improvements to assist Project Playground in meeting the funding goal for improvements to Harry Holt Park. Voted on and carried unanimously.

B. Buce Breslaw regarding sports programs in Creswell

This item was removed from the agenda.

C. Discussion/Direction Regarding Water Project – Paul Berg

Paul Berg of CH2MHill gave a presentation regarding the Water Treatment Plant Upgrade, including a project summary to date.

Mr. Berg explained the Garden lake park well field may not be useable due to arsenic. The existing water treatment plant is rated for 2 million gallons per day, but during storm events this could drop to ½ million gallons per day. Creswell's current peak water usage is about 2 million gallons per day. That means the City either really needs the well fields or needs to maximize the treatment plant. Public Works Director Roy Sprout said due to the history of arsenic, the state is requiring the City to test this month, and if it comes back over the limit we will have to test every quarter. If the aggregate total of this is over the limit, then they will require us to address this issue more expediently. The state will work with City, as long as we are working to solve the problem. The more water used, the higher the arsenic content in the water is. The arsenic is in a dissolved state and is naturally occurring in the ground water.

Mr. Sprout distributed a report which he turns in every year to the Oregon Water Resources Department. He also distributed a spreadsheet which shows how frequently the testing either complied with or fell out of compliance with the new standards.

Mr. Berg said the conceptual plan shows improved capacity to 3.8 million gallons per day, improved process to handle storm events, having well water pumped to the treatment plant for arsenic removal, the addition of a 3 million gallon storage tank, and needed security upgrades. The total project was estimated to cost \$9.9 million. Then Foster Farms gave notice to the City that their local plant would be phasing out. This raised concern about the ability to meet debt service requirements for full project build out, and Council began discussion of alternative plans. West Yost & Associates recently conducted a rate study for full project funding, which showed the average residential water bill would need to increase to approximately \$52.00 per month in order to continue with the project.

Discussion ensued regarding funding issues if the scope of the project were to change. Finance Director Layli Nichols said if the project is revised, the funding agency (OECD) might have to re-rank the project and funding might no longer be available for any improvements. She further explained the proposed rate increase would qualify the City for special 1% financing with OECD, which could save a potential \$2.2 million in interest payments over the life of the loan.

Mr. Berg said it is challenging to modify the existing treatment plant, and would be better to upgrade the system in its entirety. He said water production would be increased to approximately 2.8 million gallons per day, and membrane filtration systems are easier to expand and upgrade in the future than the current treatment system. Drawbacks to a scaled back project would include: uncertain future of well capacity, invests in equipment which may not be needed if arsenic levels remain below standards, it relies on 20 year old infrastructure, would be more difficult to expand, and would require more maintenance due to the age of the existing plant.

The other possible solution is to obtain water from Eugene Water & Electric Board (EWEB). In all likelihood if water was obtained from EWEB, it would not be sufficient pressure to service the community, and would require the installation of a booster system. EWEB has agreed to conduct a feasibility study over the next three to four months at their cost, to determine whether it would be possible to supply water to other communities. Discussion ensued regarding the possibility of obtaining water from EWEB, and council agreed it is in the City's

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best interest to pursue this possibility for future water needs, but would not be adequate to address current needs and issues. Ron Hanson noted the City could use monies raised by System Development Charges (SDC's) to buy down debt early, and Bill McCoy said he would like to see debt service as a separate line item on water bills. Council gave consensus to have debt service shown as a separate line item on the water bill.

Ron Hanson moved Bill McCoy seconded to move forward with the \$10.3 million original project as planned. Voted on and carried unanimously.

4. Comments from Mayor, Councilors, and City Administrator

No comments were received.

5. Correspondence

- A. Letter from LCOG dated October 18, 2006 regarding 1006 Awards for Outstanding Elected Official, Outstanding Citizen, Outstanding Public Employee, and Outstanding Intergovernmental Team.
- B. Thank You note from Creswell Chamber of Commerce regarding "Great and Treat" Harvest Festival.
- C. Lane County Sheriff - Contract Reports for September 2006.

6. Public Forum

No comments were received.

7. Consent Calendar

- A. Minutes from October 9, 2006 City Council Meeting
- B. Approval of Bills

Ron Hanson moved Nathan Marple seconded to approve the consent calendar as presented. Voted on and carried unanimously.

8. Airport

- A. Pay Request - David Evans and Associates

City Administrator Mark Shrives said this is the last invoice the City would receive for a while, due to a lack of funding for the project. The City was unable to secure a grant from Connect Oregon for construction costs, and as a result construction of the water line would have to be put on hold until funding is secured.

Cathy Morgan moved Ron Hanson seconded to approve David Evans and Associates invoice in the amount of \$3,762.94 as presented. Voted on and carried unanimously.

9. Public Works

- A. Lease Agreement for Dillard Road Property

Cathy Morgan moved Bill McCoy seconded to approve pending resolution of the City's ability to lease the property located at 33680 Dillard Road, the City enter into a lease agreement with Mark and Bethany Wahl as presented. Voted on and carried unanimously.

- B. Pay Request - CH2MHill - Invoice No. 3571792

Bill McCoy moved Cathy Morgan seconded to approve CH2MHill Invoice No. 3571792 in the amount of \$10,577.36 as presented. Voted on and carried unanimously.

C. Craig Estates – Storm Water Issues

Nathan Marple declared a conflict of interest and recused himself from discussion.

City Administrator Mark Shrives said there are a lot of issues surrounding this project. Timing is such that it conflicts with the Harvey road project proposed by Lane County. Lane County said they would like to wait and not have the line installed. There was then discussion that there would be an interest free loan, now the County has now waived the city's approval on plans until the completion of the Harvey Road Project for drainage in the area.

Ron Hanson asked if the storm drainage would be constructed during the time the Hanson asked if a 42" line would be adequate, Mr. Shrives indicated that was correct.

Mr. Hanson asked if the City's previous offer to the Craig Estates developer to pay some \$20,000 of construction costs, and have the City pay the remaining balance, is still valid. Mr. Shrives indicated he did not believe the proposal would work with the changes made by Lane County. Mr. Hanson asked if the City would build the project and then create a zone of benefit. Mr. Shrives indicated that yes, it would have to be a city build. Mr. Shrives further explained that there are few properties in the affected area to include in a zone of benefit.

Mr. Shrives said his recommendation is to have the Craig Estates pay to the City \$24,450, which is their proportional share of the storm drainage improvements. Hazelwood Terrace has deposited their portion of the said improvements, and the City can in turn use these funds as part of the required match for the Harvey Road Improvement Project.

Ron Hanson moved Bill McCoy seconded to accept staff's recommendation as presented in the memo sections one through four. Voted on and carried Bill McCoy, Cathy Morgan, Ron Petitti, and Ron Hanson voting yes. Nathan Marple abstained.

10. City Administration

A. Resolution 2006-28, A Resolution requesting the Board of Commissioners of Lane County to Surrender Certain Streets in Creswell, Oregon

City Planner Megan Banks explained this resolution addresses the need to request the surrendering of streets from Lane County to the City of Creswell as included in the planning process. Upon City approval the request would go before the Lane County Commissioners for final approval. Ron Hanson asked when the City County Road Partnership Agreements ends, would the City no longer request surrender of county roads. Mr. Shrives indicated that is what he believes to be true, but would make sure before the partnership agreement reaches its sunset in June 30, 2007.

Mark Shrives noted the resolution needed to be amended to Resolution 2006-27. Ron Hanson moved Cathy Morgan seconded to approve 2006-27 as amended. Voted on and carried unanimously.

B. Acceptance of Rural Tourism Marketing Agreement between the City of Creswell and Lane County

City Administrator Mark Shrives said this is the annual agreement the city enters into to receive Rural Tourism Marketing Grant monies. This grant is passed to the Chamber of Commerce upon receipt. Cathy Morgan moved Ron Hanson seconded to approve the Rural Tourism Marketing agreement between the City of Creswell and Lane County as presented. Voted on and carried unanimously.

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- C. Resolution 2006-09, A Resolution Appropriating Rural Tourism Marketing Program (RTMP) Grant Funds Within the General Fund

Bill McCoy moved Ron Hanson seconded to approve Resolution 2006-28 as presented. Voted on and carried unanimously.

D. Adoption of New Job Descriptions
City Administrator Mark Shrives asked to table this item to the December 11, 2006 council meeting.

11. Clerk's Report – None

12. Other Business

A. Work Session to discuss sidewalks (pending)

Ron Petitti said that the City needs to look at future funding opportunities for road improvements now that the City County Road Partnership Agreement with Lane County will no longer be renewed due to the sunset of federal funding.

There being no further business to come before the council, Mayor Petitti adjourned the meeting.

Ron Petitti, Mayor

Layli A. Nichols, City Recorder