

AGENDA

REGULAR CITY COUNCIL MEETING
SEPTEMBER 23, 2024
5:30 p.m.

CITY HALL COUNCIL CHAMBER
313 COURT STREET
& LIVE STREAMED
https://www.thedalles.org/Live_Streaming

To speak online, register with the City Clerk no later than noon the day of the council meeting. When registering include: your full name, city of residence, and the topic you will address.

Upon request, the City will make a good faith effort to provide an interpreter for the deaf or hard of hearing at regular meetings if given 48 hours' notice. To make a request, please contact the City Clerk and provide your full name, sign language preference, and any other relevant information.

Contact the City Clerk at (541) 296-5481 ext. 1119 or amell@ci.the-dalles.or.us.

1. CALL TO ORDER
2. ROLL CALL OF COUNCIL
3. PLEDGE OF ALLEGIANCE
4. APPROVAL OF AGENDA
5. PRESENTATIONS/PROCLAMATIONS
 - A. Jill Hoyenga Award
 - B. The Dalles Little League, President Katie Kelley
 - C. Columbia Gorge Community College, Board of Education Chair Kim Morgan
 - D. Local Government Academy Graduation Recognition
6. AUDIENCE PARTICIPATION

During this portion of the meeting, anyone may speak on any subject which does not later appear on the agenda. Up to three minutes per person will be allowed. Citizens are encouraged to ask questions with the understanding that the City can either answer the question tonight or refer that question to the appropriate staff member who will get back to you within a reasonable amount of time. If a response by the City is requested, the speaker will be referred to the City Manager for further action. The issue may appear on a future meeting agenda for City Council consideration.

CITY OF THE DALLES

"By working together, we will provide services that enhance the vitality of The Dalles."

7. CITY MANAGER REPORT

8. CITY COUNCIL REPORTS

9. CONSENT AGENDA

Items of a routine and non-controversial nature are placed on the Consent Agenda to allow the City Council to spend its time and energy on the important items and issues. Any Councilor may request an item be "pulled" from the Consent Agenda and be considered separately. Items pulled from the Consent Agenda will be placed on the Agenda at the end of the "Action Items" section.

- A. Approval of the September 9, 2023 Regular City Council Meeting Minutes
- B. Approval of the August 19, 2024 City Council Work Session Meeting Minutes
- C. Resolution No. 24-022 Concurring with The Mayor's Appointment to the Planning Commission, Pipinich

10. PUBLIC HEARINGS

- A. Special Ordinance No 24-603 Vacating Portions of Public Right-Of-Way Adjacent to 1405 East 10th Street

11. CONTRACT REVIEW BOARD ACTIONS

- A. Authorization for Amendment to Contract issued for Emergency Repairs to Digester 1 Cover

12. EXECUTIVE SESSION

In accordance with ORS 192.660(2)(d) to conduct deliberations with persons designated by the City Council to carry on labor negotiations.

- A. Recess Open Session
- B. Reconvene Open Session
- C. Decision, if any

13. ADJOURNMENT

This meeting conducted VIA Zoom

Prepared by/ Amie Ell, City Clerk

CITY OF THE DALLES

"By working together, we will provide services that enhance the vitality of The Dalles."



PRESENTATIONS

AGENDA LOCATION: Item #5A-D

MEETING DATE: September 23, 2024

TO: Honorable Mayor and City Council

FROM: Amie Ell, City Clerk

ISSUE: Presentation Materials

A. **ITEM:** Jill Hoyenga Award Recognition

ATTACHMENTS: none

B. **ITEM:** The Dalles Little League

ATTACHMENTS: 1. Presentation Slides

C. **ITEM:** Columbia Gorge Community College

ATTACHMENTS: 1. Presentations Slides
2. CGCC Bond Facts Sheet

D. **ITEM:** Local Government Academy Graduate Recognition

ATTACHMENTS: none

Recap of 2024 The Dalles Little League Baseball Season



Wasco County and
The Dalles Little League



Wasco County & Little League collaborate to clean up Kramer Field”



- Turf Maintenance
- Fence repairs
- Irrigation system maintenance
- Rodent and weed control
- Trash cleanup and hazardous waste removal
- Basic structure maintenance
- Removed 100 yards of sod and dirt
- Spread 50 yards of dirt
- Added 60 yards of red rock
- Painted the concession stand roof
- Youth Services work crews

"This initiative underscores the power of collective action and community engagement," stated Tyler Stone, Wasco County Administrator. "By coming together, we not only improved our recreational facilities but also cultivated a sense of pride around Kramer Fields." –CCC NEWS 4/24



2024 Little League Baseball Season Recap



- 350 Players (ages 5-13)
- 6 Divisions
- 36 Teams
- 256 Games
- 53 Business Sponsors
- Junior Umpire Program
- Game Night with TDHS
- End of Season Play-Offs
- All-stars
- Sandlot Baseball

"I drive by Kramer Fields almost every day and what an improvement over the past few years! We have loved playing here this year – good job to all." Nolan - NWCS

2024 In-kind donations from: Northern Wasco PUD, Pray Electric, Root Orchards, Tenneson Orchards, Papa Murphy's Pizza, Isaak & Sons Plumbing, Gorge Collision, Dave Link, Kiwi Fence, and more.





2025 – Looking Forward

- Finalize TDLL Strategic Plan
- Replace field 1 & 2 Dugouts
- Add/Maintain fencing
- Gravel Parking lot & Replace barriers
(utility poles from NWCPUD/Wasco Coop)
- Level playing surface on field 1
- Add lights to field 2
- Further develop fields 5 & 6 (Webber St. fields)
- Painting

New in 2025

- Host D5 All-Star Tournament
- Adding youth softball
- Adding Baseball (Junior level)
- Host game night with TDHS

In 2025, we expect in-kind donations from several local businesses to support further developing and maintaining Kramer Fields.





NEW AT KRAMER IN 2024!
The Dalles Jr. Baseball Association

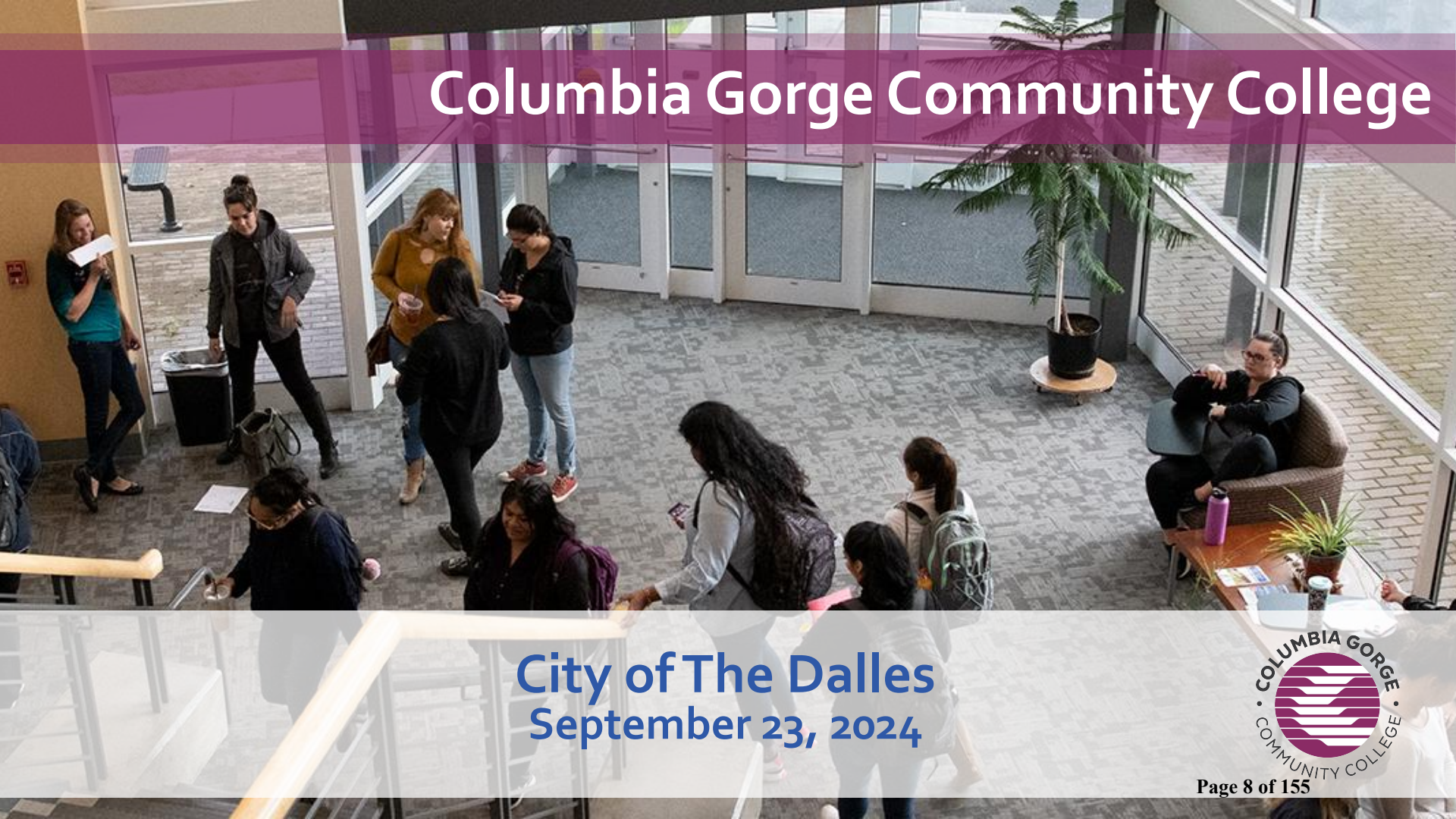
Junior Hawks Travel Baseball

- 8 home games in 2024
- Hosting 2 tournaments in spring 2025

THANK YOU!



Columbia Gorge Community College



City of The Dalles
September 23, 2024



CGCC Board of Education Chair, Kim Morgan

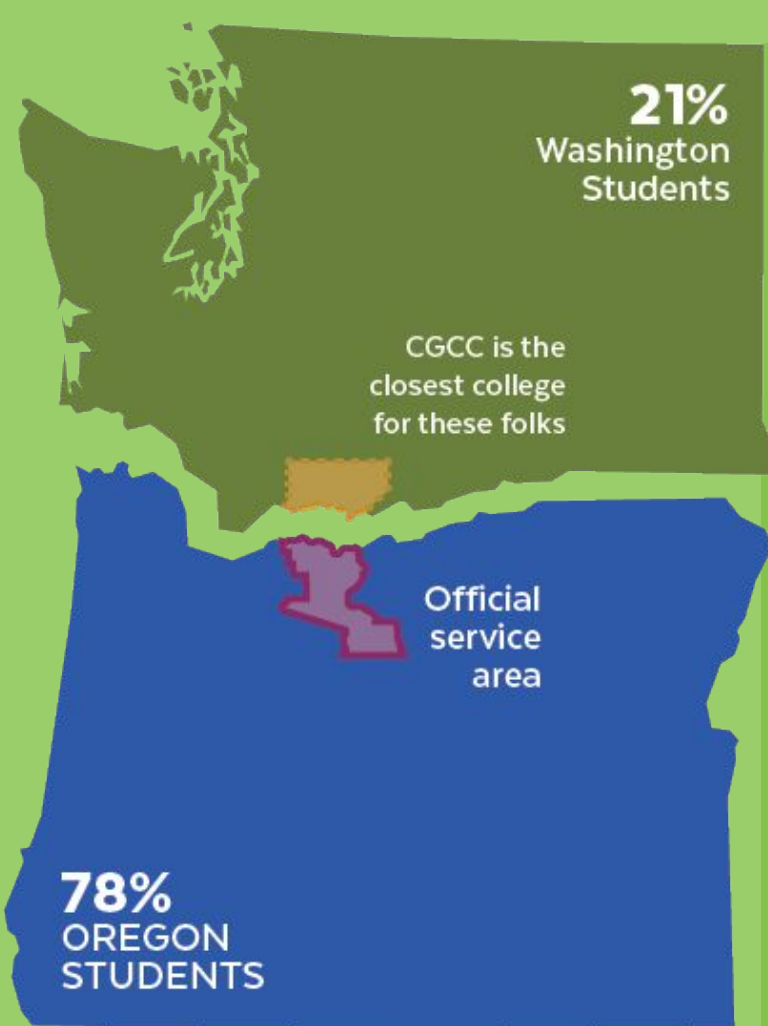
- CGCC is our community's college
- Mission and impact of the college
- Bond Measure 33-111 - November 5 ballot



MISSION

CGCC prioritizes equitable access to education, empowers all students through learning, and drives inclusive prosperity throughout our community.





21%
Washington
Students

CGCC is the
closest college
for these folks

Official
service
area

78%
OREGON
STUDENTS

290 full time
students

749 part time
students

28% Hispanic

**\$45
million**
regional income
added

645
LOCAL JOBS
CREATED

1 out of 53
regional jobs
is supported by
the college

Community Impact

“Offering an affordable educational pathway to family-wage careers means our students realize high return on their investment...and that in turn benefits their families, our community, and the entire regional economy.”

~CGCC President Dr. Kenneth Lawson





**Partner:
Adventist Health**



**Fostering economic growth,
inclusive prosperity, and a
thriving community** Page 12 of 155



Bond renewal - Overview

- Current bond passed in 2004, expires in June 2025
- Funds were used to build the Hood River campus and redevelop The Dalles campus to meet student needs

Passing Measure 33-111:

- ◆ No change to estimated tax rate - \$0.27 per \$1,000 AV
- ◆ \$13m from local taxes, \$5.5m match from State of Oregon

\$18 million total benefit



Current News

Outcomes: Security, safety, facilities upgrades

- Enhance student safety and campus security
- Refit classrooms and labs to better serve our students
- Reformat spaces in Hood River & The Dalles campuses to meet the needs of workforce training and community
- Refinance Regional Skills Center and Residence Hall



An aerial photograph of a university campus. The campus features several large, multi-story buildings with light-colored facades and flat roofs. The buildings are surrounded by lush green lawns, trees, and winding roads. In the background, rolling green hills are visible under a blue sky with scattered white clouds. The overall scene is bright and clear.

→ **QUESTIONS?**
→ **ENDORSEMENT
PROCESS**



CGCC Bond Measure 33-111

History and Current Proposal

History

In 2004, CGCC successfully passed a bond measure that funded a significant expansion:

- » **Hood River:** Purchased land and built the Hood River campus
- » **The Dalles:** Demolished and removed several outdated campus structures, built the new Health & Sciences classroom building, redesigned and improved roadways, landscaping, and walking paths

In 2012, CGCC refinanced the 2004 bond to improve the interest rates.

Takeaway

The proposed bond measure is an accountable investment in our community's future. It would:

- » Leverage state matching funds to maximize the impact of local investment
- » Ensure safer and more secure campuses
- » Modernize and maintain facilities
- » Support high-demand workforce training programs
- » Maintain existing tax rates



Dr. Kenneth Lawson
President



2024 Bond Proposal

CGCC is seeking voter approval to continue support of capital needs without increasing tax rates. This proposed measure, if passed, would maintain the current rate of \$0.27 per \$1,000 of assessed property value while taking advantage of \$5.5 million in state matching funds for capital improvements.

Planned Use of Funds

The funds from the bond measure would enhance the safety, efficiency, and educational capabilities of our campuses:

- » **Safety and Security Enhancements:** Install cameras, automatic lock down systems, and seismic upgrades to ensure student and staff safety
- » **Building System Upgrades:** Update aging building systems to improve operations, energy efficiency, technology, and accessibility
- » **Workforce Lab Modernization:** Upgrade classrooms and labs with the latest educational technology to support workforce training
- » **The Dalles Campus Improvements:** Enhance classrooms, labs, and buildings, incorporate hybrid learning technology for specialized job training, apprenticeship, and education programs; upgrade commercial kitchen facilities
- » **Hood River Campus Upgrades:** Improve space for educational programs (science lab and health programs) and create community gathering spaces
- » **Loan Refinancing:** Refinance the loan that funded the construction of the Regional Skills Center and student housing

No Increase in Tax Rates

This bond measure will not increase tax rates.

This measure, if approved, would also allow for essential improvements while maintaining the existing tax rate.

Provides Match for \$5.5 Million in State Funding

Passing the bond measure would provide CGCC with \$13 million, and would secure \$5.5 million in matching funds from the State of Oregon. This means nearly one third of the bond projects will be funded through sources other than local taxpayers, maximizing the impact of the investment.



CGCC Bond Measure 33-111

Current Status, Expected Outcomes

FAQs

How much will it cost an average property owner?

- » The existing tax rate would remain unchanged: \$0.27 per \$1,000 assessed value
- » For a home assessed at \$220,000, this translates to \$59.40 per year

How much is the college asking for?

- » The bond would provide \$13 million, the State of Oregon would add a \$5.5 million match
- » Passing the bond measure would not increase tax rates

Why does the college need voters to approve this bond now?

- » Campus systems need to be updated for safety, accessibility, and efficiency
- » Several of our trades-based program facilities need to be upgraded to meet needs of our regional industry partners
- » Classrooms and labs need updates to incorporate modern educational technology
- » **Why is tax revenue needed to make these improvements?**
- » Oregon community college facilities are owned locally
- » We don't receive state funding to build, repair, or update facilities
- » Passage of the bond measure allows the college to make repairs and additions that cannot be funded through normal operations



Current state of CGCC facilities

Expansions and refurbishments The college has reserved funds and secured grants to meet some capital construction needs. Passage of the bond measure would allow expansion of our current workforce curriculum and allow us to introduce additional in-demand programs intended to serve the economic development needs of our region.

Aging building systems Buildings on both campuses are in need of security upgrades to ensure safety, and technology and environmental systems to improve accessibility and efficiency for all who use CGCC facilities.

Expected Economic Impact

- » Adventist Health Columbia Gorge (AHCG) has hired sixteen Associates of Applied Science in Nursing (AASN) graduates from CGCC's 2023 and 2024 classes. CGCC facilities are an essential piece of the regional healthcare system. With the goal of increasing pediatric knowledge and skills, AHCG recently held a pediatrics-specialty didactic and simulation training in the CGCC simulation lab.
- » CGCC Advanced Manufacturing & Fabrication partners with regional schools, nonprofits, and businesses for prototyping, replacement parts fabrication, and small batch production. Taken together during the 2023-24 school year these services saved regional businesses more than \$275,000 in otherwise costly outsourcing and delays.
- » The aviation industry and FAA have forecasted an imminent and critical shortage of certified aircraft mechanics. CGCC's Aviation Maintenance Technology program, about to begin its third cohort, is a direct response to the industry's calls for technical training in this field. CGCC's training facilities are too small to allow for expansion.
- » CGCC's Electro-Mechanical Technology program prepares graduates for career opportunities in industries that are growing across the region and beyond. Wind turbine jobs alone are projected to increase 61% in the next ten years, and the domestic semiconductor industry is projected to grow by 115,000 jobs nationwide by 2030. The impact of this growth on the regional economy will be dramatic, and CGCC's training and programs are critical to preparing students for these career paths.
- » An Oregon Community College Association (OCCA) economic impact study indicates CGCC Associate Degree holders enter the job market earning \$7,000 more annually than their peers in similar jobs without the degree



AGENDA STAFF REPORT

AGENDA LOCATION: Item #9A-C

MEETING DATE: September 23, 2024

TO: Honorable Mayor and City Council

FROM: Amie Ell, City Clerk

ISSUE: Approving items on the Consent Agenda and authorizing City staff to sign contract documents.

- A. **ITEM:** Approval of the September 9, 2024 Regular City Council meeting minutes.

BUDGET IMPLICATIONS: None.

SYNOPSIS: The minutes of the September 9, 2024 Regular City Council meeting have been prepared and are submitted for review and approval.

RECOMMENDATION: That City Council review and approve the minutes of the September 9, 2024 Regular City Council meeting minutes.

- B. **ITEM:** Approval of the August 19, 2024 City Council Work Session meeting minutes.

BUDGET IMPLICATIONS: None.

SYNOPSIS: The minutes of the August 19, 2024 City Council Work Session meeting have been prepared and are submitted for review and approval

RECOMMENDATION: That City Council review and approve the minutes of the August 19, 2024 City Council Work Session meeting minutes.

- C. **ITEM:** Approval of Resolution No. 24-022 Concurring with the Mayor's Appointment to the Planning Commission, Pipinich.

BUDGET IMPLICATIONS: None.

SYNOPSIS: The Mayor has met with the applicant and recommends appointment.

RECOMMENDATION: City Council concurs with the Mayor's appointment to the Planning Commission, Pipinich; and approves Resolution No. 24-022.

MINUTES

CITY COUNCIL MEETING
COUNCIL CHAMBER, CITY HALL
SEPTEMBER 9, 2024
5:30 p.m.

VIA ZOOM/ IN PERSON

PRESIDING: Mayor Richard Mays

COUNCIL PRESENT: Darcy Long, Tim McGlothlin, Rod Runyon, Scott Randall, Dan Richardson

COUNCIL ABSENT: None

STAFF PRESENT: City Manager Matthew Klebes, City Attorney Jonathan Kara, City Clerk Amie Ell, Police Chief Tom Worthy, Community Development Director Joshua Chandler.

CALL TO ORDER

The meeting was called to order by Mayor Mays at 5:30 p.m.

ROLL CALL OF COUNCIL

Roll Call was conducted by City Clerk Ell. McGlothlin, Runyon, Randall, Richardson, Mays present. Long absent (joined at 5:50pm)

PLEDGE OF ALLEGIANCE

Mayor Mays asked Councilor Randall to lead the Pledge of Allegiance.

Councilor Randall invited the audience to join in the Pledge of Allegiance.

APPROVAL OF AGENDA

Mayor Mays made note the agenda would be amended to remove Item #13.

It was moved by Richardson and seconded by Randall to approve the agenda as amended. The

motion carried 4 to 0, Richardson, Randall, McGlothlin, Runyon voting in favor; none opposed; Long absent.

AUDIENCE PARTICIPATION

Jann Oldenburg, a resident of The Dalles shared a map she had created noting the locations of short-term rentals in the city. She explained that although there were only 38 short-term rentals, their location and concentration were important factors to consider. She highlighted the difficulty in identifying long-term rentals and shared that she was working with Councilor McGlothlin on a survey aimed to gather feedback from residents in areas where short-term rentals were concentrated, particularly regarding any issues they experienced. She pointed out the absence of penalties for rule violations and stressed the importance of addressing concerns beyond noise and traffic, including the attitudes of rental owners and managers toward residents.

Klebes expressed appreciation for the private efforts and input provided. He requested to be kept informed so that he could ensure staff working on the topic were also updated, emphasizing the importance of coordinating efforts.

Janet Meader of 911 E 7th Street asked how much taxpayers had paid for the Basalt Commons project.

Klebes explained on behalf of the Urban Renewal Agency that a financial incentive package was entered into with Basalt Commons, totaling approximately \$1.74 million. He noted that the majority of the incentive was tied to the System Development Charge program, depending on the final number of houses or units built, with a maximum limit of \$1 million.

Meader said nobody knew about this.

Klebes said it had been reported on several times by Columbia Community Connections as well as other agencies.

Meader said she would like to know why the City had bought the Sunset Motor parking lot.

Klebes said one of the main reasons for purchasing the parking lot was to create a public parking space available to all users in the downtown core. This decision considered the new Farmstand grocery store, the County's purchase of the former Gobhi building, and the development of Basalt Commons.

Meader said she would like to know what the Federal Street project was.

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Regular City Council Meeting

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Klebes said there was an agenda item for the Federal Street plaza and he would be presenting a staff report.

Paul Peters, residing at 310 West Scenic Drive, shared a concern regarding short-term rentals. He explained that on three occasions, people inadvertently pulled into his driveway instead of the short-term rental next door. In one instance, guests even began unloading their vehicle and preparing to enter his home before realizing their mistake. Peters expressed concern over the potential danger of such situations, especially with short-term rentals that do not have live-in hosts. He emphasized this as another issue to consider when addressing short-term rentals.

CITY MANAGER REPORT

City Manager Matthew Klebes reported;

- Applied for a position on the Oregon City County Managers Association Board of Directors; pending final slate this fall, would be recommended for a two-year position.
- Formed a cross-functional communication team to focus on the Water Master Plan and strategic investment discussions; team had met a few times.
- Upcoming work sessions:
 - October 3rd: Housing Production Strategy
 - Second half of October: Water Master Plan
 - Early November: Goal setting session with Sarah Singer Wilson
 - Strategic Investment Program: Dates to be confirmed
- Participated in KODL discussion on downtown parking and transient room tax.
- Attended police ride-along with Officer Caminiti and National Night Out.
- Ribbon-cutting for new sculpture at Lewis and Clark Park, part of the People's Forge project.
- Community Outreach Team delegation was in DC, including Councilor Long and other partner representatives.
- City Public Works had assisted Moser fire response with water testing and wastewater disposal permits in July.
- Executed new State Office Building leases with OED and DHS.

CITY COUNCIL REPORTS

Councilor Runyon reported;

- City/County joint work session.
- Conversations with citizens on upcoming agenda items.
- Attended Oregon government ethics class with Scott Randall, Mayor, and others.
- Remembrance ceremony for the 23rd anniversary of 9/11 at Weber Street Station Number One; ceremony started at 7:15am.

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- POW/MIA Day remembrance at Kelly Viewpoint Memorial 6pm on September 20th.

Councilor Richardson reported;

- Attended the same work sessions as other counselors.
- Participated in Traffic Safety Committee meetings in August.
- Engaged in several conversations with staff and constituents on various topics.
- Attended an informal discussion about the Federal Street Plaza.

Councilor Randall reported;

- Attended City/County work session.
- Attended QLife board meeting.
- Had a brief interview with the City's financial auditing firm.
- Attended work session discussing the Water Master Plan.
- Attended Historic Landmark Commission meeting; discussed restoration of the facade and storefront of the Oaks Hotel (Sigmund's Flowers) and noted upcoming construction of four apartments on the upper level.
- Attended ethics training.

Councilor McGlothlin reported;

- Attended Columbia Gorge Community College briefing on the upcoming bond.
- Had a 15-minute interview with an auditor.
- Attended Airport Commission meeting, including an executive session.
- Attended Urban Renewal meeting.
- Participated in the "Shop with Heroes" program with Mayor Mays, where students shopped with first responders at Fred Meyer.

Mayor Mays reported;

- Participated in two radio interviews with Mark Bailey of KACI.
- Attended two Community Outreach Team meetings.
- Attended Oregon Arts Commission reception at the Neon Sign Museum.
- Represented the City at the Columbia River Indian Fisheries Expo at the Readiness Center, with Councilor McLaughlin.
- Gave a presentation to citizens in the neighborhood southwest of Sorosis Park.
- Met with Stephen Davis, manager of The Dalles Inn, about upcoming major renovations.
- Participated in KODL Coffee Break interview and
- Business After Hours at Bohn's Printing, celebrating their 120th anniversary.
- Attended Sister City Board meeting at Saint Peter's Church.
- Conducted an interview with KOIN TV in Portland about developments in The Dalles.

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CONSENT AGENDA

Councilor Long arrived at 5:50pm

It was moved by Randall and seconded by McGlothlin to approve the Consent Agenda as presented. The motion carried 5 to 0, Randall, McGlothlin, Long, Richardson, Runyon voting in favor; none opposed; none absent.

Items approved on the consent agenda were: 1) Approval of the July 22, 2024 Regular City Council Meeting Minutes; 2) Approval of the June 5, 2024 City Council Work Session Minutes; 3) Approval of the July 23, 2024 City Council Work Session Minutes; and 4) Approval of Resolution No. 24-017A Denying Appeal Application 036-24, Affirming the Planning Commission Decision

CONTRACT REVIEW BOARD

Approval of Professional Services Contract with DocuDriven for City Records Digitization

Amie Ell, City Clerk reviewed the staff report. She also introduced Neil Butler President of DocuDriven and Pacific Ally LLC and Matthew Randall, Vice President of Operations at DocuDriven.

Runyon asked what would happen with the paper documents once they are digitized and if they would be retained, shredded, or otherwise handled after being converted to digital format.

Ell confirmed that all historic records would be retained. She explained that records older than the 1920s must be kept unless disposal is approved by the state office.

Randall said it was mentioned the process would reduce time and resources needed for document retrieval. He asked if it would enable the public to access documents on their own.

Ell confirmed some public records and documents would be added to the ORMS database, a state-recommended platform. This addition will enhance the website and allow the public to search for information independently.

Mayor Mays asked if all public records would be digitized or only those going back to a certain year. He specifically asked about historic documents dating back as far as 1858.

Ell said documents considered permanent would all be scanned as well as many with retention requirements of 50 years or more. She confirmed even the oldest historic documents would be

scanned, noting that while handwritten documents cannot be searched, typed documents would be searchable once digitized.

Richardson asked what the timeframe on the project was.

Ell said a timeline could be found in the contract on page 80 of the agenda packet. The project would begin with the City Clerk department documents which were primarily City Council documents in October and would go department by department until completion in April of 2025.

It was moved by Randall and seconded by Runyon to authorize the City Manager to enter a Personal Services Agreement with Pacific Ally LLC (dba DocuDriven) for scanning services in an amount not to exceed \$162,150.30, as presented. The motion carried 5 to 0, Randall, Runyon, McGlothlin, Long, Richardson voting in favor; none opposed; none absent.

Authorization to Purchase New Biosolids Truck

Matthew Klebes, City Manager presented the staff report.

McGlothlin asked where Peterbilt and Erickson were located.

Klebes answered Peterbilt was located in Portland and Erickson was in Quincy, Washington. He said through the source well purchasing program and the Oregon State bid process to get the most effective pricing.

It was moved by McGlothlin and seconded by Richardson to authorize the purchase of a new 2025 Peterbilt Model 567 truck from Jackson Group Peterbilt in an amount not to exceed \$183,759 and the purchase and installation of tank and pumping systems from Erickson Tank and Pump in an amount not to exceed \$108,890. The motion carried 5 to 0, McGlothlin, Richardson, Long, Randall, Runyon voting in favor; none opposed; none absent.

ACTION ITEMS

Establishment of Federal Street Plaza Ad-Hoc Committee

City Manager, Matthew Klebes reviewed the staff report.

Mayor Mays pointed out that the committee consisted of four Urban Renewal Agency members and two downtown merchants.

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Richardson said City Council had discussed the formation of a committee in previous meetings and notes about this were on page seven of the packet. He encouraged the City Council to approve the ad hoc committee and allow them to return quickly with ideas for consideration and action.

It was moved by Richardson and seconded by McGlothlin to adopt Resolution No. 24-020 A Resolution Establishing an Ad-Hoc Committee for a Proposed Plaza or Park on Federal Street. The motion carried 5 to 0, Richardson, McGlothlin, Long, Randall, Runyon voting in favor; none opposed; none absent.

Klebes informed Council that the first meeting of the ad hoc committee was scheduled for the upcoming Wednesday at 5:30 PM

Adopting Resolution No. 24-021 Prescribing the Updated City Council Rules and Code of Conduct Policy

City Attorney, Jonathan Kara reviewed the staff report.

It was moved by McGlothlin and seconded by Randall to adopt Resolution No. 24-021, as presented. The motion carried 5 to 0, McGlothlin, Randall, Long Richardson, Runyon voting in favor; none opposed; none absent.

Kara said with the adoption of the resolution, the new rules and Code of Conduct Policy would become effective on September 10, and they would be used at the very next City Council meeting.

DISCUSSION ITEMS

League of Oregon Cities Legislative Priorities 2025-26

City Manager, Matthew Klebes reviewed the staff report.

Runyon asked for the definition of "neighborhood livability" in the context of community safety and neighborhood livability, noting that the definition might vary depending on one's location.

Klebes said the recommendation from the League was to focus on funding safety improvements for large roads, such as highways and arterials that run through various communities. This included directing federal and state funds towards safety upgrades on non-ODOT streets, increasing funding for the Great Streets program for cities not covered by the existing program, and encouraging ODOT to explore other funding opportunities. They specifically considered the

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Highway Safety Improvement Program and the All Roads Transportation Safety program.

Richardson asked if the leadership team had considered lodging tax flexibility among the 23 possible items, given its potential usefulness.

Klebes said lodging tax flexibility was not a major topic during the leadership team meeting. He said each department head had selected their top five priorities, which were then compiled and discussed. Lodging tax flexibility was not highly ranked in this process. He acknowledged its significance due to legislation requiring 70% of certain transient room tax (TRT) dollars to be spent on tourism services, which has prompted cities with tight budgets to seek more flexibility for general fund operations and other needs.

Richardson said the League of Oregon Cities has around 141 member cities. He suggested it might not be worth focusing too much on this particular list, given that it is part of a larger conversation involving many cities.

Klebes said participating in the process was an opportunity to influence the League of Oregon Cities' legislative agenda. While the League would ultimately select its own top priorities, the City's choices provided a chance to voice its interests and potentially influence the outcome.

Mayor Mays noted that the subject raised by Counselor Richardson had been suggested and included in the League of Oregon Cities' legislative package multiple times. He was uncertain how serious the League was about pursuing as they had not supported that particular item in the past.

It was moved by Richardson and seconded by Randall to direct staff to submit the Leadership Team's recommended legislative priorities. The motion carried 5 to 0, Richardson, Randall, McGlothlin, Long, Runyon voting in favor; none opposed; none absent.

Discussion on Proposed Amendments to TDMC Chapter 8.04 (Transient Room Tax)

City Manager, Matthew Klebes and City Attorney, Jonathan Kara reviewed the staff report

Klebes said he had recently contacted a member of the Oregon Restaurant and Lodging Association (ORLA) and would be having lunch with them to discuss their experience with the mandatory expenditure of transient room tax (TRT) dollars, specifically referring to litigation involving the City of Bend. He hoped to bring additional detail to a future meeting based on this conversation. He said letters had been sent to all short-term rental operators and entities that pay TRT in The Dalles to inform them about the discussion on the TRT ordinance. This was in addition to previous letters sent regarding tourism discussions. Emails were also sent to the

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Wasco County Administrator and the Parks and Recreation Director to ensure they were aware of the agenda item.

Klebes said his recommendation to remove project-specific and entity-specific items from the ordinance aimed to focus the ordinance on the levying and collection of TRT, rather than on its budget allocation and use. He pointed out that the city has an annual budget process reviewed by the Budget Committee and the City Council, where funding agreements and decisions can be made. He noted that various intergovernmental agreements (IGAs) and contracts could be crafted to capture partnership and intent.

McGlothlin asked about item seven, which involved a 1% to 3% increase in taxation when the City grants a tax refund payment extension.

Kara clarified the 1% to 3% increase in taxation was not an overall tax increase. It was a penalty for late payments of the transient room tax. He explained that if a transient room tax collector, such as a hotel, failed to pay on time, the finance director could grant an extension. However, if the delay extended beyond a reasonable period, the City could impose a penalty of 1% to 3% on the unpaid tax. This adjustment aimed to encourage timely payments and was not an increase in the base tax rate.

Randall asked whether the 55% of the transient room tax allocated to the tourism promotion fund meant that the remaining 45% was directed towards specific projects or entities.

Klebes said the 55% of the transient room tax was specifically allocated to the Tourism Promotion Fund, covering services such as promotion, marketing, visitor centers, and conference centers, as defined by the state. The remaining amount would be allocated to the City's General Fund.

Richardson asked for confirmation that the 55% allocated to the Tourism Promotion Fund was mandated by state law, as part of a complex set of rules governing the collection and expenditure of transient room tax funds.

Klebes explained that the 55% allocation was influenced by 2003 legislation, which set specific requirements for the distribution of transient lodging taxes. He said that increasing the transient lodging tax (TLT) or transient room tax (TRT) would lead to a 70/30 split, adding complexity to the process. Therefore, the focus at this stage was solely on the ordinance itself without recommending an increase in the tax.

Richardson noted that increasing the hotel room tax to 10% would not be straightforward. He explained that such a significant increase would be much more complex and challenging,

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potentially leading to diminished returns.

Klebes said if the City were to implement an additional 2% TRT or TLT tax, the revenue from that extra 2% would need to be allocated 70% to the tourism fund and 30% to the general fund, as per the regulations. This contrasted with the current ordinance, which allocated 55% to the tourism fund and 45% to the general fund.

Mayor Mays asked for clarification regarding the statement in paragraph four of the staff report about best practices not supporting specific funding obligations in general ordinances. He asked whether "best practices" referred to other ordinances from this city or ordinances from other cities in Oregon.

Kara said the best practices were from a legal sufficiency standpoint. Specifically, including highly specific obligations, such as funding for a particular project, in general ordinances can lead to complications over time. He noted that ideally, laws should be broadly applicable and not require frequent changes, as overly specific provisions could become outdated or irrelevant.

Mayor Mays asked for clarification on the intent behind using funding agreements for supporting specific projects or entities. He referenced the budget item for 2024-25, noting the city's transient room tax revenue of \$1,050,000 and an additional \$367,000 allocated to the Park District. He asked if, under the proposed approach, the \$1,050,000 would be multiplied by 55% to allocate \$577,000 to a special fund.

Kara said that the special fund would be designated for tourism promotion activities, with very specific guidelines on how the city must use those dollars. He noted that a common practice among cities in Oregon is to enter into contracts with local Chambers of Commerce to manage tourism promotion, ensuring the funds are utilized appropriately.

Mayor Mays said that the decision on how to use the \$577,000 would involve a recommendation by the Budget Committee and an ultimate decision by the City Council regarding its disposition.

Kara said that the only difference to this section, aside from some grammatical changes, was changing the percentage from 21% to 55%. He noted that the ordinance previously stated that the deposit must be "at least 21%," and the update aimed to ensure consistency with current practices by specifying 55%.

Richardson wanted to confirm that they could not decide to reduce the percentage of money allocated. He noted that state rules or laws had introduced a ratcheting effect, implying that once they were at 55%, they were stuck at that percentage.

Kara said that, according to his legal opinion, they were stuck at 55% and could not go lower. He

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noted that for the sake of argument, the Council could choose to spend 100% of the TLT on tourist promotion in the future, effectively locking the percentage at 100%.

Mayor Mays emphasized that the recommendation to maintain the 55% allocation was based on the current practice of allocating 55%, rather than reducing it.

Richardson clarified while the ultimate decision on fund allocation rested with City Council each year, proposed change would shift the mandatory payment to a budget process through the Budget Committee. The final decisions would then be made by the City Council.

Klebes said the City enters into intergovernmental agreements (IGAs) and funding agreements that span multiple years, which staff used in the budget preparation process. Long-term commitment to provide funds to an agency would be factored into the budget and reviewed by the Budget Committee and the City Council. Terminating such agreements often required notice and adherence to specified requirements. Based on his six years of experience the Budget Committee had consistently been supportive of agencies that present their cases.

Runyon said in his six years, and with McGlothlin's nine years and Long's nearly that long, the Budget Committee had consistently been very favorable to agencies that presented their cases. He did not anticipate this changing, noting the City had a strong group of citizens and counselors who had worked on budgets for years, and that they had been very generous.

Mayor Mays opened the discussion for public comment.

Patrick Urain, representing The Dalles Little League and The Dalles Junior Baseball Association explained that Kramer Field, which they use for their entire season, had been maintained by the County since the Parks Department decided not to renew their lease agreement. Despite the county's efforts to maintain the field, Urain noted that the field was not deemed safe enough for a district All-Star tournament two years ago. He said the TRT tax was intended for park maintenance, and he recommended the City allocate appropriate funding to the County to ensure Kramer Field's annual maintenance. Without this funding, the park could not support local and tournament play, which was crucial for the community and Little League operations.

Mayor Mays said a letter had been sent to Council from Little League president, Katie Kelly (see attached). The letter mentioned other user groups benefited from the use of Kramer Field. He asked Urain what other groups benefitted.

Urain said other users were the Babe Ruth Baseball Association, which serves older teenagers, as well as Peak Baseball Camps, which runs summer camps for local youth, a large soccer camp held at Kramer Field each summer and youth soccer teams. He said the Babe Ruth baseball fence

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had been in disrepair so had been taken down. There was a proposal to install a temporary, movable fence for both baseball and softball seasons and a proposal to perform temporary work on the softball fields to accommodate games during the baseball and softball seasons. During the soccer season, some baseball apparatus would be removed to allow for soccer use, thereby maximizing the field's utility across multiple seasons.

Mayor Mays asked about the 2025 tournament season mentioned in the fourth paragraph of the letter. He inquired whether the association would continue to organize or host tournaments beyond 2025 and sought clarification on the future plans for such events.

Urain said the district charter for leagues in Central Oregon, which included Bend, Redmond, Sisters, Madras, Prineville, Hood River, Warm Springs, and The Dalles, required the All-Star tournament to be hosted every five years, though it could be hosted more frequently. The Dalles had not been able to host the tournament due to facility issues, leading to other cities like Bend, Redmond, and Jefferson County hosting it by default. He anticipated that, if Kramer Field were upgraded, it could be used to host the tournament approximately every three to five years. He also planned to run two tournaments at Kramer Field the following year, pulling teams from Portland and other areas, to demonstrate the field's viability and attract more attention from user groups.

Mayor Mays asked if the County was giving the Little League the opportunity to manage Kramer Field full-time, year-round.

Urain said the Little League organization owned certain facilities at Kramer Field, such as the concession stand, and maintained the baseball fields. The County owned the property and the facility as a whole. It was a collaboration between the Little League and the County, but the County was primarily responsible for maintenance.

Mayor Mays said he understood the County had invested a significant amount of money into the facility recently since they had taken it over.

Annette Byers, a Parks and Recreation board member, said she had spoken with Councilors Long, Randall, and Runyon, and Richardson, and Parks and Recreation Board member Rachel Carter had attended a meeting with the City Manager. She clarified Kramer Field was owned by the County, and Parks and Recreation had managed the field for 30 years but opted not to renew their lease for various reasons. She asked if Council knew the reason behind why Parks and Recreation received 2% of the Transient Room Tax (TRT) or Transient Lodging Tax (TLT).

Mayor Mays clarified that the amount was not 2% of a million dollars but rather 2% of the 8%, which equaled $\frac{1}{4}$, or \$340,000.

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Annette Byers explained the 2% dedicated to Parks and Recreation was originally intended to cover water costs when the City started charging for water usage. She asked if it was best practice for cities in Oregon to charge Parks and Recreation districts for water, noting that the Hood River did not charge its Parks and Recreation district. She said that when the district was formed, Kramer Field, Riverfront Park, and Clint Cove were not part of the \$0.68 per \$1,000 assessment.

Byers expressed frustration that the Parks and Recreation district, operating with a relatively small \$2.9 million budget, had to manage multiple responsibilities, including the swimming pool. She noted the lack of trees at Sorosis Park in recent years and acknowledged that the City and County had generously contributed funds to address this. A new play park was also being built, funded by grants, System Development Charges (SDCs), and the 2% from the Transient Room Tax. She said this tax helps fund parks in The Dalles, allowing Scott Baker to write grants and secure matching funds for projects, such as the \$800,000 play park at Sorosis Park. She expressed concerns about the future of Parks and Recreation deliverables, noting that Mr. Klebes had informed her that deliverables must be shown to receive City funding. She questioned who would decide whether these deliverables were met—City Council, Mr. Klebes, or others—and what would happen if key staff or council members were no longer in their roles.

Mayor Mays stated that, according to the ordinance, the Budget Committee and the City Council would have the final decision on the matter.

Byers questioned what would happen if there were changes in leadership and if no one considered the parks important anymore.

Mayor Mays said you do not elect those people to City Council. He said "deliverables" likely meant the same as what the City required from any organization receiving funding. If the County were a recipient of Transient Room Tax (TRT) money, deliverables would also be required of them. He proposed a deliverable could include documentation of expenses incurred by the Park District, County, or Little League for maintaining the fields to a quality level suitable for attracting tournaments.

Byers said there had been discussion about potential water restructuring, and there was uncertainty as to if it would result in increased water bills for parks.

Mayor Mays said while he was uncertain about the impact on the Park District's water bill, the City had about \$175 million in required improvements to the water system. This included the water plant, water lines, and the dam. He said while these costs were significant they were not directly related to the current issue.

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Byers stated that with the assurance of the 2% funding, there would be no need to seek a bond or ask the public for additional funds. She concluded by affirming that the 2% allowed them to continue their work without further financial concerns.

Long expressed a concern there might still be a misunderstanding about the 2% funding. She clarified that removing the 2% from the ordinance did not mean eliminating the funding for Parks and Recreation. Instead, it meant that the 2% would be handled through the budgeting process separately, with potential long-term contracts and appropriate language included, as mentioned by the City Manager. She said the City had always been a good partner with Parks and Recreation and still supported the parks and recognized their importance, but the change was to align with best practices.

Byers expressed concern that removing the 2% from the ordinance would create additional bureaucracy. She noted that the Parks and Recreation board would now need to request funding for their needs, adding another layer of administrative process. She also questioned how budgeting would be managed under this new system.

Long said the intention would be to establish a long-term, multi-year agreement.

Byers said she was confused about the term best practices.

Long clarified the discussion about best practices was related to writing ordinances for allocating funds, which was a separate issue.

Rachel Carter, a Parks Board member, thanked the City Council for their work and highlighted the significance of the funding for the Parks District, which has an annual budget of \$2.9 million. She noted that the district had brought in \$367,000 from Transient Room Tax (TRT) last year and emphasized the importance of these funds for maintaining and improving the parks. Carter praised Scott, the Parks Director, and the positive developments in the parks, including new projects. She expressed concern about the potential changes to the funding process and the vague nature of deliverables, stressing the need for clear communication and continued collaboration to ensure the funding supports their needs effectively.

Mayor Mays asked if Carter knew how much of the \$152,000 allocated for utilities, water, and sewer in their budget was specifically used for the water costs discussed earlier.

Carter confirmed that was the overall water bill. She said the water costs were a significant concern for the future due to their variable nature.

Mayor Mays invited Wasco County Administrator Tyler Stone to speak about the expenses that

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the County and/or Little League would incur beyond what was normal to accommodate out of town people coming because of tournaments.

Stone said the focus was on the maintenance and operation of the field, rather than just out-of-town tournaments. Their budget for the year was \$305,000, which also included capital upgrades and deferred maintenance. Stone emphasized the strong partnership with users, including Little League, and outlined plans for improvements, such as portable outfield fencing and preparing two fields for softball use.

Mayor Mays requested a description of the improvements already made and any short-term plans for the future, particularly concerning the softball fields.

Stone said that they partnered with Little League for field cleanup days, replaced significant amounts of soil, installed new edging around the fields, and implemented weed and pest management and fertilization programs. He noted that the facility now appeared greener.

Urain said that security enhancements were made to the fencing around the property, addressing significant repairs. He noted that improvements were also made to the grounds, including resolving a rodent problem and addressing issues with goat heads, which affected the playability of the fields. Small maintenance projects were completed to bring the fields to a playable condition, including adding turf material to improve soil quality and water absorption. Urain highlighted that Little League would be expanding to include softball, and this expansion was a key reason for their support of park maintenance and development.

Stone added that they purchased two portable pitching mounds to accommodate different age groups and invested in capital equipment, including two zero-turn mowers, a tractor, and various small tools, to improve field maintenance and manage the park effectively.

Urain mentioned that they received several in-kind donations from local businesses during the process, in partnership with the county and Little League.

Mayor Mays emphasized his personal connection to Park Districts, given his background in parks and recreation. He expressed regret over the controversy surrounding the issue and noted that the City Manager had invited the parks director and County Administrator to resolve the matter through compromise. However, it appeared that the invitation had not lead to a meaningful resolution.

Stone said that a conversation was held at the City Manager's request, during which they asked for funding that the parks district could not currently accommodate. He noted that this issue was sidestepping the main concern, which was the request for TRT dollars, as the City is the

administrator of those funds.

Richardson asked for clarification on the request and what exactly they were asking the City Council to do.

Stone said that the request was detailed in a letter sent in February, which included the County's request and a list of needed capital projects developed in collaboration with Little League and Babe Ruth. This list was the basis for addressing improvements at the facility.

Urain clarified their goal was not to turn Kramer Park into a premier baseball facility but to make it viable and playable on a yearly basis. He said the aim was to develop a plan that ensured the park remained playable without placing the full maintenance burden on the volunteer leagues, which could not afford it. The focus was on achieving basic functionality rather than significant capital improvements.

Klebes said the focus of the meeting was on the ordinance itself, specifically on the levying and collection of TRT and TLT funds. Funding decisions and discussions would continue with the County, Parks and Recreation, and other organizations utilizing TLT funding. While the general fund faces many competing needs, it was not a zero-sum game. His recommendation was to allow space for these discussions as part of the budget process and allocation.

Stone confirmed that the county would support the changes as written.

Runyon said he was proud of the parks and what Parks and Recreation had achieved over the years. He shared his experience as a board member for various organizations, including Little League. He reiterated that the budget process allowed agencies to present their cases rather than having a blanket mandatory payment. He saw this as a positive and transparent process, emphasizing that it benefited the entire county and city. He praised the practice of presenting detailed budgets annually and appreciated the opportunity to improve the community. He assured that the process aimed to make the best use of TRT funds and acknowledged that requests had been approved or adjusted for the community's benefit in the past.

Mayor Mays said he appreciated the volunteers who had come forward and their service to the community.

Richardson asked if a specific project, such as a park, could be funded through the 55% of TRT moneys allocated for tourism promotion, or if it would need to come from the general fund.

Klebes said that to determine eligibility for funding from the tourism promotion fund, they would review the specific definitions and requirements set by the state. This included eligible uses such

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as convention centers, conference centers, visitor information centers, and associated real property with a lifespan of at least 10 years. These criteria would guide the evaluation of proposals.

Richardson asked if, according to the new state mandate that required 55% of funds to be allocated to tourism promotion, it was possible to fund something like a park, including its grass and trees, from that portion.

Kara said tourism, as defined by state law, focused on attracting people from over 50 miles away or encouraging overnight stays, with the intent of offsetting the impacts of visitors. He noted that while current code earmarked 2% of the 8% TRT for the parks district, the broader question was whether tourism dollars could be spent on park-related activities like green spaces. Operational costs for a parks district did not qualify as tourism under Oregon law. While the parks district could receive funds through a funding agreement for tourism-related reasons, without a direct link to tourism, those expenses would need to be covered by the general fund rather than the tourism-specific allocation.

Mayor Mays explained that the general fund supported most of the city's day-to-day operations, including 100% of the police department. He noted that the general fund offered significant flexibility in its usage.

Scott Baker, Executive Director of Northern Wasco County Parks and Recreation District, said transient lodging taxes could and did fund park and recreation districts across the state, according to ORS definitions. He highlighted the 2% allocation for parks and recreation had been in place since the tax was raised from 6% to 8%, specifically earmarked for that purpose to prevent future councils from reallocating it. He said increasing the tax rate from 8% to 10% would still require a significant portion to be allocated to tourism-related facilities, and both Parks and Recreation and Kramer Field met these criteria. Changing the ordinance would not eliminate entity-specific allocations but would shift the funds from Parks and Recreation to the City, altering the allocation but not the overall collection. He stressed the importance of honoring the original intent of the tax increase and maintaining long-term funding for park planning. He said effective park planning required a long-term perspective, and the current allocation provided stability necessary for future projects.

Mayor Mays asked if Baker was suggesting the reason the rate was changed from 6% to 8% was for the Park District.

Baker said that was the history of the change.

Kara said the current ordinance read the increase was to both fund payment on the loan for the

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Union Street Underpass project and for the parks district.

Baker said the ordinance read that once the underpass was paid off that the percentage would then go to the Park District for long-term support.

Mayor Mays said that may be why the water bill was \$152,000 while the City gave \$347,000.

Baker said when the Park District was established, its tax rate was considered insufficient for maintaining the parks. Over time, as the district acquired more acreage, operational costs, including water bills, increased. The property tax cap imposed by voters, without a corresponding measure for inflation, compounded the financial challenges. Despite this, the district received support from data centers and developed plans for growth, aiming not just to get by but to thrive.

Mayor Mays said he wanted to see the Park District thrive and the new Google data centers were expected to bring an additional \$300,000 to the park district. He mentioned that the community service fee and property taxes from the new data centers would benefit the City, County, and Park District. He praised the work done at Sorosis Park and thanked everyone involved.

Richardson recognized while the intention was to clean up an outdated ordinance, the situation was more complex than initially anticipated. He did not think it was appropriate to negotiate with various entities from the dais and suggested that it would be helpful to conduct further research on how the 55% could be used. He said Councilor Runyon had highlighted that other entities also request funds from the City, and were generally smaller and less frequent. He said these smaller, one-off requests were not directly comparable to the larger, amounts involved with TRT funding.

Kara asked if Councilor Richardson was seeking definitions or a list of possible ways to spend tourism dollars under state law.

Richardson said yes with relation to parks and park facilities.

Klebes said the City's Council fund or budget included various one-time items as well as recurring expenses, such as funding for fireworks. Larger dollar value items often appeared in different places within the City's budget, reflecting their long-term nature. For example, higher-value contracts, like the one with the Chamber of Commerce for tourism services, were included in specific departments or funds related to their use. This distinction illustrated the difference between the City Council's budget fund and longer-term, higher-value funding requests.

Klebes asked for guidance on how to proceed with the ordinance. He requested feedback on the red-lined version of the ordinance included in the packet and asked whether the council wanted it brought back for action or additional discussion. Klebes sought specific comments on what

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should or should not be included and noted that any guidance on these points would be helpful.

Kara stated that if the council found most of the eight recommendations by staff to be inconsequential and acceptable, that would be fine. However, if the council wanted more detailed exploration on a specific recommendation, such as number four related to projects and entity-specific expenditures, that additional context would be helpful.

Richardson said he agreed with seven of the eight recommendations. He wanted further discussion on item four. He any immediate and significant ramifications of this item, especially those affecting many neighbors and entities, needed to be understood before proceeding.

Klebes said if changes to the ordinance were made, they would not take effect in the current budget year. This would allow the upcoming budget process to address some of the questions and work leading up to it, helping to manage any immediate impacts. He said staff would return with multi-year funding agreements to be included in the upcoming budget process, addressing concerns about reallocating funds due to the ordinance adoption. He said that the focus was on the ordinance itself and the levying and collection of the TLT. One reason for undertaking the effort was related to the contract for tourism services, which was set to end on June 30 of the following year. He emphasized the need to ensure there was sufficient time for a procurement process and that the ordinance served as a foundational document for this effort. Delaying the ordinance could impact the timeline, and options would need to be evaluated to have a plan in place for the next budget process and by July 1.

McGlothlin expressed that he was in favor of bringing the proposed revision back as an action item for City Council adoption and stated he was ready to move forward on it.

Runyon said he was also in favor.

Long expressed support for bringing the revision back as an action item for Council adoption. She was in favor of maintaining the 2% allocation for parks in the current budget cycle but did not want it codified in the ordinance. Long reassured that there was no intent to reduce funding for parks but emphasized the need to transition to a balanced budget process. She suggested using different language to avoid confusion about deliverables.

McGlothlin stated that he was not in favor of reducing any funding but wanted the ability to ensure that future spending would be appropriate.

Richardson said he disagreed. He felt they were rushing into a fundamental change in the way the City had participated in funding parks. He emphasized that while long-standing practices did not need to continue indefinitely, any changes should be made thoughtfully and carefully.

McGlothlin said he was in favor of including the funding in the next budget cycle. He asked if there had been any requests for money to appropriate some of the expenditures and inquired whether there had been any requests from the County for reimbursement of additional amounts.

Klebes said a letter received from the County requesting funding assistance with Kramer Field had been one of the four reasons that prompted the TRT discussions.

Richardson said he had participated in five budget cycles and witnessed discussions over smaller expenditures, such as \$10,000. He disagreed with placing \$350,000 for parks into the same process, stating that a long-term understanding between TRT funding and parks or any other entity made more sense than addressing it through an ordinance. There was a need for an agreement alongside the ordinance. He favored moving forward with staff bringing the proposed revisions back as an action item for City Council adoption.

Klebes said he heard there was interest in moving forward with the ordinance and bringing it back to the Council promptly. There was also a desire to have funding discussions with partners before the budget process. He understood Councilor Richardson's point about not wanting to wait for the budget process to address these issues and suggested having additional Council discussions and input on what a funding agreement might look like prior to the budget process. He reiterated the commitment to funding parks and emphasized the importance of providing clarity to ensure effective planning and funding. He proposed crafting a proposal that could be presented to the City Council. This could involve an Intergovernmental Agreement (IGA) or a direct funding agreement, depending on what is deemed most appropriate.

ADJOURNMENT

Being no further business, the meeting adjourned at 7:56 p.m.

Submitted by/
Amie Ell, City Clerk

SIGNED:

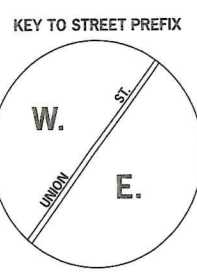
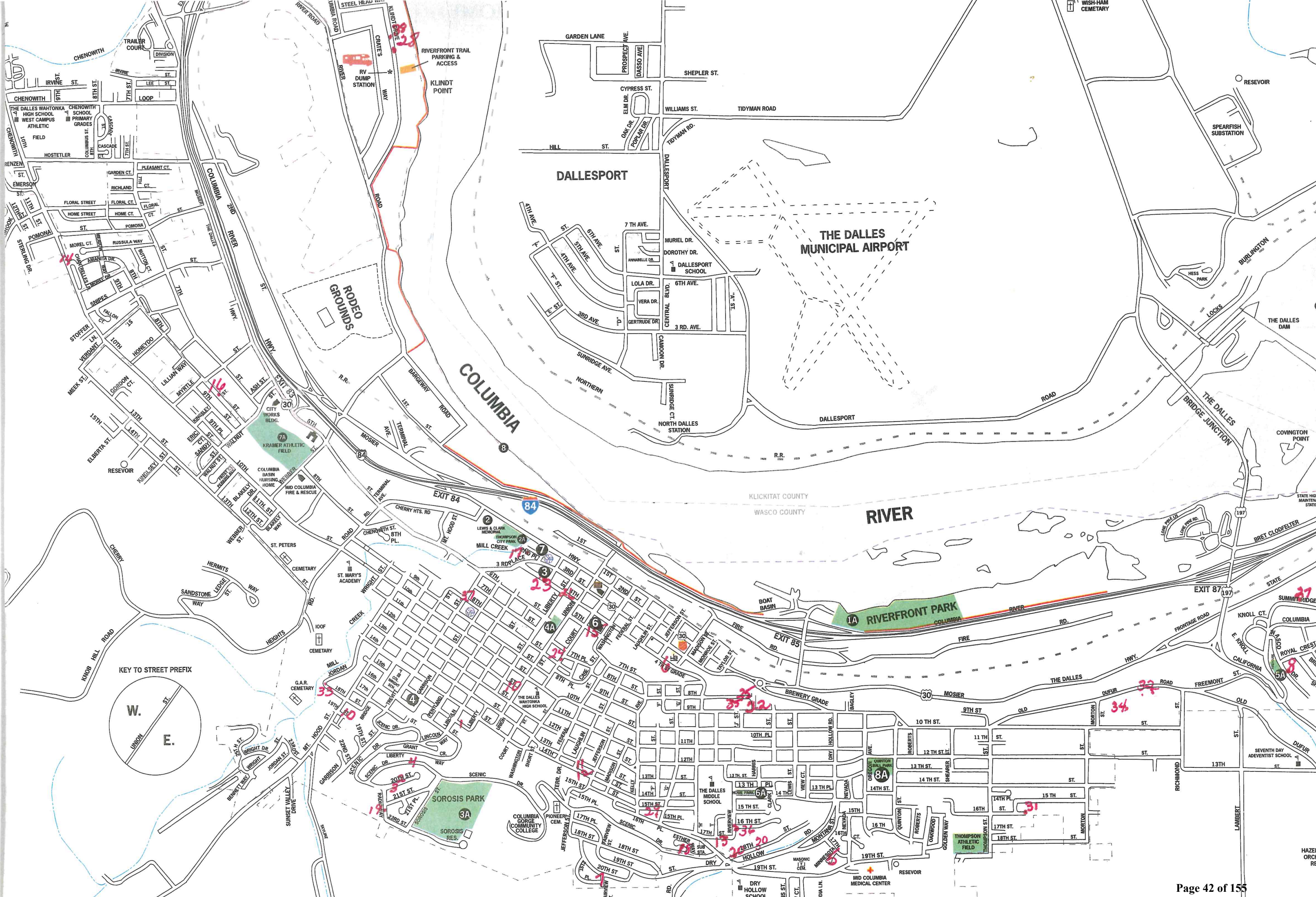
Richard A. Mays, Mayor

ATTEST:

Amie Ell, City Clerk

SHORT TERM RENTALS

App #	Applicant	Email	Property Address	License Year	
1	STR 01-24	Mike Ford	mikefordbusiness@gmail.com	204 W 15th St	2024
2	STR 02-24	Steve Day, Valley Gorge	metroholdingsre@gmail.com	303 W 20th St	2024
3	STR 03-24	Steve Day, Valley Gorge	metroholdingsre@gmail.com	322 W 20th St	2024
4	STR 04-24	Steve Day, Valley Gorge	metroholdingsre@gmail.com	300 W Scenic Dr	2024
5	STR 05-24	Steve Day, Valley Gorge,	metroholdingsre@gmail.com	1821 Minnesota St	2024
6	STR 06-24	Jasmine Rivers	permitting@vacasa.com	619 E 4th St	2024
7	STR 07-24	Jasmine Rivers	permitting@vacasa.com	2110 Fariview St	2024
8	STR 08-24	Jasmine Rivers	permitting@vacasa.com	611 Wasco Dr	2024
9	STR 10-24	Jill Cordell	jillcordell1@gmail.com	710 W 19th St	2024
10	STR 11-24	Craig & Kris Cochran	cochran.craig@frontier.com	110 W 11th St	2024
11	STR 12-24	Courtney Russ	courtneysblack@yahoo.com	510 E 14th St Unit A	2024
12	STR 13-24	Courtney Russ	courtneysblack@yahoo.com	510 E 14th St Unit B	2024
13	STR 14-24	Sarah Greear	greearproperties@gmail.com	1213 E 17th St	2024
14	STR 15-24	Dan Shanahan	dan.t.shanahan@gmail.com	2936 W 10th St	2024
15	STR 16-24	Jaime Tulley	gbtventuresllc@gmail.com	323 E 5th St	2024
16	STR 19-24	Andrew Elliott	horsesarefun@yahoo.com	2220 W 8th St	2024
17	STR 20-24	Johna LaRoque	millcreekcottage01@gmail.com	424 W 2nd Pl	2024
18	STR 21-24	Daniel Hynes	danielhynes@gmail.com	1702 Esther Wy	2024
19	STR 22-24	Kevin Driscoll	kevindriscoll@gmail.com	2208 Radio Way	2024
20	STR 23-24	Lisa Cicala	lmicala@gmail.com	732 E 18th St	2024
21	STR 24-24	Jenifer McAllister	soopink@rocketmail.com	1515 1/2 E 9th St	2024
22	STR 25-24	Monica Perryman	mperryman602@gmail.com	1521 E 9th St	2024
23	STR 26-24	Alan Eagy	anzactea@gmail.com	218 W 4th St	2024
24	STR 27-24	Frank Vittoria	pativ@pvittoria.com	900 Washington St	2024
25	STR 28-24	Sierra Wright	sierra_wright05@yahoo.com	102 Harris St	2024
26	STR 29-24	Victor Johnson	victor@victorjohnson.com	313 W 4th St	2024
27	STR 30-24	Michael Arcuri	marcuri@gmail.com	401 Summit Ridge Dr	2024
28	STR 31-24	Jeremy Robertson	buildrbr@gmail.com	3781 Klindt Dr	2024
29	STR 32-24	Crystal Davis-Ross	cdavisross@gmail.com	1609 G St	2024
30	STR 33-24	Ybarra, iTrip NW	operationsnw@itrip.net	1215 E 18th St	2024
31	STR 34-24	Karen Marrello	kmarrello@hotmail.com	2529 E 16th St	2024
32	STR 35-24	Christina Bush	bushfaminwa@gmail.com	2911 Old Dufur Rd	2024
33	STR 36-24	Deborah Ferrer	debiferrer@gmail.com	900 W 18th St	2024
34	STR 37-24	Taylor Cave	taylor.cave@daimler.com	2731 E 9th St	2024
35	STR 38-24	Jess Clemons	jessclemons@gmail.com	1230 E 8th St	2024
36	STR 40-24	Angel Drinkwine	me@angeldrinkwine.com	1712 Riverview St	2024
37	STR 41-24	Patti Crawford	pattimariecrawford@gmail.com	800 Trevitt St	2024
38	STR 42-24	Jeremy Robertson	buildrbr@gmail.com	3793 Klindt Dr	2024



MINUTES

CITY COUNCIL WORK SESSION
COUNCIL CHAMBER, CITY HALL
AUGUST 19, 2024
5:30pm

PRESIDING: Mayor Richard Mays

COUNCIL PRESENT: Darcy Long, Tim McGlothlin, Rod Runyon, Scott Randall, Dan Richardson

COUNCIL ABSENT: None

STAFF PRESENT: City Manager Matthew Klebes, City Attorney Jonathan Kara, City Clerk Amie Ell, Public Works Director Dave Anderson, Community Development Director Joshua Chandler, Deputy Public Works Director Eric Hanson, Finance Manager Angie Wilson, City Engineer Dale McCabe, Police Chief Tom Worthy

CALL TO ORDER

The meeting was called to order by Mayor Mays at 5:33pm.

ROLL CALL OF COUNCIL

Roll Call was conducted by City Clerk Ell. Long, Runyon, Randall, Richardson present. McGlothlin absent.

PLEDGE OF ALLEGIANCE

Mayor Mays invited the audience to join in the Pledge of Allegiance.

APPROVAL OF AGENDA

It was moved by Richardson and seconded by Randall to approve the agenda as submitted. The motion carried 4 to 0, Richardson, Randall, Long, Runyon voting in favor; none opposed; McGlothlin absent.

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DISCUSSION

Water Utility Financial Analysis Presentation and Discussion

Public Works Director Dave Anderson thanked the Mayor and members of the Council. He stated that the discussion would focus on financial plan elements of the Water Master Plan update. The project had been ongoing for over a year and emphasized the goal of creating a detailed 20-year Water Master Plan, with projections extending up to 50 years. He said since the last meeting in April the city's existing water utility infrastructure had been evaluated, and future water demands for the community were projected. A capital improvement plan was developed to ensure a reliable water system. The focus of this meeting would shift to financial aspects, including cost projections, guidance from the City Council on policy matters related to water utility funding and financing was requested.

Anderson introduced Brian Ginter from Consort Engineering, the project manager for the Water Master Plan update, and Deb Galardi of Guardian Consulting, who handled the financial analysis.

Brian Ginter of Consort Engineering provided an overview of the Water Master Plan work session. Ginter said the plan was divided into four parts: inventory of the existing system, demand forecasting, system analysis, and capital improvement development. He said the analysis included a hydraulic model, supply and treatment needs, storage, pumping, and seismic resiliency. The plan culminated in the capital improvement plan, addressing capacity, reliability, resilience, and maintenance. The financial analysis covered utility rate structures and system development charges, with the Water Master Plan requiring approval by both the City Council and the state drinking water program.

Ginter discussed the supply and treatment needs of the City's water system. He said the analysis had considered capacity, performance, and climate resilience, particularly in light of potential impacts from climate change on the City's surface water supply. He provided a historical overview of the City's water system, highlighting generational investments, including the purchase of the private water system in the 1890s, the development of the old Dog River pipeline, and the construction of the Wicks Water Treatment Plant and Crow Creek Dam. He said the City's water infrastructure had reached a stage where renewing older assets was crucial, emphasizing the importance of continuing the investment legacy of previous generations. He said the plan had recommended raising Crow Creek Dam to expand water storage, though this could be deferred until the end of the 20-year planning horizon.

Ginter said the Wicks Water Treatment Plant had reached the end of its useful life, requiring replacement and expansion, particularly for treating winter water. He also said the transmission

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mains between Wicks and the town, which were over 75 years old, needed replacement due to their vulnerability. He said projects within the town included new storage facilities in the Riverside area, pump station expansions, and distribution main renewals. He emphasized the importance of seismic and wildfire resilience, SCADA upgrades, and the Aquifer Storage and Recovery (ASR) program. He said maximizing ASR potential could offer a cost-effective alternative to raising the dam.

Richardson asked if the Riverside BPS storage Phase Two was part of the ASR project or not.

Ginter explained Riverside BPS Phase Two involved above-ground distribution system storage. He said the current design or construction included two reservoirs that would total two-and-a-half-million-gallons. The new phase would add with the first phase to be approximately four million gallons of storage at the site already identified for future expansion. He said this would involve building new reservoir tanks, potentially one or two, with the final decision to be made during the construction phase based on value engineering.

Richardson confirmed that the Big Three projects identified were Crow Creek Dam, the Wicks Water Treatment Plant, and the replacement of the transmission mains.

Ginter affirmed that was correct.

Mayor Mays asked if the transmission line mentioned in the April report, which identified the estimated age of the lines, was shown on the map. He inquired whether the line consisted of different sections of varying ages or if it was all built at one time.

Anderson confirmed that there were earlier transmission pipelines before the current ones, which were built in the 1970s. He said the earlier pipelines came from the old Wicks Reservoir, predating the treatment plant. Some sections of the current lines were upgraded after being damaged in the 1996 flood, but generally, the pipelines consist of two continuous sections of approximately the same age.

Ginter summarized the capital improvement plan, noting that the top priorities for the first 10 years were numerous and significant. He said the plan was front-loaded due to the age of existing infrastructure, the need to delay other major improvements, capacity issues, and efforts to increase system resilience at lower costs.

Ginter highlighted the highest priority project: The Wicks Water Treatment Plant replacement and expansion was crucial for maximizing winter water storage for Aquifer Storage and Recovery (ASR) and potentially delaying the Crow Creek Dam expansion. He said SCADA improvements were already underway. He discussed the uncertainties with ASR, including

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potential water quality issues and storage limitations, stressing the importance of starting this work soon to assess ASR's full potential. Ginter mentioned preliminary engineering for Crow Creek Dam expansion, emphasizing that this was a decade-long project requiring careful planning and stakeholder coordination.

Ginter said in the medium term, the focus shifted to distribution pipeline improvements, potentially additional ASR wells, booster pump station upgrades, and resilience improvements. He said while some improvements would become more manageable, there would still be a need for ongoing renewal and replacement programs. For the long term, spanning 20 to 50 years, the plan included extensive pipeline renewal and replacement, with significant projects such as the Crow Creek Dam construction or necessary spillway improvements. The total capital improvement plan exceeded \$300 million. The plan involved a lot of investment condensed into a relatively short timeframe. This urgency arose as much of the City's infrastructure had reached the end of its useful life, necessitating renewal along with some capacity expansion.

Long asked whether the cost estimates were in today's dollars or if they had been adjusted for a typical inflation rate.

Ginter responded that the costs were presented in 2024 dollars for a uniform basis. He said Galardi would discuss the financial analysis, including projections in inflated future dollars.

Mayor Mays asked whether any of the top priorities for the first 10 years were a result of Google's data centers being built in the City's port area.

Ginter said the ASR planning and expansion, Riverside booster pump station, and Riverside storage were the three most significant projects. He added that potentially additional ASR wells were also crucial. He said the Wicks Water Treatment Plant replacement and expansion was necessary regardless of Google's data centers, with most costs related to replacement rather than significant expansion. Similarly, the transmission main replacements were for maintaining existing capacity, which was adequate to serve Google.

Mayor Mays asked whether Google was covering the cost of any water or infrastructure improvements in the port area.

Anderson said that Google was covering the costs for two new wells currently under construction, including the first ASR well, as well as the construction of the Riverside booster station with its initial four pumps. He noted that the booster station was expandable to accommodate up to seven pumps if additional development occurred in the port area. He said the plan anticipated needs within the urban growth boundary, including additional reservoirs and increased pump station capacity, to support future development. Google's contributions would

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address the needs of the two new data centers under construction, and the infrastructure would also support other future potential industrial users.

Richardson asked whether the Riverside booster pump station and Riverside storage Phase Two were included in the list of water system improvements agreed upon with Google.

Anderson said Phase Two was not included in the agreement with Google. Phase One was built with the capability for future expansion to meet additional City needs. Google was funding the construction of Phase One, including the 1.25 million-gallon reservoirs and the two new wells, with the first well being an ASR well. The second well would be capable of future ASR conversion, but that conversion was not part of the original list of improvements agreed upon with Google.

Richardson asked whether the Phase Two storage projects were something that Google would do.

Anderson said that the Phase Two storage projects were not on Google's list. He said these projects were included in the City's capital improvement plan to address future growth in the port area and the entire 310 zone.

Richardson asked whether there was an estimate available for the cost of expanding industrial capacity, specifically in relation to the Phase Two storage projects.

Ginter said that he did not have the exact numbers readily available, but estimated the reservoirs would cost around \$12 million in the capital improvement plan (CIP). The booster pump station expansion would be relatively small, likely costing about \$500,000. He said these improvements were primarily for the 310 zone, serving mainly industrial customers, though they would also support some residential needs.

Deb Galardi said the financial analysis framework for the water system improvements comprised four key components. It involved developing a long-term financial plan to evaluate overall revenue needs, determining how much each customer group should pay (considering new growth and existing customers), and designing rates within those classes to cover both capital and ongoing maintenance needs. The goal was to create a plan that would equitably fund the investments while supporting community objectives like affordability and water conservation.

Galardi said detailed updates on Systems Development Charges (SDCs) would be presented later, but they would discuss how growth-related improvements might impact funding sources. She said current rates offered limited capacity for capital improvements and had led to the use of reserves in recent years. A combination of rate increases and projected industrial growth would be needed, along with potential funding from infrastructure finance innovation acts. The numbers

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presented were preliminary, based on the prioritization that had been laid out by Ginter. They would be refined according to project scheduling and funding availability. Cash flow projections considered current SDCs, cash reserves, private development contributions, and user rates. She said operation and maintenance costs were not expected to increase significantly due to these improvements. The capital financing strategy was critical, and the presentation aimed to provide a baseline projection of potential rate increases, factoring in current economic conditions, interest rates, and inflation. This projection was intended as a medium-case scenario, with sensitivity to specific debt terms and economic factors.

Galardi said while securing grants would be ideal, the plan was to maximize the use of flexible, low-cost loans such as those from the Water Infrastructure Finance and Innovation Act (WIFIA). WIFIA provided long-term loans with flexibility in terms of repayment, allowing terms up to 35 years and deferral of payments during construction. This flexibility could help manage rate increases and leverage industrial growth. She noted current WIFIA rates were high, over 4%, compared to less than 2% in the past. There was hope rates would decrease, making WIFIA a more attractive option. Short-term debt, like commercial paper, had currently offered lower rates and might have been advantageous for initial funding before converting to long-term debt.

Galardi highlighted the need for a local match for WIFIA funds. This match could come from user fees or potential SIP funds, helping to reduce long-term financing costs. She presented a preliminary financial plan that included inflation adjustments and broke down the capital improvement plan (CIP) into components. WIFIA loans would cover major projects like the treatment plant and transmission line, with additional debt or SIP funds required for other projects. The plan projected a mix of heavily financed large projects (75-76%) and cash-funded smaller repair and replacement projects.

Mayor Mays clarified that the total project cost, with inflation, was \$263 million. He inquired about the basis for assuming a \$135 million WIFIA loan. He asked if it was highly likely the City would receive the loan and asked for confirmation that a revenue bond would be issued in 2031 under the given scenario.

Galardi said the \$135 million WIFIA loan amount was based on bundling eligible projects and assuming an 80% loan coverage, which is the maximum for small communities.

Ginter confirmed it was highly likely the City would qualify. He said the City met the small community definition and that there was no reason to expect otherwise. He noted the program was flexible, with the EPA having considerable latitude and a desire to loan dollars, so he did not foresee any challenges.

Galardi noted that the cash flow requirements gradually increased over the first few years,

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indicating that SIP funding and revenue from rates could cover initial costs while further evaluating capital financing and setting up the program. WIFIA funds would start coming in later. The SIP, providing \$3 million, would cover the 20% match required by WIFIA, along with the rates. This would allow the City to delay issuing a revenue bond or another financing instrument for larger projects. She said that, under WIFIA, the City must secure 20% of the funds from other sources for each year of construction. Eventually, given the scale of the projects, a significant influx of funds or another lending instrument would be necessary.

Galardi said the revenue bond would cover 20% of the cost for projects exceeding \$100 million over three years, in accordance with WIFIA requirements. She said the financing mechanisms should work together to fully fund the program, with a focus on maximizing the use of WIFIA if it proves to be the most beneficial option. As interest rates change, the City would need to initiate the process by submitting a letter of interest and confirming the availability of funds.

Galardi said for the scenario, using SIP funds early on would help delay the issuance of long-term debt. Unlike WIFIA, which allowed interest to accrue without immediate repayment, revenue bonds or similar instruments required immediate debt service, though there were options for interest-only payments initially. WIFIA offered greater flexibility in terms of timing and matching cash flow needs, which could help moderate near-term rate increases.

Mayor Mays said according to the scenario, the total project cost was \$263 million. Of this amount, \$130.5 million would have been covered by the loan, \$31 million by a 2031 revenue bond, and \$17.5 million by a 2040 revenue bond. He highlighted that, given the uncertainty of interest rates, the annual debt service on the loan would be \$6 million.

Galardi said the \$6 billion figure was based on the 2024 projections and included inflation, as opposed to earlier numbers that did not account for inflation and were based on lower interest rates. While inflation estimates provided a more accurate picture of future costs, they were less useful for comparing current figures.

Mayor Mays said according to the assumptions, the annual debt service for the 2031 revenue bond was \$1.5 million, and for the 2040 revenue bond, it was \$700,000. Combining these amounts with the \$6 million annual debt service on the loan resulted in a total debt service of \$8.2 million.

Galardi confirmed that the numbers were correct but noted that other options, such as a State Revolving Fund (SRF) loan, could be considered as the project progressed. The current figures were based on basic assumptions and that further evaluation would be necessary as the project advanced.

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Mayor Mays calculated that the total amount for the three sources was \$183.7 million. Subtracting this from the \$263 million project cost left \$79.3 million to be covered, aside from the loan and the two bonds.

Galardi confirmed that the remaining \$79.3 million was allocated for pipe replacement, distribution projects, and other significant improvements outlined in the 20-year plan.

Mayor Mays confirmed that the average annual amount of \$4 million was calculated by dividing the \$79.3 million by 20 years.

Klebes asked for confirmation that the 2031 and 2040 timelines were based on the \$3 million assumption outlined on the next page, specifically in the subsidy illustrations.

Galardi explained the presented graph assumed \$1 million in SIP funds. Under this assumption, a revenue bond would need to be issued by 2026 to cover the local match. She said in 2027-28, another dark blue box appeared on the graph, indicating that, with only \$1 million in SIP funding, issuing additional debt would be necessary to avoid significant rate increases and provide the interim match.

Richardson requested clarification on the preliminary capital financing strategy table, specifically regarding the two sums listed: \$8-10 million and \$3-4 million, inflated. He asked if these amounts were additive and if the total required was \$14 million per year.

Galardi confirmed the sums of \$8-10 million and \$3-4 million were not stacked; they represented different aspects of the financing strategy. On average these sums covered the total local funding required, with a heavier burden in the first 10 years. Revenue bonds required payments starting the year after issuance, while WIFIA loans allowed for deferral of repayment until the second decade, potentially up to five years after construction, depending on the loan terms. The funding strategy would involve a combination of rates, continued SIP funding, and revenue growth from customer increases.

Mayor Mays asked how the amounts were determined for each category, questioning why the loan was set at \$130.5 million instead of a higher amount and why the revenue bonds were allocated as they were.

Galardi said there was no single method for allocating the \$263 million. The team had multiple discussions to identify which projects would be most eligible for different types of funding. The \$130.5 million loan amount was determined based on the criteria and potential eligibility for WIFIA funding, with the team arriving at the \$169 million figure for the loan's inflated value. This amount was set to 80% of the maximum estimated funding. Revenue bonds were used to

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cover the remaining costs and to provide flexibility for meeting matches or funding additional projects not covered by the loan. Revenue bonds represent a higher-cost, less flexible form of debt, but they allow costs to be spread over the life of projects. The approach followed standard financial practices, balancing debt and cash funding. She said if the City had full faith and credit backing and did not need to meet certain debt service coverage requirements, it might be possible to increase the leverage and reduce the cash funding portion. She said the "Pay As You Go" component, along with the other financing pieces, involved numerous variables. The team aimed to create a medium-case capital financing plan that provided a solid foundation for discussing potential funding for the program.

Mayor Mays confirmed the total project cost of \$263 million included \$169 million deemed eligible for a loan. Given that the loan could only cover up to 80% of the eligible amount this would be \$135.2 million.

Klebes asked for clarification on the funding split, noting that while 80% was mentioned for a smaller community, a 51.4% split was more typical. He pointed out that \$135.2 million was approximately 51.4% of the \$263 million total, and asked if this split was relevant in this context.

Anderson clarified that, initially, the preliminary information indicated a 49% funding level for the WIFIA program. However, they later discovered that for small communities—defined as those with populations under 25,000—the WIFIA program could provide up to 80% loan funding. This update changed the earlier assumption of a 49% funding level.

Ginter said the allocation was designed to focus on larger projects that fit within a specific timeframe. Federal loan programs, such as WIFIA, involve extensive requirements, including Buy American steel, Davis Bacon requirements, and NEPA processes, which add administrative costs. To avoid complicating smaller projects with these requirements, they concentrated on projects where the large loan program's benefits outweighed the administrative burdens.

Anderson said the requirements discussed were similar to those the City had previously adhered to for the Dog River pipeline and its funding. He stated the City had experience handling these types of requirements on larger projects.

Randall asked what factors would lead to a reduction from the \$3 million SIP funding scenario to the \$1 million SIP funding scenario.

Anderson said the \$3 million and \$1 million SIP funding scenarios were presented as alternatives for the Council to consider while deciding how to use SIP funding. He noted that the impact on user rates would be assessed for each scenario by the end of the presentation. The goal was to provide options for evaluation and receive direction from the Council on preferred options.

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Galardi said the cash flow projection focused on operating costs. The previous graphs had addressed capital costs, debt service, and construction costs, including how rates would contribute to covering these expenses. The cash flow projection, without inflation, showed flatlined operation and maintenance costs and increasing capital costs. The graph showed scenarios with \$3 million SIP funding and varying factors like industrial growth and inflation. In the no-inflation scenario with \$3 million SIP funding, initial costs had risen sharply but then leveled off as the projects progressed and debt service requirements became clear. The high industrial growth and inflation scenario, using an average inflation rate of 3.5% indicated that while industrial growth helped offset some inflation impacts, it did not entirely eliminate them. The required rate increase had risen from 4% to 5.5% during the initial period, though the slope of the line flattened with higher industrial growth.

Mayor Mays asked for clarification on the impact of higher industrial growth, specifically questioning how it would affect the situation.

Anderson said the effect of higher industrial growth was largely a function of how fast the facilities under construction ramped up. He gave the example that data centers might operate at a lower rate initially and then increase their usage over time. The plan had incorporated their best estimates for ramp-up rates and bracketed those estimates. The low industrial growth scenario assumed a slow, gradual ramp-up over the first 10 years, while the high industrial growth scenario assumed a faster ramp-up.

Richardson asked for clarification on which scenario was considered more likely.

Ginter said the higher industrial growth scenario was supported, as it reflected the full development amount outlined in the development agreement.

Mayor Mays asked whether the assumption for high industrial growth was entirely based on Google and did not account for any other industrial growth beyond that.

Ginter stated that the projections included all potential industrial growth, with Google being the largest contributor. Projections accounted for the possibility of further development in the industrial sector in both the low and high scenarios.

Mayor Mays said if there was an increase in water use by Google occurred, it would essentially result in Google covering a significant portion of the capital improvements due to their higher water consumption.

Ginter said as industrial growth became more significant, it would increasingly offset the total cost of the improvements, resulting in a larger portion of the cost covered by the industrial sector.

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Mayor Mays said this would lessen the impact on residential and the other industrial users.

Galardi said that in the scenario with a \$1 million SIP, high industrial growth, and 3.5% inflation, the rate increase slope went from 5.5% to 7.5%. This highlighted the significant impact that SIP funds had on keeping rate increases lower.

Richardson asked whether it was accurate to use the 5%, 4%, or 7.5% figures as a rough estimate of the rate increases that would be necessary for non-industrial water rates as well.

Galardi confirmed that the revenue slope and figures represented the general rate increase needed, which would apply to all customers. The presentation section just assumed a uniform increase across the board, with a future section addressing whether each customer class pays its fair share or if costs could be shifted among classes.

Richardson noted that spending a substantial amount of SIP funds could result in only a slight increase in rates, around a couple of percent per year.

Galardi said the next scenario analyzed the actual bills based on the medium-case capital funding strategy and current rate structure. It compared different scenarios including high and low industrial growth, and varying levels of SIP funding. By 2040, when the WIFIA project construction was expected to be completed, the high industrial growth and higher SIP funding would result in significantly lower bills. Specifically, high industrial growth was forecasted to reduce the bill by 18-20%, and SIP funding of \$3 million versus \$1 million could also decrease the bill by 15-20% in that year.

Mayor Mays said that if inflation were underestimated, for example, by using 2% instead of 3.5%, and the actual rate turned out to be 4%, the planning scenario would likely result in a shortfall of funds by 2031. Including a realistic inflation rate was crucial to avoid such financial shortfalls.

Galardi said it would become much more challenging to address financial shortfalls if inflation was underestimated and not accounted for in planning. Smoothing rates over time, rather than facing abrupt increases, helped avoid significant rate shocks, which many communities have experienced during high inflation periods. She said the importance of planning for some level of inflation and adjusting as more information becomes available. The rates projected for 2024 were included in the 2040 numbers to provide context. She compared these rates to those of other communities that had undergone major water system expansions, noting that while the increases were significant, they were not unusual compared to what other communities were currently paying.

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Mayor Mays why those five communities were chosen.

Galardi said the selection of the five communities was based on identifying those undertaking significant projects, drawing from news sources and personal knowledge. She mentioned Portland's water filtration plant and Beaverton's Washington County supply line were examples of major WIFIA-funded projects. The intention was to compare with other communities engaged in similar large-scale, complex construction and financing efforts, aiming for a more relevant comparison of generational investments.

Galardi explained the sample bill showed rates at different levels of consumption, emphasizing that other communities experienced significant bill increases with higher consumption, while current rates were flat. She summarized the first subsection of the financial analysis by noting that significant rate increases would be necessary to fund the over \$200 million Capital Improvement Plan (CIP) over the next 20 years and keep pace with inflation. Further evaluation of capital financing options would clarify the true rate impacts. The decision on when and how much to start rate increases was identified as a policy issue, dependent on ongoing discussions about SIP funding and other factors.

Mayor Mays asked if it was correct that the SIP revenues were not expected for two more years.

Klebes said it was dependent on when the data centers would receive their certificates of occupancy and begin functioning.

Mays confirmed this was known when the scenarios were being created.

Anderson said that a conservative approach was taken regarding the timing of SIP funds. He said the funds might arrive sooner than the conservative estimates presented.

Mayor Mays asked if the \$50.34 monthly bill for a Hillsboro resident using 6,000 gallons of water was inclusive of all improvements, rate increases, and related factors.

Galardi said the Hillsboro bill was based on the most current data she had pulled. She noted that most agencies typically implemented additional rate increases over time and that the bill did not necessarily reflect all improvements or phased-in increases.

Mayor Mays said he thought rate increases and needs for significant improvements were needed across the country.

Galardi said many had undergone 7%, 8% and 9% increases in the last year.

Klebes said Hillsboro was home to Intel and asked if that played a role for their community in a

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way similar to Google in The Dalles.

Galardi said they had reviewed the rates for those communities and noted that Hillsborough had recently conducted a rate study. This study included increasing fixed charges for industrial customers, and these factors were likely considered in their current rates.

Anderson said he remembered speaking with the manager of Hillsboro's water utility, who indicated the city had anticipated the industrial development and addressed the System Development Charge (SDC) burden before major developments received permits and paid their SDCs. This was part of their planning conversation 10 to 15 years ago.

Richardson inquired if LOC might provide a larger rate study service if needed in the future.

Anderson said that comparing rates among utilities had limited value, as each utility had unique needs and circumstances. He noted that utilities with older infrastructure, like theirs, faced different challenges compared to those with more recent upgrades or expansions funded by federal support. It was difficult to look at comparing what other utilities were charging.

Richardson said residents would do just that. He acknowledged the complexity of the topic and expressed that it would be beneficial to anticipate or align with some of the practices of neighboring communities.

Galardi said that the team had estimated what portion of the \$200 million-plus plan might be eligible for System Development Charges (SDCs). About 50% of the cost could potentially be SDC eligible, although some capacity was already claimed by current industrial customers. The update of the SDC fees would be completed and brought to the council for discussion. Galardi noted that while SDCs could provide significant funding over time, they would not have as large an impact as State Infrastructure Program (SIP) funds or industrial growth. The team would continue to consider SDCs as part of the funding strategy.

Runyon said he would have to leave early, but had some points for Council deliberations. He said the PIO would have a lot of work ahead, as the community might be confused about the current situation, especially with stories about large sums of money coming into the community. It was important to start communicating about projects like Wicks, Crow Creek, and others, emphasizing these were old and needed work. He said it was important to get this narrative out to the public instead of focusing solely on the influx of money. He had doubts about allocating significant funds to endowments with the County, given the upcoming expenses. He said the City should consider adjusting rates sooner rather than delaying it for another year. Being transparent with the public about the reasons for these adjustments was important. He said it was necessary to reevaluate rate increases by category, noting that they should not be applied uniformly.

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Mayor Mays said he agreed with Councilor Runyon's comments and felt that the City should consider a rate increase sooner rather than later, as Runyon had suggested. He said after the recent joint meeting with the County Tom Peterson wrote a very good article about the results of that meeting. He said the article mentioned the need for water system improvements. He said infrastructure was listed as the second or third priority in the community survey regarding community needs and wants. He had a copy of the article available if anyone wanted to review it.

Runyon left at 6:54 pm.

Galardi said the next section addressed an issue raised about evaluating costs by category. She said the current rate structure included two customer classes: residential and commercial, with commercial including industrial customers. She explained that the rate structure had two components: a volume charge and a fixed monthly charge, with the fixed charge including a larger quantity allowance for residential customers and a lower one for others. These rates had been in effect since 2014. She said the chart showed the current revenue generated by different customer classes and their percentage of the total. The rate structure involved a base rate per customer each month, with costs recovered based on the number of customers in each class and the billable quantity under the volume rate. Industrial customers, using quantities well in excess of 5,000 gallons per month, contributed significantly to revenue, though this had less impact on smaller commercial or residential customers.

Galardi said without changes to the rate structure or unit pricing adjustments, industrial growth was projected to account for 42-50% of total revenue by 2040. While industrial customers would pay a larger share due to increased volume, general rate increases were still necessary. The cost of service analysis considered other factors beyond growing volume, such as potential pricing adjustments for customer classes. For the analysis, industrial was separated from commercial to better explore user characteristics and cost of service. She said defining industrial customers proved challenging due to the diversity in operations, so they used criteria such as location in the 310 pressure zone and water use for manufacturing or cooling to classify significant customers. She clarified that maintaining separate classes was a policy decision.

Galardi provided details on how the utility incurred costs. She said the analysis was comprehensive and specific to the City's system. Costs were categorized based on demand factors like peak hour, peak day, and fire flow needs. Significant costs were associated with pumping, storage, and the distribution system, which was largely sized for fire flows. She said the analysis accounted for private storage by customers in the 310 zone and allocated costs proportionately.

Galardi said about two-thirds of the cost was estimated to relate to average or peak demand, with peak demand being slightly higher in cost because much of the system was sized for maximum day demand. Customers requiring more capacity during peak times were allocated costs

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proportionately. When looking at customer class peaking requirements, industrial had the lowest peaking factor, while commercial and residential were fairly even. Commercial included government accounts, institutional parks, and schools with significant irrigation, which explained why residential had a higher peaking factor due to outdoor irrigation.

Galardi presented a slide showing graphs comparing water use among customer classes. She said industrial customers used a lot of water despite being relatively few in number, but their peak usage was lower compared to residential and commercial customers. She said the analysis considered multiple years of data to account for variations in weather and customer demand.

Galardi showed a comparison of what customers were currently paying under the existing rate structure versus what they would pay under the revised cost of service. She said residential costs declined under the current structure because more volume was anticipated to be sold to industrial customers. The cost of service analysis suggested a shift in costs away from residential customers, but not specifically to industrial customers—instead, to commercial customers. She said the commercial revenue increase was about 10%, industrial was about 4%, and residential saw a decrease of about 9%. She said this provided an opportunity to apply rate increases more heavily to non-residential customers, either by keeping them as a single class with a composite rate or by separating them into individual groups.

Anderson said initially it seemed counterintuitive that the peaking factor was much higher for residential customers compared to industrial customers. He said he realized that industrial operations use a lot of water year-round, including during the winter, with only a slight increase in the summer. In contrast, residential customers do not use much water for outdoor irrigation in the winter but significantly increase usage in the summer, by about 2.7 or 2.8 times. Anderson said this explained why the cost allocation did not shift as much toward industrial customers as he initially expected, since their peaking factor was lower than that of commercial and residential classes.

Galardi said that if the Council desired, they could present an option to keep the non-residential class as a single category without separating it. She said the intent was to explore every possibility to ensure a fair and equitable evaluation of industrial rates. Galardi mentioned that the industrial rates also reflected factors like private storage, which, although maintained by the City, was constructed by industrial customers. She noted that while this was a minor issue, it was still considered in the cost analysis.

Richardson said he was more interested in the quality of life for residents than in achieving a perfectly equitable price structure. He expressed a preference for considering quality of life issues, which he felt might be as important or more important than strictly equitable pricing.

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Galardi said it was important to note that industrial customers would significantly contribute more towards system costs as their water usage increased. She said industrial customers were increasing their share of revenue, and there was potential to adjust the unit price within the cost of service framework. However, she emphasized that the cost of service was a benchmark, and the City could choose to have combined or separate customer classes based on their cost recovery goals.

Galardi shared rate structure options and said they were the primary policy questions. She presented options for modifying the base charge, such as reducing the residential minimum quantity from 10,000 gallons to 7,500 gallons and eliminating the quantity for non-residential customers. She also discussed modifying rates to align with the cost of service. The Council would need to consider how to integrate these options with the general rate increase.

Anderson said that including up to 10,000 gallons at the base rate was highly unusual for a water utility. He highlighted this issue became evident during his work on the Dog River Project funding application, where the City's practice of including more than 7,500 gallons in the base rate complicated the application process for favorable loan terms. The City had eventually secured a 30-year loan at 1% interest due to demonstrating a commitment to fair water rates, but he could not guarantee similar success in future funding pursuits. He said customers had expressed a desire for more control over their water bills, preferring not to pay for 10,000 gallons if they were not using that amount. He suggested that reducing the base rate to 7,500 gallons could address these concerns and provide better alignment with standard practices.

Mayor Mays asked where the 7,500-gallon number came from.

Anderson said the number was the State and Federal assumption of what an average residential water bill was over the course of a year.

McGlothlin asked about the historical reasons for choosing the current rate structure and how long it had been in use.

Anderson said that the City began metering in 1991 and started billing based on meters in 1994. The City initially used an increasing block rate to promote conservation, but this approach raised concerns, leading to a shift to a uniform rate. At that time, the base rate included 15,000 gallons to support community aesthetics and minimal irrigation. This base rate quantity was reduced to 10,000 gallons around the time of the 2006 Water Master Plan to balance conservation goals with community needs. He said reducing the base rate from 10,000 to 7,500 gallons would result in a minimal increase of about \$3.50 per month, given the current rate of \$1.61 per 1,000 gallons.

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Galardi said it was common to have different customer classes and charge rates accordingly. Some utilities do not differentiate between classes, while others have separate rates for residential, commercial, and industrial classes. There were also cases where irrigation was broken out separately. Many places had moved away from or significantly reduced the minimum quantity included in the base rate.

Galardi explained that when the minimum quantity was removed, the base rate must cover enough of the fixed costs to ensure system sustainability, as most costs are fixed. Although some control over bills was possible, significant reductions were limited due to the need to maintain service availability. Many communities used inclining block rates, where higher usage results in higher costs. However, she said she was not in favor of this approach for the City. Reducing the minimum quantity would be a step in the right direction for alignment with current practices.

McGlothlin said that generally, the federal government was a funding source for high-cost infrastructure projects. He said he did not see any anticipated federal matching funds included in the current proposals.

Anderson said the WIFIA program provided federal money but was a loan program rather than a grant program. Currently, there were very few, if any, grant programs available. He said the City had previously received 10% loan forgiveness through the SRF program for the Dog River project. He said if the City used WIFIA funding, it could not use another federal funding source for the match, so caution was needed. The City would continue to seek grant opportunities but was not aware of any available options close to the required funding level. He suggested the outreach team might consider seeking additional funding from Washington.

Klebes said congressionally directed spending was an option but not a guarantee. An example was the Hood River community, which had been seeking CDs and various funding sources to replace the Hood River Bridge. Despite the project's critical nature for transportation and its compelling case, there remained a significant funding gap.

Anderson said the City would continue to look for grants. While securing grants could lower the funding needs, the City could not currently identify any grants that would significantly impact the situation.

McGlothlin asked if the recommendation was to lower from 10,000-gallon base rate to 7,500 gallons. He said seniors in the community had expressed a desire for lower rates to better manage their bills. He preferred exploring ways to restructure the billing to shift some of the burden to commercial or industrial customers and minimize the impact on seniors.

Anderson said that the City offered rate assistance for low-income residents, not specifically age-

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based. He noted that the program provided assistance at 10% and 35% levels for those with financial need.

McGlothlin said that Councilor Runyon had talked about getting the word out through radio, television, and newspapers to prepare the community for upcoming rate increases. He emphasized the need to inform the public that while efforts were being made to structure rates in a fair and equitable manner, the costs must be covered to keep the City's systems current. He highlighted the importance of projecting for the future to protect the community.

Klebes said communication and informing the community was very much on the radar and was actively being worked on by staff. He said they wanted to be sure they did not get ahead of the Council or communicate a message without first ensuring the Council was informed and part of the conversation.

Long said approximately 70% of the residential accounts used less than 10,000 gallons, and approximately 52% used less than 7.5 gallons. Reducing the amount people pay was counterintuitive.

Galardi said it was challenging to restructure rates while also increasing them. Reducing the burden on small users could ease their transition, but it might also lead to higher bills for others due to the combined effect of the rate structure changes and general revenue increases. It was a delicate balance.

Richardson said to include that not increasing rates for ten years was a significant rate cut. Maintenance costs had risen and were not kept pace with, requiring a lot of catch-up now.

Galardi said the median use was around 7,500 gallons. Even with a reduction to 7,500 gallons, many customers used less. The option presented was intended to be revenue neutral, meaning it aimed to recover the same amount from the residential customer class as the current rates. The base rate was reduced, but additional usage would now be charged, generating some additional revenue. The volume rate would increase as a result. She compared current and revised bills at different usage levels. Most customers would see decreases in winter months and increases in summer months, with some experiencing up to a 20% increase for larger quantities of water. Few customers would see significant increases, while many would see either minor increases or decreases. When the revised cost of service was factored in, shifting more costs to non-residential classes significantly moderated the impact on residential bills.

Anderson said that this was still a revenue-neutral scenario where no rate increase had been applied.

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Galardi said she was not suggesting this was the final approach, but was illustrating that the impacts of the cost of service could potentially save money for residential customers.

Anderson said people outside the city limits currently paid 1.5 times the in-city rates. This rate was reduced from twice the in-city rate to 1.7 times, and then to 1.5 times. The original rationale for this higher rate was that the city used general obligation bonds for infrastructure improvements, which were repaid through taxes collected from within the city, while no taxes were collected from outside city residents. Adjusting the rate for customers outside the city limits could be a reasonable consideration. This had not yet been discussed or included as one of the policy questions, but it would be useful to know if the council had an interest in modifying this rate.

Mayor Mays said he did not see this as a significant amount of revenue.

Anderson said there were a couple of hundred customers along the transmission. He believed it was fair for those living further from water sources and outside the city to pay a higher rate.

Long said their current proposed funding was not through general obligation bonds and questioned whether it would still be repaid with tax revenue. She said it was different because this funding was from Google service fees.

Mayor Mays said the revenue bond paid higher interest.

Galardi said their comparison of other communities showed that only a few, like Hood River and West Linn, included a 5,000-gallon minimum quantity in their rates. She said that using the previously illustrated rates in a revenue-neutral scenario would result in a slight shift toward the center in the comparison. She added that while the bill for a customer using 10,000 gallons would increase slightly, it wouldn't be enough to surpass others because of the still higher quantity allowance.

Mayor Mays said that while the comparison of 20 communities was useful, they didn't know the fixed rate or fixed volume for the other 17 communities, except for the three mentioned.

Galardi said they researched and found that the other communities do not include a quantity with the base rate; any usage above the base rate is charged separately.

Anderson said the other communities either had no minimum quantity or charged a base rate with no water included. Residents paid for all water usage beyond the base rate on a per unit basis.

Galardi said the significant change for commercial customers involved eliminating the minimum

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quantity and potentially increasing the volume rate. This change could result in substantial bill increases for those using between zero and 5,000 gallons. She said that the cost of service approach would result in a 10% overall increase for commercial customers, raising the volume rate to \$4 per 1,000 gallons. For industrial customers, eliminating the minimum quantity had minimal effect due to their high usage volumes. However, increasing base rates for industrial customers could help balance revenue recovery. Reducing the minimum quantity to 7.5 gallons would cause modest bill changes for many, with significant increases affecting a few. The cost of service rates could result in higher bills initially but would benefit residential customers overall. Shifting some revenue to commercial and industrial classes could help balance these impacts.

Ginter reviewed the current stage of the process, noting that they were at the preliminary capital improvements step. He said the team would continue working with staff over the next few weeks to finalize the capital improvement plan, making adjustments to timing as needed. He said the financial analysis, rate analysis, and system development charges would follow, leading to the final water system master plan, which they aimed to complete and have adopted by the end of the year. The next steps included finalizing the financial analysis, completing the SDC analysis, and preparing the final draft plan for City staff and Council review. He emphasized the importance of public outreach during the master plan adoption and related discussions on financial impacts.

Galardi said there were three sections to the financial plan and noted feedback on the need to plan for rate increases she noted the importance of coupling this with public outreach. The proposed rate increases were scheduled to begin in July of fiscal year 2026. She said implementing a rate increase during the peak water usage in July might not be ideal and suggested to schedule the increase over the winter. She said that while it might be difficult to make a final decision at this point, it would be helpful to have a narrower set of options for determining the rate increase and the associated public conversation.

Richardson asked if it was too early to provide a preliminary estimate or a ballpark figure for what they might be considering in terms of SIP income for the City for a conservative \$600 million valuation per data center.

Klebes said staff could run that scenario and bring back for the next SIP work session.

Mayor Mays emphasized the need to distinguish between the total tax dollars generated, which go to all the taxing bodies, and the amount that will specifically come to the City. He acknowledged that he had seen numbers but did not want to put anyone on the spot. He asked if the \$3 million estimate was realistic.

Richardson said they needed to have some operating assumptions before the actual tax assessment was completed, understanding that these would be based on best guesses and

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estimates. He noted that such assumptions were necessary for the master plan.

Klebes said many of the approaches had been conservative, aiming to avoid creating scenarios where water rate increases appeared lower or even decreased when that was not actually feasible.

Anderson said they were seeking feedback on several items to narrow down the scenarios for Council consideration. One area of interest was the amount of water included in the base rates. They had presented scenarios analyzing the impact of adjusting the residential base from 10,000 gallons to 7,500 gallons and removing the 5,000-gallon allowance for commercial and industrial use.

Mayor Mays said the three alternatives for the base water rate included keeping it the same at 10,000 gallons, reducing it to zero, or adopting a compromise option somewhere in between. He asked if any of the Councilors would like to see zero.

Long said she would like to know the break-even point if the base rate were reduced to 5,000 gallons, specifically the dollar per gallon cost compared to the cost of service. She emphasized the need to balance revenue generation with minimizing the impact on low-income users and those who use less water. She preferred a gradual increase in rates rather than a reduction followed by a subsequent increase, to allow users to adjust over time.

Anderson clarified the revenue-neutral scenarios were presented to illustrate the costs associated with changing the rate structure, without attempting to generate additional revenue. He emphasized there was a need to increase revenue. Therefore, the numbers from the scenarios should not be seen as final but rather as a way to understand cost allocation based on service and customer class. He asked if the Council wanted to continue developing two scenarios: one with a 5,000-gallon base and one with a 7,500-gallon base for residential customers. He also asked if there was support for eliminating the 5,000-gallon base rate for commercial and industrial or if they preferred to keep it or reduce it.

Richardson said he would like to see considerations for shielding parks, schools, nonprofits, or similar entities from water rate increases. He emphasized the need to raise rates gently rather than significantly passing the burden onto these entities. He suggested that it might be beneficial to handle nonprofits and government entities separately from commercial customers in the rate structure, to be more mindful of their impact.

Anderson said it was not unheard of to have a fourth class which would be government. Currently government customers were within commercial.

Galardi confirmed government entities were identified separately in the billing system and their

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usage, which often trended toward heavy irrigation, was tracked. Under the cost of service framework, these entities did pay more. Having them as part of a larger class helped spread the costs around. She said it would be necessary to determine who would cover the cost of this discount.

Richardson suggested considering a significant increase in rates for industrial customers, particularly the largest ones. He said that they could afford it and noted some costs in the Capital Improvement Plan (CIP) were driven by industrial customers, so he felt they should bear a substantial portion of the burden for those reasons.

McGlothlin said he preferred to avoid drastic rate increases and focus on minimal impact for senior ratepayers. He suggested planning for rate increases during the winter months as a logical approach. He requested options for a rate plan that would address future growth needs while keeping rates low. He indicated a preference for seeing several options or recommendations, including those already provided.

Richardson asked for confirmation if the plan was based on a full build out within the urban growth boundary.

Anderson confirmed that was correct within the next 20 years.

Mayor Mays agreed with the philosophy of maintaining the community's appearance, which might preclude going to a zero or 5,000-gallon base rate. He suggested that 7,500 gallons might be a more suitable option but noted that reviewing both scenarios would be beneficial. He acknowledged that there was a lot of information to absorb, especially since it was received that night. He requested an opportunity to review the details further and potentially return with additional questions or a Q&A session in the future.

Long said that usually they receive packets ahead of time, but this time the information was provided at the meeting itself.

Anderson explained that the packet was completed only on the day of the meeting, which was somewhat intentional. He said the aim was to facilitate a conversation without pre-existing opinions potentially influencing the discussion or leading to misunderstandings. He noted that, based on the current discussion, providing another packet in advance of a future workshop would be useful and understandable.

Long suggested having the packet in advance would have allowed for a more efficient discussion and clarification of assumptions, as is typically done with packets.

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Anderson sought to confirm the direction for commercial and industrial rates, asking if there was a preference to keep the 5,000-gallon base, reduce it to zero, or if it was considered a non-issue for industrial customers. For industrial customers, the focus was more on volume pricing rather than base rates.

Randall suggested keeping the 5,000-gallon base rate for commercial and industrial customers, similar to the residential base rate, to support beautification efforts. He noted that maintaining small lawns or garden areas could be important for the appearance of their premises.

McGlothlin said he was considering whether to apply the 5,000-gallon base rate to both residential and commercial/industrial customers or just one of these categories. He suggested recombining the commercial and industrial groups, as they were previously. He needed more time to review the information before deciding whether to support dropping or maintaining the base rate. He wanted to assess the impact on commercial rates thoroughly. He also reiterated that the tables showing costs of service did not yet include rate increases and were revenue-neutral. He cautioned against misinterpreting the current stage of the process and the extent of progress made.

Mayor Mays suggested that staff develop a public relations program to address the issues and the three major projects, without focusing on specific numbers. He noted that there was no current appetite for rate increases and that it might be better to wait until winter to discuss any potential rate adjustments.

Anderson recommended targeting a January 1 implementation date for rate changes, aligning with the time when people are using their base rates rather than during peak consumption periods.

Richardson noted that it was unlikely they would be ready to make a rate decision before the rainy, cold season began.

McGlothlin said that in conjunction with a public relations campaign, it was important to lay out a plan for residents so they would be aware of and accept the costs associated with infrastructure improvements.

Mayor Mays questioned whether they should wait until January for a rate increase and asked what kind of increase might be anticipated. He viewed it as a necessary step or "down payment" and sought to understand what could be realistically achieved.

Anderson said the process for implementing a rate increase would require a City Council meeting, a public hearing, and adoption of a resolution, with a notice period of two weeks. The next council meetings were in September, October, November, and December. It could be ready

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to be effective in the November or December timeframe.

Richardson said he did not see the benefit of implementing a rate increase before completing the plan. He preferred to discuss rate increases in conjunction with the plan to avoid a situation where rates might need to be adjusted further after an initial increase.

Klebes said they could implement a rate increase by January 1, with preparation starting in November and December. The community communication and public relations efforts would be aligned with this timeline. If the City Council preferred to delay rate increases until winter of the following year, the public outreach would be adjusted accordingly, incorporating results from the Water Master Plan and potentially more specific information from the SIP program. Feedback from the City Council would guide the prioritization of these efforts.

Anderson expressed concern that waiting until January 2026 for a rate increase might not be viable due to inflation impacting existing revenue streams. He acknowledged that a new data center would help but might not fully address the issue. He recommended targeting an initial rate increase for the upcoming winter, even if it were delayed until February or March, rather than waiting another year.

Mayor Mays acknowledged the consensus on aiming for a rate increase between January 1 and March 1. He said they would evaluate scenarios for base water rates at 5,000 or 7,500 gallons. He directed staff to develop a public education plan and to provide assumptions on the revenue expected from Google's SIP program, while recognizing that revenue from Taylor Lake was already known.

Anderson proposed maintaining the 5,000-gallon base rate for commercial accounts while reducing the base rate to zero for industrial accounts.

McGlothlin asked about the County's role and responsibilities in the process. He asked if they would commit as the City was the majority of the county and increased revenues could be dispersed.

Mayor Mays suggested this be brought to the next joint meeting with the County Commissioners. Klebes said there was an upcoming SIP work session in September and initial feedback from the City Council on the use of SIP dollars would be valuable.

Anderson asked whether the City Council wanted to continue developing the \$3 million SIP scenario or if that should be the primary focus moving forward.

Mayor Mays indicated the need for staff to provide a realistic and conservative estimate of

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potential SIP revenue before making further decisions.

Galardi said finishing up the System Development Charges (SDCs) and rate design options was feasible. Further adjustments to the financial plan would depend on receiving updated revenue estimates.

Klebes asked whether the City Council would prefer to allocate the entire SIP payment to the water master plan if the SIP dollars amounted to \$3 million. He also inquired if the allocation preference would change if the SIP payment were \$5 million or \$6 million. He noted that staff could generate scenarios based on these figures for further discussion.

Mayor Mays indicated that he would prefer to allocate the SIP payment to the water master plan.

Anderson said the SIP money was a 15-year revenue stream, while the debt terms considered were 30 to 35 years. Once SIP payments end, properties would be on the general tax rolls, and a similar level of contribution from the general fund would continue to support the debt. He emphasized that this assumption was crucial to avoid adjusting utility rates later to cover what SIP was funding.

Mayor Mays emphasized the importance of understanding expectations for property taxes, community service fees, and the gap payment, even though there might be no intention to use property taxes or community service fees.

Klebes acknowledged the Mayor's point and appreciated the addition. He noted the importance of considering the needs of other City departments and highlighted that the discussion was focused on one of four master plans.

ADJOURNMENT

Being no further business, the meeting adjourned at 8:19 pm

Submitted by/ Amie Ell, City Clerk

SIGNED:

Richard A. Mays, Mayor

ATTEST:

Amie Ell, City Clerk

DRAFT

CITY OF THE DALLES – CITY COUNCIL WORK SESSION

Water System Master Plan and Financial Analysis

Project Overview

Presented by:

Brian Ginter, P.E.

Emily Flock, P.E.

Deb Galardi

August 19, 2024



Agenda

Master Plan Elements

Historical System Overview

Recommended Improvements

Draft Capital Improvement Plan (CIP)

Financial Analysis and Policy Discussion

- Overall revenue needs/capital funding scenario(s)

- Rate analysis

 - Costs by customer class

 - Rate structure options

 - Rate Comparison

- System development charges

Next Steps

Discussion/Q&A



Plan Elements

Plan Foundation

- System Inventory
- Water Demand Forecast
- Performance Criteria

System Analysis

- Hydraulic Model Development, Calibration and Analysis
- Supply and Treatment Needs
- Storage and Pumping Needs
- Seismic Resiliency

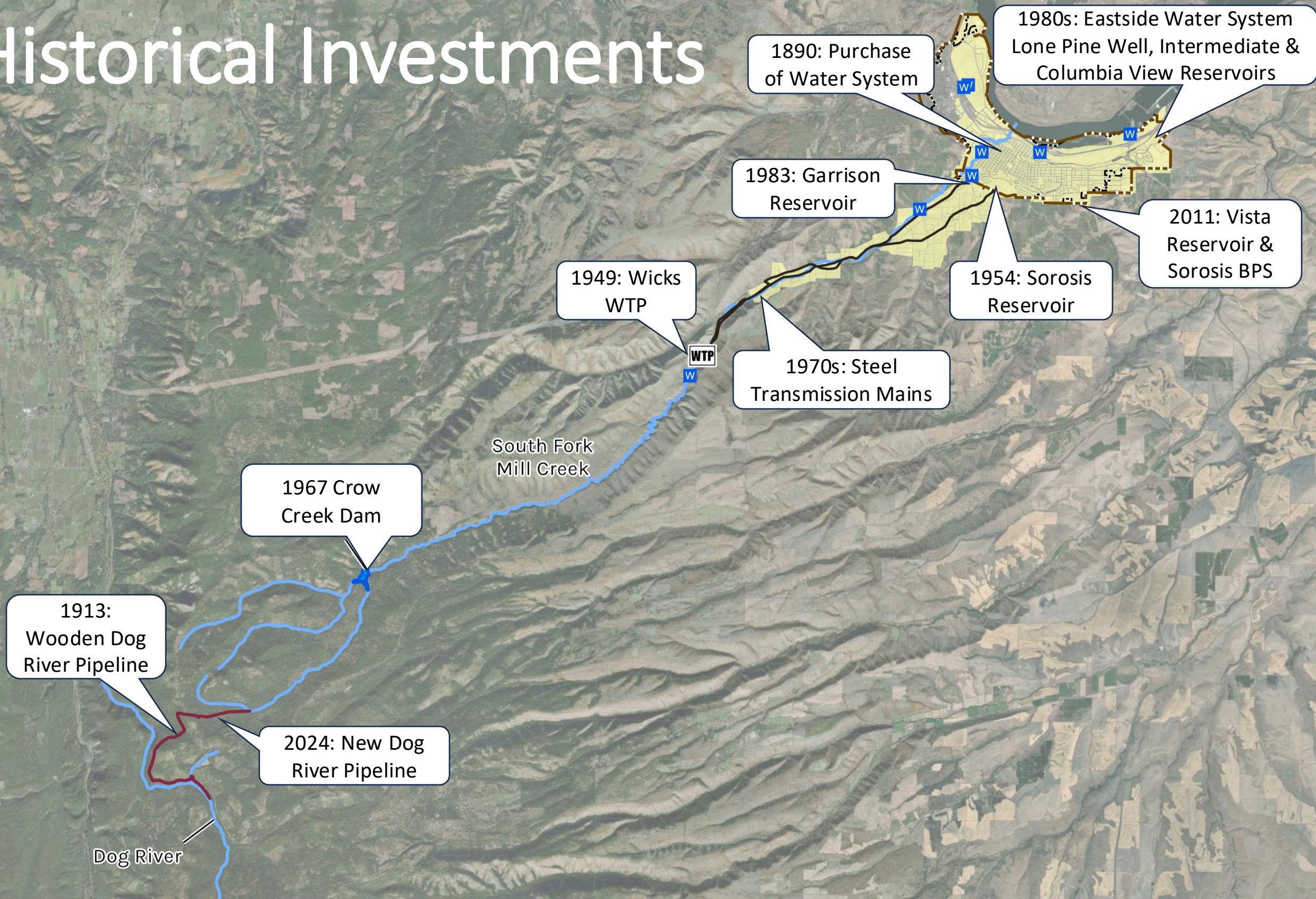
Capital Improvement Plan

- Capital Improvements
Capacity, Reliability, Resilience, Maintenance

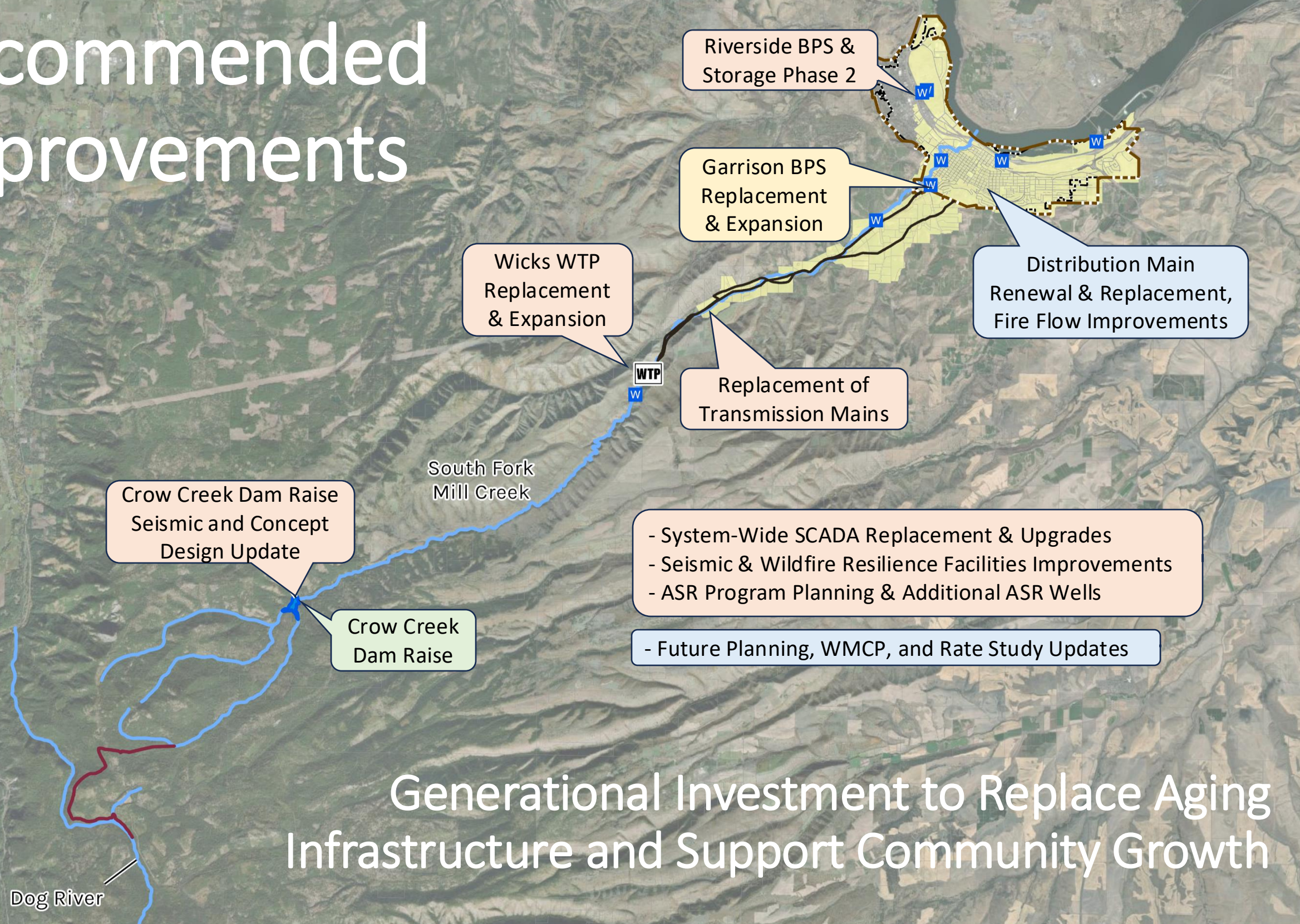
Financial Analysis and WSMP Report

- Utility Rate Structure
- System Development Charges
- WSMP - City Council Approval, Regulatory Approval

Historical Investments



Recommended Improvements



- Top Priorities
- Medium-Term
- Long-Term
- Continuous, Ongoing

Generational Investment to Replace Aging Infrastructure and Support Community Growth



Draft Capital Improvement Plan (CIP)

- **Top Priorities, 0-10 years - \$175.8M**
 - SCADA Improvements
 - Wicks WTP Replacement & Expansion
 - Transmission Main Replacement
 - ASR Program Planning
 - Crow Creek Dam Updated Concept Design, Seismic, and Emergency Action Planning
 - Distribution Pipe Fire Flow Improvements
 - Distribution Pipe Renewal & Replacement
 - Additional ASR Wells
 - Riverside BPS Phase 2
 - Riverside Storage Phase 2
 - Seismic & Wildfire Facility Resilience
 - Planning/WMCP/Rates Study Updates
- **Medium-Term Improvements, 11-20 years - \$36.9M**
 - Distribution Pipe Fire Flow Improvements
 - Garrison BPS Improvements
 - Crow Creek Dam Design & Permitting
 - Planning/WMCP/Rates Study Updates
- **Long-Term Improvements, 20-50 years - \$126.7M**
 - Distribution Pipe Fire Flow Improvements
 - Distribution Pipe Renewal & Replacement
 - Crow Creek Dam Construction
 - Planning/WMCP/Rates Study Updates

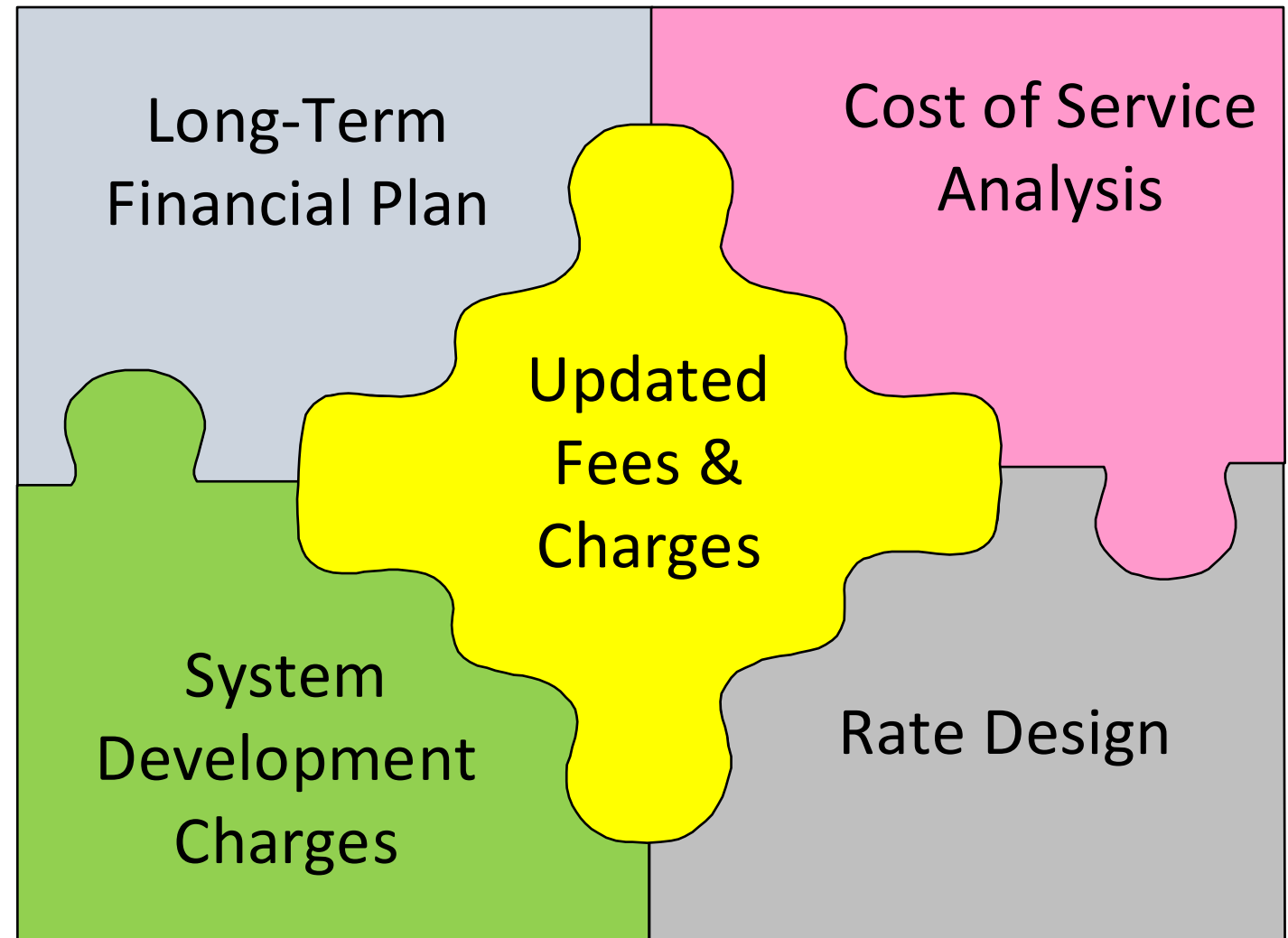


Financial Analysis

Financial Analysis Framework

Objectives:

- Adequate revenue to fund system operations and capital improvements
- Equitable cost recovery
 - Existing vs future development
 - Customer type (residential, commercial, industrial)
- Rate design supports
 - Water conservation/grant & loan eligibility
 - Affordability/competitiveness
 - Revenue/rate stability

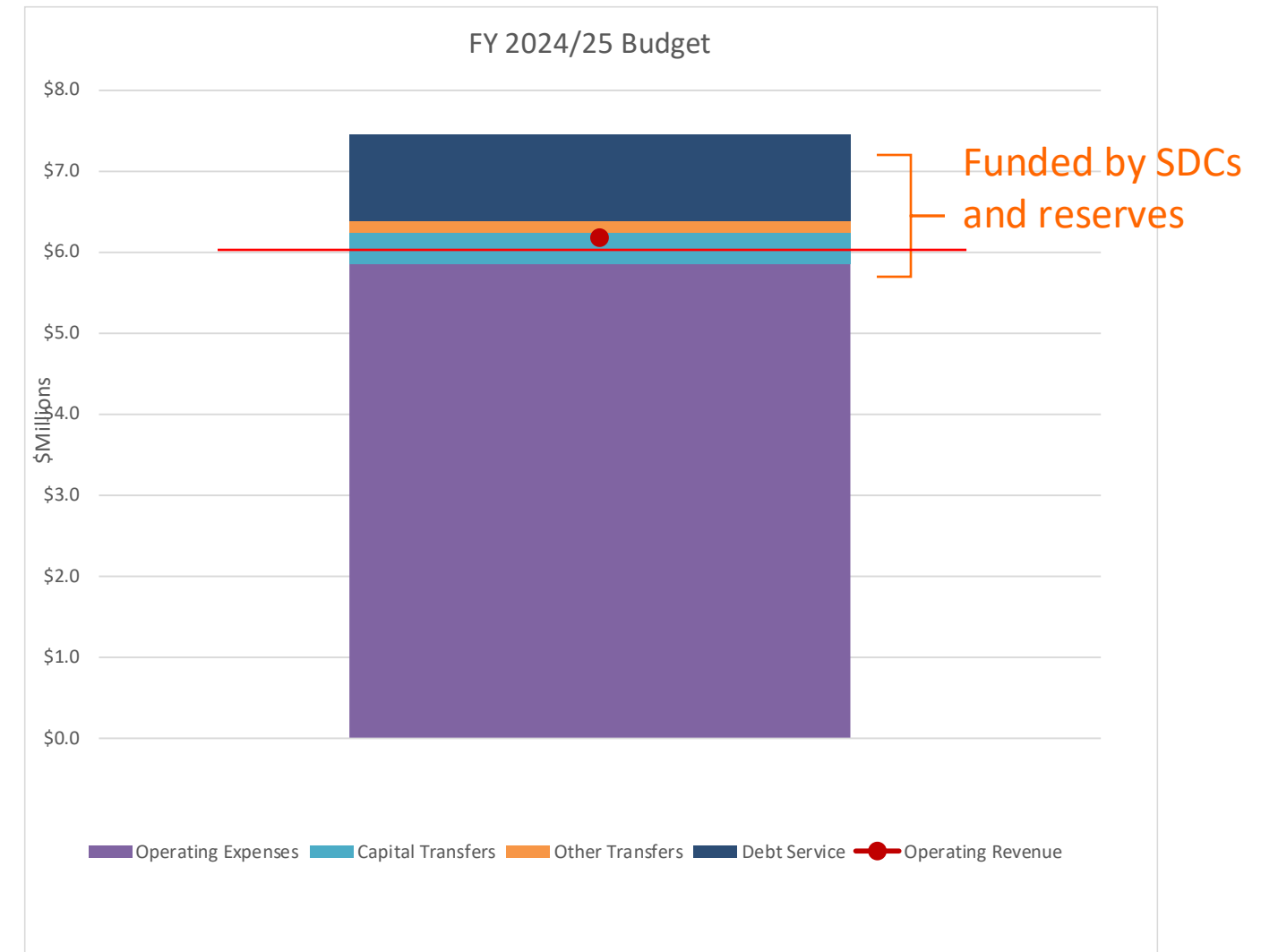




Preliminary Financial Plan Analysis

Financial Plan Considerations

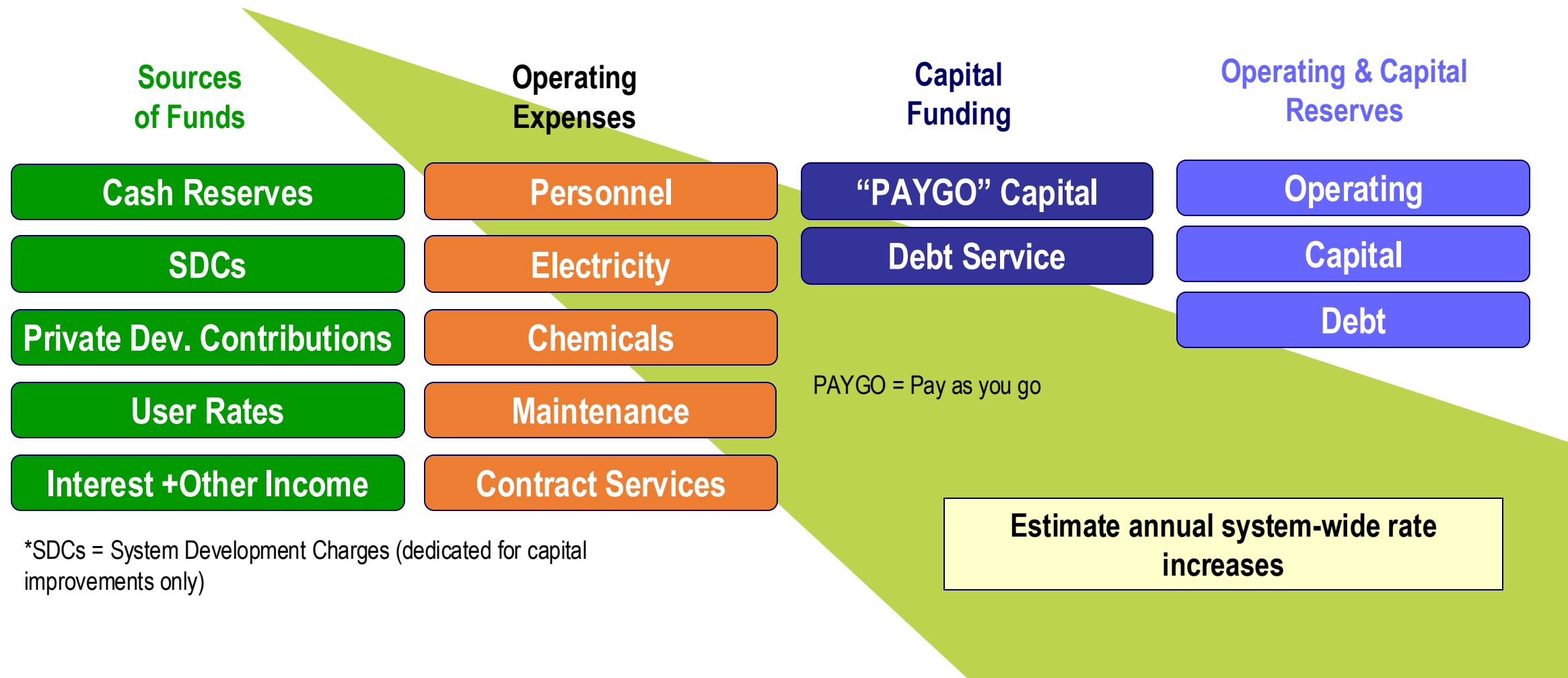
- Capital Improvement Plan dominates financial plan over next 20 years.
 - \$2024 = \$212 M
 - Inflation-Adjusted = > \$263 M (\$13 M per year)
- Current rates/SDCs have limited capital funding capacity <0.5 M
- Opportunities to leverage federal funding programs and local revenue sources
 - Water Infrastructure Finance Innovation Act (WIFIA) loan program
 - City/County Strategic Investment Program (SIP) funds
 - Industrial growth





Financial Plan Development

20-year cash flow forecast



*SDCs = System Development Charges (dedicated for capital improvements only)

Framework for Cash Flow Projections

- Provide basis for evaluation of key assumptions/variables
- Revenue “slope” (series of rate increases) do not represent specific rate increase recommendations
 - *Provide an indication of order of magnitude for planning purposes*
- Capital financing plan = medium case (not worst or best case)
 - Highly sensitive to specific debt terms, interest rates, and capital project construction schedules.
 - To be further defined following outreach to lending agencies.



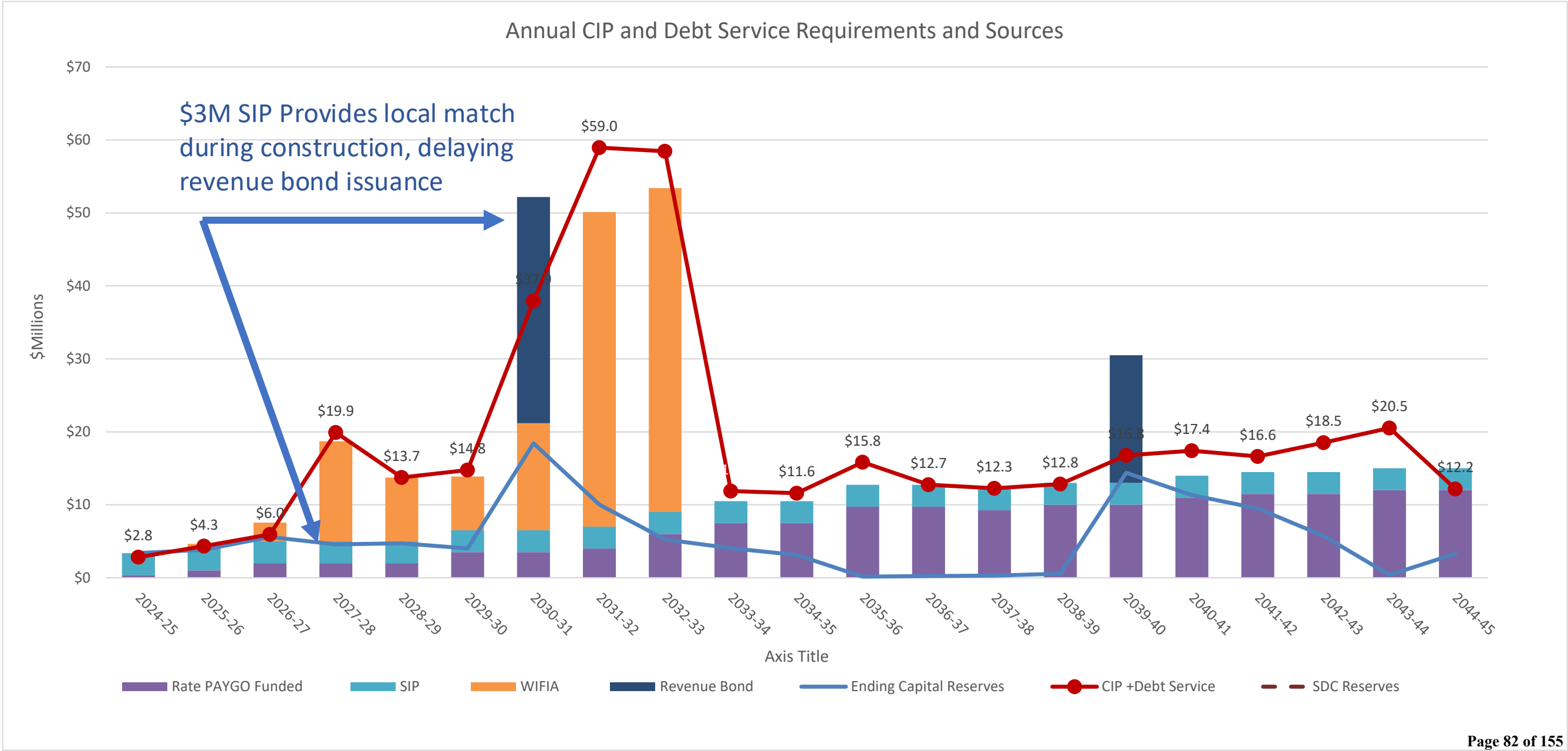
Preliminary Capital Financing Strategy

- Maximize flexible, low-cost loans
 - Degree of leveraging dependent on security/terms
- WIFIA loans provide flexibility:
 - Loan term (35 years)
 - Deferral of first payment after construction
 - Capitalizing interest during construction
 - Loan security basis
- However.....
 - Current rates are high (>4%)
 - Requires a local match (20%-51%) of annual project cash flow

	\$ Millions		Ann. Debt Payment \$M	
	2024 \$	Inflated	2024 \$	Inflated
CIP				
WIFIA Projects	\$140.0	\$169.0		
Other CIP	\$53.8	\$74.0		
Pipe Replacement ¹	\$14.3	\$20.0		
Total	\$208.0	\$263.0		
Preliminary Debt Funding Assumptions				
WIFIA Loan ²	\$112.0	\$135.2	\$6.0	\$7.3
2031 Revenue Bond ³	\$23.0	\$31.0	\$1.5	\$2.1
2040 Revenue Bond ³	\$10.0	\$17.5	\$0.7	\$1.2
Subtotal	\$145.0	\$183.7	\$8.2	\$10.6
Local cash funding (rates, SDCs, SIP)	\$63.0	\$79.3		
Average/Year	\$3.2	\$4.0		
<i>Debt % of CIP Projects</i>	75%	76%		
<i>Debt % of CIP Projects + Pipe Replace</i>	70%	70%		
¹ Includes \$750K/Year in 2024\$				
² 80% WIFIA Package; 3% interest (tied to Treasury rates); 35-year term; cap. interest.				
³ 4% interest; 30-year term; 2 years interest; 2031 (WTP) and 2040 (Crow Creek Dam)				

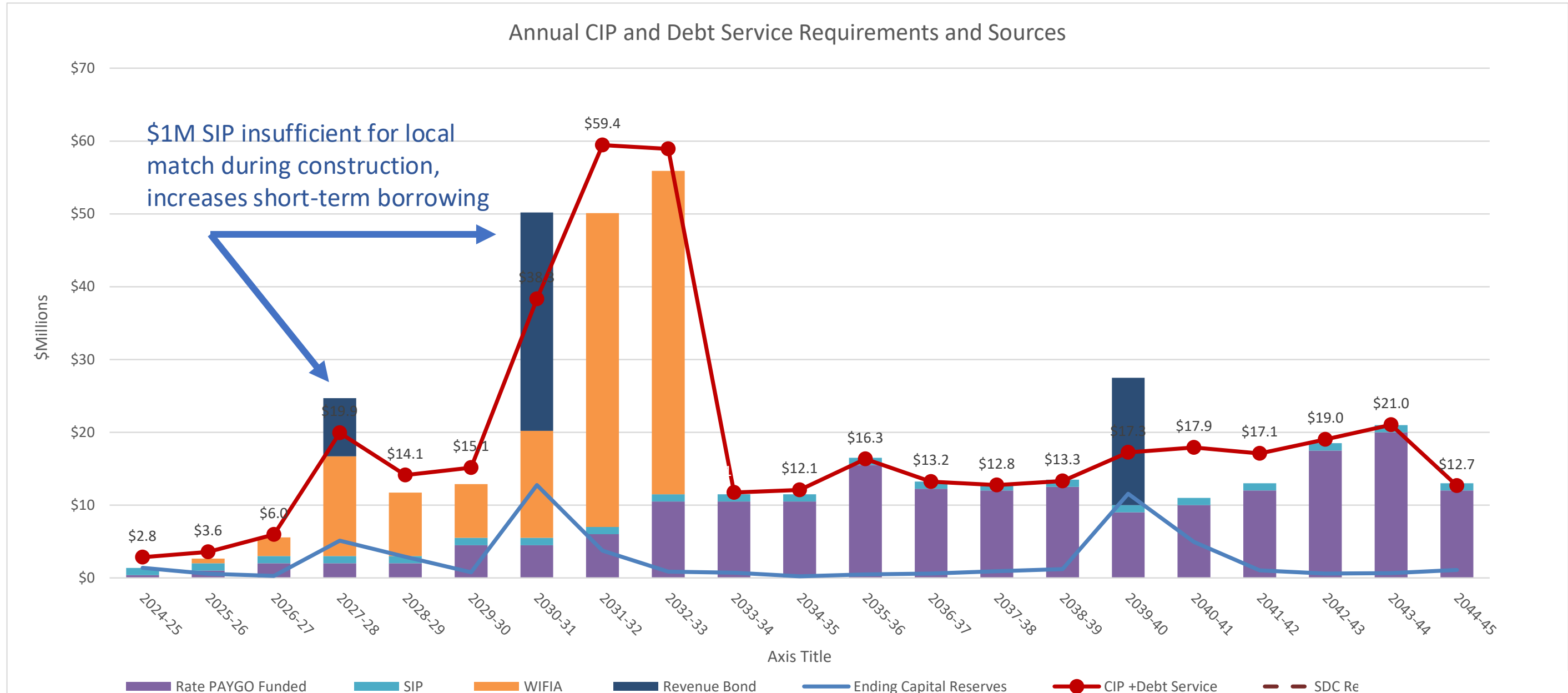
Construction Funding Sources: \$3M SIP

- SIP Funding critical to delaying need for secondary financing in short term and offsetting rate increases in longer term



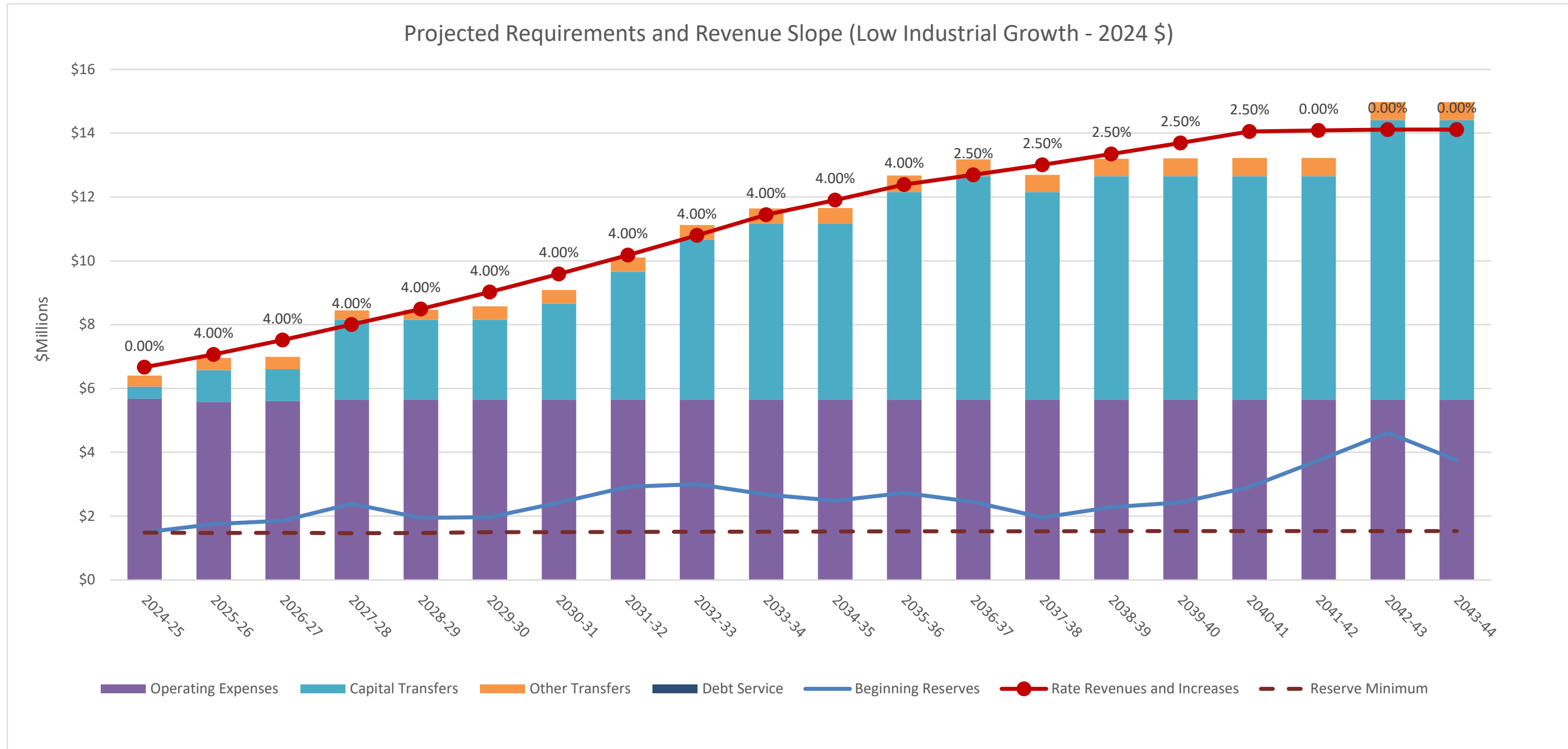
Construction Funding Sources: \$1 M SIP

- Reduction/elimination of SIP would increase borrowing in short-term and more rate support over life of plan.



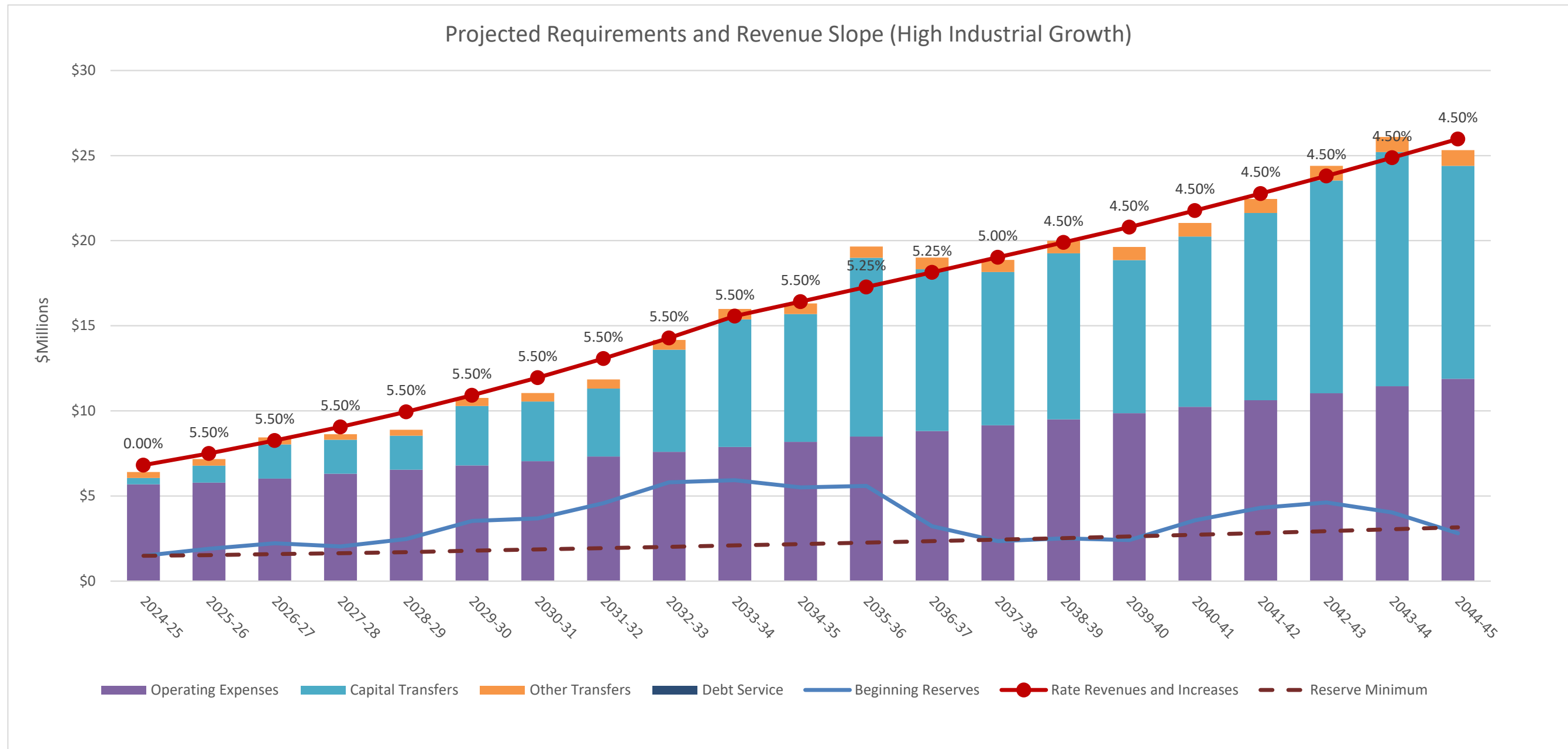
Projecting Overall Cash Flow and Revenue Needs

- \$3 M SIP Funding; low industrial growth; no inflation



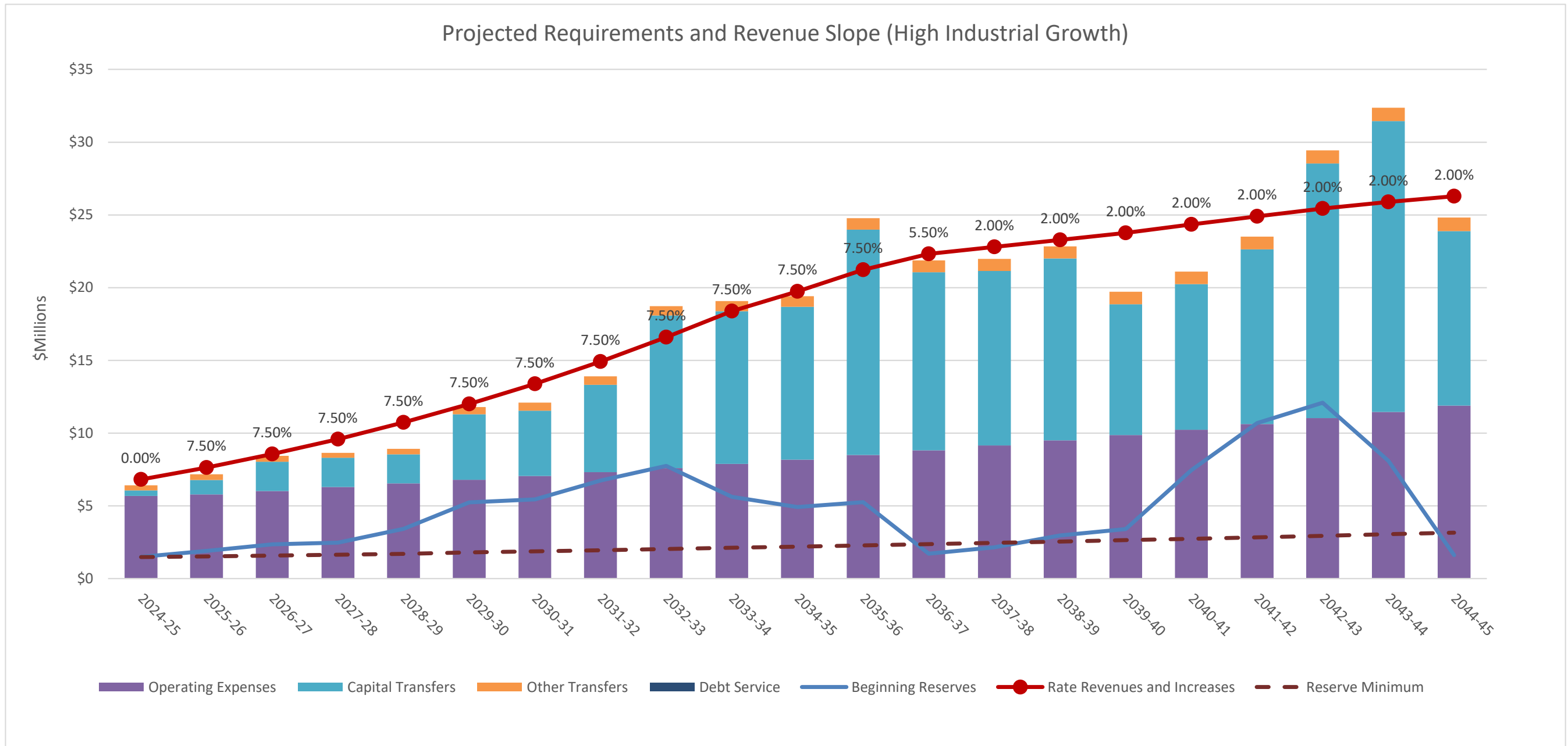
Projecting Overall Cash Flow and Revenue Needs

- \$3 M SIP Funding; high industrial growth; 3.5% average inflation



Projecting Overall Cash Flow and Revenue Needs

- \$1 M SIP Funding; high industrial growth; 3.5% average inflation



Illustrative Rate Impacts

- Based on:
 - “Medium case” capital funding strategy
 - Current rate structure
- Key Factors
 - Inflation adds about 55% to bill
 - Higher industrial growth is estimated to reduce bill by 18-20%
 - Reduced SIP funding (from \$3M to \$1 M) is estimated to increase bill 15%-20%

Scenario	2024\$		Inflated \$	
	FY2025	FY2040	FY2025	FY2040
Annual SIP/General Fund \$	\$3.0	\$3.0	\$3.0	\$3.0
Residential Base Rate				
High Industrial Growth	\$55.3	\$73.0	\$55.3	\$115.0
Low Industrial Growth	\$55.3	\$92.0	\$55.3	\$142.8
Annual SIP/General Fund \$	\$1.0	\$1.0	\$1.0	\$1.0
Residential Base Rate				
High Industrial Growth	\$55.3	\$90.5	\$55.3	\$134.5
Low Industrial Growth	\$55.3	\$110.0	\$55.3	\$164.7

*Rates are for illustration only; do not reflect actual rate proposal

2024 Monthly Bill Comparison

- Selected agencies undergoing major water system improvements
- Rates are based on 2024 Single Family Residential rates
- Comparison reflects current rates and rate structure for The Dalles

Monthly 1,000 Gal	6.0	9.0
The Dalles		
Current	\$55.30	\$55.30
2024 Proj. (High Ind/\$3M SIP)	\$73.00	\$73.00
2024 Proj. (Low Ind/\$3M SIP)	\$92.00	\$92.00
Hillsboro	\$50.34	\$72.54
Beaverton	\$68.70	\$92.30
TVWD	\$82.92	\$117.24
Tigard	\$79.35	\$114.67
Portland	\$83.72	\$113.95

Financial Plan Summary

- Significant rate increases are needed to grow rate capacity to fund >\$200 M CIP over next 20 years and keep pace with general cost inflation.
- Further evaluation of capital financing options will better define specific rate increases.
 - *Policy issue: Timing/level of rate increases*
- Commitment of SIP/general fund funding over the life of the debt will have a significant impact on customer bills.
 - *Policy issue: How much revenue to commit to water program*
- High level projections of customer bills generally align with other communities facing similar challenges.





Preliminary Rate Analysis Findings

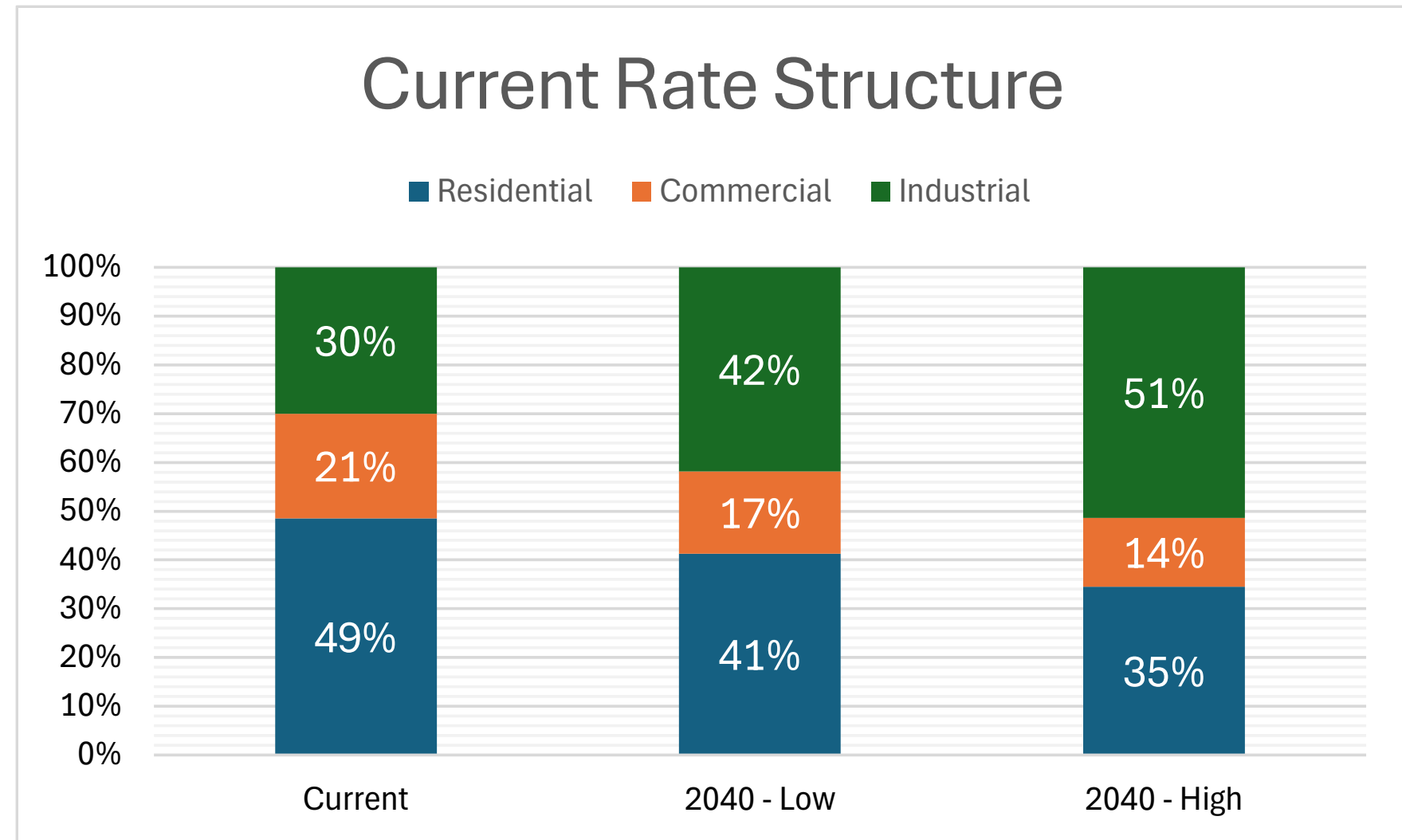
Current Rate Structure

CLASS	FIXED (\$/MONTH)	MIN QTY/ MONTH (GALLONS)	VOLUME (\$/1,000 GAL > MIN QTY)
Residential	\$55.30 (3/4"-1" meter) includes min qty.	10,000	\$1.68
Commercial	Varies by meter size (\$45-\$1,057); includes min qty.	5,000	\$3.61

*Rates in effect since 2014

Current Cost Recovery by Customer Class

- Current cost recovery a function of
 - Number of meters by size
 - Annual billable volumes
 - Unit prices by class (commercial vs. residential)
- Cost of service analysis considers
 - Pricing for industrial* vs. commercial
 - Potential changes to unit prices to reflect cost considerations beyond average annual use.



*Industrial user defined as a customer with => 2" meter(s), located in the 310-pressure zone on land zoned as Industrial or Light Industrial, and uses water for manufacturing or cooling process.

Water System Cost Factors

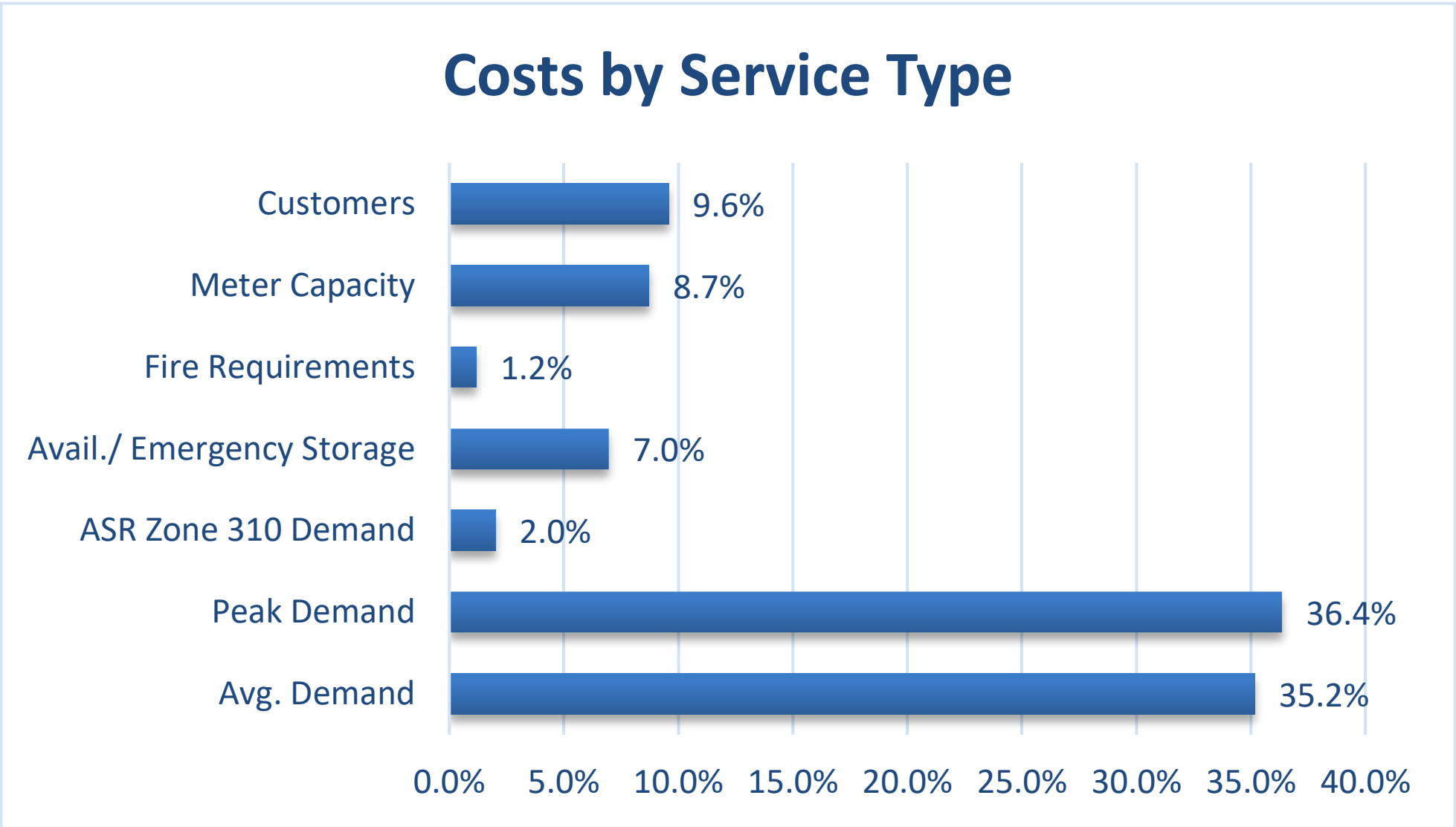
- Annual operating & capital costs are estimated for each facility type/service function
- Costs by function, then allocated to service categories based on:
 - Accepted industry approaches
 - System-specific design criteria (e.g., peaking factors, emergency storage, etc.)
 - Land use requirements (e.g., fire flows)
 - Offsets for private facilities (e.g., emergency storage)

Facility/ Service Type	Average Demand	Peak Demand	Emer gency	Fire Req.	Meter Capacity	Customer
Supply/ Treatment	44%	56%				
ASR	100% (Zone 310)					
Transmission	44%	56%				
Pumping & Storage	8%	10%	70%	12%		
Distribution*	34%/ 11%	66%/ 14%		0%/ 76%		
Customer						100%
Meter					100%	

*Operation & maintenance costs allocated differently than capital costs

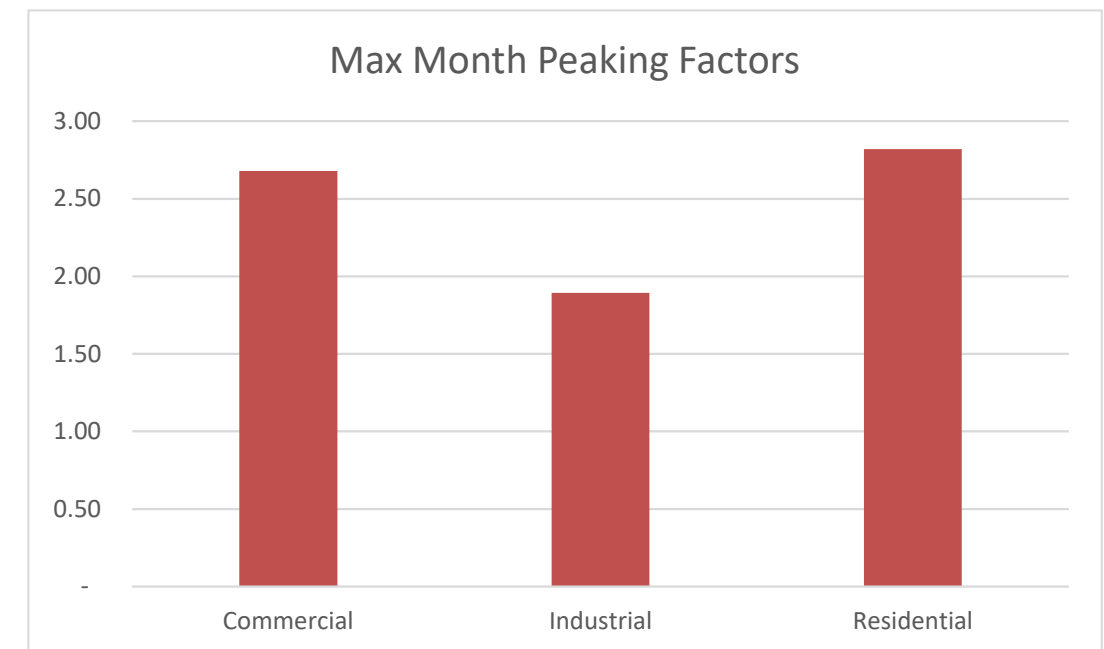
*Industrial user defined as a customer with => 2" meter(s), located in the 310 pressure zone on land zoned as Industrial or Light Industrial, and uses water for manufacturing or cooling process.

Overall Costs by Service Category



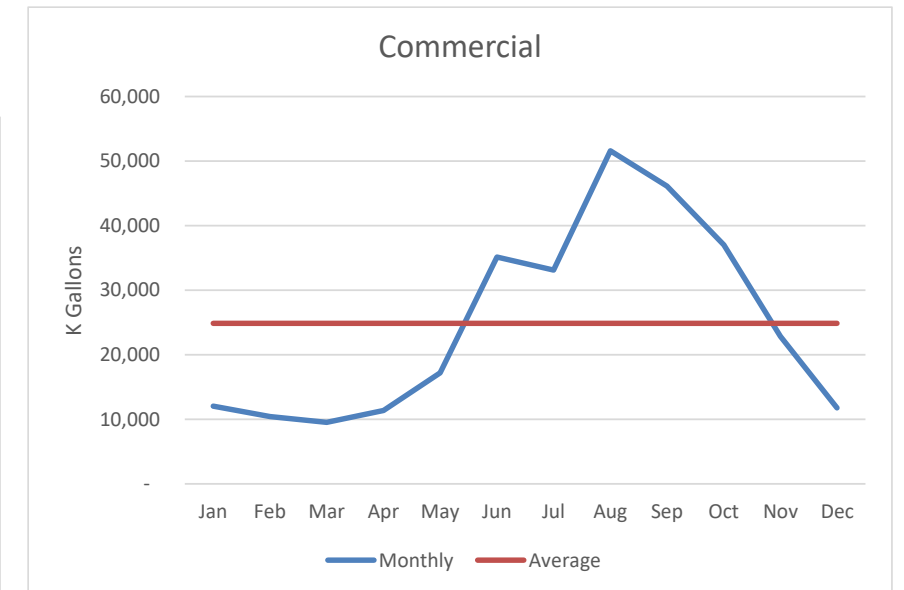
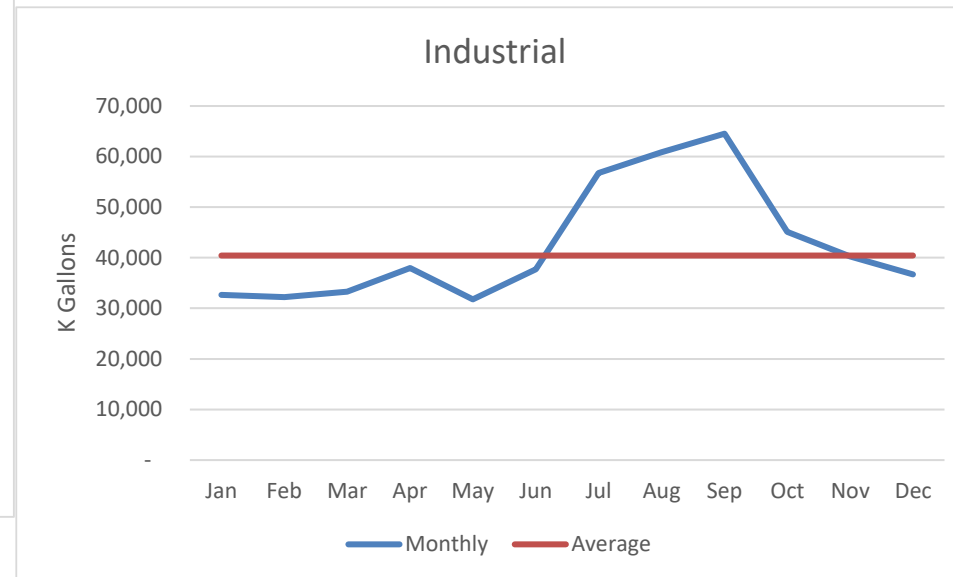
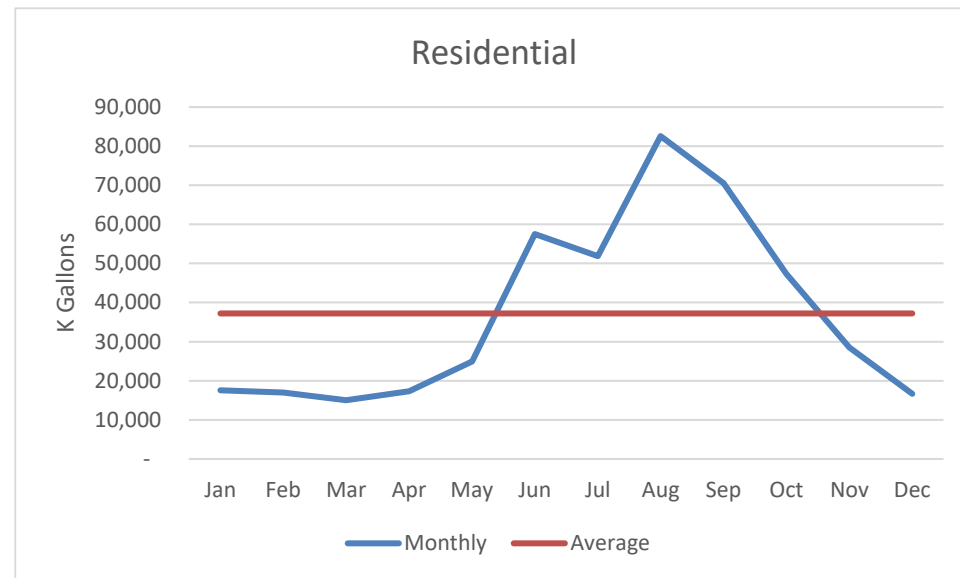
Customer Class Peaking Demands

- Peaking factors estimate the amount of “extra capacity” attributable to each customer class that is over and above the average use for the year.
 - System peak month is generally July/August
 - Outdoor irrigation, industrial cooling and manufacturing, and other types of uses contribute to peak demands
- System must be designed and operate to accommodate/deliver peak rates of use



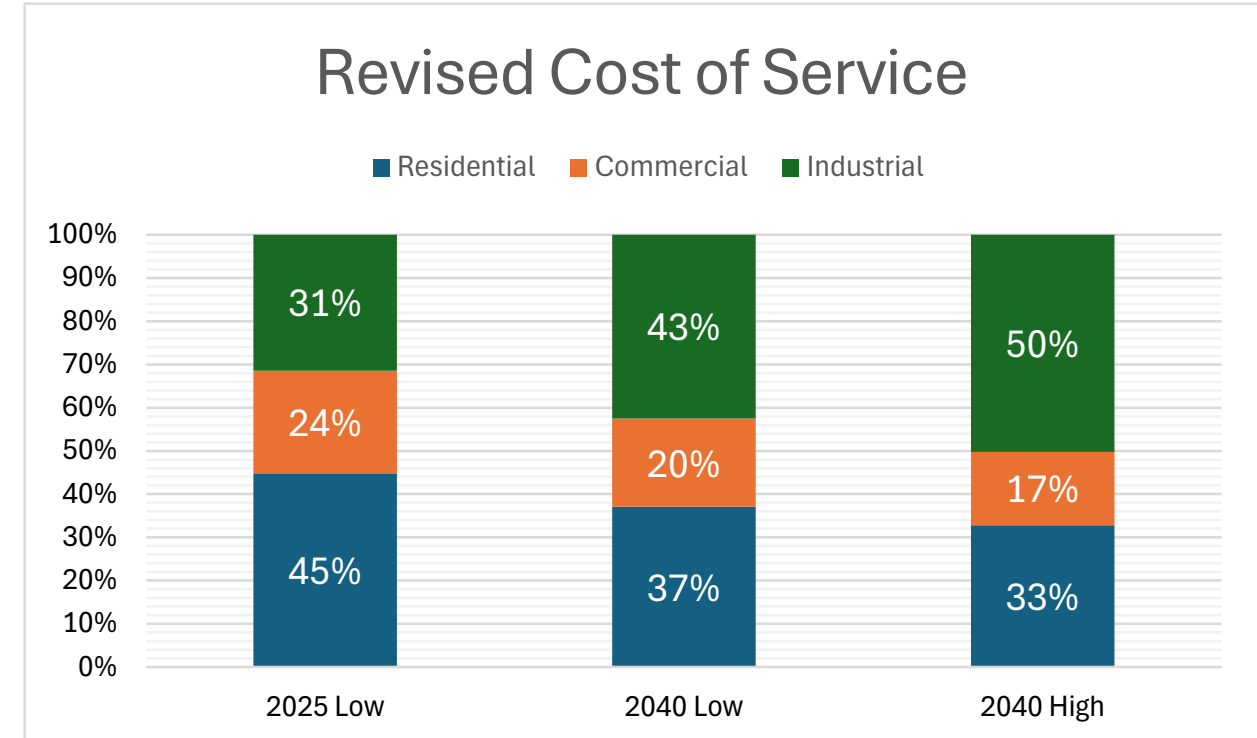
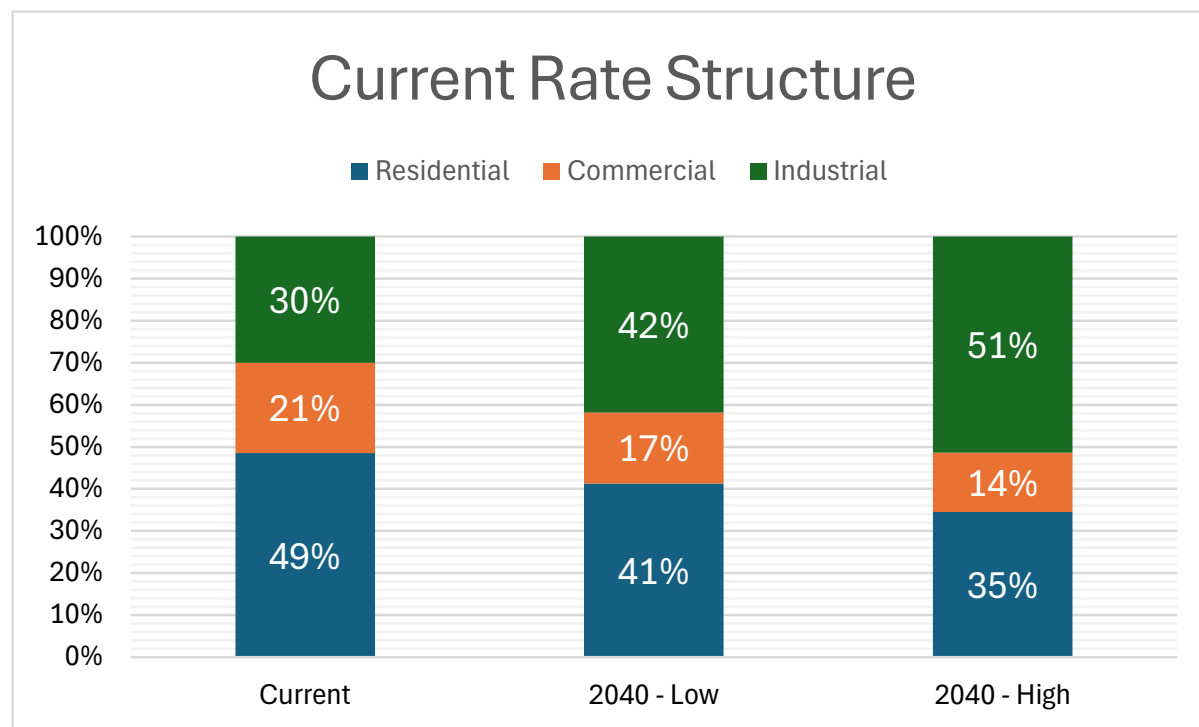
Customer Class Usage Profiles

- Peaking factors reflect analysis of 3 years of historical water sales and system production data



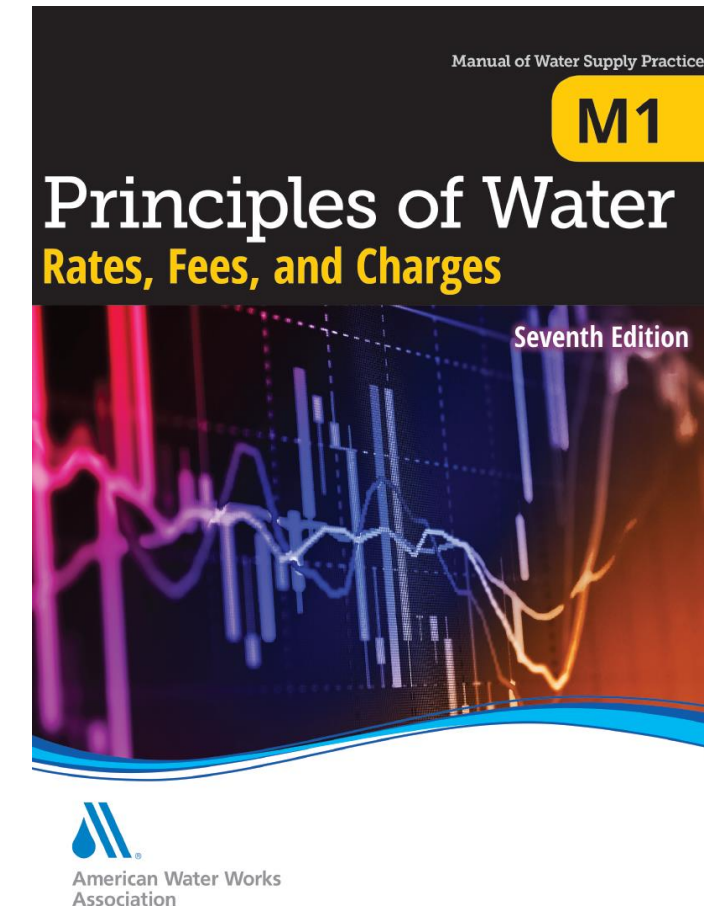
Cost of Service Results

- Revised analysis shows a shift in costs from residential to nonresidential (both industrial and commercial).
 - Commercial revenue requirements increase 10% reflecting peak demands, fire flow requirements (increased volume charges)
 - Industrial revenue requirements increase 4% reflecting fire flow and emergency/availability factors (increased meter charges)
 - Residential revenue requirements decrease 9%



Cost of Service Summary

- Cost of service aligns rates/cost recovery with how the utility incurs costs.
- Preliminary framework reflects specific design consideration for the City and industry accepted practices.
- Results serve as a benchmark for considering relative rate changes across customer classes.
 - *Policy question: If and at what pace to phase-in revised costs of service.*
- Provides some indication of how costs align with rate components.





Rate Structure Options

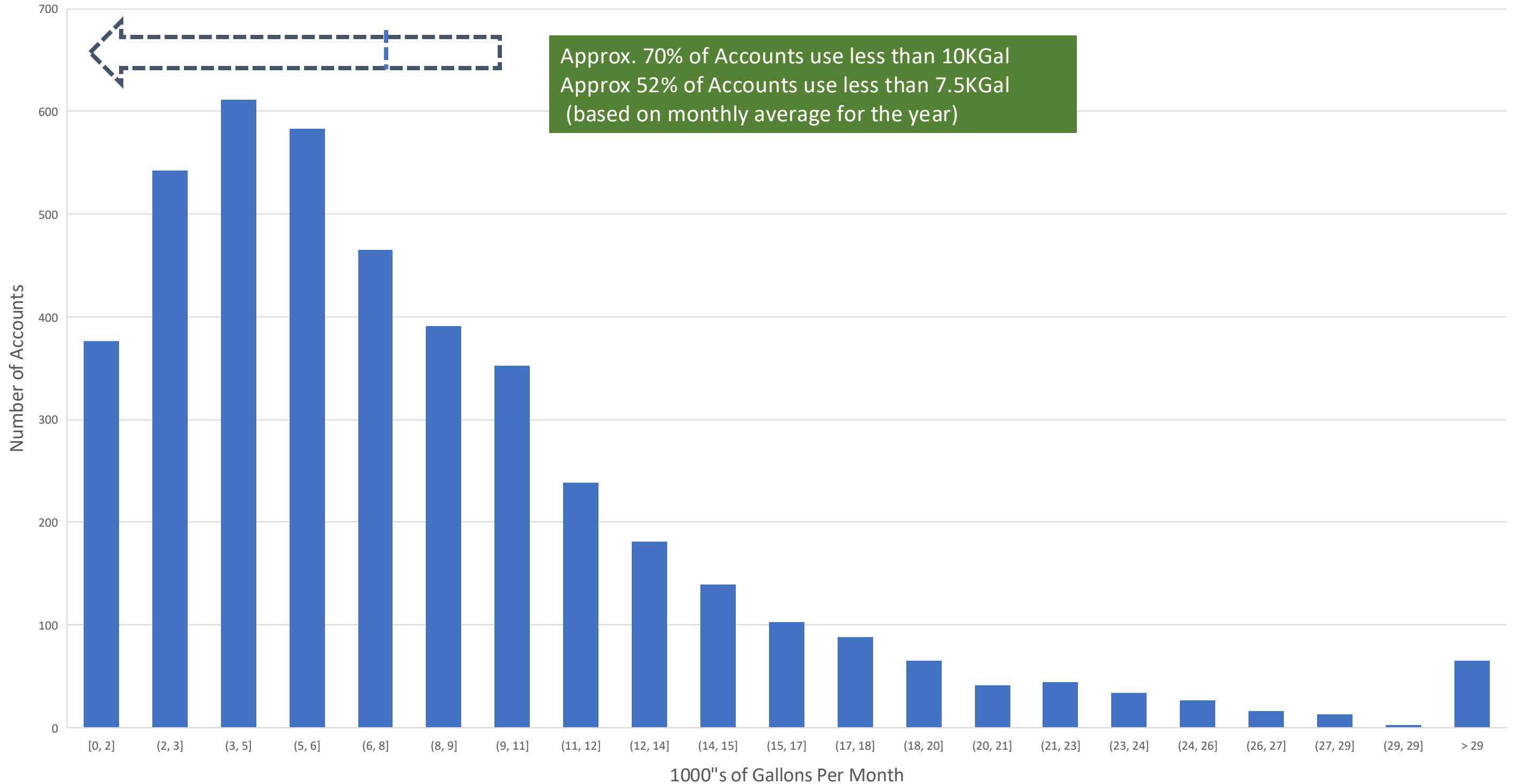
Rate Design Policy Questions

- Eliminate or reduce minimum quantity included in base charge (currently 10K gal residential; 5Kgal nonresidential?)
 - *Options present: 7.5K gal residential; 0 Kgal nonresidential*
- Modify rates by class to more closely align with preliminary cost of service results.
 - *Options present: Revised rates by class*
- How to integrate rate structure changes with overall revenue increases.
 - *Options present: Revenue neutral rates (i.e., do not include a general rate increase)*



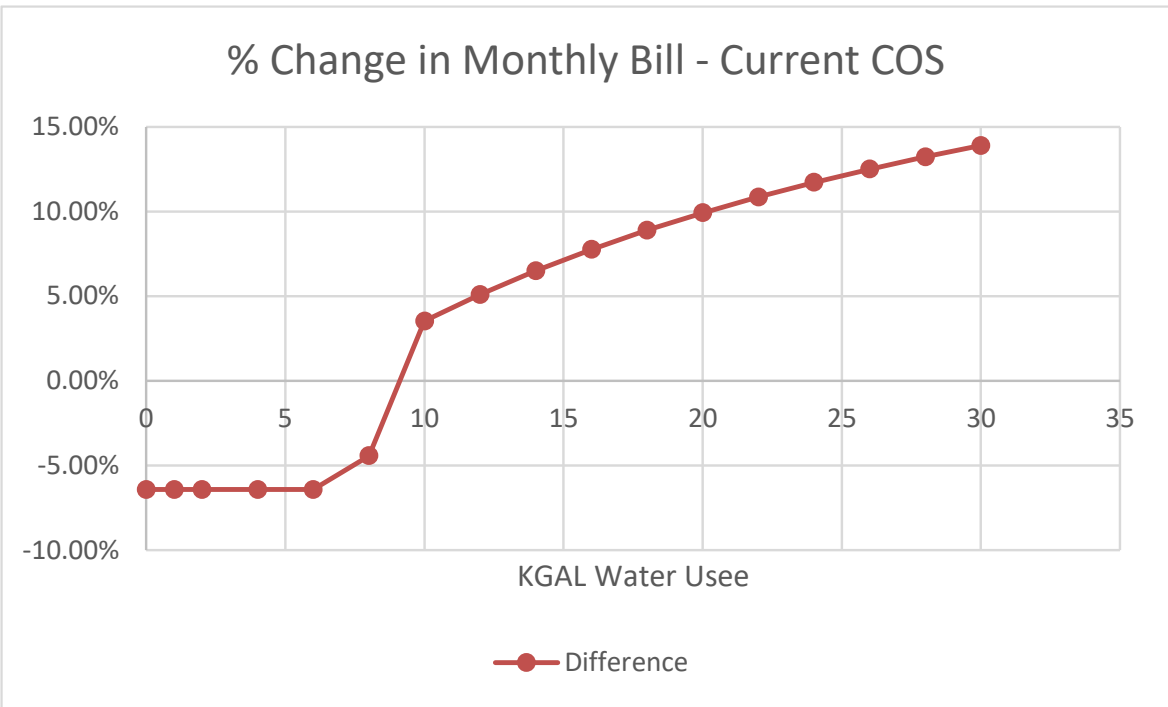
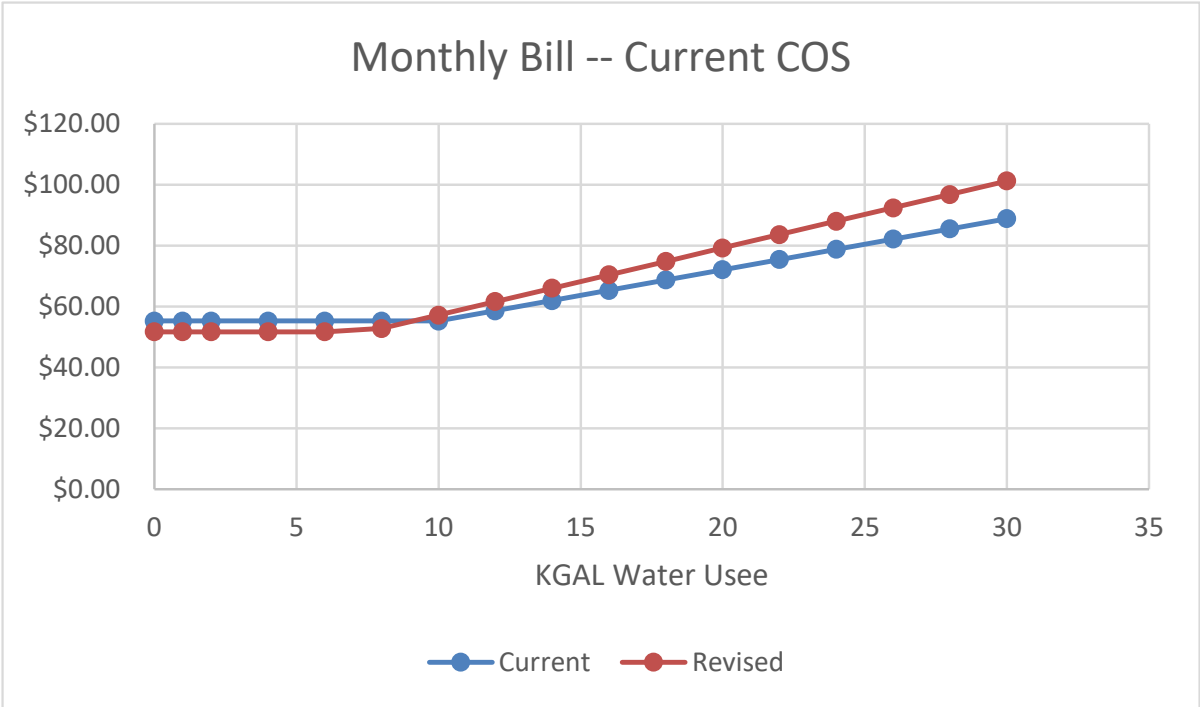
Residential Account Water Use Distribution

Residential (excluding duplex, triplex, quadplex)



Sample Residential Rate Structure Option

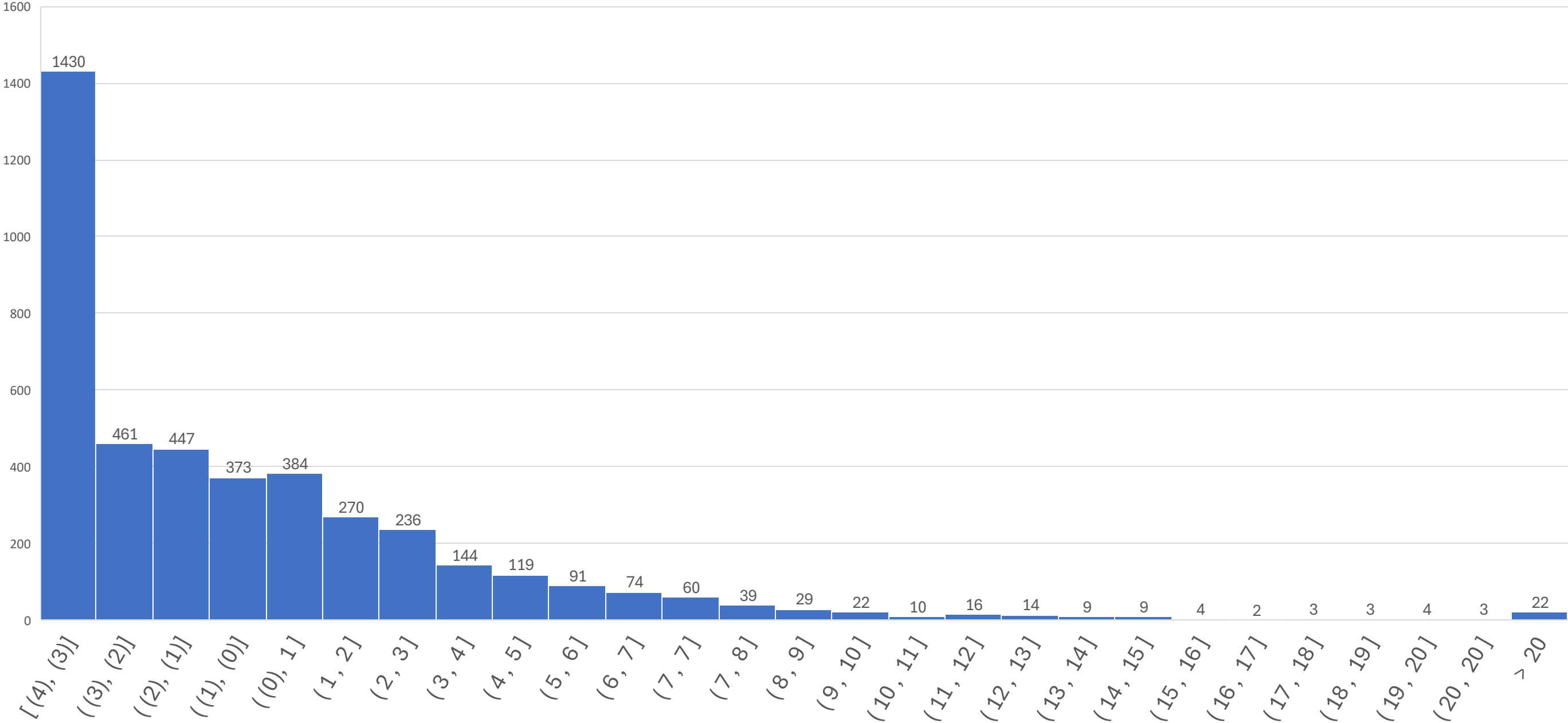
Current Rate	Current (10 KGAL Min)	Revised* (7.5 KGAL Min)	% Change
Fixed	\$55.30	\$51.75	-6.5%
Volume	\$1.68	\$2.20	+31%



*Sample structure is revenue neutral to current rates (does not reflect revised cost of service by class)

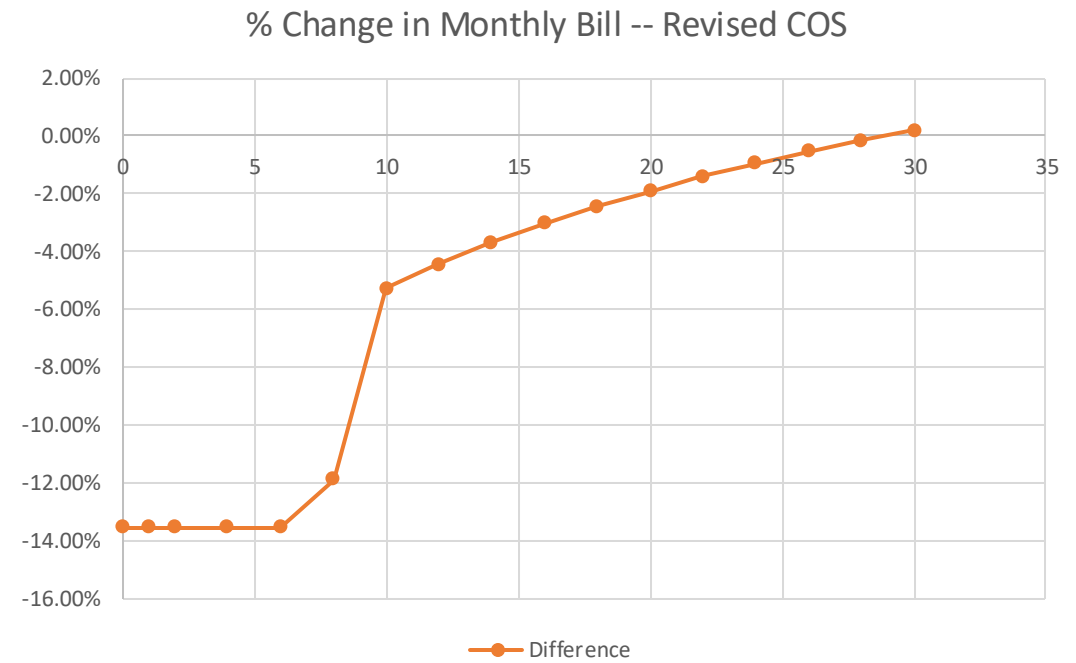
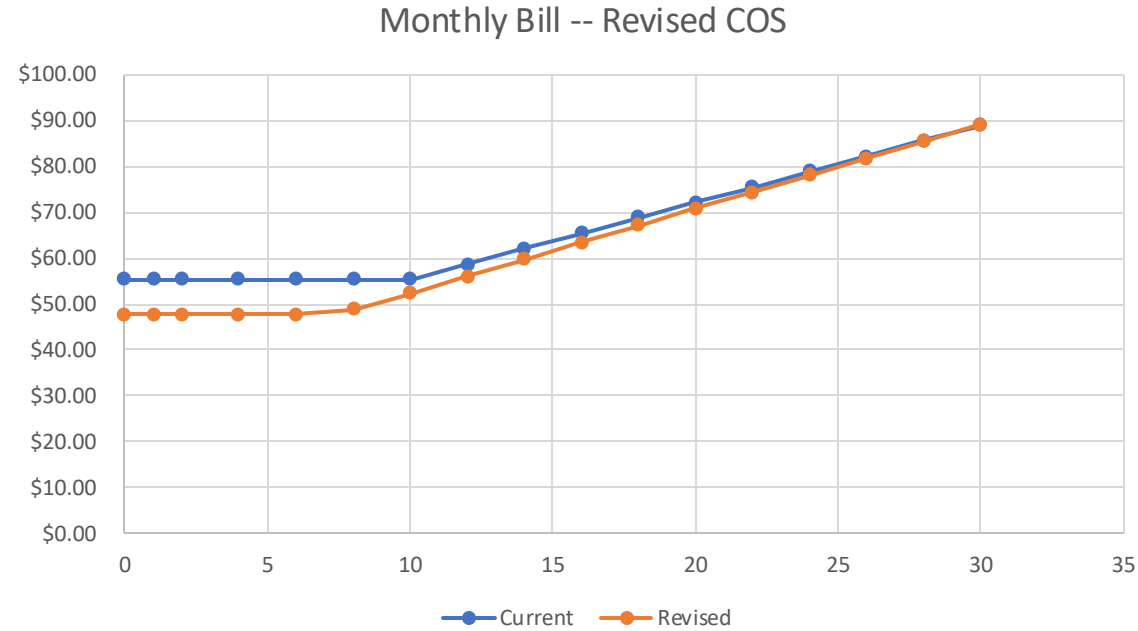
Residential Bill Histogram

Number of Bills at Different Avg Month Change (Option: Reduced Minimum Qty (7.5 Kgal))



Sample Residential Rate Structure Option: Rev COS

Current Rate	Current (10 KGAL Min)	Revised* (7.5 KGAL Min)	% Change
Fixed	\$55.30	\$47.80	-13.5%
Volume	\$1.68	\$1.83	+9%

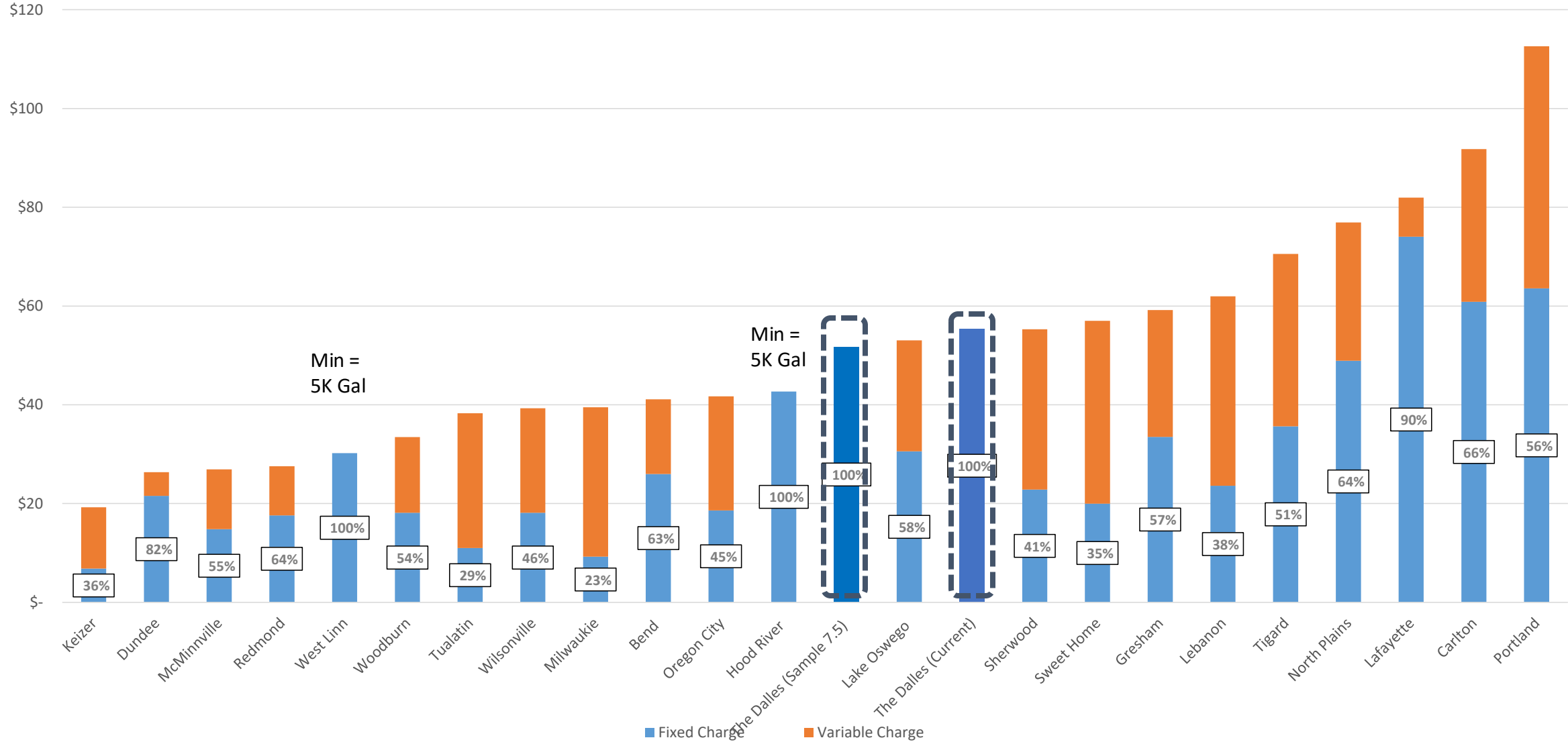


*Sample structure is based on revised cost of service by class (overall 9% reduction for residential)

Typical Residential Water Bill Comparison

Based on current costs by class (not updated cost of service)

Single-Family Residential Water Bill Comparison
700 cubic feet (approx 5,000 gallons)/month

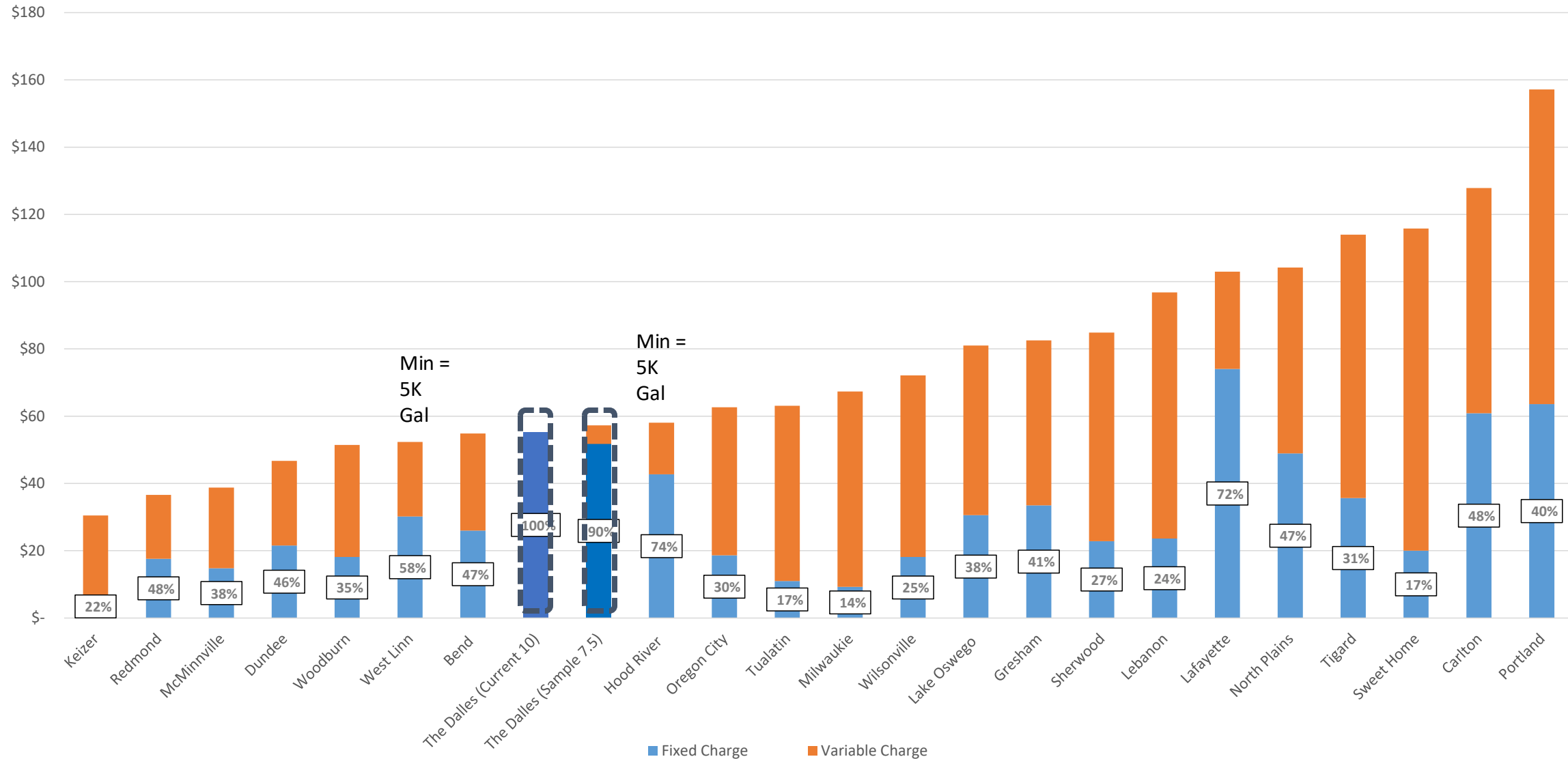


Fixed charge % of monthly bill

10K Gallon Residential Water Bill Comparison

Based on current costs by class (not updated cost of service)

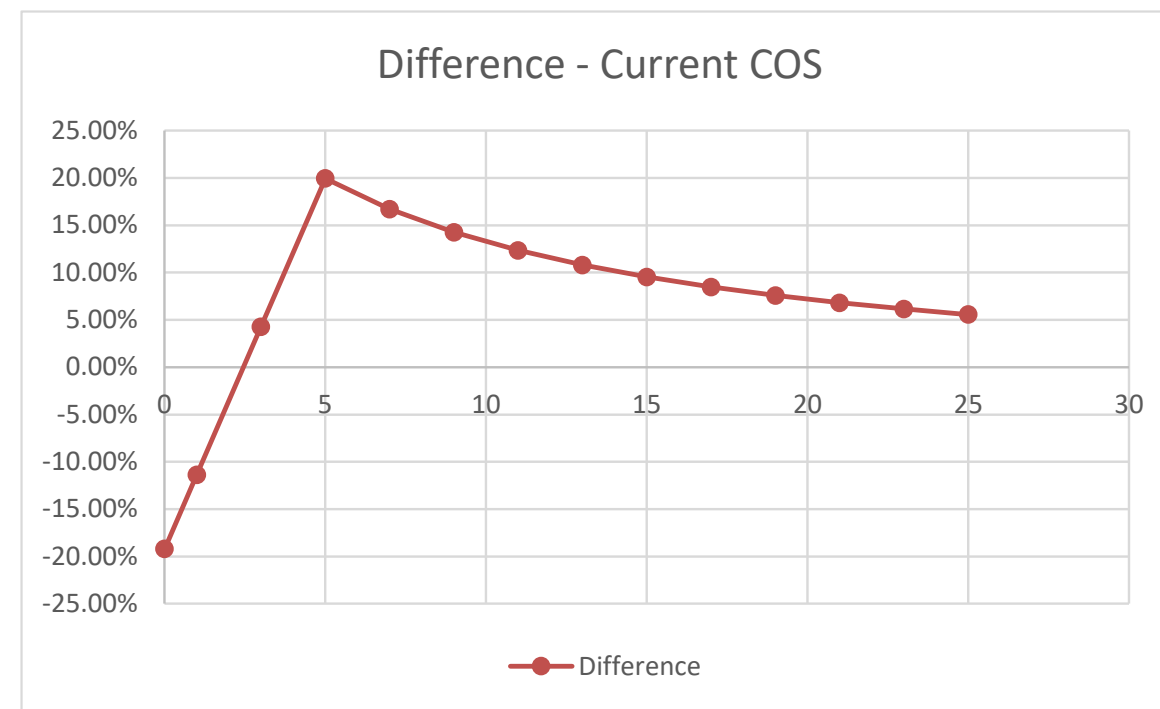
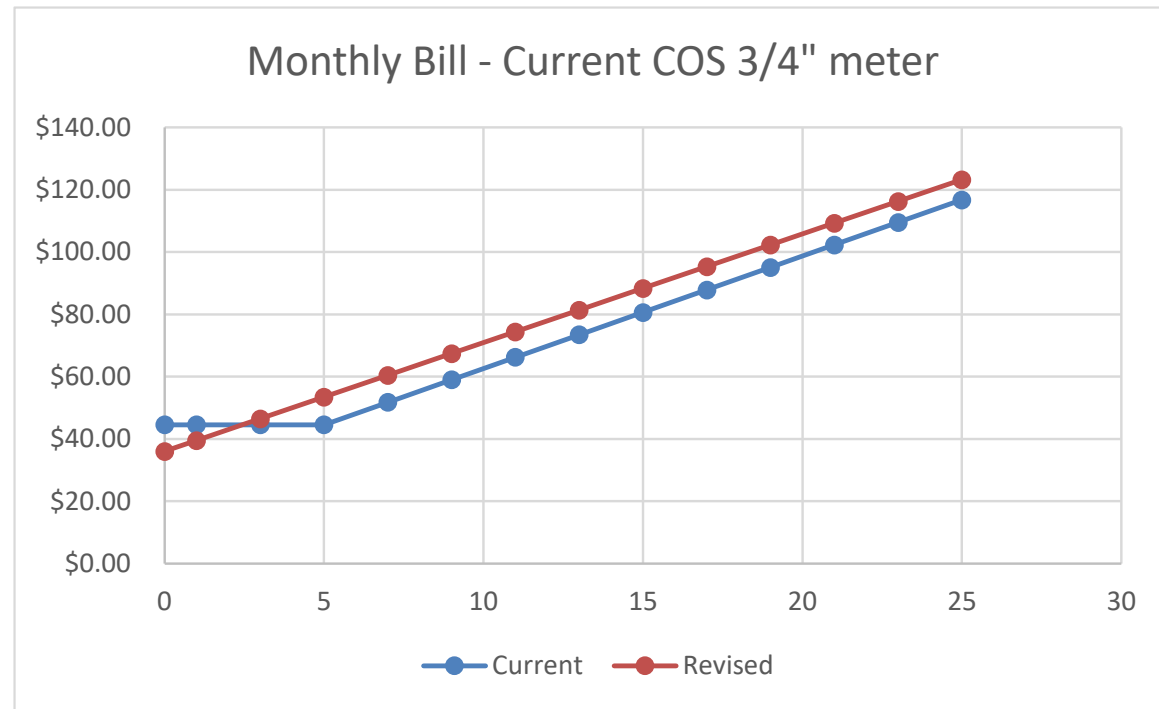
Single-Family Residential Water Bill Comparison
10,000 gallons/month



Fixed charge % of monthly bill

Sample Commercial Rate Structure Option

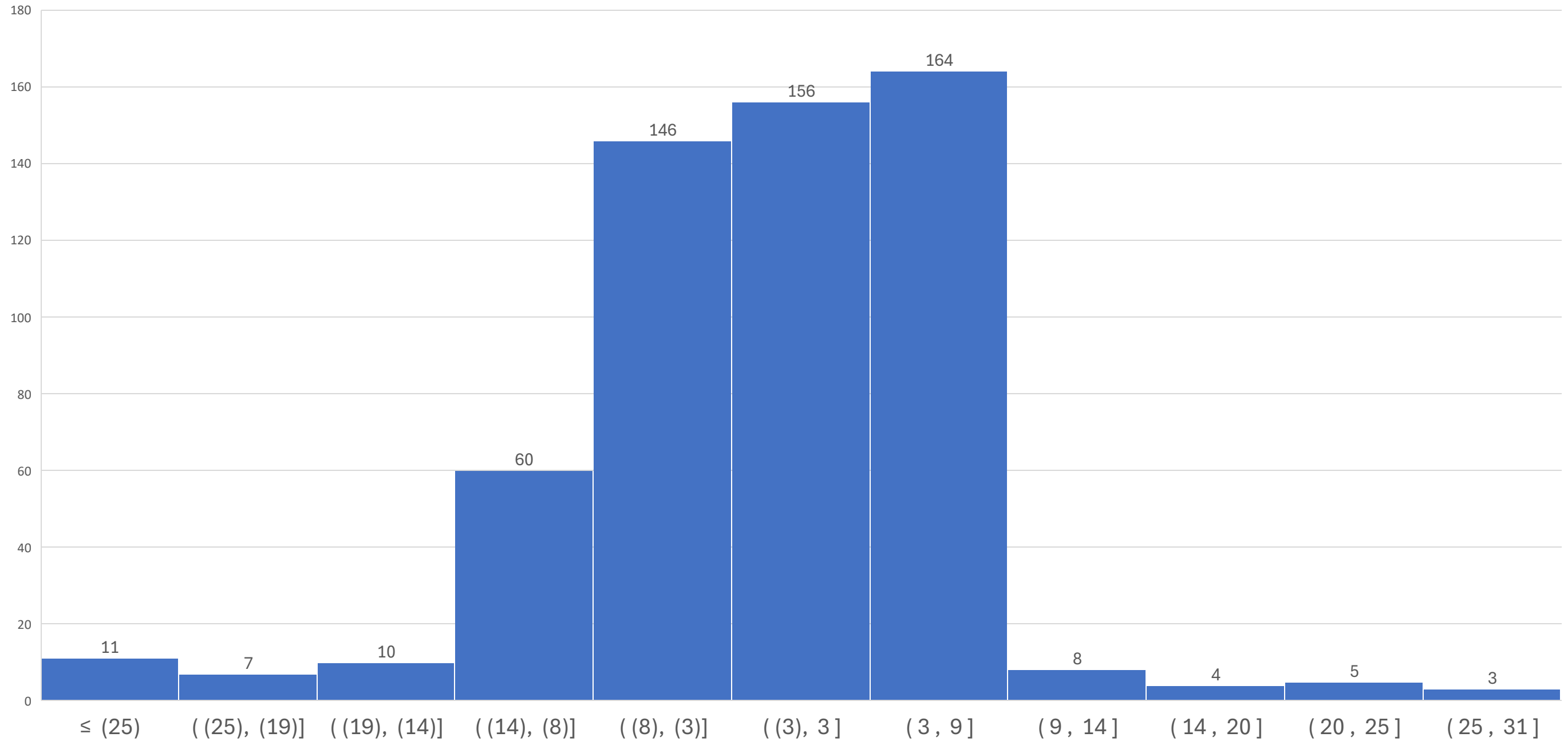
4	Current (5 KGAL Min)	Revised* (0 KGAL Min)	% Change
Fixed	\$44.56	\$36.00	-19%
Volume	\$3.61	\$3.49	-3%



*Sample structure is revenue neutral to current rates (does not reflect revised cost of service by class)

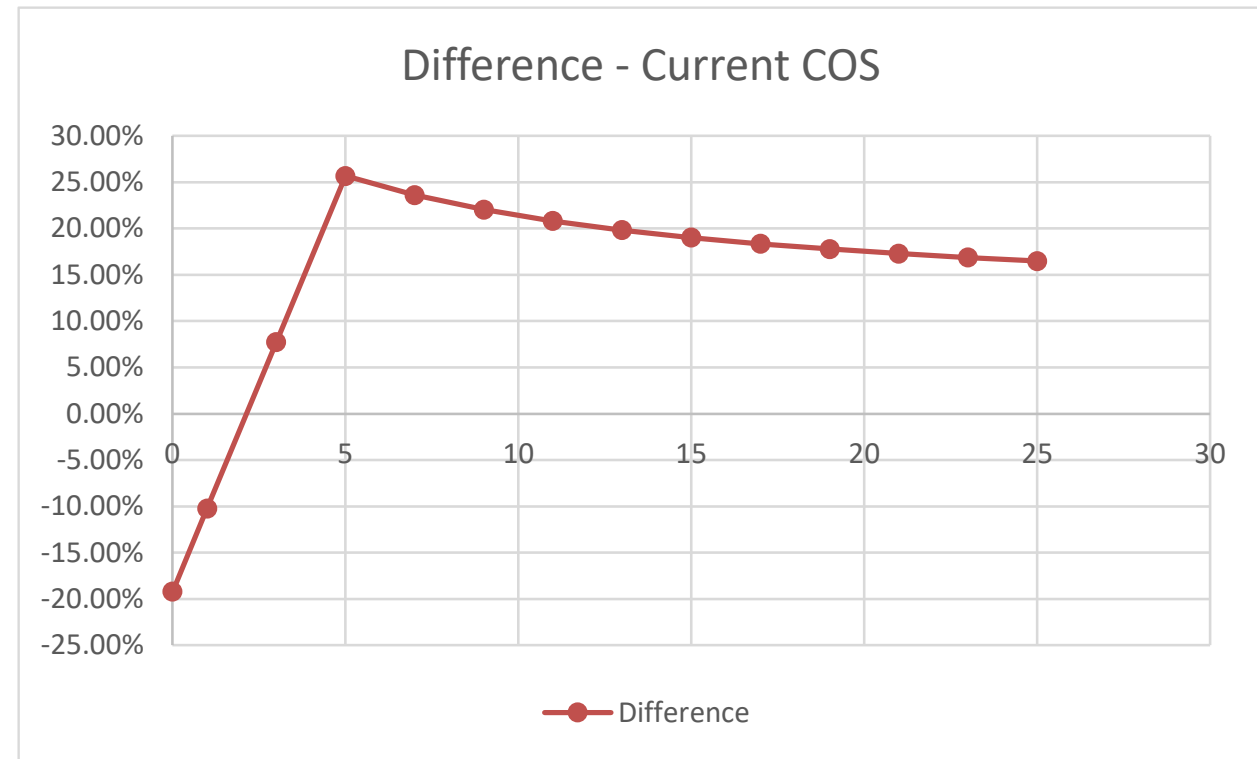
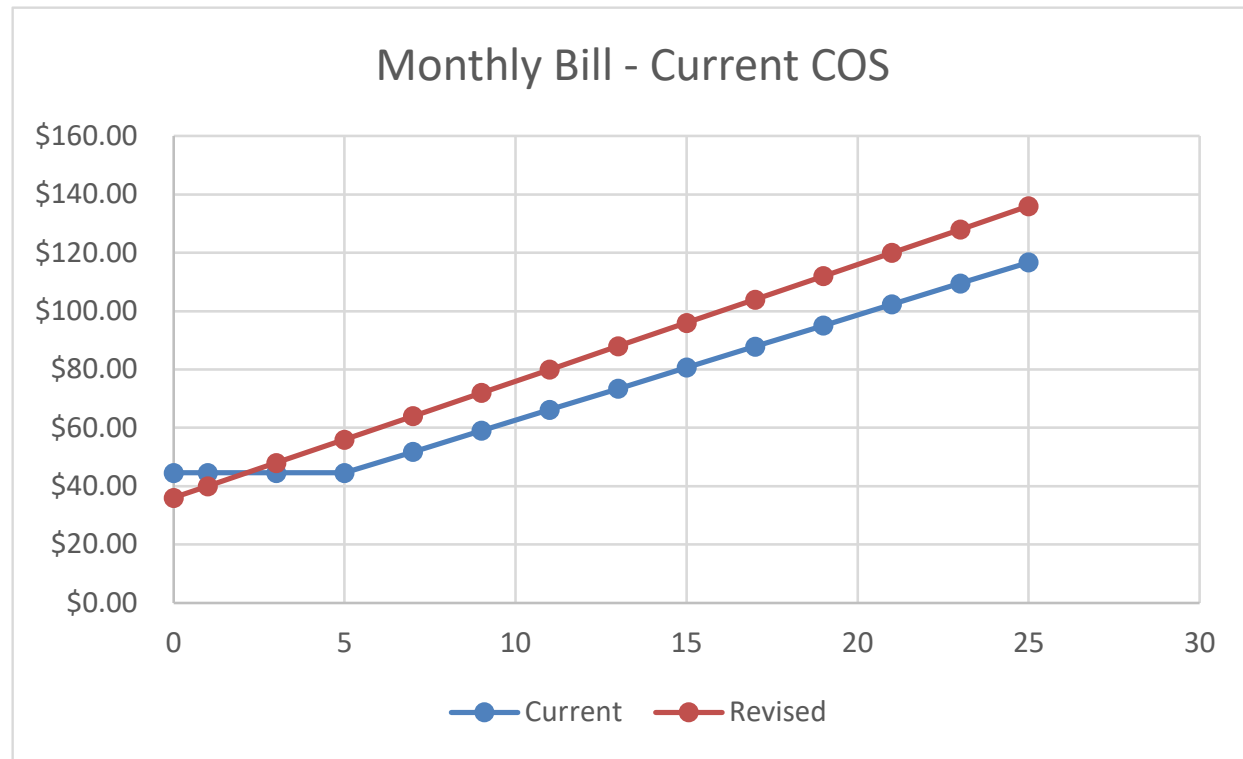
Commercial Bill Histogram

Number of Commercial Bills (Average Monthly Changes) Based on Current Costs by Class



Sample Commercial Rate Structure Option: Rev COS

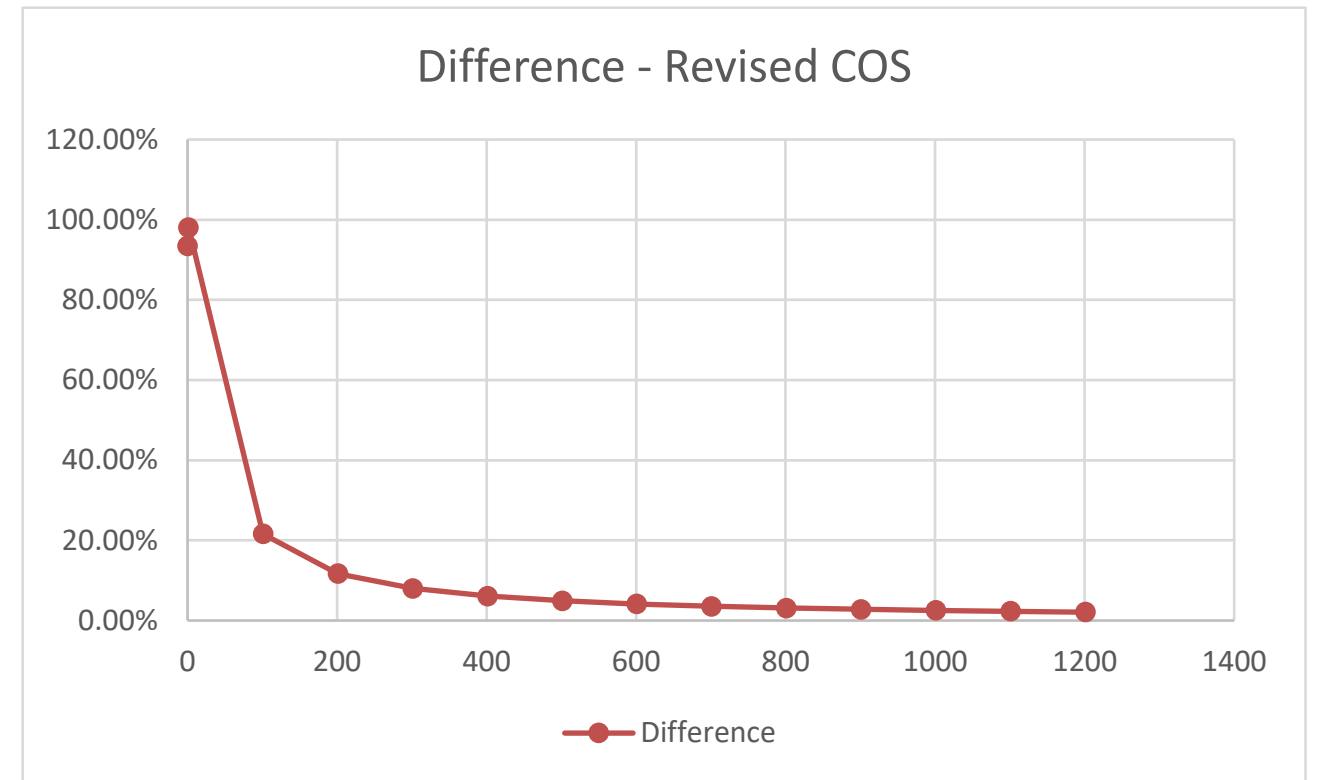
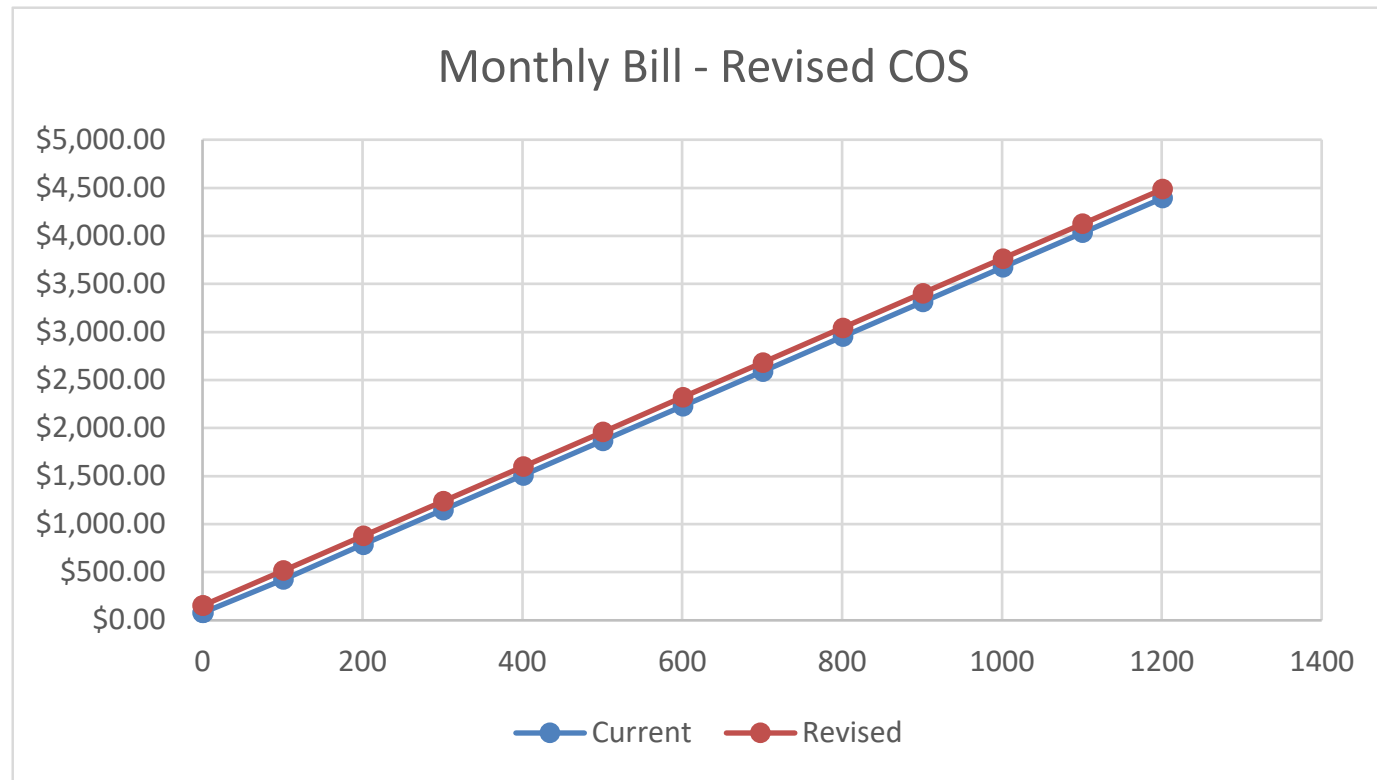
Current Rate	Current (5 KGAL Min)	Revised* (0 KGAL Min)	% Change
Fixed	\$55.30	\$36.00 (3/4" Meter)	-20%
Volume	\$3.61	\$4.00	+11%



*Sample structure is based on revised cost of service by class (overall 10% increase for commercial)

Sample Industrial Rate Structure Option: Rev COS

Current Rate	Current (5 KGAL Min)	Revised* (0 KGAL Min)	% Change
Fixed 2"	\$78.95	\$152.76	+93%
Volume	\$3.61	\$3.61	0%



*Sample structure is based on revised cost of service by class (overall 4% increase for commercial – recommended through fixed charge increase)

Rate Design Summary

- Residential
 - Reduction of quantity allowance to 7.5 Kgal will lead to modest bill reductions for many customers; modest increases for others. Bill increases >\$20/month (on average) are limited
 - Cost of service-based rates would reduce bills for the majority of customers
- Commercial
 - Elimination of the 5 Kgal minimum quantity has significant % increases for small customers, but \$ increase <\$10
 - Cost of service-based rates would result in significant bill increases for most customers
- Industrial
 - Elimination of the 5 Kgal minimum quantity has very little effect on these users due to the large quantities consumed
 - Revised cost-of-service aligns with higher fixed meter charges for these customers; helps balance revenue within context of reduced meter charges for other customers





Overall Status

Plan Foundation

- System Inventory
- Water Demand Forecast
- Performance Criteria

System Analysis

- Hydraulic Model Development, Calibration and Analysis
- Storage and Pumping Needs
- Seismic Resiliency

Capital Improvement Plan

- Capital Improvements
Capacity, Reliability, Resilience, Maintenance

Financial Analysis and WSMP Report

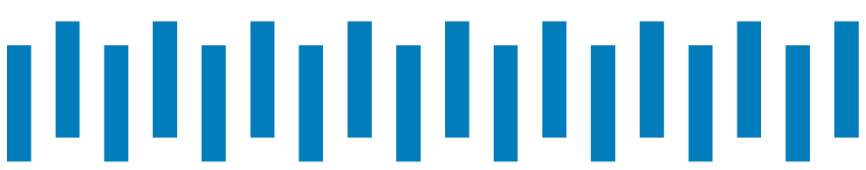
- Utility Rates
- SDCs
- WSMP - City Council Approval, Regulatory Approval

DRAFTS COMPLETE

DRAFTS COMPLETE

IN PROGRESS

IN PROGRESS/
FALL



Next Steps

Update and Finalize Financial/Rate Study

- Develop final rate option(s) based on Council feedback

- Complete SDC Analysis

Finalize Draft WSMP

- City Staff Review

- OHA Review and Approval

- City Council Review

Communication/Public Outreach

Public Adoption Process



Q&A

THANK YOU

RESOLUTION NO. 24-022

**A RESOLUTION CONCURRING WITH THE
MAYOR'S APPOINTMENT TO THE PLANNING COMMISSION, PIPINICH**

WHEREAS, there is a vacant position on the Planning Commission, and

WHEREAS, the Mayor has elected to appoint Carrie Pipinich to the Planning Commission.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL AS
FOLLOWS:**

Section 1. The City Council concurs with the appointment of:

Carrie Pipinich to the Planning Commission; with term expiring April 30, 2028.

Section 2. This Resolution shall be effective September 23, 2024.

PASSED AND ADOPTED THIS 23rd DAY OF SEPTEMBER, 2024.

Voting Yes, Councilors: _____
Voting No, Councilors: _____
Absent, Councilors: _____
Abstaining, Councilors: _____

AND APPROVED BY THE MAYOR THIS 23rd DAY OF SEPTEMBER, 2024.

SIGNED:

ATTEST:

Richard A. Mays, Mayor

Amie Ell, City Clerk



AGENDA STAFF REPORT

AGENDA LOCATION: #10A

MEETING DATE: September 23, 2024

TO: Honorable Mayor and City Council

FROM: Joshua Chandler, Community Development Director

ISSUE: Adopting Special Ordinance No. 24-603, a Special Ordinance Vacating Portions of Public Right-Of-Way Adjacent to 1405 East 10th Street

BACKGROUND: In January 2024, Lonnie M. Kaps (**Applicant**), the property owner of 1405 East 10th Street (**Property**), submitted a Petition for Right-of-Way Vacation (**VAC 75-24**, or **Application**) to the City requesting to vacate a portion of public right-of-way (**ROW**) located adjacent to the Property, which ROW is legally described, to wit:

A tract of land being vacated is a portion of a 4.90-foot public alley as platted on the Subdivision Plat of Wingfield addition to The Dalles, located in the southeast Quarter of Section 3, Township 1 North, Range 13 East of the Willamette Meridian in the City of The Dalles, Wasco County, Oregon, described as follows:

Beginning at the Northwest corner of the Lot 1 of Subdivision Plat of Wingfield addition to The Dalles as recorded in Wasco County Plat records on April 28th 1909; thence North 00° 37'59" East a distance of 4.90 feet to a point; thence South 89° 18' 32" East a distance of 25.05 feet to a point; thence South 00° 41' 28: West a distance of 25.05 feet to a point of beginning.

Contains 123.5 square feet, more or less.

The purpose of this request is to incorporate this undeveloped, relatively inaccessible portion of ROW—which is surrounded on three sides by the Property—into the actual legal bounds of the Property. This action will achieve an overall cleanup of Property boundary lines and serve the Applicant’s practical purposes. Staff confirmed the ROW has no public street improvements or utilities and its topographical constraints make it difficult for any future development.

Upon receipt of the Application, the Community Development Department scheduled a pre-application (**Site Team**) discussion with the Applicant and held on January 11, 2024, to detail the City’s requirements to grant the Application. During the Site Team meeting, the City’s Public Works Department indicated it has no objection to the Applicant’s request.

Pursuant to The Dalles Municipal Code (**TDMC**) 11.16.010(B), petitions for vacation must include:

- The consent and notarized signature of all property owners abutting the property; and
- The consent and notarized signature of all property owners of not less than two-thirds of the total area of the real property affected by the proposed petition to vacate, with “real property affected” described as land lying on either side of the street proposed to be vacated and extending laterally to the next street that serves as a parallel street, but in any case not to exceed 200 feet, and the land for a like lateral distance on either side of the street for 400 feet along its course beyond each terminus of the part proposed to be vacated.

In addition, the City requires a survey and legal description of the ROW for mapping and recording purposes with Wasco County. Applicant provided all required documents, copies of which are attached to and made part of this proposed Special Ordinance as its **Exhibit 2**.

With assistance from Wasco County GIS, Staff provided Applicant with a map of the affected property area, as well as a list of all property owners located within that area. In total, the affected area consisted of 4.7 acres—Applicant used that information to compile all required consent and signatures of no less than 2/3 of all affected property owners (totaling 3.15 acres).

On July 24, 2024, the Applicant submitted all remaining required documentation connected with the Application, copies of which are attached to and made part of this proposed Special Ordinance as its **Exhibit 1**.

NOTIFICATION: Pursuant to TDMC 11.16.010(E) and ORS 271.110(1) and (2), a notice of public hearing was published in the Columbia Gorge News on September 4 and 11, 2024, more than 14 days prior to tonight’s City Council meeting. On September 9 and 16, 2024, the City posted a copy of the notice in two conspicuous places in the proposed vacation area, consistent with the noticing requirements of TDMC 11.16.010(E) and ORS 271.110(1) and (2). Notice of the public hearing was sent to all local news media and posted on the City’s website on September 16, 2024.

COMMENTS RECEIVED: No comments received as of the date this staff report was published.

REVIEW CRITERIA:

City of The Dalles Municipal Code, Title 11 Planning

Section 11.16.030 Hearing and Decision

1. *If the vacation proceedings were initiated by a petition, consent of all abutting property owners and at least two-thirds of affected property owners has been*

obtained; if the vacation proceedings were initiated by motion of the City Council, a finding that owners of a majority of the area affected by the vacation have not objected in writing prior to the hearing.

FINDING #1: Application was submitted by Applicant on January 2, 2024, thus not initiated by City Council. With information provided by Wasco County GIS and City staff, Applicant compiled the consent of all property owners abutting the ROW and no less than two-thirds of all affected property owners within the affected property area. As of the day of this Staff Report's preparation, no objections were received concerning this request. **Criterion met.**

2. *Notice has been duly given.*

FINDING #2: Pursuant to TDMC 11.16.010(E) and ORS 271.110(1) and (2), a notice of public hearing was published in the Columbia Gorge News on September 4 and 11, 2024, more than 14 days prior to the September 23, 2024 City Council meeting. On September 9 and 16, 2024, the City posted a copy of the notice in two conspicuous places in the proposed vacation area, consistent with the noticing requirements of TDMC 11.16.010(E) and ORS 271.110(1) and (2). Notice of the public hearing was sent to all local news media and posted on the City's website on September 16, 2024. **Criterion met.**

3. *The proposed vacation does not conflict with the City's comprehensive plan;*

FINDING #3: The proposed vacation does not conflict with the City's Comprehensive Plan, specifically Goal #11 *Public Facilities and Services* or Goal #12 *Transportation*. Staff determined the orderly and efficient arrangement of public facilities, services, and access will not be impacted by this request, due to inaccessibility of the ROW, topographical constraints, existing development within the area, and lack of sufficient ROW width (4.9 feet) making it difficult for any future development. As previously mentioned, the City's Public Works Department has no objections to the request. **Criterion met.**

4. *The public interest will not be prejudiced by the vacation of the public way;*

FINDING #4: Application is part of a process where excess ROW is returned to adjacent property owners. The ROW has no public street improvements or utilities, with topographical constraints limiting future development or access. The public interest will not be prejudiced by the vacation. **Criterion met.**

5. *If the vacation proceedings were initiated by motion of the City Council, a finding either that all abutting property owners have consented to the vacation, or that if the evidence shows the vacation will substantially diminish the market value of the abutting owner's property, the City Council has made provision for paying damages.*

FINDING #5: Application was submitted by Applicant on January 2, 2024, thus not initiated by City Council. **Criterion not applicable.**

BUDGET IMPLICATIONS: The total cost to the City for this request is minimal and included Staff time and printing. If the request is approved, Applicant will be required to pay all associated mapping, recording, and filing fees with Wasco County. All incidental City costs will be funded by the Community Development Department fund (001-1100).

COUNCIL ALTERNATIVES:

1. **Staff recommendation:** *Move to adopt Special Ordinance No. 24-603, approving the Petition for Public Right-of-Way, Application No. 075-24 vacating portions of the public right-of-way adjacent to 1405 East 10th Street, based upon the findings of fact and conclusions of law set forth in the Agenda Staff Report, by title only, as presented.*
2. Make modifications to then move to adopt Special Ordinance No. 24-603, as amended.
3. Decline formal action and provide Staff additional direction.

SPECIAL ORDINANCE NO. 24-603

**A SPECIAL ORDINANCE VACATING PORTIONS OF PUBLIC RIGHT-OF-WAY
ADJACENT TO 1405 EAST 10TH STREET**

WHEREAS, TDMC 11.16.010 authorizes any person interested in any real property within The Dalles to file a petition requesting a vacation;

WHEREAS, on January 2, 2024, Lonnie M. Kaps (**Applicant**), the property owner of 1405 East 10th Street in The Dalles, Oregon (**Property**), submitted a Petition for Right-of-Way Vacation (**VAC 75-24**, or **Application**) to the City requesting to vacate a portion of public right-of-way (**ROW**) located adjacent to the Property, which ROW is legally described, to wit:

A tract of land being vacated is a portion of a 4.90-foot public alley as platted on the Subdivision Plat of Wingfield addition to The Dalles, located in the southeast Quarter of Section 3, Township 1 North, Range 13 East of the Willamette Meridian in the City of The Dalles, Wasco County, Oregon, described as follows:

Beginning at the Northwest corner of the Lot 1 of Subdivision Plat of Wingfield addition to The Dalles as recorded in Wasco County Plat records on April 28th 1909; thence North 00° 37'59" East a distance of 4.90 feet to a point; thence South 89° 18' 32" East a distance of 25.05 feet to a point; thence South 00° 41' 28: West a distance of 25.05 feet to a point of beginning.

Contains 123.5 square feet, more or less.

WHEREAS, upon receipt of the Application, the Community Development Department scheduled a site review team meeting with the Applicant and held on January 11, 2024, to detail the City's requirements to grant the Application;

WHEREAS, on July 24, 2024, the Applicant submitted all remaining required documentation connected with the Application, copies of which are attached to and made part of this Special Ordinance as its **Exhibit 1**;

WHEREAS, on September 4 and 11, 2024, the City published notices in the local newspaper of general circulation, consistent with the noticing requirements of TDMC 11.16.010(E) and ORS 271.110(1) and (2);

WHEREAS, on September 9 and 16, 2024, the City posted a copy of the notice in two conspicuous places in the proposed vacation area, consistent with the noticing requirements of TDMC 11.16.010(E) and ORS 271.110(1) and (2);

WHEREAS, at its September 23, 2024, regular meeting, the City Council conducted a public hearing to consider VAC 75-24, where testimony and other evidence was submitted and entered into the hearing record, including a Staff Report stating findings of fact, conclusions of law, and Staff's Recommendation; and

WHEREAS, the City Council deliberated on the matter and, based on the Staff Report and its attachments, the evidence presented at the public hearing, and all other components of the

hearing record, all of which are incorporated herein by reference, the City Council voted on the matter of VAC 75-24, formalized as follows.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF THE DALLES ORDAINS AS FOLLOWS:

1. Application Approved. The City Council finds the Applicant has satisfied all requirements to petition for vacation as described in TDMC Chapter 11.16 (*Street Vacations*) and hereby approves VAC 75-24 consistent with this Special Ordinance’s recitals and provisions.
2. Rights-of-Way Vacated. The area of ROW approved for vacation is depicted with lines and shadows on the diagram attached to and made part of this Special Ordinance as its **Exhibit 2**, and legally described, to wit:

A tract of land being vacated is a portion of a 4.90-foot public alley as platted on the Subdivision Plat of Wingfield addition to The Dalles, located in the southeast Quarter of Section 3, Township 1 North, Range 13 East of the Willamette Meridian in the City of The Dalles, Wasco County, Oregon, described as follows.

Beginning at the Northwest corner of the Lot 1 of Subdivision Plat of Wingfield addition to The Dalles as recorded in Wasco County Plat records on April 28th 1909; thence North 00° 37’59” East a distance of 4.90 feet to a point; thence South 89° 18’ 32” East a distance of 25.05 feet to a point; thence South 00° 41’ 28: West a distance of 25.05 feet to a point of beginning

Contains 123.5 square feet, more or less.

3. No Compensation. The City Council hereby determines the value of the abutting properties will not be adversely affected by this vacation. No compensation will be given to the owners of abutting properties.
4. Ordinance to be Filed. The City Clerk is authorized to file a copy of this Special Ordinance with the Wasco County Clerk. Applicant shall be responsible for paying any recording and mapping fees imposed by Wasco County to record and file the revised deed and map. A certified copy of the filed Special Ordinance shall be provided to the Wasco County Assessor and the Wasco County Surveyor.
5. Effective Date. This Special Ordinance shall be effective 30 days from its adoption.

PASSED AND ADOPTED THIS 23RD DAY OF SEPTEMBER, 2024,

Voting Yes	Councilors:	_____
Voting No	Councilors:	_____
Abstaining	Councilors:	_____
Absent	Councilors:	_____

AND APPROVED BY THE MAYOR THIS 23RD DAY OF SEPTEMBER, 2024.

Richard A. Mays, Mayor

ATTEST:

Amie Ell, City Clerk

PETITION FOR Right-of-Way VACATION
The Dalles, Oregon

I/We, LONNIE M. KAPS

Hereby propose to initiate a procedure to vacate A 4.90' Alley
at the back of Lot 8700 that ends in
the middle of said lot

_____, described on the attached map.

The reason for the proposed vacation, and the purpose for which the ground is proposed to be used, is as follows:

The ALLEY WAY ENDS IN
the middle of lot 8700. It has never
been developed or used. It sits high on
solid rock and is only 4.90' wide. For these
reasons I am wanting to carry out this
petition for vacation.

Dated this 2nd day of January, 2024.

Lonnie M. Kaps
Petitioner Signature

Mailing Address: 1405 E. 10th Street
The Dalles, OR 97058

Lonnie M. Kaps
Petitioner Signature

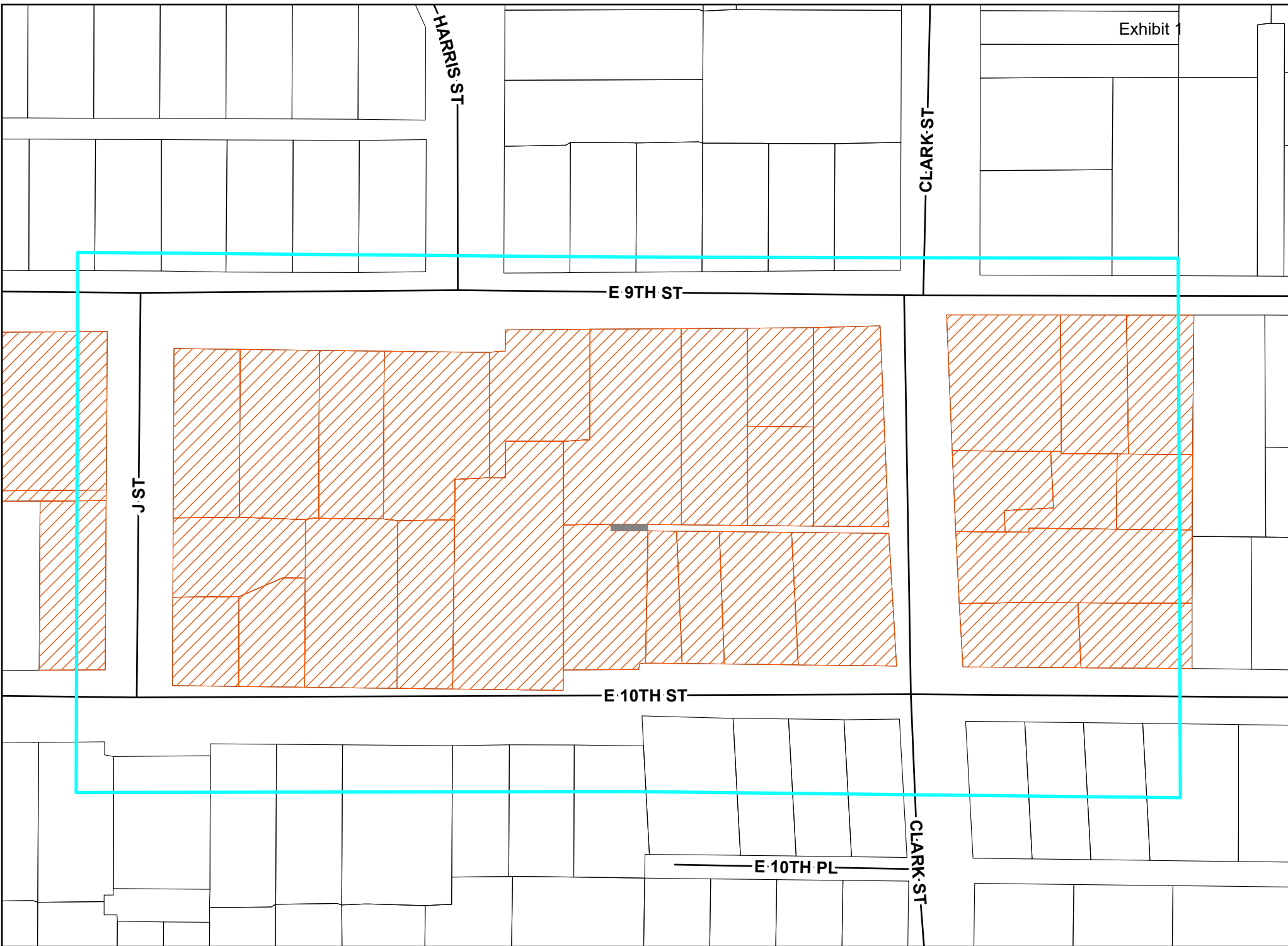
Phone Number 503-504-9547

NOTE: (ORS 271.080) The petition to vacate must be accompanied by the notarized consent of the owners of 100% of all **abutting** property and the owners of not less than two-thirds of **affected area**. ATTACH CONSENT FORMS TO THIS PETITION.

Properties Within Affected Area of VAC 075-24

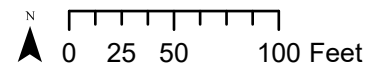
Account #	Map	Taxpayer	Mailing Address	City	State	ZIP	Acres
4502	1N 13E 3 DA 4900	FIELD DAVID & GRACE	1300 E 9TH	THE DALLES	Oregon	97058	0.15
4503	1N 13E 3 DA 5000	DAWKINS DEVON M	1304 E 9TH ST	THE DALLES	Oregon	97058	0.18
4504	1N 13E 3 DA 5100	FLORES PALACIOS MARIA F	1308 E 9TH	THE DALLES	Oregon	97058	0.14
4505	1N 13E 3 DA 5200	SARABIA ELIZAR & PATRICIA	1314 E 9TH ST	THE DALLES	Oregon	97058	0.21
4697	1N 13E 3 DA 5300	NEWSON ROBERT & LORETTA	1318 E 9TH ST	THE DALLES	Oregon	97058	0.15
4696	1N 13E 3 DA 5400	COTHREN CORD G	1408 E 9TH	THE DALLES	Oregon	97058	0.26
4695	1N 13E 3 DA 5500	TODA H MICHAEL & LINDA J	1414 E 9TH ST	THE DALLES	Oregon	97058	0.17
4694	1N 13E 3 DA 5600	RODRIGUEZ-HERNANDEZ JORGE L	1422 E 9TH ST	THE DALLES	Oregon	97058	0.09
17203	1N 13E 3 DA 5601	RODRIGUEZ JORGE L	1422 E 9TH	THE DALLES	Oregon	97058	0.09
4693	1N 13E 3 DA 5700	HUTESON ROSENDA C	1420 E 9TH	THE DALLES	Oregon	97058	0.19
4683	1N 13E 3 DA 5800	CLEMONS JESSICA	1230 E 8TH	THE DALLES	Oregon	97058	0.2
4684	1N 13E 3 DA 5900	MORGAN JILL K	PO BOX 377	WHITE SALMON	Washington	98672	0.09
17443	1N 13E 3 DA 5901	AUSTIN GREG E	7831 SE STEPHANIE CT	PORTLAND	Oregon	97222	0.08
17444	1N 13E 3 DA 5902	ROLL CHRISTOPHER A	19680 CANAL RD	LAKE OSWEGO	Oregon	97035	0.07
4682	1N 13E 3 DA 6000	OLIVARES ANGEL	1506 E 9TH ST	THE DALLES	Oregon	97058	0.12
13191	1N 13E 3 DA 6100	MILLER MICHEAL L & MARILYN E	1508 E 9TH ST	THE DALLES	Oregon	97058	0.12
4686	1N 13E 3 DA 8000	MELZER MYRNA L TRUST	392 CAMINO JOSEFINA	RIO RICO	Arizona	85648	0.1
4687	1N 13E 3 DA 8100	TD 1501 E 10TH LLC	3914 SW MARTIN LN	PORTLAND	Oregon	97239	0.1
4685	1N 13E 3 DA 8200	BOLANOS MICAELA & GUZMAN DE MICAELA	PO BOX 249	MT HOOD PARKDALE	Oregon	97041	0.23
4688	1N 13E 3 DA 8300	WOLFORD ROBERT F & CAROL J TRUST	806 E 20TH ST	THE DALLES	Oregon	97058	0.17
4689	1N 13E 3 DA 8400	LAMOREAU JACOB P	1415 E 10TH	THE DALLES	Oregon	97058	0.13
4690	1N 13E 3 DA 8500	CERVANTES LINDA M	PO BOX 1165	THE DALLES	Oregon	97058	0.07
4691	1N 13E 3 DA 8600	JANSEN KIP	1407 E 10TH	THE DALLES	Oregon	97058	0.06
4692	1N 13E 3 DA 8700	KAPS LONNIE M	1405 E 10TH ST	THE DALLES	Oregon	97058	0.16
4698	1N 13E 3 DA 8800	ELLER JR WILLIAM L	1401 E 10TH ST APT 2	THE DALLES	Oregon	97058	0.33
4510	1N 13E 3 DA 8900	ELLER JR WILLIAM L	1401 E 10TH ST APT 2	THE DALLES	Oregon	97058	0.12
4509	1N 13E 3 DA 9000	WILBERN DAVID G & ANGIE M	1313 E 10TH ST	THE DALLES	Oregon	97058	0.21
4506	1N 13E 3 DA 9100	BROCK KENNETH E & LINDSAY D	1008 J ST	THE DALLES	Oregon	97058	0.13
4508	1N 13E 3 DA 9200	RUIZ JUAN & FLORIANA	1305 E 10TH ST	THE DALLES	Oregon	97058	0.09
4507	1N 13E 3 DA 9300	LE ROUX PROJECTS LLC	49 HIWALANI LOOP	MAKANA O	Hawaii	96768	0.08
4501	1N 13E 3 DB 13000	JUNDT JEFFREY & ANDREA	1224 E 9TH ST	THE DALLES	Oregon	97058	0.22
14007	1N 13E 3 DB 13100	THE DALLES CITY OF	313 COURT ST	THE DALLES	Oregon	97058	0.04
4498	1N 13E 3 DB 13200	DUNN RACHAEL M	1011 J ST	THE DALLES	Oregon	97058	0.15

Total Acreage	4.7
2/3 of Total AC	3.133333
Notarized Consent on file	3.15



ROW Vacation

-  Vacated ROW
-  Affected Properties
-  Taxlots
-  Affected Area Buffer
-  Local City Roads



CONSENT TO PROPOSED VACATION
CITY OF THE DALLES, OREGON

By executing this document, we the undersigned owners of abutting or affected property consent to the vacation of that portion of ALLEY WAY ON EAST SIDE of TAX lot 8700. ALLEY is 4.9' wide depicted on the map attached hereto.

Owners of Township 1N, Range 13E, Section 30A, Tax lot(s) 8700

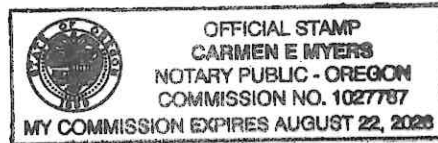
Lonnie M. Kaps
Signature(s)

1405 E. 10th
Street Address

LONNIE M. KAPS
Print Property Owner(s) Name(s)

THE DALLES, ORE
City of The Dalles 97058

STATE OF OREGON)
County of Wasco) ss.



On the 6th day of March, 2024, personally appeared before me Lonnie M Kaps, who being first duly sworn acknowledged this instrument to be his/her voluntary act and deed.

Carmen E Myers
Notary Public for Oregon
My Commission expires: August 22, 2024

CONSENT TO PROPOSED VACATION
CITY OF THE DALLES, OREGON

By executing this document, we the undersigned owners of abutting or affected property consent to the vacation of that portion of Alley way on East side of Tax lot 8700, Alley is only 4.9' wide depicted on the map attached hereto.

Owners of Township 1N, Range 13E, Section 3DA, Tax lot(s) 6100

Marilyn E Miller
Signature(s)

X 1508 E 9th St
Street Address

Marilyn E. Miller
Print Property Owner(s) Name(s)

X The Dalles, OR
City of The Dalles

Owners of Township 1N, Range 13E, Section 3DA, Tax lot(s) 6100

Michael L Miller
Signature(s)

X 1508 E 9th
Street Address

Michael L Miller
Print Property Owner(s) Name(s)

X The Dalles
City of The Dalles

Owners of Township _____, Range _____, Section _____, Tax lot(s) _____

Signature(s)

Street Address

Print Property Owner(s) Name(s)

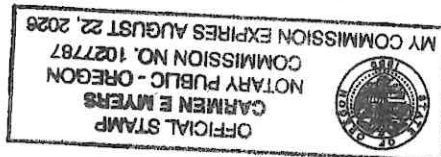
City of The Dalles

STATE OF OREGON)

) ss.

County of Wasco)

On the 4th day of June, 2024, personally appeared before me Marilyn E. Miller Michael L Miller who being first duly sworn acknowledged this instrument to be his/her voluntary act and deed.



Carmen E Myers
Notary Public for Oregon

My Commission expires: August 22, 2026

CONSENT TO PROPOSED VACATION CITY OF THE DALLES, OREGON

By executing this document, we the undersigned owners of abutting or affected property consent to the vacation of that portion of alley way on east side of tax lot 8700.
Alley way is only 4.9' wide. depicted on the map attached hereto.

Owners of Township 1N, Range 13E, Section 3 DB, Tax lot(s) 13100

[Signature]
Signature(s)

No Assigned Address.
Street Address

City of The Dalles, OR
Print Property Owner(s) Name(s)

The Dalles, OR
City

Owners of Township _____, Range _____, Section _____, Tax lot(s) _____

Signature(s)

Street Address

Print Property Owner(s) Name(s)

City

Owners of Township _____, Range _____, Section _____, Tax lot(s) _____

Signature(s)

Street Address

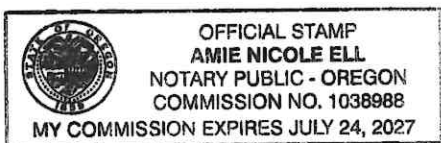
Print Property Owner(s) Name(s)

City

STATE OF OREGON)
) ss.
County of Wasco)

On the 24th day of July, 2024, personally appeared before me Matthew Klebes, who being first duly sworn acknowledged this instrument to be his/her voluntary act and deed.

[Signature]
Notary Public for Oregon
My Commission expires: July 24, 2027



CONSENT TO PROPOSED VACATION
CITY OF THE DALLES, OREGON

By executing this document, we the undersigned owners of abutting or affected property consent to the vacation of that portion of Alley way on East side of Tax lot 8700, Alley is only 4.9' wide, depicted on the map attached hereto.

Owners of Township 1N, Range 13E, Section 3DA, Tax lot(s) 6000

X Angel Olivares H
Signature(s)

X 1506 E 9th St
Street Address

X Angel Olivares H
Print Property Owner(s) Name(s)

X The Dalles, OR 97053
City of The Dalles

Owners of Township _____, Range _____, Section _____, Tax lot(s) _____

X A Olivares
Signature(s)

X 1506 E 9th St
Street Address

X Angelica Olivares
Print Property Owner(s) Name(s)

X The Dalles, OR 97053
City of The Dalles

Owners of Township _____, Range _____, Section _____, Tax lot(s) _____

Signature(s)

Street Address

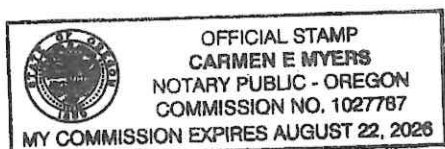
Print Property Owner(s) Name(s)

City of The Dalles

STATE OF OREGON)

County of Wasco) ss.

On the 2nd day of June, 2024, personally appeared before me Angel Olivares, Angelica Olivares who being first duly sworn acknowledged this instrument to be his/her voluntary act and deed.



Carmen E Myers
Notary Public for Oregon
My Commission expires: August 22, 2026

CONSENT TO PROPOSED VACATION
CITY OF THE DALLES, OREGON

By executing this document, we the undersigned owners of abutting or affected property consent to the vacation of that portion of Alley way on EAST SIDE of Tax lot 8700. Alley is only 4.9' wide. depicted on the map attached hereto.

Owners of Township 1N, Range 13E, Section 3DA, Tax lot(s) 5800

[Handwritten Signature]
Signature(s)

1504 E 9th The Dalles, OR
Street Address

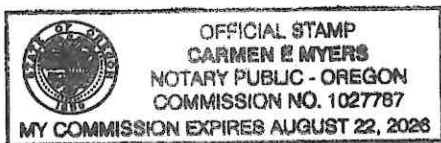
Jessica Clemons
Print Property Owner(s) Name(s)

The Dalles.
City of The Dalles

STATE OF OREGON)

) ss.
County of Wasco)

On the 2nd day of June, 2024, personally appeared before me Jessica Clemons, who being first duly sworn acknowledged this instrument to be his/her voluntary act and deed.



Carmen E Myers
Notary Public for Oregon
My Commission expires: August 22, 2026

CONSENT TO PROPOSED VACATION CITY OF THE DALLES, OREGON

By executing this document, we the undersigned owners of abutting or affected property consent to the vacation of that portion of Alley way on East side of Tax lot 8700, Alley is only 4.9' wide depicted on the map attached hereto.

Owners of Township 1N, Range 13E, Section 3DA, Tax lot(s) 5400

Cord Cothren
Signature(s)

1408 E 9th
Street Address

Cord Cothren
Print Property Owner(s) Name(s)

The Dalles
City of The Dalles

Owners of Township _____, Range _____, Section _____, Tax lot(s) _____

Macy Cothren
Signature(s)

1408 E 9th
Street Address

Macy Cothren
Print Property Owner(s) Name(s)

City of The Dalles

Owners of Township _____, Range _____, Section _____, Tax lot(s) _____

Signature(s)

Street Address

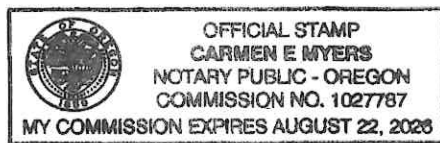
Print Property Owner(s) Name(s)

City of The Dalles

STATE OF OREGON)

) ss.
County of Wasco)

On the 2nd day of June, 2024, personally appeared before me Cord Cothren; Macy Cothren, who being first duly sworn acknowledged this instrument to be his/her voluntary act and deed.



Carmen E Myers
Notary Public for Oregon
My Commission expires: August 22, 2028

CONSENT TO PROPOSED VACATION CITY OF THE DALLES, OREGON

By executing this document, we the undersigned owners of abutting or affected property consent to the vacation of that portion of Alley way on East side of Tax lot 8700. Alley is only 4.9' wide. depicted on the map attached hereto.

Owners of Township 1N, Range 13E, Section 3DA, Tax lot(s) 5200

Eliazar Sarabia
Signature(s)

1314 EST The Dalles OR
Street Address

ELIAZAR SARABIA
Print Property Owner(s) Name(s)

City of The Dalles

Owners of Township _____, Range _____, Section _____, Tax lot(s) _____

Signature(s)

Street Address

Patricia Sarabia
Print Property Owner(s) Name(s)

1314 E 9th
City of The Dalles

Patricia Sarabia

The Dalles or 97058

Owners of Township _____, Range _____, Section _____, Tax lot(s) _____

Signature(s)

Street Address

Print Property Owner(s) Name(s)

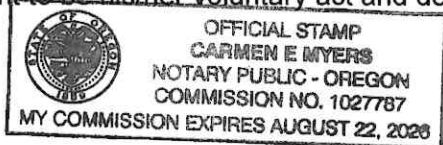
City of The Dalles

STATE OF OREGON)

) ss.

County of Wasco)

On the 2nd day of June, 2024, personally appeared before me Eliazar Sarabia, Patricia Sarabia, who being first duly sworn acknowledged this instrument to be his/her voluntary act and deed.



Carmen E. Myers
Notary Public for Oregon

My Commission expires: August 22, 2026

CONSENT TO PROPOSED VACATION CITY OF THE DALLES, OREGON

By executing this document, we the undersigned owners of abutting or affected property consent to the vacation of that portion of ALLEY WAY ON EAST SIDE OF TAX LOT 8700. ALLEY IS 4.9' WIDE. depicted on the map attached hereto.

Owners of Township 1N, Range 13E, Section 3DA, Tax lot(s) 4900
Grace L. Field 1300 E. 9th St.
 Signature(s) Street Address
Grace Field The Dalles
 Print Property Owner(s) Name(s) City of The Dalles

Owners of Township _____, Range _____, Section _____, Tax lot(s) _____
David 1300 E. 9th St.
 Signature(s) Street Address
David Field The Dalles
 Print Property Owner(s) Name(s) City of The Dalles

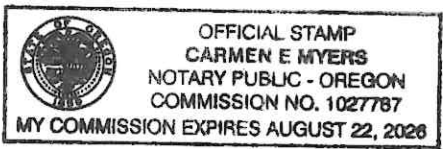
Owners of Township _____, Range _____, Section _____, Tax lot(s) _____

 Signature(s) Street Address

 Print Property Owner(s) Name(s) City of The Dalles

STATE OF OREGON)
) ss.
 County of Wasco)

On the 24th day of May, 2024, personally appeared before me Grace Field, David Field, who being first duly sworn acknowledged this instrument to be his/her voluntary act and deed.



Carmen E Myers
 Notary Public for Oregon
 My Commission expires: August 22, 2028

CONSENT TO PROPOSED VACATION CITY OF THE DALLES, OREGON

By executing this document, we the undersigned owners of abutting or affected property consent to the vacation of that portion of Alley way on East side of Tax lot 8700. Alley is 4.9' wide. depicted on the map attached hereto.

Owners of Township 1N, Range 13E, Section 3DA, Tax lot(s) 9100

[Signature]
Signature(s)

1008 J St
Street Address

Kenneth Brock
Print Property Owner(s) Name(s)

The Dalles
City of The Dalles

Owners of Township 1N, Range 13E, Section 3DA, Tax lot(s) 9100

[Signature]
Signature(s)

1008 J St
Street Address

Lindsay Brock
Print Property Owner(s) Name(s)

The Dalles
City of The Dalles

Owners of Township _____, Range _____, Section _____, Tax lot(s) _____

Signature(s)

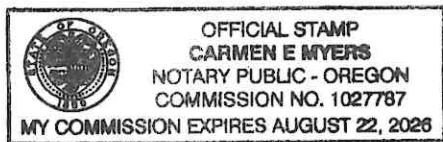
Street Address

Print Property Owner(s) Name(s)

City of The Dalles

STATE OF OREGON)
) ss.
County of Wasco)

On the 25th day of May, 2024, personally appeared before me Kenneth Brock, Lindsay Brock, who being first duly sworn acknowledged this instrument to be his/her voluntary act and deed.



Carmen E Myers
Notary Public for Oregon
My Commission expires: August 22, 2026

CONSENT TO PROPOSED VACATION CITY OF THE DALLES, OREGON

By executing this document, we the undersigned owners of abutting or affected property consent to the vacation of that portion of Alley way on East side of Tax lot 8700. Alley is 4.9' wide. depicted on the map attached hereto.

Owners of Township 1N, Range 13E, Section 30B, Tax lot(s) 13200
Rachael Dunn 1011 J Street
 Signature(s) Street Address
Rachael Dunn The Dalles
 Print Property Owner(s) Name(s) City of The Dalles

Owners of Township 1N, Range 13E, Section 30B, Tax lot(s) 13200
Robert M Jank 1011 J St
 Signature(s) Street Address
Robert M Jank The Dalles
 Print Property Owner(s) Name(s) City of The Dalles

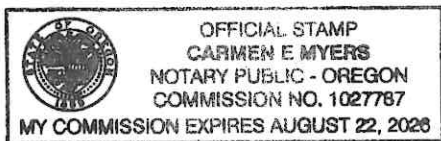
Owners of Township _____, Range _____, Section _____, Tax lot(s) _____

 Signature(s) Street Address

 Print Property Owner(s) Name(s) City of The Dalles

STATE OF OREGON)
) ss.
County of Wasco)

On the 25th day of May, 2024, personally appeared before me Rachael Dunn, Robert Jank, who being first duly sworn acknowledged this instrument to be his/her voluntary act and deed.



Carmen E Myers
Notary Public for Oregon
My Commission expires: August 22, 2028

CONSENT TO PROPOSED VACATION CITY OF THE DALLES, OREGON

By executing this document, we the undersigned owners of abutting or affected property consent to the vacation of that portion of Alley way on East side of Tax lot 8700. Alley is only 4.9' wide depicted on the map attached hereto.

Owners of Township 1N, Range 13E, Section 3DA, Tax lot(s) 9200

[Signature]
Signature(s)

1305 E 10th St
Street Address

Juan Ruiz Sanchez
Print Property Owner(s) Name(s)

The Dalles
City of The Dalles

Owners of Township 1N, Range 13E, Section 3DA, Tax lot(s) 9200

Florianna Ruiz
Signature(s)

1305 E 10th St
Street Address

Florianna Ruiz
Print Property Owner(s) Name(s)

The Dalles
City of The Dalles

Owners of Township _____, Range _____, Section _____, Tax lot(s) _____

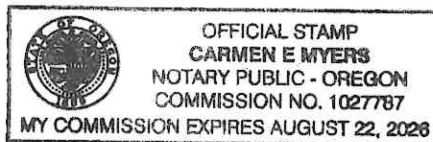
Signature(s)

Street Address

Print Property Owner(s) Name(s)

City of The Dalles

STATE OF OREGON)
) ss.
County of Wasco)



On the 6th day of March, 2024, personally appeared before me Juan Ruiz Sanchez & Florianna who being first duly sworn acknowledged this instrument to be his/her voluntary act and deed.

Carmen E Myers
Notary Public for Oregon
My Commission expires: August 22, 2026

CONSENT TO PROPOSED VACATION
CITY OF THE DALLES, OREGON

By executing this document, we the undersigned owners of abutting or affected property consent to the vacation of that portion of Alley way on East side of Tax lot 8700. Alley is only 4.9' wide depicted on the map attached hereto.

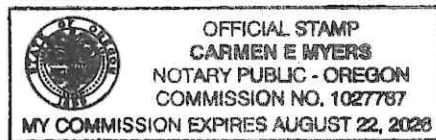
Owners of Township 1N, Range 13E, Section 3DA, Tax lot(s) 5500

Linda J. Toda
Signature(s)

1414 E. 9th St.
Street Address

Linda J. Toda
Print Property Owner(s) Name(s)

The Dalles, Oregon
City of The Dalles



STATE OF OREGON)
) ss.
County of Wasco)

On the 6th day of March, 2024, personally appeared before me Linda J Toda, who being first duly sworn acknowledged this instrument to be his/her voluntary act and deed.

Carmen E Myers
Notary Public for Oregon
My Commission expires: August 22, 2026

CONSENT TO PROPOSED VACATION
CITY OF THE DALLES, OREGON

By executing this document, we the undersigned owners of abutting or affected property consent to the vacation of that portion of Alley way on East side of Tax lot 8700. Alley is 4.9' wide depicted on the map attached hereto.

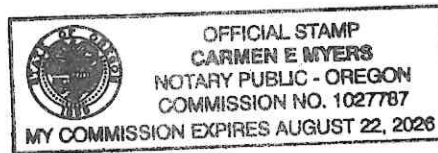
Owners of Township 1N, Range 13E, Section 30A, Tax lot(s) 5500

Harry Michael Toda
Signature(s)

1414 E. 9th
Street Address

HARRY MICHAEL TODA
Print Property Owner(s) Name(s)

The Dalles, OR 97058
City of The Dalles



STATE OF OREGON)
County of Wasco) ss.

On the 6th day of March, 2024, personally appeared before me Harry Michael Toda, who being first duly sworn acknowledged this instrument to be his/her voluntary act and deed.

Carmen E Myers
Notary Public for Oregon
My Commission expires: August 22, 2026

CONSENT TO PROPOSED VACATION CITY OF THE DALLES, OREGON

By executing this document, we the undersigned owners of abutting or affected property consent to the vacation of that portion of Alley way on East side of Tax Lot 8700 Alley is 7.9' wide. depicted on the map attached hereto.

Owners of Township IN, Range 13E, Section 3DA, Tax lot(s) 5601
IN, Range 13E, Section 3DA, Tax lot(s) 5600

[Signature]
Signature(s)

1472 9th St.
Street Address

Jorge Rodriguez
Print Property Owner(s) Name(s)

The Dalles OR 97056
City of The Dalles

Owners of Township _____, Range _____, Section _____, Tax lot(s) _____

Signature(s)

Street Address

Print Property Owner(s) Name(s)

City of The Dalles

Owners of Township _____, Range _____, Section _____, Tax lot(s) _____

Signature(s)

Street Address

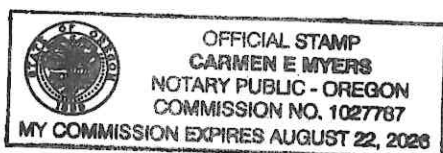
Print Property Owner(s) Name(s)

City of The Dalles

STATE OF OREGON)

) ss.
County of Wasco)

On the 19th day of April, 2024, personally appeared before me Jorge Rodriguez, who being first duly sworn acknowledged this instrument to be his/her voluntary act and deed.



Carmen E Myers
Notary Public for Oregon
My Commission expires: August 22, 2026

CONSENT TO PROPOSED VACATION CITY OF THE DALLES, OREGON

By executing this document, we the undersigned owners of abutting or affected property consent to the vacation of that portion of ALLEY WAY ON EAST SIDE OF TAX LOT 8700. ALLEY IS 4.9' WIDE. depicted on the map attached hereto.

Owners of Township 1N, Range 13E, Section 3DA, Tax lot(s) 5300

Loretta M. Newson
Signature(s)

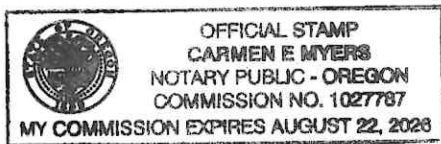
1318 E 9th ST
Street Address

Loretta M. Newson
Print Property Owner(s) Name(s)

City of The Dalles, OR
City of The Dalles

STATE OF OREGON)
) ss.
County of Wasco)

On the 15th day of April, 2024, personally appeared before me Loretta M. Newson, who being first duly sworn acknowledged this instrument to be his/her voluntary act and deed.



Carmen E. Myers
Notary Public for Oregon
My Commission expires: August 22, 2026

CONSENT TO PROPOSED VACATION
CITY OF THE DALLES, OREGON

By executing this document, we the undersigned owners of abutting or affected property consent to the vacation of that portion of Alley way on East side of Tax Lot 8700. Alley is 4.9' wide depicted on the map attached hereto.

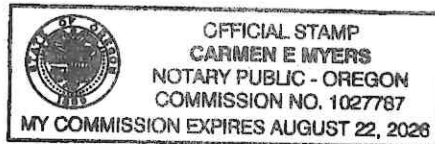
Owners of Township 1N, Range 13E, Section 30A, Tax lot(s) 8400

[Signature]
Signature(s)

1415 E 10th St
Street Address

Jacob Lamoreau
Print Property Owner(s) Name(s)

The Dalles
City of The Dalles



STATE OF OREGON)
) ss.
County of Wasco)

On the 9th day of March, 2024, personally appeared before me Jacob Lamoreau, who being first duly sworn acknowledged this instrument to be his/her voluntary act and deed.

Carmen E Myers
Notary Public for Oregon
My Commission expires: August 22, 2026

CONSENT TO PROPOSED VACATION CITY OF THE DALLES, OREGON

By executing this document, we the undersigned owners of abutting or affected property consent to the vacation of that portion of ALLEY WAY ON EAST side of TAX Lot 8700. Alley is 4.9' WIDE depicted on the map attached hereto.

Owners of Township 1N, Range 13E, Section 30A, Tax lot(s) 8600

Kip F Jansen
Signature(s)

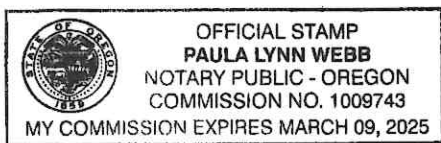
1407 E 10th ST
Street Address

Kip F Jansen
Print Property Owner(s) Name(s)

The Dalles, Or
City of The Dalles

STATE OF OREGON)
) ss.
County of Wasco)

On the 8th day of March, 20 24, personally appeared before me Kip F. Jansen, who being first duly sworn acknowledged this instrument to be his/her voluntary act and deed.



Paula Lynn Webb
Notary Public for Oregon
My Commission expires: 03/09/2025

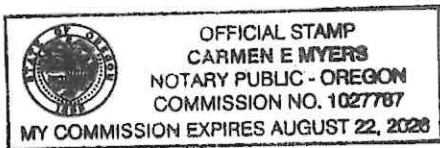
CONSENT TO PROPOSED VACATION CITY OF THE DALLES, OREGON

By executing this document, we the undersigned owners of abutting or affected property consent to the vacation of that portion of Alley way on East side of Tax lot 8700, Alley is 4.9' wide depicted on the map attached hereto.

Owners of Township 1N, Range 13E, Section 30A, Tax lot(s) 8900

William L. Eller Signature(s) 1401 E. 10th #2 Street Address

William L. Eller Jr. Print Property Owner(s) Name(s) The Dalles City of The Dalles



STATE OF OREGON) ss.
County of Wasco)

On the 16th day of March, 2024, personally appeared before me William L. Eller Jr., who being first duly sworn acknowledged this instrument to be his/her voluntary act and deed.

Carmen E Myers
Notary Public for Oregon
My Commission expires: August 22, 2026

CONSENT TO PROPOSED VACATION CITY OF THE DALLES, OREGON

By executing this document, we the undersigned owners of abutting or affected property consent to the vacation of that portion of Alley way on East side of Tax lot 8700. Alley is only 4.9' wide depicted on the map attached hereto.

Owners of Township 1N, Range 13E, Section 3DA, Tax lot(s) 9300
David Wilbern
Signature(s) 1313 E 10th
Street Address
David Wilbern
Print Property Owner(s) Name(s) The Dalles
City of The Dalles

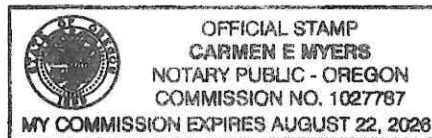
Owners of Township 1N, Range 13E, Section 3DA, Tax lot(s) 9300
Angela Wilbern
Signature(s) 1313 E 10th Street
Street Address
Angela Wilbern
Print Property Owner(s) Name(s) City of The Dalles
City of The Dalles

Owners of Township _____, Range _____, Section _____, Tax lot(s) _____

Signature(s) _____ Street Address _____

Print Property Owner(s) Name(s) _____ City of The Dalles _____

STATE OF OREGON)
County of Wasco) ss.



On the 6th day of March, 2024, personally appeared before me Dan & Angela Wilbern, who being first duly sworn acknowledged this instrument to be his/her voluntary act and deed.

Carmen E Myers
Notary Public for Oregon
My Commission expires: August 22, 2026

TERRA SURVEYING

ALLEY VACATION- SITE MAP

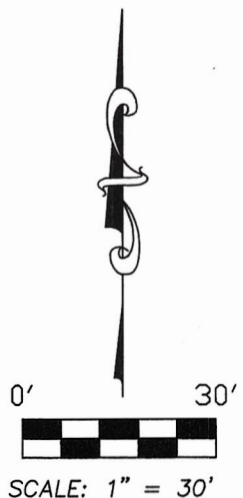
Exhibit 2

REGISTERED
PROFESSIONAL
LAND SURVEYOR

OREGON
December 30, 2005
ERIK M. CARLSON
72306

Expires: December 31, 2025

LINE	BEARING	DISTANCE
L1	N 89°18'32" W	5.20'
L2	N 89°18'32" W	19.85'
L3	S 00°41'28" W	7.13'
L4	N 00°37'59" E	4.90'
L5	S 89°18'32" E	19.85'
L6	S 02°47'47" E	4.91'
L7	S 89°18'32" E	5.20'
L8	S 00°41'28" W	4.90'



TAX LOT 5400
(1N-13E-3DA)
INST#2023-000432
CORD COTHREN

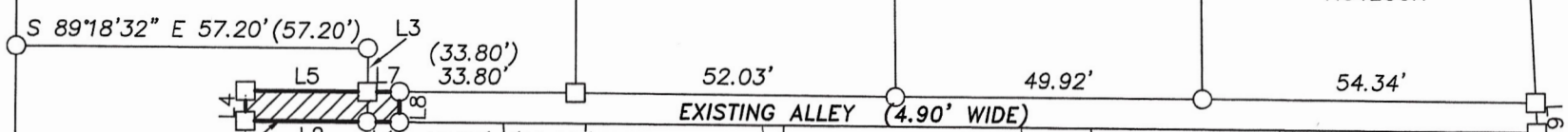
TAX LOT 5500
(1N-13E-3DA)
MICHAEL
AND
LINDA TODA

TAX LOT 5600
(1N-13E-3DA)
JORGE
RODRIGUEZ-HERNANDEZ

PARCEL 2
PARTITION
PLAT NO
2006-0052

TAX LOT 5700
(1N-13E-3DA)
ROSENDA
HUTESON

CLARK STREET



AREA TO BE
VACATED CONTAINS
123.5 SQ.FT.

TAX LOT 8700
(1N-13E-3DA)
INST#2011-003607
LONNIE KAPS

BLOCK 1

TAX LOT 8600
(1N-13E-3DA)
INST#963277
JANSEN
KIP

TAX LOT 8500
(1N-13E-3DA)
LINDA
CREVANTES

TAX LOT 8400
(1N-13E-3DA)
JACOB
LAMOREAU

TAX LOT 8300
(1N-13E-3DA)
ROBERT AND CAROL
WOFORD

DATE: FEBRUARY 12, 2024
SCALE: 1' = 30'
PROJECT: 23107
ASSESSORS MAP: 1N-13E-03DA T.L. 8700

P.O. BOX 617
HOOD RIVER, OREGON 97031
PHONE: (541) 386-4531
E-Mail: terra@gorge.net
www.surveying.com

- LEGEND:**
- FOUND MONUMENT OF RECORD, AS NOTED
 - () DEED OR PLAT DISTANCE

EAST 10TH STREET (PINE)

Exhibit 'A'
TERRA SURVEYING
P.O. Box 617
Hood River, OR 97031
PHONE (541) 386-4531
E-Mail: terra@gorge.net

LEGAL DESCRIPTION
FOR
THE VACATION OF PUBLIC ALLEY
FOR
LONNIE KAPS

The tract of land being vacated is a portion of a 4.90 foot public alley as platted on the Subdivision Plat of Wingfield Addition to The Dalles, located in the southeast Quarter of Section 3, Township 1 North, Range 13 East of the Willamette Meridian in the City of The Dalles, Wasco County, Oregon, described as follows.

Beginning at the northwest corner of the Lot 1 of the Subdivision Plat of Wingfield Addition to The Dalles as recorded in Wasco County Plat records on April 28th 1909; thence North 00°37'59" East a distance of 4.90 feet to a point; thence South 89°18'32" East a distance of 25.05 feet to a point; thence South 00°41'28" West a distance of 4.90 feet to a point on the north line of said Lot 1; thence North 89°18'32" West a distance of 25.05 feet to the point of beginning.

Contains 123.5 Sq. Ft.
February 12, 2024
EMC

A rectangular seal for a Registered Professional Land Surveyor. The top part of the seal contains the text "REGISTERED PROFESSIONAL LAND SURVEYOR" in a bold, sans-serif font. Below this text is a handwritten signature in black ink. The bottom part of the seal contains the text "OREGON", "DECEMBER 31, 2025", "ERIK M. CARLSON", and "72219" in a smaller, sans-serif font. Below the seal, there is a handwritten note in black ink that reads "Expires: Dec 31, 2025".



AGENDA STAFF REPORT

AGENDA LOCATION: Item #11A

MEETING DATE: September 23, 2024

TO: Honorable Mayor and City Council

FROM: Dave Anderson, Public Works Director

ISSUE: Authorization for Amendment to Contract Issued for Emergency Repairs to Digester 1 Cover

BACKGROUND: In February 2024, the cover to Digester 1 at the Wastewater Treatment Plant was damaged when a valve failed to operate properly and the digester tank was over-pressurized thereby breaking the metal cover loose from the concrete walls of the tank. The digesters are a vital part of the wastewater treatment processes. Emergency contracts were issued under the City Manager's authority, as allowed by the City's Local Contract Review Board Rules, to Jacobs Engineering Group (Jacobs) and Record Steel and Construction Inc (RSCI) to design and construct the needed repairs as soon as possible. Those repair efforts have been underway since that time and it is critical that repairs be completed before the coming winter season when the capacity of Digester 1 is critical.

The first emergency contract that was issued was to Jacobs to evaluate the damage that occurred and perform the engineering design for the needed repairs; that contract was for \$50,000. Jacobs is the City's contract operator for the plant and therefore has an existing relationship with the City and a familiarity with the plant that could be leveraged to expedite and the needed design work; the type of structural engineering needed is well within Jacobs' areas of expertise.

The second contract issued was to RSCI for \$200,000 to construct the needed repairs. RSCI is a construction firm with experience working both with Jacobs and in wastewater treatment plants; RSCI previously worked with Jacobs to repair the aeration systems at the City's wastewater treatment plant a few years ago.

The original emergency contract amount of \$200,000 was an estimate of the repair costs that was prepared before the any significant design had been completed. An amendment to the original contract price is needed now that there is a better understanding of the

amount of repair work that will be required, and after having experienced some challenges in the repair efforts to date. The first challenge that was encountered in the repair project was the removal of the metal cover from the digester. The cover was tilted at an angle and jammed into the digester walls, and also sealed to the walls. The first crane that was hired to remove the cover was unsuccessful in doing so. Workers had to chip away at the sealant and interior membrane, and a second larger crane was brought in to lift the cover. The second attempt was ultimately successful in removing the cover. The work to remove the cover ended up costing about \$100,000 of the original \$200,000 construction contract amount. Pictures at the end of this report show the broken concrete supports and anchors for the digester cover, the process of lifting the cover off the digester, and the interior of the digester tank.

Now that the cover had been removed, the damaged concrete has been assessed, and the design of the needed repairs are nearly completed, it is understood that the repair costs are going to be higher than originally estimated. The additional costs are largely related to the difficulties in removing the cover, repairing more concrete than originally estimated, reconfiguration of piping to the metal cover since the cover will be rotated from its original position so that it is anchored to stronger native concrete rather than to the repaired sections, replacing damaged bracing in the cover, re-coating areas where the bracing is to be repaired, and reinstalling a seal around the cover. Efforts have been made to minimize these additional costs by expediting the schedule so that work can be completed before additional measures are needed to protect the work from winter weather conditions. Due to all of these factors, there is a need to amend the construction contract with RSCI by adding \$270,000 to the original \$200,000 contract price, for a total contract price of \$470,000.

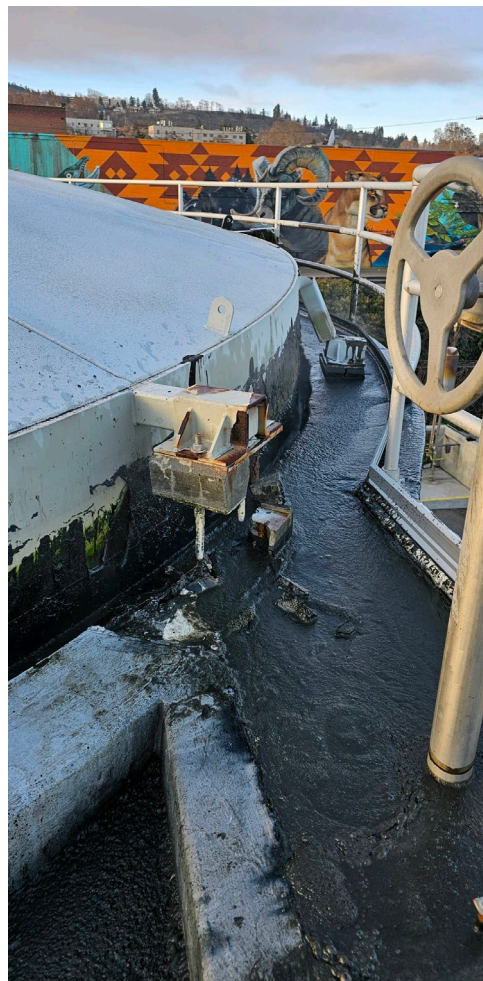
City staff is investigating whether some of these costs can be covered by insurance.

BUDGET ALLOCATION: The FY2024-25 budget includes \$6,563,244 in Fund 57, the Wastewater Plant Construction/Debt Fund, allocated for wastewater treatment plant improvements. There are adequate funds available for the proposed contract amendment. It's possible that some of these costs may be reimbursed by the City's property insurer.

ALTERNATIVES:

1. **Staff Recommendation:** *Move to authorize an amendment to the construction contract with Record Steel and Construction Inc for emergency repairs to Digester 1 in an amount of \$270,000.*
2. Deny authorization of the contract amendment and provide additional direction to Staff.

Initial Damage: Digester 1 cover is raised from its normal position and askew (tilted); concrete pedestals upon which the cover was anchored are broken loose from the concrete walls of the digester tank.



Removing the Cover: It required two attempts to remove the cover with a crane. A second, much larger crane successfully removed the cover after the sealant and interior membrane were removed.



Interior of Digester 1: Before and after removing the cover.

