

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

A regular meeting of the Wilsonville City Council was held at the Wilsonville City Hall beginning at 7:30 p.m. on Monday, May 1, 2017. Mayor Knapp called the meeting to order at 7:38 p.m., followed by roll call and the Pledge of Allegiance.

The following City Council members were present:

Mayor Knapp
Councilor Starr
Councilor Stevens
Councilor Lehan
Councilor Akervall

Staff present included:

Bryan Cosgrove, City Manager
Jeanna Troha, Assistant City Manager
Barbara Jacobson, City Attorney
Sandra King, City Recorder
Nancy Kraushaar, Community Development Director
Delora Kerber, Public Works Director
Jon Gail, Community Relations Coordinator
Mark Ottenad, Government and Public Affairs
Angela Handran, Community Outreach Coordinator

Motion to approve the order of the agenda.

Motion: Councilor Starr moved to approve the order of the agenda. Councilor Stevens seconded the motion.

Vote: Motion carried 5-0.

COMMUNICATIONS

A. Republic Services Annual Wilsonville Community Garbage and Recycling Report.

Cindy Dolezel, Municipal Relations Manager for Republic Services presented an overview of the 2016 services and activities conducted in Wilsonville. Ms. Dolezel spoke about the new Metro Food Scraps mandatory program which will be coming to the region and the new partnership between Republic Services and SORT Bioenergy to build and operate an anaerobic digester in Wilsonville. The digester will convert the food scraps into an energy-rich biogas which will be converted to renewable energy. She explained the timeline for the construction of the new facility.

Ms. Dolezel announced Bulky Waste Day will be held May 20th where donations for Wilsonville Community Sharing will be accepted.

Councilor Stevens announced the recipients of the Community Enhancement Awards and explained the Metro enhancement fee program. This year the City received \$102,000 from this program. Proposals for funding are received and reviewed by the Wilsonville-Metro Community Enhancement Committee and the Committee made their recommendation to the Council for awards. This year the Committee recommended awarding the following projects:

- Graham Oaks Nature Pedestrian Crossing
- Community Health Fair

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- Electric Sign And Reader Board At The Public Library
- Purchase Piece Of Sculpture
- Arts And Culture Survey Funded
- Beauty And The Bridge Interpretive Signs

Councilor Lehan discussed the Beauty and the Bridge artwork project and the request for funding to place interpretive signs at each corner of the undercrossing.

B. Community Outreach/Neighborhood BBQ's

Ms. Handran presented the staff report. The City sponsors 2-3 neighborhood barbeques each summer to help engage the public and provide information on city programs and projects. These events require significant staff time to plan, prepare and execute. Lately, these events have been sparsely attended, despite outreach and marketing efforts targeted directly to the neighborhoods involved. Staff believes that having one large summer event will have a positive impact in terms of increasing attendance and providing a central venue for all community members to participate and learn about city programs, while highlighting one major topic each year. This year, Community Outreach staff proposes to work with Community Development staff to highlight the Town Center Master Plan. The 2018 event would highlight the city's 50th Birthday, and each succeeding year would provide an opportunity to focus on one big issue. Staff believes that this change will increase community engagement, make better use of city resources and allow citizens to interact with each other on a more macro level. The proposed event would take place in August of each year, and staff would solicit the City Council to provide direction on what item(s) to highlight prior to marketing the event.

Councilors liked the proposal and suggested using the barn in Memorial Park for events.

CITIZEN INPUT & COMMUNITY ANNOUNCEMENTS

This is an opportunity for visitors to address the City Council on items not on the agenda. It is also the time to address items that are on the agenda but not scheduled for a public hearing. Staff and the City Council will make every effort to respond to questions raised during citizens input before tonight's meeting ends or as quickly as possible thereafter. Please limit your comments to three minutes.

The Mayor indicated he would group the Citizen Input speaker cards by topic: traffic, Resolution No. 2626, and Basalt Creek development.

Bill Hancock spoke of the speed of traffic through Morey's Landing particularly on Orchard Avenue and that it has gotten worse in the last six to eight months. He felt it was a lack of civility on the part of the drivers in general and he thought additional police presence would help.

Mike Dykzeul addressed the disregard of drivers for stop signs, red lights and the bad driver behavior in Morey's Landing. Mr. Dykzeul requested additional police coverage.

Mr. Cosgrove indicated he is asking for an additional traffic officer in the upcoming budget to address the traffic concerns. He stated the majority of speeding through local neighborhoods is done by one's neighbors, and neighbor to neighbor conversations can help. Staff will reach out to see what they can do to help through education.

Raul Villanueva thanked Council for their work in the community. Mr. Villanueva chose to live in Oregon because of the people, and he felt the responsibility to give back to the community. He supported adoption of Resolution No. 2626.

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Adzel Villanueva stated he attends Wilsonville High School and the teachers and coaches have encouraged him to work on his education and have taught him what it is to be a citizen of the community. He is thinking of attending college due to the encouragement of his coaches and teachers.

Luis Cisneros said he and his wife had recently moved to Wilsonville from Salem, where they felt uncomfortable and always “on guard”. Mr. Cisneros said Wilsonville is much different; safe, comfortable and they have not encountered any form of bias in the community. He thought the inclusivity Resolution reflected well on the City.

Carolona Reyes recently moved to Wilsonville and she favored passage of Resolution No. 2626. She feels Wilsonville is more safe and comfortable than where she previously lived.

Yrlanda Viveros Morales feels lucky to live in Wilsonville and wants the community to take care of all residents and all kids. She wants to view police as friends and helpers.

Shawn O’Neil stated he has testified previously in support of the Resolution. He noted the change in the character of the audience, and that it was now more diverse. Mr. O’Neil thought the Councilors had the opportunity to build consensus for the Resolution and he asked for a unanimous vote on the Resolution.

Don Hansen of OTAK distributed two memos to the Council. The first dealt with the Basalt Creek Planning Area Schools Analysis; and the second dealt with the Basalt Creek Planning Area Projected Traffic. Mr. Hansen disagreed with the information in the Draft Basalt Creek Concept Plan Feasibility Study dated May 1, 2017 and thought the area would be better used as residential rather than employment/industrial.

Peter Watts sent an email message to the City Councilors on April 30, 2017 in support of his belief the Basalt Creek Central Property would be better developed as residential, and that Metro’s criteria did not decree the lands be employment.

Sherman Leitgeb was of the opinion the Draft Basalt Creek Concept Plan Feasibility Study dated May 1, 2017 was fiction since no cost analysis for development had been done on the area. He held the costs will not lead to employment on the site and there was other industrial land available at less cost.

Lark Leitgeb said she owned 23 acres in the Basalt Creek subarea and that there was a big difference between residential uses and industrial uses. She asked that Council work with the city of Tualatin to develop something that will work for everyone.

MAYOR’S BUSINESS

Upcoming meetings were announced by the Mayor as well as the regional meetings he attended on behalf of the City.

COUNCILOR COMMENTS & MEETING ANNOUNCEMENTS

A. Council President Starr announced the date of the next Parks and Recreation Advisory Board meeting and invited participation in WERK Day scheduled for May 13th.

Councilor Starr noted those in the audience saw the types of issues that come before Council during their meetings from people wanting safer neighborhoods, speeding in neighborhoods, to how land is developed

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north of the City to get the right balance of work and housing, many different things that Council must consider and make decisions about.

Councilor Starr commented all of the Councilors are trying to be good representatives of the City and are working to make this a special place and a good place to call home. He addressed the Wilsonville High School student and encouraged him to attend college. Wilsonville is a good place to live. The Councilor hoped that the five Councilors do a good job to serve the people of Wilsonville, to make it a better place. And we thank you for showing up tonight and being passionate about the City.

B. Councilor Stevens encouraged citizens to participate in WERK day.

C. Councilor Lehan announced the Historical Society will be meeting at the Library, and that she has been appointed Chair of the State Commission on Historic Cemeteries.

D. Councilor Akervall noted the City was accepting applications for the Library Board and the Tourism Promotion Committee through the end of May.

CONSENT AGENDA

Ms. Jacobson read the title of the Consent Agenda item for the record.

A. Minutes of the April 17, 2017 City Council Meetings.

Motion: Councilor Starr moved to approve the Consent Agenda. Councilor Lehan seconded the motion.

Vote: Motion carried 5-0.

NEW BUSINESS

Ms. Jacobson read the title of Resolution No. 2626 into the record.

A **Resolution No. 2626**
A Resolution Declaring the City of Wilsonville A Welcoming and Inclusive City

Mayor Knapp said Council has been receiving and listening to testimony regarding the proposed Resolution for the past few weeks. He acknowledged the community represented in the audience has evolved as well, and that Council has heard from concerned people who have not previously attended Council meetings.

Motion: Councilor Lehan moved to approve Resolution No. 2626. Councilor Starr seconded the motion.

Councilor Lehan stated the process has been a learning experience and she has been inspired by the people providing testimony the past few weeks and their continued involvement in support of the Resolution. The Councilor thought adopting the Resolution would be a good thing for the City and she was proud to vote for it.

Councilor Stevens believed Wilsonville has always been an inclusive City and a welcoming City. The testimony heard tonight and her experience living in the City verified that and the Councilor was pleased

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to hear other residents feel the same way she does. The Resolution is a timely affirmation of the inclusiveness of Wilsonville.

Councilor Akervall appreciated the opportunity to see the community engage and she was glad to hear people feel the City is a safe place and a welcoming community. The Councilor felt that is why it was important for the Resolution to pass. If we consider in a broader perspective outside of our community, to have everybody be treated equally is an ideal that many people hold in their hearts. But actions don't always follow that. And so to have the opportunity to reinforce that and to have it be something that comes from the community is especially important and meaningful.

Councilor Starr read the final sentence in paragraph numbered five into the record, "While this City Council may pass this inclusivity Resolution in the hope that it is inspirational, the only true measure of its success will be in how all members of the community elect to treat each other day in and day out." He was happy to hear the couple who live in Canyon Creek had only positive experiences in the City, and he felt that was something all should be striving for and if you are a member of the City you have an obligation to do that yourself. Moving forward he wanted to insure that we hold each other accountable to a higher level of respect for the dignity of any human being. It is an opportunity for the Council and community to remind itself of what we are trying to achieve.

Mayor Knapp stated the City has residents from many places around the world and the community is richer for their stories and learning of their backgrounds. Wilsonville has a sister city relationship with Kitakata, Japan and hosts the Korean War Memorial in Town Center Park. The Wilsonville community is made up from these different pieces. The Mayor saw the Resolution as a validation or acknowledgement of that and agreed with Councilor Starr, the Resolution will not change anything being words on paper, what changes things is the extent to which we can all live up to the ideas and values and maybe pay more attention to someone we don't quite understand. Throughout history people have come to Oregon in the hopes of a better life and opportunity, and still are today. He was pleased to support the Resolution and recommend adoption and noted it could be an acknowledgement of how we want to live with each other.

Vote: Motion carried 5-0.

B. **Resolution No. 2628** – Placeholder. *Changes may be made to the Resolution prior to the City Council meeting.*

A Resolution Of The City Of Wilsonville Authorizing The City Manager To Enter Into: (1) The First Amendment To Agreement Regarding Water Treatment Plant Design, Construction, Operation, And Property Ownership; (2) The Willamette Water Supply System Intake Facility Agreement With Tualatin Valley Water District; And (3) The Ground Lease For Raw Water Pipeline With Tualatin Valley Water District And The City Of Hillsboro.

The title of Resolution No. 2628 was read into the record by the City Attorney.

The Mayor noted the Council has a revised Resolution No. 2628 before them for consideration.

Ms. Jacobson indicated Susan Cole, Nancy Kraushaar, and Delora Kerber were available to answer questions about the Resolution.

Ms. Jacobson explained the intricacies of the Ground Lease. Wilsonville will lease to TVWD and Hillsboro a large area of land (primarily below the ground surface) in which to place an approximately 6-foot diameter raw water pipeline approximately eight feet underground, stretching for approximately three miles through the City. The lease will be for 99 years. The pipeline is to primarily serve the city of

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Hillsboro, but it may serve the cities of Beaverton, Tigard, and potentially Tualatin. Sherwood will also be serviced by the expanded intake facility and they will continue to operate with Wilsonville out of the Wilsonville plant.

In consideration of the Lease, Lessors will pay the City rent (prepaid rent) in the total cash amount of \$17,184,127. Lessor will pay this rent in annual installments of \$173,577 payable in advance of each fiscal year, retroactive to July 1, 2016, and every July 1 up to and including on July 1, 2025. On July 1, 2026, a final lump sum rent payment in the amount of \$15,448,357 will be paid to Wilsonville. Construction is expected to be completed by no later than this date.

As additional consideration, Lessor will make six significant infrastructure improvements to City streets, which will benefit Wilsonville, as outlined in the attached Ground Lease, as Lessor constructs in those various areas.

Additionally the Lessor will provide significant seismic upgrades to the existing intake facility owned by TVWD and Wilsonville, at TVWD's expense, as well as some other seismic improvements that will benefit Wilsonville's existing plant, at no financial cost to Wilsonville. After the agreements are all said and done, the intake facility will be owned by all of the parties to the IGA: TVWD, Wilsonville, Hillsboro, Sherwood, Beaverton, and Tigard.

Tualatin at this point has elected not to become part of the group, but that could change in the future.

There are many other important provisions of the Lease, including a requirement for removal of the pipe, at Wilsonville's direction, upon termination of the Lease; significant provisions regarding environmental compliance, clean up, and remediation; strict construction requirements and oversight and insurance and indemnities. Final alignment of the pipe is still being determined.

Mayor Knapp confirmed the Ground Lease was a public document.

Ms. Jacobson addressed the First Amendment to the contract between Wilsonville and TVWD. That agreement came about when it was decided to build the plant together and buy the property together.

In the agreement it provided whoever was pulling the most capacity through the plant would be the plant manager. Initially when the City entered into negotiations, TVWD was planning to expand the existing plant or build a companion on the upper site. But because of land constraints and the distance to draw the water to Hillsboro, and the seismic upgrades required to the existing facility, they made the decision to build in unincorporated Washington County close to Tualatin.

As a result of that, it has become apparent that for the foreseeable future, the only users of the existing plant will be Wilsonville and Sherwood. And so one of the other considerations for doing this transaction is the agreement will be amended to make Wilsonville the managing partner of that facility in perpetuity unless and until Wilsonville elects to step down from being the manager. Wilsonville will have control over its own density at that plant.

TVWD will continue to own the assets with Wilsonville for the present time. Sherwood will continue to buy capacity from TVWD and will continue to, along with Wilsonville, pay the day to day operation costs.

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TVWD, as co-owner of the plant real estate, will dedicate right-of-way to Wilsonville for an extension of Kinsman Road through a portion of the property, yet to be determined, for the future Boones Ferry Road to Brown Road east-west connector road and the Kinsman extension to the connector road.

TVWD also agrees to pay a pro rata share of the repairs and improvements needed to the existing intake facility. The prior agreement put all responsibility for such repairs on the users of the water plant (Wilsonville and Sherwood only).

Mayor Knapp noted the concept of Wilsonville wanting to have control over its long-term water source has been a goal of Council since the negotiations began, and the idea that the City could lose that control to some other agency/entity was a concern the Council wanted to directly address. This negotiated agreement would accomplish that certainty for the City over a long period of time.

Ms. Jacobson spoke to the final agreement, the Intake Agreement. After much negotiation, it has been agreed the City will receive an additional 5MGD in exchange for the Easement Agreement discussed above, and a payment not to exceed \$125,000 to TVWD, based on actual cost to upgrade and permit the expanded intake facility. Staff views this as a very favorable price. The City is getting credit for the screen and permitting already done and is the only entity whose buy-in price is capped. Negotiations originally started at close to \$700,000.

Although there will be a plant in Wilsonville and there will be a plant in unincorporated Washington County, the intake facility for both plants will remain at the current location in Wilsonville. Because of the additional use that will be coming through the intake facility, the intake facility needs to be expanded considerably. This means additional permitting for the intake facility and buying a new screen that will handle the larger capacity.

After negotiations it was agreed the City would receive an additional 5 MGD in exchange for the easement that we are going to give the parties to go from the current plant out to where the intake facility is going to connect with the raw water pipe. That will be an easement for access to and from the intake facility to expand the intake facility, there will be about 1-2 acres of improvements associated with the intake facility. In exchange for that Wilsonville will receive the extra capacity from TVWD without having to pay TVWD cash. In addition, the City will receive a credit for the screen and permitting that has already been done, which results in the capped price not to exceed \$125,000 for the City's share of the improved intake facility.

As a part of this agreement TVWD the Willamette Water Supply Program will be installing some seismic retaining walls that will help prevent damage to the intake facility in the event of a catastrophic earthquake, which is a benefit to the City.

Ms. Jacobson turned to the fourth agreement (The Intake Facility IGA) which is between all of the parties that will be sharing the intake facility. That agreement is still being negotiated and a first draft is nearly ready for a review.

TVWD has a lot of capacity and they are in the process of entering into purchase and sale agreements with Tigard, Beaverton, and Hillsboro to sell some of that capacity to Hillsboro, but they will still have a large remaining capacity themselves. In the IGA agreement there is protocol for the sale and purchase of extra capacity. The IGA is going to put into place very detailed protocol about how that is offered and divided. Wilsonville already has an agreement with TVWD whereby before they can offer their capacity to any other party, including any of those mentioned, that capacity needs to be offered to Wilsonville

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because that is part of the original agreement. TVWD did that before they could make the offers to the other parties and Wilsonville authorized TVWD to go ahead and make those sales.

In other words, tonight we would approve all of the agreements as written, but we would wait to make sure the IGA and all of the terms contained in it at the end of the negotiations would work for Wilsonville. The Council has an alternative Resolution that approves all three of the documents but makes final signature on those documents contingent upon the City's acceptance of the IGA, which is anticipated to be done sometime in July. That is something the Council will want to discuss. Does Council want to do that, or would Council like to say they feel there is enough capacity and they were willing to give up the right to the water. That was one issue that is a point of contention in the IGA but there may be others. It is a little bit dangerous to sign on the dotted line on these three documents where we have another agreement that is going to control how we all work together and share this intake facility which we can't operate our treatment plant without.

One aspect about the Intake IGA that was a big point of discussion was voting. When the partners were deciding critical things about the intake facility would the vote have to be unanimous, would it be a simple majority, would it be a weighted vote, or would it be a super majority. And the group has come down thus far on the super majority so that means with the current partners a super majority would be five out of six voting in favor or against something. Which means that if the City signed the agreements tonight, we continue to negotiate on the IGA and we felt strongly about not giving up our first right of refusal, if that came to a vote the likely vote would be against the City, 5-1.

Ms. Jacobson recommended passing the alternative Resolution No. 2628 tonight which says in paragraph numbered 11, "this Resolution becomes effective and is contingent upon the approval by City Council of an Intergovernmental Agreement for the Intake Facility anticipated to occur on or about July 2017."

Councilor Stevens asked what risk there is in waiting.

Ms. Jacobson said the other parties have all passed the three agreements, and for them to buy the plant site they need to feel there is certainty. The group would like assurances. As long as there are no surprises that come up on the IGA we would be comfortable with going forward.

The Mayor thought it was important to say this project will be disruptive to Wilsonville for a number of years. The project involves tearing up Kinsman Road, 95th Avenue, through Garden Acres and to the north to install a big pipe. Council has reviewed the documents throughout the negotiation process and communicated with staff. Although the project will be disrupting there is some need for Wilsonville to accommodate the water needs of the larger region. Staff has done an outstanding job in finding a way through all of the complexities and bringing recommendations that make sense for the community. The Mayor thought it was prudent to condition this on reaching the agreement on the Intake Facility IGA.

Motion: Councilor Lehan moved to approve Resolution No. 2628 – Alternative 5.1.17, that includes item 11 that makes it become effective and is contingent upon the approval by City Council of an Intergovernmental Agreement for the Intake Facility. Councilor Starr seconded the motion.

Councilor Starr acknowledged and thanked staff members Nancy Kraushaar, Delora Kerber, Susan Cole, Barbara Jacobson, Mike Kohlhoff and Bryan Cosgrove for their work on these contracts. Other than the waste water treatment plant this is the most complicated, detailed, considerable agreement that the City has entered into.

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Vote: Motion carried 5-0.

CITY MANAGER'S BUSINESS - No Report

LEGAL BUSINESS - No Report

ADJOURN

Mayor Knapp adjourned the meeting at 10:02 p.m.

Respectfully submitted,

Sandra C. King, MMC, City Recorder

ATTEST:

Tim Knapp, Mayor