

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

A regular meeting of the Wilsonville City Council was held at the Wilsonville City Hall beginning at 7:00 p.m. on Monday, August 20, 2012. Mayor Knapp called the meeting to order at 7:02 p.m., followed by roll call and the Pledge of Allegiance.

The following City Council members were present:

Mayor Knapp
Council President Núñez
Councilor Goddard
Councilor Starr

Staff present included:

Bryan Cosgrove, City Manager	Sandra King, City Recorder
Jeanna Troha, Assistant City Manager	Joanne Ossanna, Finance Director
Mike Kohlhoff, City Attorney	Pat Duke, Library Director
Steve Adams, Interim City Engineer	Nancy Kraushaar, Community Development Director
Eric Mende, Deputy City Engineer	Scott Simonton, Fleet Manager
Kristin Retherford, Urban Renewal	Mark Ottenad, Public Affairs Director
Delora Kerber, Public Works Director	

Motion: Council President Nunez moved to approve the order of the agenda. Councilor Starr seconded the motion.

Vote: Motion carried 4-0.

MAYOR'S BUSINESS

Mayor Knapp announced City Hall would be closed September 3rd for Labor Day, and that a special Council meeting would be held Thursday, September 6, 2012. The City received a plaque of appreciation from the Korean War Veterans Association, Republic of Korea veterans group, upon the 62nd anniversary of the Korean War. He noted the LCDC had concluded their formal process and had issued their ruling on urban reserves. In a letter the Mayor of Kitakata Japan asked for local families to host students who will be visiting Wilsonville in October.

Mayor Knapp stated the first Wilsonville Sunday Streets was a very popular event. He thanked staff and the many volunteers who helped to make the event so successful.

COMMUNICATIONS

A. Safe Routes to School and Lowrie Primary School Opening

Tim Woodley, Director of Operations and Capital Program Manager, West Linn-Wilsonville School District, presented PowerPoint slides that displayed the construction and completion of the new Lowrie Primary School in Villebois. A map identifying the safest routes for walking and biking to school was shown. Mr. Woodley explained staff would be in attendance to help students with the routes, cross-walks and traffic. He presented the Mayor with a copy of the book titled "The Story of Lowrie Primary School" a story about the Lowrie family it is named after and the role of the City in developing the school.

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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.

Steve Gilmore, Chamber of Commerce, CEO, submitted a letter supporting the Economic Development Strategy and offered the help of the Chamber to work through the process to implementation. The letter has been made part of the record.

COUNCILOR COMMENTS, LIAISON REPORTS & MEETING ANNOUNCEMENTS

Council President Núñez – Chamber Leadership and Library Board liaison, invited the community to attend the Beauty and the Bridge Dedication scheduled for September 23, 2012, and noted the next meeting dates of the Library Board.

Councilor Goddard – Library, Chamber Board, and Clackamas County Business Alliance (CCBA) liaison – reported on the CCBA activities, and the community events he attended including the Canyon Creek neighborhood BBQ, and the Sunday Streets event. He announced the next neighborhood BBQ in Landover.

Councilor Starr –Development Review Boards and Wilsonville Community Seniors Inc. liaison stated the DRB approved an expansion plan for SSI, and continued the public hearing for the Fox Center Town Homes. He announced the last Movies in the Park, and the continuing farmers market in Villebois.

Eric Postma, Planning Commission member, provided the update on the last Planning Commission meeting where the Commission talked about Transportation System Plan Policies, and the potential of a virtual open house for gathering public input. Mr. Postma said the Commission would like to be involved in the Economic Development Strategy work and interact more with Councilors to discuss goals and direction.

CONSENT AGENDA

Mr. Kohlhoff read the title of the Consent Agenda item into the record.

A. **Resolution No. 2375**

A Resolution Of The Wilsonville City Council, Acting As The Local Contract Review Board, Authorizing South Metro Area Regional Transit (Smart) To Purchase Two 25-Foot/19-Passenger El Dorado National Gasoline Powered Aerotech Buses Along With Associated Equipment From Schetky NW Sales, Inc.

Motion: Councilor Goddard moved to approve the Consent Agenda. Councilor Nunez seconded the motion.

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Vote: Motion carried 4-0.

NEW BUSINESS

A. **Resolution No. 2376**

A Resolution Of The Wilsonville City Council Adopting The Wilsonville Economic Development Strategy Of 2012.

Mr. Kohlhoff read the title of Resolution No. 2376 for the record.

The staff report was prepared by Kristen Retherford, and Mark Ottenad.

The City Council met jointly with the Planning Commission in work session on August 6 and heard reports on the update of the Economic Opportunity Analysis (EOA) from Todd Chase of the FCS Group and a summary of the Economic Development Strategy, as recommended by the City's Economic Development Advisory Committee (EDAC) and presented by Terry Moore of ECONorthwest. In the course of the work session, the Planning Commissioners and City Councilors expressed their interest in moving forward with the immediate adoption and implementation of Economic Development Strategy.

The City of Wilsonville has not previously had an Economic Development Strategy to guide the staff and decision-makers in dealing with economic development issues. The City has had, and continues to have, an array of policies in various documents addressing different aspects of economic development, but not a single document, to explain the City's priorities for action in recruiting, supporting or promoting business development in Wilsonville.

While this represents an impressive amount of work completed over the last six months with a great deal of public involvement, there are a number of follow-up tasks that must be completed to fully implement the Strategy. Much has been accomplished, but it will only have value for the community as it is implemented.

The preparation of the Economic Development Strategy directly addresses one of the City Council Goals, as follows:

“D. Develop, Adopt and Begin Implementation of a Comprehensive Economic Development Strategy.

- *Create a city-wide economic development plan*
- *Industrial, employment and future lands (including Coffee Creek)”*

Results of the recently completed community survey showed considerable public support for several of the basic tenets of the Economic Development Strategy, summarized below:

The City asked residents a number of custom questions including: *“To what extent do you support or oppose the City of Wilsonville taking the following actions regarding economic development in Wilsonville?”*

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- 90 percent or more of respondents support efforts to actively recruit businesses to locate here or market the City to attract new businesses;
- 75 percent or more of respondents support the City adopting policies to encourage more affordable housing; and
- 69 percent or more of respondents support providing financial incentives to attract new businesses or to help expand existing businesses; conversely, 24 percent or more of respondents oppose providing financial incentives.

The divergence of opinion over the potential use of financial incentives to induce business location is similar to sentiments expressed during the economic development strategy process: most generally favor the use of incentives; some dislike incentives.

In the community survey, residents indicated that the biggest priorities facing the City of Wilsonville over the next five years include:

- Balancing growth with aesthetics and quality of life, keeping a small-town feel;
- Effectively managing the flow of traffic (vehicle) with all the new construction coming; and
- Bringing businesses to Wilsonville to fill vacant retail, office and industrial buildings before building more! Be business friendly; bring in jobs that pay a “Wilsonville wage.”

Although Wilsonville has a successful history in recruiting and retaining businesses, recent events have demonstrated the obvious need for a strategy to guide future actions and that strategy needs to have been widely vetted in the community and supported by the public. The proposed Economic Development Strategy accomplishes those things and it sets the stage for further actions by the City.

Resolution No. 2376 adopts the proposed Economic Development Strategy and sets into motion the appointment of one or more citizen task forces to examine the characteristics of businesses that will be of greatest community benefit (“Targeted Retention and Recruitment”); and to determine what sorts of incentives, and under what circumstances, the community would be willing to provide to support and encourage the retention, expansion or recruitment of such businesses through incentives (“Inducement Incentives”).

In the longer-term, implementation of the Economic Development Strategy will provide staff with direction in terms of negotiations with businesses considering locating or expanding in Wilsonville. Beyond that, the strategy will help to set the direction for future City growth into areas slated for urbanization and development as industrial or “employment lands.” Members of the business community who are observing this process can be expected to see this action as an indication of the City’s business-friendly attitude.

Beyond that, it is predictable that the implementation of the Economic Development Strategy, and possible changes to the policies of the Economic Opportunity Analysis, will lead to changes in the City’s Comprehensive Plan and Development Code. Some of those things will take longer to implement, but the stage is now set for the Planning Commission to work with the Planning

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staff in preparing a work plan to address those things.

Staff anticipates the task force(s) would be convened in September, issues reviewed by the task force(s) in October and November, and a recommendation made to City Council in December.

The obvious budgetary impacts will be in terms of staff commitments to implement the Strategy, as it is predictable that some amount of staff time will be consumed in this implementation effort. When the work plans have been completed by the City Manager and Planning Director, a more complete understanding of the budgetary impacts will be possible.

The preparation of the Economic Development Strategy has involved a significant public outreach and involvement effort. This started with the appointment of an Economic Development Advisory Committee (and alternates) with a diverse background. The Committee met five times over the course of six months and all of those meetings were open to the public. In fact, members of the public who attended those meetings were regularly invited to contribute their thoughts.

The central opportunity for public participation was the Economic Development Summit, held in May. Over 60 people attended and many more have watched the video of the Summit on Local Access or the internet.

More than 40 people took part in focus group discussions about Economic Development in Wilsonville, and many diverse opinions were expressed.

Numerous people have contributed comments via email and through the electronic survey conducted following the Summit. Literally hundreds of local residents responded to the community survey noted above, and those responses have helped to shape the Economic Development Strategy.

Given the focus on maintaining Wilsonville's quality of life throughout this economic development effort, there is no reason to assume that the implementation of the Economic Development Strategy will have any adverse effects on the community. Probable outcomes include increased local employment opportunities and a greater share of property taxes being borne by the owners of commercial and industrial lands which undergo increased private investment. Those changes will tend to benefit the community overall.

In drafting the Economic Development Strategy, the City's Economic Development Advisory Committee considered more than 40 possible "actions" or implementation measures. They successfully narrowed the list to a total of twelve actions in six categories.

In terms of alternatives to the implementation of the proposed Economic Development Strategy, there are numerous choices, including rejecting the entire effort and having the City continue without a strategy to deal with economic development. The "no action" alternative should always be considered. However, considering the amount of community interest in this subject, it does not appear to be realistic for the City to take no action on the proposed Strategy.

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The role of the Planning Commission was clarified. The Commission would be involved throughout the process of developing the strategy, and address concerns expressed about City processes, the Zoning and Sign codes and the Comprehensive Plan. Staff would prepare a work plan for Council to review as well as a funding plan for the action items.

Councilor Starr was eager to be moving forward. He felt the Economic Development Strategy would provide dependability and reliability for companies making decisions on relocating or locating in Wilsonville. The plan would be tailored to fit Wilsonville and provide Council the tools to make the best decisions for the Community.

Motion: Councilor Goddard moved to approve Resolution No. 2376 as presented.
Councilor Starr seconded the motion.

Councilors thanked those who participated in the process, EconNorthwest, and the Chamber of Commerce. They thought it was important to focus on retention of local businesses and to help them flourish, and continue to find ways to streamline the Wilsonville Development Code. At the core of the recent city-wide survey was the satisfaction with the high quality of life in Wilsonville. Any implementation of policies or actions included in the Economic Development plan should be made thoughtfully and deliberately to retain the quality of life enjoyed by residents. Councilors felt this was a strong opening, but the work was just beginning to bring in new businesses. The challenge will be developing a long-term strategy to implement the plan in an organized manner.

Vote: Motion carried 4-0.

B. Resolution No 2377

A Resolution Of The City Of Wilsonville Approving Addendum No. 4 To The Development Agreement Of June 14, 2004 By And Between The City Of Wilsonville (City) And The Urban Renewal Agency Of The City Of Wilsonville (URA) And Matrix Development Corporation (Developer) And Property Owners Donald E. Bischof / Sharon L. Lund, Arthur C. / Dee W. Piculell, The Dearmond Family LLC / Louis J. / Margaret P. Fasano (Owners) And Valerie And Matthew Kirkendall (Kirkendall).

The title of Resolution No. 2377 was read by Mr. Kohlhoff. This resolution is an addendum agreement with Polygon Northwest and sets forth the development process for roads, sewer water and parks, the SDCs to be collected, credits, and funding for the development.

Addendum No. 4 amends the Matrix Development Agreement (for portions of Villebois Village) which was originally between Matrix Development Corporation, several property owners, and both the City of Wilsonville (City) and the City of Wilsonville Urban Renewal Agency (URA).

Addendum No. 4 documents the responsibilities to be assumed by a new party (Polygon Northwest Company, LLC) when they acquire property that is subject to the existing development agreement. It also clarifies pertinent City and URA obligations.

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In 2004, the City and the URA entered into the Matrix Development Agreement with Matrix Development Corporation and several property owners. The agreement addresses the subject parties' obligations regarding the development of portions of the Villebois Village Master Plan.

That agreement was since amended by Addenda Nos. 1, 2, and 3 as approved by the City Council and Urban Renewal Agency. These addenda were needed to address refinements to financial, construction, and maintenance roles and responsibilities for infrastructure and parks. The addenda also added new parties to the agreement.

Addendum No. 4 has been prepared to address the responsibilities of Polygon Northwest, LLC (Polygon) in anticipation of their potential purchase of a property (the Bischof/Lund property) that is subject to the Matrix Development Agreement. Addendum No. 4 applies to the City, the URA, and Polygon and clarifies their respective obligations if Polygon acquires the property and receives approvals for the portion of the Villebois Village Master Plan referred to as SAP East, PDP-3 ("PDP-3E"). This area is contemplated to include approximately 184 lots. Addendum 4 addresses the parties' obligations for financing, reimbursement, and construction for parks, roads, sewer, and water improvements.

The Addendum No. 4 agreement prepares the parties for further development of the Villebois Village Master Plan and assures that Polygon, the City, and the URA have agreed and committed to their obligations when Polygon purchases the Bischof/Lund property.

The Addendum No. 4 agreement could result in further development in this area of the Villebois Village Master Plan within the next 2 to 5 years.

The Agreement was negotiated by the City Engineer and the City Attorney. Due to the Matrix bankruptcy and the inclusion of the Lowrie Primary School, the Matrix Development Agreement was amended and the City agreed to take on the primary role of designing and constructing Regional Park 7 and 8 with no timeline for development. Addendum 4 allows the City to have Polygon be assigned the task of design and constructing Regional Park 7 and much of Regional Park 8 with the intent that this occur at the beginning of Polygon's development. Additionally, the Addendum also anticipates two further agreements: one that would allow the extension of Villebois Drive west of 110th and one that would have Polygon purchasing the surcharge rock being used on the Boeckman extension repair project that would allow a major recoupment of costs for the City.

Public outreach specific to the Addendum No. 4 agreement was not undertaken. However, the outcomes of the documented obligations are consistent with the adopted Villebois Village Master Plan.

The Addendum No. 4 agreement allows for continuation of public and private partnering for the financing and construction of public improvements in Villebois that are consistent with the adopted master plan and will benefit existing and future Villebois residents as well as the Wilsonville community (residents, visitors, students, and the business community) who use the park, road, water, and sewer improvements in the area.

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Mr. Kohlhoff recommended Council approve the resolution subject to the Legal Department working with Polygon Northwest to adjust the master planning fee numbers.

Councilor Goddard asked staff to provide the total financial responsibility to the City embedded in the resolution and if the resolution change the City's responsibility to build the infrastructure. Staff would provide the information to the Councilor.

Motion: Councilor Starr moved to approve Resolution No. 2377 as read subject to the Legal Department working out the master planning fee. Council President Núñez seconded the motion.

Councilor Starr thought it was in the best interest of Wilsonville and Villebois to keep the construction momentum moving forward in Villebois, which the resolution accomplishes.

Mayor Knapp commented he has been involved with Villebois since his days on the DRB, and that the contracts were some of the most complex private-public partnerships in the state. Changes in the economic climate the past few years has brought changes to the principals; however, he had full confidence in the Legal and Planning departments and their abilities to negotiate adjustments in the agreements to continue to allow development to move forward. The Mayor pointed out if Polygon Northwest was not successful in purchasing the property, the agreement would be moot.

Vote: Motion carried 4-0.

C. Resolution No 2378

A Resolution Of The City Of Wilsonville Approving The Bid Process; Accepting The Lowest Responsible Bid; Awarding A Construction Contract To K&E Excavating, Inc. The Lowest Responsible Bidder; Verifying Fund Availability; For The Boeckman Road Bridge Repairs Phase 1 Project #4177.

Resolution No. 2378 was read by title only for the record.

Steve Adams, Interim City Engineer presented the staff report. In June of 2012 City Council approved the funding of the Capital Improvement Project known as Boeckman Road Bridge Repairs project. This Project is funded through a settlement of claims with HDR Engineering. The project is the first phase to repair portions of the Boeckman Road extension and bridge abutments that failed due to sinking of the roadway. This first phase project involves the engineered placement of surcharge materials on portions of the road to achieve greater primary compression of the underlying peat soils of the wetland area under the roadway. The compression being achieved by the surcharging will be monitored by Hart Crowser and approval by the geotechnical engineer given prior to allowing reconstruction of the roadway (this is Phase 2 work to be bid and awarded in 2013). Construction is scheduled to begin on August 21, 2012, and surcharge loading to be completed during winter 2013. Reconstruction of Boeckman Road to be bid and awarded in 2013.

Reconstruction efforts for Boeckman Road have been previously discussed at various Council

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sessions, posted on the City of Wilsonville website and presented as news articles in both The Oregonian and the Wilsonville Spokesman.

Project # 4177 will repair Boeckman Road across the Coffee Lake Wetlands, this is a critical east-west arterial connecting route for Wilsonville. This project is considered a high priority. The closure of the road will present a hardship and inconvenience on the community.

Other alternatives were not debated. City staff chose to reconstruct the roadway at close to the original design elevation due to permitting issues (any change in design would have triggered new permitting to be acquired from Army Corps of Engineers and Oregon Department of State Lands), the design had already been drawn and approved and only needed to be modified slightly. Any changes in design would have been more costly and time consuming than repairing the road per the original design.

Mr. Kohlhoff added Polygon has agreed to buy back the rock used for surcharging allowing the City to recover approximately \$180,000.

Councilor Goddard asked if there is adequate compression sooner will the reconstruction schedule be moved up. Mr. Adams stated the reconstruction plans will be finished this fall, compression will be completed in the next 5-8 months, but actual reconstruction will depend on the weather next spring.

Motion: Councilor Goddard moved to approve Resolution No. 2378. Councilor Starr seconded the motion.

Vote: Motion carried 4-0.

PUBLIC HEARING

A. **Ordinance No. 707** – first reading

An Ordinance Of The City Of Wilsonville Adopting An Updated Water System Master Plan As A Sub-Element Of The City's Comprehensive Plan; Adopting A Capital Improvement Project List For Water Supply, Storage And Distribution; And Replacing All Prior Water System Master Plans.

Mr. Kohlhoff read the title of Ordinance No. 707 into the record on first reading.

Mayor Knapp opened the public hearing at 8:35 p.m. and stated the hearing criteria.

Eric Mende prepared the staff report. *(included here for background)*

The proposed Water System Master Plan document would replace the existing 2002 Water System Master Plan, which was developed prior to completion of the Willamette River Water Treatment Plant. This revised Master Plan provides a 20 year planning document including estimated costs and timing for maintenance, upgrades, and growth related capital improvements to the City of Wilsonville Water Distribution System, which currently comprises approximately

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107 miles of pipes, 4 storage reservoirs (tanks), 2 pump stations, 8 wells, over 1000 fire hydrants, over 5000 water meters, plus various other components.

Overall, the City water system is in very good shape. Most of the distribution system is less than 30 years old, there is adequate storage for emergencies, adequate water rights for the long term, and the water treatment plant is state-of-the art. Future demand estimates are based on historic growth rates, current delivery agreements with the City of Sherwood, and with additional contingencies included for potential large industrial users. The Master Plan identifies and prioritizes improvements to address current and future system deficiencies – most of which are “calculated” deficiencies (such as “emergency storage” requirements) based on conservative planning criteria. Tables are provided listing estimated costs for various program elements including Operations and Maintenance, Major Repairs, and growth related Capital Improvements.

Two key recommendations are included in the Plan to address long term deficiencies. The first recommendation is to refurbish the City’s existing groundwater wells and maintain them as a backup emergency supply source. These wells may never be used, however, a reliable output from the well system directly offsets the need for additional storage reservoirs to meet required emergency and fire flow needs. Assuming the City must do either the wells or additional storage, the money spent on refurbishment of the wells is significantly less than the cost of the corresponding storage tanks, and is the most economical choice to protect against future emergencies.

Secondly, a seismic analysis of the 0.75 million gallon Charbonneau Storage Reservoir indicates this reservoir becomes unusable after a large (magnitude 6 to 7) earthquake. Assuming the existing pipeline across the Boone Bridge is also damaged, the Charbonneau District would have less than 300 gallon per minute (gpm) fire flow capacity, where 1500 gpm is needed. To address this deficiency, either a new seismically designed storage tank is required, or a secondary seismically stable pipeline is needed, bored under the river from the main part of the City. The pipeline alternative has a better benefit / cost ratio than a new tank, as well as a lower risk of damage during an earthquake, and is therefore the recommended alternative.

The Master Plan is consistent with the Goals, Policies, and Implementation Measures of the current Comprehensive Plan, and recommends only a few minor changes. Specifically, the Plan recommends three new policies (3.1.6, 3.1.7, 3.1.8) which in essence codify activities such as demand profiling, conservation programs, and coordination of construction efforts, which are already being done. A revised Implementation Measure (3.1.5.b) adds impacts on existing fire flows as a criteria to be considered by the Development Review Board in determining Conditions of Approval for new developments.

The Water System Master Plan (and Appendices) is designed to be a key reference document for city staff, businesses, developers, citizens, and City Council. The Master Plan provides detailed information on the current status of the City’s water system and provides planning guidance concerning the resources and infrastructure needed to ensure the City water system remains viable for the long term. The Master Plan will be the basis for prioritizing future Capital Improvements and will drive the future rate profile.

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Work on the Master Plan update began in December 2010. Document development began with confirmation of population estimates, current water demand, system planning criteria, hydraulic model calibration, and a system inventory and evaluation. Actual water meter data was confirmed, well pump tests were performed, as was a special seismic evaluation of the Charbonneau storage reservoir. Multiple technical reviews were performed internally by Public Works, Planning, and Engineering staff. External reviews were solicited from Veolia Water (the City's Operating contractor at the Water Treatment Plant), Tualatin Valley Water District (TVWD), Tualatin Valley Fire and Rescue (TVF&R), and the City of Sherwood.

The Planning Commission Public Hearing was held on July 11, 2012, resulting in a recommendation for approval. This will be the final Public Hearing for the Water System Master Plan. After adoption by City Council, this Master Plan becomes a subset of the City Comprehensive Plan.

Necessary follow-on work associated with this Master Plan include a Rate Study, and completion of an Update of the Water Treatment Plant Master Plan, both of which are intended to be completed within the next 18 months.

To solicit public input, a public open house was conducted on May 9, 2012, and a Measure 56 notice was sent to approximately 4500 households in June. In addition, individual letters were sent to the City's 30 largest water users, articles were published in the *Boones Ferry Messenger*, and the various drafts of the document have been posted on the City website since early May. Work Sessions were held with Planning Commission on March 14, 2012 and May 9, 2012. City Council Work Sessions were held on March 19, 2012 and July 16, 2012. Work sessions are publicly noticed and open to the public.

Very little feedback was received from the general public throughout the process. Approximately 8 calls were fielded as a result of the Measure 56 Notice. Two individuals provided written comments prior to the Planning Commission Hearing, and two individuals provided verbal testimony at the Hearing.

Planning Commission provided thoughtful input into the Plan including creation of glossary, expansion and re-formatting of the Executive Summary and inclusion of a more detailed benefit/cost analysis for the recommended Charbonneau pipeline that greatly enhanced the readability of this highly technical document. The key issues addressed in public testimony included questioning: a) why the document did not address rates and funding mechanisms for the CIP, and b) the justification for a secondary pipeline to serve the Charbonneau District. Based on the Planning Commission's determination, the above issues raised by the public testimony were not incorporated in the recommendation of the Planning Commission, and therefore the Plan remains as presented in regards to these two issues. The other changes resulting from verbal testimony and Planning Commission input are incorporated into the current document. The Council should expect additional verbal and/or written testimony on these issues at this hearing.

A reliable, cost effective, and well planned water system maintains property values and a high quality of life, promotes residential growth and new businesses, and protects the general health,

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welfare, and safety of the public.

No alternatives were considered to the basic decision to perform a revision of the 2002 Master Plan. The Scope of the Master Plan did, however, specifically exclude a consideration of future water rates and System Development Charges (SDC's), and consideration of long term improvements for the Water Treatment Plant. The alternative to include Rate Study considerations within the Master Plan was not chosen because important information concerning long range Water Treatment Plant improvements, having significant impacts on rates and SDCs, will not be available until the a Treatment Plant specific Master Plan update is prepared. These activities are planned for the near future, as discussed above.

Mr. Mende introduced James Bledsoe and Peter Olson of Keller Associates, consultants for the project. The proposed document replaces the 2002 Water System Master Plan which was developed prior to the completion of the Water Treatment Plant. The proposed Master Plan provides a twenty year planning look for the City's distribution system and includes estimated costs and timing for maintenance and upgrades and growth related capital improvements. Once adopted the Master Plan will become part of the City's Comprehensive Plan. Comprehensive Plan Goal 3.1 identifies what needs to be accomplished in the Master Plan and that is to assure good quality public facilities, adequate capacity for the long term. Not included in this Master Plan is the Water Treatment Plant update, or the rate study.

James Bledsoe talked about the technical aspects of the plan and recommend keeping the City's wells in operation as a backup to the City's water treatment plant. The City's water system infrastructure is relatively new because of new development and because of investment in the treatment facilities. A list of improvements was identified after a review of the entire water distribution system, however, they are for the most part small improvements, or localized areas of fire flow efficiencies.

An assessment of the City's storage needs now and for the future were made using the City's wells and not using the City's wells. The wells can be used in an emergency should the Water Treatment Plant be taken off line or the water supply become limited in the system. Use of the wells would also reduce the amount of storage necessary from 9mg to 2mg. The recommendation was to continue to maintain the wells as a backup system. The west side storage tank would provide storage needs for the planning period.

The Charbonneau District was evaluated since the area was older and codes have changed since original construction. A seismic assessment of the storage tank in Charbonneau was completed and it was determined the tank did not meet current seismic codes. Should there be a large earthquake event the tank would fail due to liquefaction taking it off line. Options to provide emergency water storage and fire protection during a major emergency event were looked at and options developed: replace and rehabilitate the existing tank, or construct a water line that would cross the Willamette River for a secondary supply source to the Charbonneau District.

A list of Priority-1 CIP improvements for the first ten years as well as additional improvements for the 20-year period were included in the Master Plan. The Priority-1 items had been previously identified in the 2002 Water Master Plan and were carried forward.

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A modification to Comprehensive Plan Measure 3.1.5.b would provide clarification to the Comprehensive Plan by including additional policies that focused on water conservation, demand profiling, and formalizing a policy of coordinating improvements with other utility and roadway improvements.

Mr. Mended added the Planning Commission had an extensive discussion about the Water System Master Plan and recommended approval with modifications to the revised text for Implementation Measure 3.1.5.b. The current implementation measure is geared towards evaluating fire flow on a developing property. It does not evaluate what the impact is on the fire flow for the existing properties that surround the developing property. This is the major change in the focus of the implementation measure. The other recommended measures are tasks the City is already doing currently.

For the Charbonneau pipeline versus the tank rehab issue, the Planning Commission wanted to see a benefit/cost analysis which was included in the document as Table 3.4. Capital projects that were carried forward from the 2002 Master Plan were identified to give a better idea to the reader that there are projects that were previously identified and carried forward, and it is not all 'new' money, which is shown in the Executive Summary and Table 5.2. Minor clarifications were addressed and additional definitions included; however the Planning Commission did not recommend any changes to the bulk of the Executive Summary or the demand methodology. The Commission accepted the capital plan, O&M recommendations and exclusion of the rate study based on the fact that the rate study for this document depended on the long term upgrades to the Water Treatment Plant, which were not part of the document.

Councilor Starr did not want the most 'state of the art' system that could be bought; he wanted the best return on investment and the best value that does the needed job.

Mr. Mende explained the Priority-1A projects including the west side reservoir tank and the 48-inch transmission line previously identified, were a very good value.

Council President Núñez agreed with the comments of Councilor Starr, and desired to get the job done for the best value.

Mr. Mende continued there is no project ranking in the Priority-1A project list, the projects were identified in the last master plan to be addressed in the first five years and are part of the SDCs the City has been collecting and included in the financial plan. The 48-inch transmission line is a partnership with the City of Sherwood. The majority of the \$10.5 million is growth related and paid for through SDCs or in partnership.

Councilor Goddard referred to the 2002 Master Plan Policy 3.1 which stated, "insure adequate distribution facilities are available with adequate **but not excessive** capacity to meet community needs." however the phrase "but not excessive" was removed from the current document. The Councilor wanted include this phrase back into the Policy 3.1.5, so there is confidence that capacity is available to meet today's needs and for forecasted future needs, but that the City is not spending money that is not necessary to spend.

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Mr. Mende stated amending the policies was at Council's discretion. Staff did not feel the recommendations in the Master Plan were excessive.

Councilor Goddard expressed reservation the Council was being asked to approve a Master Plan without a rate study and he preferred to see information on the rate impacts to the community, including the Water Treatment Plant upgrade and the CIP projects. If the Council chooses to move forward with an approval Councilor Goddard wanted to be on the record in stating his desire to revisit the capital improvement plan once Council understood the rate impacts. The Councilor wanted the community to have the ability to comment and if they felt the Plan was too expensive for Councilors to revisit the CIP.

Nancy Kraushaar, explained staff would be coming back to Council with a rate study. The other reason why it is important to adopt the CIP is so staff can review SDCs for water. It is fairly standard operating procedures to establish the needs to the Capital Improvement Plan and then conduct the rate study. At that time there are policy decisions to be made by the City Council and decisions as to timing. Certainly there is great consideration for what our customers can handle in terms of rates, so at that time staff will come back and have a thorough discussion about rates and where the City Council wants to be.

Mayor Knapp invited public testimony.

Stanley Wallulis, 7725 SW Village Greens Circle, submitted his comments and concerns in writing. Mr. Wallulis stated his objections were centered on expensive items in the CIP. Mr. Wallulis' comments are included in the record.

Mayor Knapp asked for additional public comments, seeing none he closed the hearing he closed the public hearing at 9:12 p.m.

Mr. Kohlhoff suggested keeping the record open to let staff respond to the concerns raised by Mr. Wallulis in his written testimony, and allow time for Mr. Wallulis to receive and respond to Staff's report. Council could pass the Ordinance on first reading subject to receipt of the information.

Motion: Councilor Goddard moved to approve Ordinance No. 707 with the following amendment, that on policy 3.1 we add the language "but not excessive capacity" and that we also condition this approval on the receipt of additional written responses from staff by Thursday August 23, 2012 to the written testimony submitted by Mr. Wallulis and any follow up response from Mr. Wallulis by Thursday, August 30, 2012. Councilor Starr seconded the motion.

Mayor Knapp asked if policy 3.1.5 impacted Dolan proportionality with this scenario: if an application comes forward and the applicant does not have adequate fire flow, they must pay for an offsite looped connection system. Isn't the looped connection going to service many other users, not just the one user?

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Mr. Kohlhoff stated if adequate service cannot be provided to a property no development permit would be issued. In the described scenario the applicant would be responsible for installing the looped system; however, they may receive SDC credit for that system, which is similar to what is done with roads and sewers. The Dolan issue is who is going to pay, if there is a looping system one of the ways to make that propionate is you get a credit for the SDCs.

Mayor Knapp had difficulty with the phrase “but not excessive” which seemed to be a conflict with the idea about having systems built to allow the capacity for business and residential growth for the future, and he did not find the language a helpful addition to the Plan.

Mr. Cosgrove clarified the Plan was a 20 year plan which contemplated future growth for commercial, industrial and residential to the urban growth boundary.

Mr. Kohlhoff suggested Councilor Goddard clarify his intent with the inclusion of the language in conformance with what the City Manager said.

Councilor Goddard said his intent with the inclusion of the language was to address exactly what the City Manager stated, that adequate includes reasonable forecasts of projected demand from industrial, commercial and residential needs into the time line envisioned in the Master Plan.

Mr. Kohlhoff understood Councilor Goddard’s position to be basically trying to get some guideline language to make sure that as staff went forward in their planning they covered the adequate needs under the 20 years, but not carried away. It was simply an expression to give some basis to the desire to keep everything in line and reasonable expectations for rate payers.

Mr. Cosgrove added that we are not overbuilding systems based on the growth projections.

Councilor Starr called the question.

Vote: Motion carried 4-0.

B. Resolution 2350

A Resolution Of The City Of Wilsonville Authorizing Establishment Of A Reimbursement District To Refund To The City Of Wilsonville The Pro Rata Costs For The Segment 1 Extension Of The Coffee Lake Drive Sewer Line Infrastructure Improvements That Will Serve Properties Within The Reimbursement District

Mr. Kohlhoff read Resolution No. 2350 into the record by title only. He requested the Resolution be continued to allow staff time to meet with the representative of Wachovia.

Mayor Knapp opened the public hearing at 9:31 p.m. and read the hearing criteria.

Mr. Adams provided the staff report.

Construction of the sewer line was required to provide service to the Lowrie Primary School. With the slowdown in residential development, the City stepped up and undertook design and

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construction of this 1800 foot section of sewer main to assist the School district. See attached Summary of Development Agreement and History for Villebois SAP-E and Reimbursement District.

In meetings with the West Linn – Wilsonville School District it was pointed out that their school bond did not include sufficient funds to construct the off-site sanitary line required to provide service to the school. The City and the School District entered into an Intergovernmental Agreement that specified this sewer line was the responsibility of the City to design and construct; in that agreement the School District has agreed to reimburse the City for about 24 percent of the costs of the sewer line.

The establishment of this Reimbursement District will allow the City to recoup the remaining 76 percent of the costs for installation of the sewer line provided upstream development occurs within the next 10 years; an estimated reimbursement of up to \$597,143 to the City's Sanitary Sewer SDC Fund. Reimbursements will share the same restriction as other sewer SDCs. A Reimbursement District has a sunset period of 10 years, but can be renewed for good cause.

Notices have been sent to all affected property owners. The notice advises the assessment will only become due in the event their property is developed. The charges for the Reimbursement District do not become a lien. Application was made within three months of the final construction date of January 17, 2012.

Owners of affected tax lots have been notified of the City's desire to establish this sanitary sewer reimbursement district. Cost of the construction has been distributed in a Pro Rata fashion to all properties that will be serviced by the sewer system.

Benefits include the installation of 1800 feet of sewer main that will eventually provide service to Villebois SAP East, and portions of Villebois SAP Central and SAP North, and area UPA 3 lying north of Tooze Road allowing residential development of these areas to proceed.

The previously approved school site was located in Villebois SAP North and received prior Council approval to be relocated to the current Villebois SAP East location to save several million dollars in infrastructure costs.

The methodology to use the acreage to allocate the costs rather than lots or future density of the acreage was explained by Mr. Adams. He confirmed the benefiting property owners would bear the costs, however no payments would be due until the property develops.

Mayor called for public testimony.

Jay Nims, 11700 SW Tooze Road, asked who he should speak with on staff if they had questions. Mr. Adams provided his business cards.

Jim Lange, 13445 SW 110th Ave, Tigard, represented Wells Fargo and supported the continuation of the resolution and adoption of the resolution once adjustments were made to the

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reimbursements. He noted a meeting had been scheduled for August 29, 2012 to discuss the reimbursement adjustments.

Motion: Councilor Núñez moved to continue Resolution No. 2350 to September 17, 2012. Councilor Goddard seconded the motion.

Vote: Motion carried 4-0.

CITY MANAGER'S BUSINESS

Mr. Cosgrove provided a summary of the Councilor's actions at the meeting. He thanked Jen Massa-Smith for the planning, organizing and success of the first Wilsonville Sunday Streets event.

LEGAL BUSINESS – There was no report.

ADJOURN

Motion: Councilor Goddard moved to adjourn. Councilor Starr seconded the motion.

Vote: Motion carried 4-0.

The Council meeting adjourned at 9:44 p.m.

Respectfully submitted,

Sandra C. King, MMC, City Recorder

ATTEST:

TIM KNAPP, MAYOR