
PUBLIC WORKS COMMITTEE MEETING MINUTES

Tuesday, January 14, 2020, 3:00 p.m. MT

**** Public Works Headquarters ****

Meeting called to order at 3:05 p.m. by Bernie Babcock, Public Works Committee Chairman.

Committee members present included Mr. Bernie Babcock, Mr. Scott Wilson, Mr. Pat Woodcock, and Mr. Jackson Fox (Tuttle -excused).

Others present included Cliff Leeper, Betsy Roberts and Suzanne Mulvany.

The press was notified. This meeting was recorded (the tape is available at the Public Works Headquarters); the minutes are on file at City Hall and on the city's website at <https://www.ontariooregon.org/public-works-committee.html>.

ADOPTION OF MINUTES – DECEMBER 10, 2019

RESOLUTION, ACTION &/OR MOTION:

The motion was made by Mr. Fox, seconded by Mr. Wilson to adopt the minutes of the previous meeting, December 10, 2019: Motion passed unanimously.

SRCI

BR – Simple update, we are coming close to the end of the Agreement extension and should have this back to the Council potentially on the 21st.

- Have not made many changes; putting things back together for the City Attorney
- WasteWater side:
 - Pay same in-City flat rate.
 - Pay the regular consumption rate (the out of City was a non-starter).
 - Pay the BOD and the TSS Surcharge, which is just about what SRCI pays currently.
 - Paying a SRCI specific infrastructure fee for Capital Repairs, at about \$1,000 a month.
 - Plus, the siphon project sits outside all of this rate and is a contract opener.
 - Once we have siphon design and a good estimate, or possibly the bid, the contract will be reopened and SRCI will pay that amount.

BB – How does the timing of that process work? Is concerning if there was an issue or problem. Because sometimes it takes the State two budget cycles to approve money.

BR – On the siphon we've recognized that, stated that we need to get in front, and can deal with a two-year window but not much more than that. I believe they understand that.

- We do have emergency clauses in there that state:
 - If the repair is not something that we have already put into the specific infrastructure fee, and it needs to be done immediately we will do it immediately.
 - Notify them as soon as possible and
 - No arguing over the fee, if its over \$5k then will be asking for money.

BB – On the design piece I'm assuming the City remains in control? BR – Yes.

BB – Is there still talk of bypassing the lift station? BR – Yes.

BR – We would still maintain the lift station even if we bypass it; Lift station has had the electrical and SCADA updated. We would construct the siphon and the lift station would be used as a backup.

SW – When you talk about an infrastructure fee - they pay to build a siphon, and continue to pay that fee, that fee would be used for repairs and maintenance on the siphon also, correct?

BR – Yes. We have all of that built in (and the siphon won't take too much). Inside the monthly infrastructure fee we have:

- Maintenance of the pumps at the lift station
- Electrical at the lift station, assuming we are maintaining that.

- A 20% contingency on top
- All are subject to the same percent increase that everyone in the City gets. The resolution now is that if they (City Council) don't say "no" to the cost increase, there is an annual cost increase so that we don't ever get behind on sewer and water fees again. Therefore, let's say the COLA for the year is 2.1% and that is auto applied to everybody's rates in the city, it applies to all of these for SRCI: The flat rate, the consumption rate, BOD and TSS charges, and the infrastructure charge as well. We did not put inflation on infrastructure as we figured we would allow all to increase as the City's rates went up.

CL – So as the NPDES permit matures and we have different thresholds of treatment that we have to address, they will be sharing in those improvements to meet the NPDES requirements.

PW – What is in the contract to make them pay...???

BR – Just the fact that the language in the contract states that both parties agree...

BB – Big concern with this long term was the cost of the lift station and some of the other items that were a million dollars or more, and the City having to assume the burden, however it sounds like those have been addressed.

BR – Yes, it has a specific line item that indicates the siphon "...is not covered in this contract right now, but it will be"

BB – What is the timeline on when they are going to sign the agreement?

BR – Not exactly sure but thinking within a couple weeks. This is the last month of the extension and we want to get it in front of the Council on the 21st. Not sure it will be signed but need to know Council is happy with it; think the DOC is in the same place, as they are Okay with it and now it's up to the Council.

PW – We previously discussed these rates and talked about if they didn't want to apply the 1.5 times the rate because they were outside of the city that we should throw these additional numbers in to get us up there; that is what we asked to send to the City Council. So, what did the City Council say to that?

BR – Believe they were okay with all of those. We presented options with outside the city and a risk premium; the DOC came back and said no. Therefore, in the end they were okay with opening the contract if needed. "You're using it, you built it, you wanted it expanded, anything like that, you're paying for it."

BR – The Water side isn't much different as both the formulas are pretty much the same. They pay the flat rate, the consumption rate, the UCF fee, which is slightly reduced from everybody else's because it covers sewer as well as water. They pay 12% instead of 17% plus they pay their infrastructure monthly charge. Therefore, its about \$2,000 more on the sewer side and about the same on the water.

JF – How long do they want the contract? BR – 20 years.

BB - Sounds like things are moving forward and you have an agreement. It's very similar to where we started two years ago but better because of the Capital expenditures are moving forward, and they have agreed to cover all of those. The consensus is that there is an environmental risk, and we need to fix it sooner rather than later.

BR – They will be paying approximately \$75,400 on average a month. Similar to current; however, the contract has improved due to the built-in cost escalation of the capital development fees, etc.

BB – Do like the fact that the City has the ability to open up the contract, the fact they are willing to pay for any capital development in the future, they are paying what they should be paying, and the fact that the contract has a cost escalation built in to it.

PROJECT UPDATES

- **Beck Park Bridge** – In general, they liked the idea of replacing, if there was \$80k in insurance. But the upshot was that they wanted us to confirm what the insurance value would be that could be used. Adam has that info and will bring.
- **Beck Park Tennis Courts** – Just reminder that we'd not gotten any bids, therefore began negotiating with Beynon. They came back with only a cost for full replacement which was near \$400k for 4 courts. So, we went back to Cascade Fence – Bill Fittje gave quick estimate based on TVCC costs (about \$105k or so for repair). Bernie confirmed there were some good cost saving methods that we could use regarding the fence etc. He had good experience with Cascade Fence. We are working with them as Bill Fittje returns from PTO.

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- **SE 2nd St project** – Bid was opened that day and shared preliminary results – Warrington the low. Much better than previous situation where City was believed to be required to use a Change Order through the ODOT SE 2nd Street Project. ODOT worked diligently to ensure we could go back to our own bid. Good news. Well within our budget.
 - **Airport** – Warrington had been awarded this project in Dec. Council.
 - **TVCC Trail** – Bid opened prior to PW meeting like SE 2nd, Warrington the apparent low bid.
 - **Grants – CDBG and Biz Oregon** –shared that we are looking at going after a CDBG grant for up to \$2.5M for San sewer repair. The repair is a required part of the NPDES permit in an effort to reduce Inflow and Infiltration (I/I) from the system. With I/I, we also get additional arsenic in the sewer system. Our new permit has a very low-level threshold for arsenic.

ADJOURN

The motion was made by Mr. Wilson seconded by Mr. Woodcock to Adjourn: Motion passed unanimously.

APPROVED:

Signature

2-11-2020

Date

(Bernie Babcock, Chairman / Scott Wilson, Vice-Chairman)