

# AGENDA

## MILWAUKIE CITY COUNCIL SEPTEMBER 5, 2006

**MILWAUKIE CITY HALL**  
10722 SE Main Street

**1989<sup>th</sup> MEETING**

### REGULAR SESSION – 7:00 p.m.

- I. **CALL TO ORDER**  
Pledge of Allegiance
2. **PROCLAMATIONS, COMMENDATIONS, SPECIAL REPORTS, AND AWARDS**
  - A. **Proclamation – Annie Ross House 20<sup>th</sup> Anniversary**
  - B. **Proclamation – Constitution Week**
3. **CONSENT AGENDA** *(These items are considered to be routine, and therefore, will not be allotted Council discussion time on the agenda. The items may be passed by the Council in one blanket motion. Any Council member may remove an item from the “Consent” portion of the agenda for discussion or questions by requesting such action prior to consideration of that portion of the agenda.)*
  - A. **City Council Minutes**
    1. **July 6, 2006 Regular Session**
    2. **July 11, 2006 Work Session**
    3. **July 18, 2006 Work Session**
    4. **July 18, 2006 Regular Session**
    5. **August 1, 2006 Regular Session**
  - B. **Transfer of Appropriations from General Fund Contingency to General Fund Planning Department – Resolution**
  - C. **OLCC Application for Save-A-Lot, 6100 SE King Road (new outlet)**
4. **AUDIENCE PARTICIPATION** *(The Presiding Officer will call for statements from citizens regarding issues relating to the City. Pursuant to Section 2.04.140, Milwaukie Municipal Code, only issues that are “not on the agenda” may be raised. In addition, issues that await a Council decision and for which the record is closed may not be discussed. Persons wishing to address the Council shall first complete a comment card and return it to the City Recorder. Pursuant to Section 2.04.360, Milwaukie Municipal Code, “all remarks shall be directed to the whole Council, and the Presiding Officer may limit comments or refuse recognition if the remarks become irrelevant, repetitious, personal, impertinent, or slanderous.” The Presiding Officer may limit the time permitted for presentations and may request that a spokesperson be selected for a group of persons wishing to speak.)*

5. **PUBLIC HEARING** *(Public Comment will be allowed on items appearing on this portion of the agenda following a brief staff report presenting the item and action requested. The Mayor may limit testimony.)*

**None scheduled**

6. **OTHER BUSINESS** *(These items will be presented individually by staff or other appropriate individuals. A synopsis of each item together with a brief statement of the action being requested shall be made by those appearing on behalf of an agenda item.)*

- A. **Amend Milwaukie Municipal Code Title 13 Relating to Water Shut Off – Ordinance (Tim Salyers)**
- B. **Amend Intergovernmental Agreement with North Clackamas Parks and Recreation District Relating to Advisory Board Membership – Resolution (JoAnn Herrigel)**
- C. **Milwaukie Water Supply Study – Resolutions (Paul Shirey & George Macgregor)**
- D. **Council Reports**

7. **INFORMATION**

- A. **Park and Recreation Board Minutes, May 23, 2006**
- B. **Center/Community Advisory Board Minutes, July 14, 2006**

8. **ADJOURNMENT**

**Public Information**

- Executive Session: The Milwaukie City Council may meet in executive session immediately following adjournment pursuant to ORS 192.660(2). All discussions are confidential and those present may disclose nothing from the Session. Representatives of the news media are allowed to attend Executive Sessions as provided by ORS 192.660(3) but must not disclose any information discussed. No Executive Session may be held for the purpose of taking any final action or making any final decision. Executive Sessions are closed to the public.
- For assistance/service per the Americans with Disabilities Act (ADA), please dial TDD 503.786.7555
- The Council requests that all pagers and cell phones be either set on silent mode or turned off during the meeting.

***PROCLAMATION***

**WHEREAS**, September 20, 2006, marks the twentieth anniversary of the Annie Ross House in Milwaukie; and

**WHEREAS**, the Northwest Housing Alternatives created the Annie Ross House in September 1986 to provide shelter to 11 homeless families including dads, moms, and children of all ages who might otherwise be living on the street, in a car, or in a tent; and

**WHEREAS**, more than 1,200 families have benefited from the home-like setting with shelter and support services 24 hours a day, 7 days a week, 365 days a year;

**NOW, THEREFORE**, I, James Bernard, proclaim September 20, 2006 as

***Annie Ross House Day***

In the City of Milwaukie and encourage citizens to attend the 20<sup>th</sup> Anniversary Open House at the Abernethy Center in Oregon City to honor individual Luminaries who bring light, warmth, hope, and goodness to the family program.

**IN WITNESS WHEREOF**, I hereunto set my hand this 5<sup>th</sup> day of September 2006.

\_\_\_\_\_  
James Bernard, Mayor

ATTEST:

\_\_\_\_\_  
Pat DuVal, City Recorder

## ***PROCLAMATION***

**WHEREAS**, September 17, 2006, marks the two hundred nineteenth anniversary of the drafting of the Constitution of the United States of America by the Constitutional Convention; and

**WHEREAS**, it is fitting and proper to accord official recognition to this magnificent document and its memorable anniversary, and to the celebrations which will commemorate the occasion; and

**WHEREAS**, Public Law 915 guarantees the issuing of a proclamation each year by the President of the United States of America designating September 17 through 23 as Constitution Week,

**NOW, THEREFORE**, I, James Bernard, by virtue of the authority vested in me as Mayor of the City of Milwaukie in the State of Oregon do hereby proclaim September the week of September 17 through 23 as

### ***Constitution Week***

And ask our citizens to reaffirm the ideals the Framers of the Constitution had in 1787 by vigilantly protecting the freedoms guaranteed to us through this guardian of our liberties, remembering that lost rights may never be regained.

**IN WITNESS WHEREOF**, I hereunto set my hand this  
5<sup>th</sup> day of September 2006.

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James Bernard, Mayor

ATTEST:

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Pat DuVal, City Recorder

**CITY OF MILWAUKIE  
CITY COUNCIL MEETING  
JULY 6, 2006**

**CALL TO ORDER**

**Mayor Bernard** called the 1985<sup>th</sup> meeting of the Milwaukie City Council to order at 7:12 p.m. in the City Hall Council Chambers. The following Councilors were present:

Council President Deborah Barnes	Joe Loomis
Carlotta Collette	Susan Stone

Staff present:

Gary Firestone, City Attorney	Paul Shirey, Engineering Director
Stewart Taylor, Finance Director	Mike Clark, Operations Supervisor
Kenny Asher, Community Development/Public Works Director	Ernie Roeger, Fleet Supervisor

**PLEDGE OF ALLEGIANCE**

**Mayor Bernard** announced that City Manager Mike Swanson was excused.

**PROCLAMATIONS, COMMENDATION, SPECIAL REPORTS AND AWARDS**

**Councilor Barnes** announced that **Alan Brunk**, a long-time Milwaukie resident and volunteer, passed away on June 20, 2006 at the age of 93.

**Councilor Stone** announced that **Community Services Director JoAnn Herrigel** received an honorable mention from the Oregon Department of Parks and Recreation for the Annual Doug Newman Memorial Trails Award. She was nominated by the City for her work on trail projects including Minthorn Springs, Homewood Park, the Three-Bridges Working Group, and the Trolley Trail.

**Mayor Bernard** congratulated **Mike Richardson** of Dark Horse Comics who was one of seven people honored by Portland State University this year for an Outstanding Alumnus Award. Dark Horse was the lead story in *The Oregonian* Business section that described how Mr. Richardson's business decisions have kept this "a two-block kingdom in Milwaukie that might just be the coolest workplace in the universe" for 20-years. Dark Horse has had a significant presence in downtown Milwaukie since the late 1980's.

**CONSENT AGENDA**

**Mayor Bernard** announced item B -- 42<sup>nd</sup> Avenue Sidewalk and Storm Project Construction Award would be removed for discussion.

It was moved by Councilor Barnes and seconded by Councilor Stone to approve the Consent Agenda:

- A. City Council Minutes
  - 1. Work Session Minutes of May 16, 2006

- 2. Regular Session Minutes of May 16, 2006**
- B. Pulled for discussion -- 42<sup>nd</sup> Avenue Sidewalk and Storm Project Construction Award would be removed for discussion.**
  - C. Authorize the City Manager to Sign Purchase Orders for City Vehicles and Public Works Equipment**
  - D. Payment to Oak Street LLC for Oak Street Improvements**
  - E. Municipal Court Judge Contract Extension**

**Motion passed unanimously. [5:0]**

**AUDIENCE PARTICIPATION – None.**

**PUBLIC HEARING – None Scheduled**

## **OTHER BUSINESS**

### **A. Banking Services Agreement**

**Mr. Taylor** reported the City had received banking services from Key Bank for a number of years and based on the number of changes in the types of services in the industry, he felt it was appropriate for the City to request proposals for banking services. The City received four qualified proposals from Bank of America, Key Bank, US Bank, and Wells Fargo Bank. New services would include positive pay that was a system by which the City transmits information to the bank on each check it writes, and the bank matches the information. This was a good fraud prevention measure. The City was also interested in adding a lockbox service to receive and post utility payments initially and traffic fines and things of that nature in the future. Payments would be processed at the bank, and the information would be uploaded electronically each morning to the City's files. The City would also change from credit cards to purchase cards for improved control.

**Mr. Taylor** recommended Wells Fargo for three reasons. It was competitive, and in many cases was the low cost provider. The company presented well and addressed the issues. Wells Fargo contacted the City prior to the presentation and requested information related to volume and types of transactions, so they were more targeted in their presentation and better identified those services that would be most beneficial to the City. Typically banking services were paid through a monthly charge to the monthly account or through a minimum compensating balance left on deposit at the bank. In the latter case, the bank applies an earnings credit ratio comparable to an interest rate and applies that toward the service fees. The City has been invested in the local government investment pool that had a stable interest rate. The intent was to diversify the portfolio through a more diversified investment, and the City would break even on the banking services. The agreement was amended slightly from that provided in the packet relating to wage and hour provisions unique to Oregon to limit employee liability. The City Attorney had reviewed and approved those changes.

**Mayor Bernard** asked if all banks offered similar services.

**Mr. Taylor** said the services were comparable. He sent RFPs to banks that provided services for cities of Milwaukie's size, and it was widely advertised. He contacted smaller banks, but they chose not to submit proposals.

**It was moved by Mayor Bernard and seconded by Councilor Collette to approve the banking service agreement with Wells Fargo Bank. Motion passed unanimously. [5:0]**

**B. Texaco Advisory Committee Appointments**

**Mayor Bernard** announced several applicants who were not able to attend the first round of interviews would be interviewed on July 11.

**C. 42nd Avenue Sidewalk and Storm Project Construction Award**

**Mr. Shirey** reported this project was funded in part by a grant from ODOT, and staff was anxious to move it forward for a summer completion. Staff recommended that Council award a contract to D&D Construction in the amount of \$490,000. The bid was about \$83,000 higher than the engineer's estimate due basically to the cost of concrete. He identified three funding sources to fill the gap. Several small projects in the amount of \$31,000 could be deferred, but the \$30,000 from system development charges (SDC) and the \$22,500 from street fund contingency required specific authorization. He requested that Council authorize the contract in the amount of \$437,500, and he would come back in two weeks with the transfer of appropriations.

**It was moved by Mayor Bernard and seconded by Councilor Barnes to authorize the city manager to sign the contract with D&D Construction in the amount \$437,500. Motion passed unanimously. [5:0]**

**D. Texaco Site Advisory Committee**

**Mr. Asher** was impressed with the group of people who applied, and Milwaukie would be well served. He anticipated issuing the RFP in late August or early September with developer selection in October or early November. It was important for this Committee to have a chance to meet and visit similar buildings. This would be a landmark urban mixed-use building of about 4 – 6 stories. A kickoff meeting was tentatively scheduled for July 20. If the Council wanted greater Milwaukie representation he would bring that up to the project management group. If the Council wanted to do some kind of process that would delay the issuance of the RFP and selection process, then he would take that up with the project management group as well. He would report any implications to the Council. The Committee was advisory to the project management team that would be made up of Phil Whitmore, Meagan Steele, Kim Knox, and himself. This Committee would work with the project management team to come up with a recommendation for the Milwaukie Council and Metro Council.

**Mayor Bernard** said it was important to include the Farmers' Market so it can plan for the future. The Market is important to the community, and it needed to have a place to go. It had expanded by 30 vendors this year, and for the first time it was a financial success. He hoped to get the project started as soon as possible.

**Councilor Collette** understood all of the meetings would be public, and interested persons could attend.

**Mr. Asher** said that was a subtle question. The Committee was probably not subject to public meetings laws because it was not advising Council directly. It was advising the project management team, and staff had every interest in not just passing through a recommendation without commenting and analyzing and perhaps adorning it. By those standards he did not believe it was subject to public meeting law. If there were people interested in attending there could be discussions about making accommodations. It was not the intent that the meetings be advertised and held in a public space at a certain hour. Trying to make it work for the people on the Committee was difficult enough. He hoped there would be enough transparency. With this Committee the Council could feel comfortable knowing it had good representatives from the community who could represent more than just themselves.

**Mr. Firestone** said based on his understanding of the public meetings law Mr. Asher's comments were accurate. If the Committee advised the Council, then it was subject to

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**DRAFT MINUTES**

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the public meeting law. Since staff was not the governing body or an entity that had a quorum, then the Committee would not be subject to public meeting law.

**Mr. Asher** added Metro advertised all meetings including this type of committee, so this one would also likely be announced publicly.

**Councilor Collette** understood for efficiency the Committee needed to meet quickly, but as much as possible she would like it to be an open process principally to get the best information. She would be happy with the Metro announcement or Mike's Friday Memo on the City website. She did not care so much if people could speak, but she did not want closed-door meetings.

**Mr. Firestone** responded that the law says that people have to be allowed to observe but not necessarily to speak.

**Mr. Asher** understood staff would not be asked to solicit participation but that interested parties not on the Committee were welcome to attend. One of the key functions of the Committee would be to score the development proposals and talk with staff about what they did and did not like. That function would be reserved for the appointees, but anyone could sit in.

**Councilor Stone** asked about the size of the group. Was it a joint effort between Mr. Asher's staff and Metro in terms of choosing how many were on the Committee?

**Mr. Asher** thought he had more authorship because he represented the City. Metro had a transit oriented development (TOD) program and steering committee. The Metro model was to find projects, find developers, put some money into it, and run it through a standing committee made up of private and public professionals. It did not have the same accountability to a local citizenry, so it was probably more his drive than Metro's to say the processes needed to involve citizens. He thought it was important for both parties to have the same number of representatives. The group was meeting jointly on a bi-weekly basis, but if one were to ask who initiated the Committee proposal he would say he did given his role.

**Councilor Stone's** point in asking had to do with the number of people on the Committee. She felt she could speak for her fellow Council members in saying she would appoint everyone that interviewed. They were all very good and had something to offer. She would like to see a transparent process, so it did not look like Metro was overseeing Milwaukie. Maybe Milwaukie could have one or two additional members on the City side of the fence. She would like to see that happen because the applicants were a great group of people. Given that meetings might start in July, perhaps the Council should think about an alternate position or two.

**Mr. Asher** did not care – he just wanted to see the process move forward. It would require a group of citizens and the Council to be on the same page. There would be an action before the Council next week to appoint four people and to be aware that Metro would also appoint four people. If the Council would like to do something different, he would be happy to take that message to the project group, but he needed to be clear on what that was.

**Councilor Stone** noted there were so many people on the list with a lot of interest. Maybe Metro did not have as many interested people. She did not feel Milwaukie should limit itself if there was that much interest generated. She suggested a six-member Committee and an alternate.

**Councilor Loomis** thought the Council should have something for Mr. Asher to go with after July 11. He felt all of those people had valuable ideas, and it was important to find some way for them to contribute. He agreed with Councilor Collette's open meeting recommendation.

**Mayor Bernard** understood Metro intended to appoint one or two Milwaukie residents, so the Committee would be weighted toward Milwaukie. He suggested Mr. Asher ask about having Milwaukie's membership being five or six plus an alternate.

**Councilor Barnes** said this was an equal partnership and she would ask if the partners from Metro would be willing to accept six members from Milwaukie. If Metro did not have enough applicants then ask if would it be willing to consider Milwaukie representatives for vacant slots.

**Mr. Asher** knew that Metro was planning on appointing Milwaukie residents. One of the things he thought he could do to help in this project was to look well down field. Metro and Milwaukie were partners in the project. Metro's investment in the Olson property was significant and came with policy objectives that did not exactly match Milwaukie's although they were not wildly off from each other. The Metro Council's charge was different, and the obvious one was density. The Metro Council may be pressured and personally interested in seeing how much density it can get on that site because it was in accord with the 2040 Plan and urban growth boundary (UGB) issues. He thought it was important that there were people on this Committee who could speak to the integrity of the final product with which both Councils would be comfortable. The project may not be as dense as the Metro Council would like to see it. Likewise, if it was more dense than the City Council was comfortable with, then there were Milwaukie citizens who understood the City did not own all the land. That was why all the work was being done to get a good, talented Committee in place. A bad outcome would be getting down to selecting a developer and approving drawings and all of a sudden the project did not really have the buy in of both parties. He was being cautious and hopefully farsighted in saying that when the City Council started talking about having more people on the Committee who represented Milwaukie's interests Metro may have a reaction to that because it had its interests as well. He was willing to advocate for the City but wanted the Council to appreciate that point of view.

**Councilor Loomis** did not agree that everyone had a position against what Metro wanted. He wanted all the ideas on the table to reach a compromise. To say that Milwaukie's interests were totally different than Metro's was not true as far as some of the Committee members went. We are all part of Metro.

**Mr. Asher** replied he did not say they were totally different. Just at the staff level when looking at what the site can and will support and the Council met with those people as well. Why not go to eight stories if we can? There was one good reason and that was that it would not fit well in Milwaukie. Metro would say, how do you know? Maybe this was the first project of many. He did not want to paint the black hat on Metro either because he did not believe they were ideologues. He did not believe they were trying to cram density here. He thought they were looking for a workable solution. The interests were not perfectly aligned, and people had to have their eyes open about that. He was not trying to set up an "us v. them" situation but looking down the road when the hard decisions had to be made everyone should feel that the right people were at the table and the best compromise situation was reached. It may be really easy, but it paid to be a little paranoid. People may decide five stories fit great – lower on the Main Street side and taller on the McLoughlin Boulevard side. He would rather do the hard work up front and make sure everyone felt they had the people at the table they needed including Metro. He would find out if six Milwaukie members plus an alternate would be workable. If Metro had problems finding representatives, then Milwaukie could help.

**Mayor Bernard** said to look at the big picture the next block could be involved, and parking needed to be considered. He would like to talk with the appointees about what the Council envisioned, and he suggested that each Council member respond to the questions at the July 11 work session.

#### **D. Council Reports**

**Councilor Collette** announced the Ardenwald Summer Concert series with a special appearance by Reggie Houston on August 31.

**Councilor Stone** referred to the latest issue of the League of Oregon Cities calendar and asked why the Riverfest was not listed.

**Councilor Loomis** announced the July 21 – 23 Riverfest event, and he was seeking volunteers.

**Mayor Bernard** discussed the various events that included jet boat rides.

**Mayor Bernard** announced the Council would meet in executive session pursuant to ORS 192.660(2)(e), (h), and (i) to deliberate with persons designated by the governing body to negotiate real property transactions, performance evaluation of public officers, and consultation with legal counsel concerning legal rights and duties regarding current litigation or litigation likely to be filed.

#### **ADJOURNMENT**

**It was moved by Councilor Barnes and seconded by Councilor Collette to adjourn the meeting. Motion passed unanimously. [5:0]**

**Mayor Bernard** adjourned the regular session at 8:01 p.m.

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Pat DuVal, Recorder

## MINUTES

### MILWAUKIE CITY COUNCIL WORK SESSION JULY 11, 2006

**Mayor Bernard** called the work session to order at 6:06 p.m. in the City Hall Conference Room.

Council Present: Councilors Barnes, Collette, Loomis, and Stone.

Staff Present: City Manager Mike Swanson, Community Development/Public Works Director Kenny Asher, and Human Resources Director Mary Rowe.

#### **Texaco Site Redevelopment Committee**

The Council interviewed **Patty Wisner** and **Julie Wisner** for positions on the Committee.

**Mayor Bernard** noted that Metro had appointed **David Aschenbrenner** and **Gary Klein** as representatives. The Council members each gave their own responses to the advisory board questions.

#1 – If you were asked to recommend one development proposal out of a number of them, what would you be looking for in order to distinguish one from the others? Why do you believe those things to be the most important?

- **Councilor Barnes** said the proposal was important, but the number one issue was whether the person had what it would take to complete the project.
- **Mayor Bernard** agreed with Councilor Barnes that he would want someone who had the backing and experience to carry the project forward. He would want some initial understanding that the City was interested in a project that increased the tax base, fit with the community, and was somewhat unique. He thought he would look for something like Tom Kemper's design and did not want a theme downtown. He did not want to see a lot of metal or something futuristic that did not fit with the community.
- **Councilor Loomis** would want people to know they had left Portland and were entering Milwaukie. He would want a quality structure that would stand the test of time and would tie into the riverfront. He wanted the project to be distinct.
- **Councilor Stone** would also want someone who was experienced, had a good track record, and had integrity. She would want someone willing to dive into Milwaukie's history and try to incorporate that into the design. She did not want to see the City getting in too deep in terms of financial responsibility. She would want a developer who had a good record.
- **Councilor Collette** said assuming everyone's designs were consistent, she would want a reliable developer with a good track record and who would deliver. If the designs were not consistent, she would look for uniqueness and a pedestrian-friendly design where people could feel charmed. There would be landscaping and attention paid to both Main Street and the Riverfront Park.

#2 – If you could begin with a blank slate, how would you define your preferred overall theme or concept for the Milwaukie downtown and why?

- **Councilor Barnes** felt the demographics had changed over the past couple of years, and if she had a blank slate, she would make it family friendly like it was when she was a child growing up in Milwaukie. Something that would bring young families downtown and a streetscape that would be carried from McLoughlin Boulevard throughout the downtown area. She would like to see an overall family-friendly atmosphere with an ice cream store and great pieces of art on display. She felt it was important for young people to see art and understand that they too can be creative. The overall theme would be family-friendly with works of art and flowers; it would be a sustainable and walkable environment.
- **Mayor Bernard** said the Farmers' Market was started because there was no community-gathering place downtown. Now people have a place to meet their neighbors and talk. That was the overall theme he would want. A place that is accessible where people could meet and talk, pick up some groceries, have dinner, see a movie, and look at art elements. He would like to see more things like the Lee Kelly Fountain. He suggested getting the drinking fountain at Main and Monroe working again for people who jog through the downtown. He felt the family feel was very important.
- **Councilor Loomis** agreed. He did not want to build just for future residents or something that attracted new people. He wanted something that appealed to the people who already lived here, and not a special riverfront for new residents. He wanted a riverfront that was accessible to all the citizens who were here now. Build something that was functional for the citizens today and into the future and not focus on one group.
- **Councilor Stone** agreed with everything she heard. She felt everyone was on board with the village concept, so the area was user friendly and practical in terms of more than great art. It was about a grocery store, a bank, and bakery. She looked at the continent of Europe in terms of incorporating a village type of atmosphere with plazas. If there could be a really neat plaza then people could be inspired to get outside and walk and ride their bikes rather than having it all be focused on cars all the time. People could just do their shopping rather than getting in their cars to go across the river and do their shopping to find another small community with the elements you liked.
- **Councilor Collette** thought the Council members were all on similar tracks. She looked at the downtown and riverfront plan, and there was so much she embraced. She loved the plaza and the art center with perhaps a satellite campus. She liked the idea of open spaces with seating. She thought about old river towns like Nantucket. Some of the communities were on the water and embraced their waterfront and provided easy and comfortable access. It was important for people to feel it was their riverfront, and they could grab an ice cream cone and sit by the water and watch the boats go by.

#3 – If we all could begin with a blank slate, what is the worst possible overall theme or concept for the Milwaukie Downtown that you could imagine and why?

- **Councilor Barnes** said a state of disrepair would be the thing she would hate to see the most. Buying and leaving and not caring.
- **Mayor Bernard** agreed it needed to change. The downtown could not survive the way it was because it was not inviting. There were some new opportunities, but not many. There were a lot of blank windows, and the downtown design plan opened a lot of opportunities. Leaving the downtown the way it is would not work and would be a shame. He discussed making property owners responsible for the appearance of their storefronts.
- **Councilor Loomis** thought that had a lot to do with the types of businesses. If a business wanted foot traffic, then they would present it better. That went back to the rezoning of the downtown from retail to office. He disagreed about the atmosphere. He sees the downtown with its trees and wide streets attractive. He thought things were changing because of the value of the property. Most of the property owners leased out their buildings, and they were just waiting for their paydays. As the community grew property values increased, and people took more pride in their property. Development would happen as long as it was not restricted too much. The worst possible thing would be to build something that did not look good in five to ten years. He did not want cookie cutter development and hoped that Milwaukie would be a trendsetter and stay away from that. He shared concerns about taking pride in one's business. Hopefully with some development underway people would be more inspired to have greater civic pride.
- **Councilor Stone** agreed and shared concern about taking pride in one's business. Hopefully with some development underway people would be more inspired to have greater civic pride. In Europe the shopkeepers were constantly sweeping their sidewalks to make sure the streetscape was clean. The City needed to be diligent about making sure the concept or theme was in the downtown scale. She thought the demographics had changed, and Milwaukie would see an influx of economic recovery in the downtown. She wanted it to be user friendly.
- **Councilor Collette** was surprised that no one said the worst possible theme would be the new Pearl or South Waterfront. As much as she loved elements of both of those developments she often wondered how she had landed in Manhattan. It was very disorienting. Some of it was done nicely. It did build a nice sense of community with a lot of people walking the streets, but to her that would be the worst possible thing to do in Milwaukie. This City was unique and was a small town. She had no problem with concrete, steel, and wood on a five-story structure if it was done right. She thought it would be wrong to go vertical to get the most dollars per square foot of ground.

#4 – What is your favorite new or old downtown development and what makes it special?

- **Councilor Barnes** liked Bridgeport Mall because it was family-oriented with beautiful landscaping. There were aspects of Cannon Beach that she liked.
- **Mayor Bernard** said one of his biggest complaints he has heard was that the City gave up and rezoned to office. Now there were places like the Clackamas Town Center that were trying to look like a downtown. He felt

the City should keep that in mind. Downtown Milwaukie should be unique and provide both housing and business elements to be competitive.

- **Councilor Loomis** commented on downtown Lake Oswego with Hwy 43, which in some ways was worse than McLoughlin Boulevard. The City was able to accomplish some character, and now it has great curb appeal. The new grass that turned brown was disappointing.
- **Councilor Stone** also liked Lake Oswego and its Gramor development. The curb appeal in Lake Oswego was the huge planter beds filled with perennials, annuals, and trees. It was lovely and right in the middle of Hwy 43 and A Street. It made a person want to slow down and savor the beauty. Lake Oswego's waterfront was not as open as Milwaukie's so she saw a bonus, and the Gramor development was wonderful. There were shops and restaurants, and the parking hidden. She knew it was an expensive undertaking and that the City shared a sizable portion of the costs. It encouraged people to park their cars and walk. Another place that came to mind was old town Bend. It was very nice with the park near the water. In terms of Milwaukie probably her favorite old building was the Jr. High site with its park-like elements. It would be nice if it was more open and user friendly to the public. There was the water feature, and it would be nice for that to be open.
- **Councilor Collette** agreed the Lake Oswego development and plantings were stunning. She also liked the new development on N. Mississippi. In terms of an older development she found the Moreland district very appealing, and it had made the transition well and respected the old buildings. It was like living in a small town with the stores and shops within walking distance if the residential area.

#5 – Is there an area or city you can point to as having the “character” you would like to see in Milwaukie?

- **Councilor Barnes'** choice was Lake Oswego.
- **Mayor Bernard** agreed and commented it was expensive to maintain the landscaping, so Milwaukie would have to keep that in mind. Right now only a few downtown business owners were maintaining the bowties.
- **Councilor Loomis** believed the cost to maintain the plants and flowers in Lake Oswego was about \$200,000 annually. He liked the character of downtown Milwaukie. He like Waldorf but was sorry the City lost the Jr. High site for public access. He discussed the possibilities of linking with Scott Park and Dogwood Park. There were a lot of possibilities; it just needed to be spruced up.
- **Councilor Stone** loved Lake Oswego but also loved Milwaukie and felt its potential. She wanted to be able to walk and get people out of their cars by linking green spaces and having places for people to go. There was Kronberg Park on the south side that might eventually hook up with the Waldorf site. She wanted a downtown that worked for people – they come down here to get some groceries, mail a letter, go the bank, picnic, or hang out at the plaza. Milwaukie means meeting of the waters, so that should be incorporated. No one liked her idea several years ago for sinking McLoughlin Boulevard to open up the riverfront, so she thought she would try another one. The linking of green space and linking the City to that water. She like the idea of linking Island Station to the Kronberg – Kellogg Lake site to give them access into the downtown. She would like

to talk with the developer to find out if that was a possibility to have some kind of walkway. These ideas needed to be out there.

- **Councilor Collette** was not sure she liked Lake Oswego as a model for Milwaukie. She had not been to Port Townsend for a long time, but she recalled that it felt like a wonderful small town on the waterfront. The image that came most to her mind was Bayfield, Wisconsin where her father grew up. It was a small town with a park on the waterfront and a white bandstand. People gathered there and played music, and there was a dock and a little hotel, cafes, and a grocery store. One could cover the entire downtown on foot. She loved Milwaukie because it was very contained with parks on all of its fringes. She thought development should focus on walkability. Everyone was concerned about parking, but in the past every family did not have four or five vehicles as they do now. If you built a town for parking, then you get more and more cars. If you design a town for pedestrians, people will get out of their cars and enjoy walking.

The Council agreed it did not want Lake Oswego to be its model. The group discussed the applicants and appointments, and Mayor Bernard understood that Metro supported Milwaukie's adding one more person to its list of appointees.

**Mayor Bernard** nominated Mary King, Charmaine Coleman from Historic Milwaukie and a member of the Design and Landmarks Committee (DLC), Donald Hammang based on his Planning Commission experience, Alice Rouyer based on her experience as the City's Community Development Director and knowledge of the Downtown Plan, and Ray Bryan based on his unique ideas, listening skills, and being a resident of Historic Milwaukie.

**Councilor Loomis** was impressed with Patty Wisner's responses, and she seemed like she would not be run over by a developer. He liked Dion Shepard, Ray Bryan, and Alice Rouyer. He would like to pitch Mike Stacey, but they were relatives, so he would think about his fifth choice.

**Councilor Stone** said everyone was great. What struck her was the common thread of what people would like to see. She thought the Committee needed members from Historic Milwaukie. She was particularly impressed with Dion Shepard because she was thoughtful and a good listener plus she had banking experience. She would also consider Ray Bryan because he was easy to talk to and listened before he spoke. She agreed with Councilor Loomis on Patty Wisner because of her vast experience on the DLC. Ms. Wisner had good things to say, and she would not let anyone steamroll over her. She needed more time to think about her other two recommendations.

**Councilor Collette** liked Charmaine Coleman because she brought new energy and dynamics plus she had experience on the DLC. It would be foolish not to use Donald Hammang and Alice Rouyer because they both had remarkable skills. She agreed that Mary King would bring a good sense of history. Her fifth choice would be either Dion Shepard or Ray Bryan because both were bright and talented and would contribute a lot.

**Councilor Barnes** appreciated that so many people came forward. Mary King talked about the development's being environmentally friendly, aesthetic, and tasteful. One of her charms was her sense of humor, and that will likely be needed. Charmaine Coleman was part of the new demographics and was energetic and creative. She represented young families, and Councilor Barnes would like that element on the Committee. Donald Hammang would bring the experience, and he worked well with others to move things along. He had a

valuable understanding of the City which was needed. She supported Ray Bryan because she had seen him as a member of the Public Safety Advisory Committee and he worked well with groups. He listened, and he was fair. She saw him as a very strong leader. Her number one choice was Alice Rouyer.

**Councilor Loomis** liked all of the applicants, but he could live with Patty Wisner, Alice Rouyer, Mary King, Ray Bryan, and Dion Shepard. He thought it was important the Ms. Shepard be included as the chair of the Historic Milwaukie Neighborhood District Association (NDA).

**Councilor Barnes** summarized that so far everyone agreed on Ray Bryan and four people wanted Alice Rouyer.

**Councilor Stone** knew Ms. Rouyer lived in Milwaukie and had a wealth of information, but she wanted to make sure there were a lot of people incorporated from Lake Road and Historic Milwaukie. She felt Patty Wisner with her history on the DLC would be valuable. She also really liked Dion Shepard, and she would be fine with Mary King or Donald Hammang. She really wanted to see Patty Wisner appointed because of her experience with design and all the things she had done.

**Councilor Loomis** understood Patty Wisner was the only applicant from the DLC.

The group noted Ms. Coleman was also a member of the DLC, and Ms. Rouyer lived in the Lake Road Neighborhood.

**Councilor Stone** wanted to see elements of people's strengths. Ms. Rouyer and Mr. Hammang had a lot of knowledge, and to her Ms. Wisner was right in there. She was not trying to sell Ms. Wisner because she happened to be a friend. Her interview was excellent, and she brought up some wonderful points. One cannot dispute that her background would enhance the process. If the Council was really looking at all of those things fairly, Councilor Stone thought those elements were really needed. There needed to be a good mix of people.

**Councilor Barnes** said it was not just a Lake Road and Historic Milwaukie situation. It was for everyone. She did not feel that two or three should come from one NDA since everyone would come downtown to enjoy the amenities.

**Councilor Stone** said those neighborhoods were in close proximity to everything that was happening, and traffic was a major concern.

**Mayor Bernard** noted that Council represented the neighborhoods also.

**Councilor Loomis** said for a successful process those neighborhoods needed to be included and particularly Historic Milwaukie because of the development impacts. Like 23<sup>rd</sup> Avenue in Portland and Westmoreland where people parked in the neighborhoods to go shopping. They needed to feel like they were included. Both Ms. Shepard and Mr. Bryan were reasonable people.

**Councilor Collette** thought Ms. Coleman brought some of the same insights as Ms. Wisner, but she was a new face. She was interested in having someone new that did not bring along a whole history. Everyone on the list had been around the block a number of times, and Councilor Collette was interested in the new demographic Milwaukie was trying to attract. She would like Ms. Coleman to be the design voice as well as a voice for Historic Milwaukie NDA. She had graphic design experience and was a teacher.

**Councilor Loomis** was happy with everyone, and Council would not likely come to a full agreement on the membership.

**Mr. Swanson** listed the names according to the numbers of votes and discussed the use of the consensus scale.

**Councilor Collette** changed her half vote from Ms. Shepard to Mr. Bryan.

**Councilor Stone** noticed that all of the names on the list were Mayor Bernard's picks.

**Mayor Bernard** said Ms. King was added after Metro agreed Milwaukie could select five representatives. He saw this as a citywide opportunity with a couple of very experienced people with Ms. Rouyer and Mr. Hammang. He agreed that Ms. Coleman was the new demographic. Mayor Bernard said from working with Mr. Bryan he knew he was open and honest and willing to compromise.

**Mr. Swanson** said three people got at least half a vote from everyone.

**Councilor Loomis** suggested that each Council member selected a person.

**Councilor Collette** asked if anyone was at the point where they would speak against the decision with the top five people. Could people say although they might have some concerns that this was a good decision?

**Councilor Stone** thought Ms. Rouyer was also the new demographic. She thought it was important to look at sustainability and people's roots. They brought the history that should be incorporated. She did not hear anyone say they wanted Milwaukie to stay the same. They all said they wanted to see Milwaukie progress, and they all wanted to do it in a thoughtful, well-planned out way so the history did not get lost. Ms. Wisner has lived in Milwaukie all of her life. With her background in design work and historic preservation, Councilor Stone thought Ms. Wisner would be a good fit on the Committee.

**Mayor Bernard** noted Gary Klein had lived in Milwaukie all of his life and was a banker.

**Councilor Stone** said Mr. Klein was a member of Metro's Committee. This was such a good roster that she felt people's strengths needed to be considered.

**Councilor Barnes** observed that each person would bring his or her own traits and qualifications. She did not make her choices based on one certain criterion; she looked at the whole. The question was what group of people could work together as a team and make a recommendation to the Council. That was an integral part of her decision-making process. When this was all said and done, she would know these top five people did not have an agenda and that they were there for no reason other than to participate. She did not believe these people had personal agendas.

**Councilor Stone** asked Councilor Barnes if she thought some people had personal agendas.

**Councilor Barnes** replied she thought there was.

**Councilor Stone** thought that people in the group of interviewees had the same goal in mind, and that was to make Milwaukie a beautiful city. How can one have a personal agenda going on a committee like this? She asked if there was someone particular on the list? She did not believe anyone that was interviewed had a personal agenda.

**Councilor Collette** understood that Councilor Stone would be uncomfortable with the five top candidates and not feel it was a good committee.

**Councilor Stone** thought it was a good committee but it could be a better committee if the Council considered all of the strengths.

**Mr. Swanson** asked people to identify where there were on the consensus scale with the top five applicants. Mayor Bernard 1; Councilor Loomis 5; Councilor Stone 4; Councilor Barnes 1; and Councilor Collette 1.

**Councilor Collette** understood that Councilor Loomis was uncomfortable with the makeup of the group.

**Councilor Loomis** said there was only one long-time resident on the list, and that was Mary King. He would like another long-time resident on the Committee who knew the feel and history of the City. That was one of the reasons he nominated his cousin. On the Riverfront Board he knew in his heart what the citizens wanted, and that was proven by the survey. He did not want to go through a process, and then hear from long-time people that that was not what they wanted. He thought there needed to be one more.

**Mayor Bernard** said this was a nine-member Committee. One of Metro's appointees was a lifelong resident of Milwaukie. Would it take three to be comfortable? He felt the Council should take all nine appointees into consideration. Two of Metro's appointees have lived in Milwaukie for a long time and have been involved. One of them even donated land to the City that added to the Riverfront Park. There was history among those nine members, and only two of them were unknown to the City Council.

**Councilor Collette** said the one applicant who was a newcomer wanted to volunteer and had the skills.

**Councilor Loomis** would like to appoint them all.

**Councilor Stone** thought if the Council was looking at Ms. Coleman and Ms. Wisner they were very similar in their backgrounds according to her notes. Ms. Wisner had two things. She was a long-time resident who was very sensitive to design and development and wanted to see that happen. The other strength Ms. Wisner had that did not come out in Ms. Coleman's interview was being a member of the Historic Preservation League and taking classes and really studying architecture. She thought that was a strength that Ms. Wisner would bring to the table. She also spoke to Councilor Loomis's concerns about having other long time residents involved.

**Councilor Barnes** understood the point and agreed. She felt Ms. Coleman's strength was that she was young, had a family, and brought new energy. To her that was just as strong. Ms. Wisner had some excellent credentials, but she felt the Council was looking for a group that represented the community's changing demographics that were helping Milwaukie increase its land values. This young woman stepped forward with a baby in tow and wanted to be involved. Ms. Coleman brought something valuable to the table by being a representative of the new families moving into Milwaukie's neighborhoods.

**Councilor Stone** did not disagree. She thought the Council was looking to appoint people with background and expertise and felt it should be sensitive to people who understood the history of Milwaukie and brought that element to the table. It would be like back to the future. It is important to weave in the important elements from the past with future development. That was very notable and something the Council needed to consider.

**Councilor Loomis** did not think something should be done just for the sake of new demographics but rather what was good for the community. In looking

through his notes, Ms. Coleman's comments were focused on new residents. He was fine with Ms. Coleman and Ms. Wisner and suggested removing Mr. Hammang.

**Councilor Collette** thought Mr. Hammang's experience on the Planning Commission in both facilitating and essentially creating the open process was very valuable.

**Councilor Stone** thought Milwaukie should have six members.

**Councilor Collette** noted that Milwaukie would have a total of seven residents with Mr. Aschenbrenner and Mr. Klein. She thought saying that Milwaukie had one team and that Metro had another was starting off on the wrong foot. It was a partnership, and there were seven people from the community on the team. She did not feel the Council could go wrong unless it picked people who could not work as a team. She wanted people who were not carrying baggage that would keep the group from moving forward.

**Councilor Stone** asked who might be carrying baggage on this list.

**Councilor Collette** would have said Mr. Zumwalt. She had worked with Ms. Wisner on the Design and Landmarks Committee, and she brought up good points. She had heard that Ms. Wisner at times had been difficult, but that would not keep Councilor Collette from voting for her. She thought the Council had a good, solid slate of people.

**Mayor Bernard** did not want to get too personal in this discussion. He thought the group was very good.

**Mr. Swanson** noted the numbers of votes for each applicant. He understood the Council was impressed with all of the interviewees, and getting down to seven names made it all the more difficult. When he asked Council members about their comfort levels, he got 1 through 5 which was technically a consensus.

**Councilor Stone** had a problem because oddly enough the list was Mayor Bernard's. Was that a coincidence? She thought the Council needed to look at specific strengths that people could bring to the table.

**Mayor Bernard** felt he was looking at history and background. The only person he did not know was Ms. Coleman. He liked her because she was young and energetic; she brought something different.

**Councilor Stone** thought she might be overly sensitive. There were two more interviews at this meeting, and both were very good. She was impressed with what Ms. Wisner brought to the table in terms of her background. It almost seemed as if Mayor Bernard's mind was made up, so it was not even a consideration.

**Mayor Bernard** had known both Patty and Julie Wisner his whole life, and he had known others on the list for a long time. He listened to what they said.

**Councilor Stone** was just looking at the qualifications.

**Mr. Swanson** went back to the list and the consensus scale. Councilor Loomis was a '5' that meant he had serious concerns but would support the majority decision. Councilor Stone was '4' with reservations about the decision but could set them aside. Mayor Bernard and Councilors Barnes and Collette were '1' which meant they wholeheartedly agreed. All of those worked in terms of consensus.

**Councilor Stone** thought Ms. Wisner brought strengths that Ms. Coleman did not, but she was not a '6'.

### **Council Appraisal**

**Ms. Rowe** received 13 responses or about 10% of the City employees. A lot of the rank and file such as public works and library staff did not have a lot of contacts with the Council, so their interactions came through the supervisor. A common theme was appreciation for Council's effort and the number of hours being put into moving the City forward in a positive direction. There were various ideas for saving money, and it was noted the budget was lean. In terms of suggestions the Council could set policy and leave implementation to staff. If people were on Council, they would build a skate park. Another comment repeated several times was to realize a majority was with the Council on issues, and a vocal minority should not sway it. On the question about staff relations comments were that the Council should build trust, communicate goals, and give credit. Infighting among Council members detracted from staff's being able to do its job effectively. Most people responded they felt the City was moving in the right direction.

**Mayor Bernard** thought this evening's discussion showed the Council working together to come to consensus. The Council only fought a very small portion of the time.

**Councilor Loomis** did not believe the Council fought. When he disagreed, he stated his opinion and did not fight. Having differences of opinion and fighting were two different things. Differences of opinion resulted in good results.

**Mayor Bernard** said the Council did not really fight. Sometimes people were on opposite ends, but the group generally reached consensus. He thought the Council should read the comments and address issues at another time.

### **Open Channels Initiative**

**Mayor Bernard** discussed the Council reports that were now included in Mike's Friday Memo. That was a good way to communicate, and there was less use of e-mail. He suggested more Council members participate.

### **Communications Agreement**

**Mayor Bernard** noted that Councilor Collette was not present when the Agreement was developed. He was quite surprised, for example, when a Council member had invited someone who proposed recalling President Bush.

**Councilor Loomis** thought it all came down to a matter of trusting each other. Everyone signed the Agreement, and at times it was broken. What was the point of signing it if it was not followed?

**Mayor Bernard** said the point was that it was the goal although the trust was broken at time.

**Councilor Loomis** said it was very important to him that the trust not be broken. It was hard for him to regain trust in any kind of relationship.

**Councilor Barnes** learned a great deal from December. Her trust was broken with some people that night, and that had been dealt with. She had now come to an understanding with that person. She learned from the situation and did not want to go backwards and discuss what caused it. This was a good opportunity for everyone to move forward. For the most part, she felt the Council handled itself well at this meeting.

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**Councilor Loomis** thought things had been better the past few months. People were listening with an open mind and not come in with hearsay.

**Mayor Bernard** thought it was important to follow the process in a meeting.

**Councilor Collette** asked how the Agreement came about.

**Mr. Swanson** said it preceded everyone. The second Council he worked with refined the Agreement.

**Councilor Collette** thought the points in the Agreement were very good. The Council members were human, so there were slips. To strive toward that was a very good thing. It was hard when one did not get everything he or she wanted.

**Councilor Loomis** had never felt that way during all of his time on Council. He never ridiculed a Council decision and never had a problem if he felt he had been listened to in the process. If questioned in public he would say although he did not vote for the decision he supported it. He does have problems when that happens. There was one bad issue that he thought made the Council better.

**Councilor Collette** said the November, December, January period was difficult for everyone. She did things for which she was not all together proud and hoped she had worked it out with people. She thought the points in the Agreement were admirable.

**Councilor Stone** thought Mayor Bernard was ignoring the other side of the table. She thought the Agreement and Charter covered almost everything. One needed to read it and put it into practice. Opinions should be shared with all Council members, not just one or two. Without each other, this was not a Council. People may not always agree with someone's opinion, but it was good to seek it out. She personally preferred communicating in person or on the phone rather than by e-mail. In all fairness no one should be excluded, and that was an issue with this Council. There has been some exclusion, and there needed to be more inclusion.

**Councilor Barnes** understood and has tried. For her it was more convenient to e-mail people rather than call.

**Councilor Stone** cannot be on her e-mail several times a day, so if people needed to communicate the best was to leave a message on her home phone.

**Councilor Collette** observed that phone conversations could cover more information than e-mails.

**Councilor Barnes** sends e-mails to most of Council but did tend to talk with Councilor Loomis on the phone. She thought it was important to let Council know about conversations with City staff.

**Mayor Bernard** receives numerous e-mails each day related to the City that might be a staff matter, so he does not forward them to all of Council. He tries to use the Friday Memo to do that.

**Councilor Loomis** thought it would have been helpful to know the Mayor met with Metro and neighborhood leaders about the Texaco site. The Planning Commission knew before the Council. He got tired of saying, "I don't know." There seems to have been a meeting that was important to the City.

**Mayor Bernard** said it was a meeting over coffee, and Mr. Zumwalt was present, but he understood the concern.

**Councilor Collette** thought there was a lot going on, but she was willing to do more and was available for meetings. She did not have the sense of being excluded but thought the meeting might have been interesting. It was useful to say meetings were taking place.

**Mayor Bernard** said as the Mayor, Farmers' Market general manager, Chamber chair elect his job was demanding. He could not send e-mails all the time about what he was doing on a day-to-day basis. The minute he walked out of the door of the garage he was no longer a business owner. He would not copy everyone on his e-mails but he would put his activities in the Friday Memo. On Thursday, he would be at the Joint Policy Advisory Committee on Transportation (JPACT) to remind the region it promised to have the transit center off downtown Milwaukie streets before phase 1 of the I-205 light rail was done. He and Councilor Collette were working to ensure the City of Milwaukie was not forgotten in the region.

**Councilor Barnes** requested that Councilor Collette and Mayor Bernard provide recaps to the other Councilors.

**Councilor Collette** said basically they were trying to make sure the Lake Oswego Streetcar was not prioritized above the Milwaukie projects. Milwaukie was not against any of the other projects but wanted to remind the region of its commitments.

**Mayor Bernard** would work toward the end of better communication. He added that he and Councilor Collette would attend Timothy Lake.

**Councilor Collette** noted that Council members wore different hats. She, for example, was on the Clackamas Community College Board, and Councilor Barnes was on various statewide committees.

**Mr. Swanson** asked if there needed to be any changes to the Agreement based on the Open Channels proposal.

**Councilor Stone** commented the Agreement and municipal code captured most of what was in the Open Channels Initiative. The Council had talked about staff contacts.

**Mr. Swanson** spoke with Dr Bill Grace, and they agreed it was wiser to do something after the election. For \$5,000 he would do three programs for Council, staff, and community leaders.

**Mr. Swanson** discussed the federal magistrate judge's summary judgment in the Emmert case. Motions for summary judgment were not easily granted by the courts because in doing so the judge decides he or she will take it out of the hands of the trial based on the material generated. It was determined the plaintiff had not raised any genuine issues to be tried. In this case Emmert filed a complaint that was eventually amended with four claims for relief. The first was he had a constitutionally protected property interest and alleged the conduct of city officials was egregious. Magistrate Hubel dismissed the entire claim for action and specifically stated a review of the correspondence and e-mail showed that the City Manager and City Council were more generous to Emmert than required by the terms of the contract. The judge concluded that Emmert did not show it had any constitutionally protection entitlement to any permits necessary. Any conduct on behalf of City was not egregious. The second claim was for an unconstitutional exaction of constitutionally protected liberty interests. He thought that referred to the mutual release of all claims. One of the allegations was that the release deprived him of a constitutional right, and Judge Hubel

dismissed that out of hand. There was another part of the motion that asked to strike additional testimony by Ms. Matesi who worked for Emmert. When they realized they would not prevail on that claim, Ms. Matesi testified that they were willing to negotiate on everything but the release in order to reposition the plaintiff. Judge Hubel struck Ms. Matesi's testimony because it tried to set up facts that did not exist. The third claim was that a violation of the equal protection clause of the Constitution had occurred and alleged that the actions of the City were arbitrary and capricious. Judge Hubel wrote that Emmert had proffered no facts that showed he was treated differently than others in the same situation and did not raise material issues or facts that Emmert was intentionally treated differently. Further from other facts it could be inferred that the City Council, City Manager, and Planning Director made unusual efforts to facilitate the removal of the house. The Judge found that Emmert was responsible for the failure of the project. He granted the motion for summary judgment that dismissed the three constitutional claims. Judge Hubel remanded the contract claim back to the state court because he could not act on a contract claim which would be based on state law. If Emmert did go to the state court, Milwaukie had plead a number of counter claims when it filed the answer.

Chuck Corrigan was an excellent attorney in the case. It would be difficult to go after attorney's fees, and the City would likely have to show there was something malicious on the part of Emmert's attorney. The judge would likely not even go there. As this became more widely known he recommended any response be more in the nature of appreciating Judge Hubel's approach and not getting into any prolonged battle in the press. The judge determined that Emmert had no case, and Mr. Swanson recommended the City consider the matter closed. There was a statute of limitations on a breach of contract if Emmert decided to pursue that.

**Councilor Collette** asked the status of the Citizens Advisory Committee (CAC).

**Mr. Swanson** replied the CAC was at the mid-point of the process. There would be a joint work session of the City Council and CAC on July 18. They were engaged in a very difficult task, and he felt they understood the sensitivity of the neighborhood and the Riverfront Park. He felt there was a better relationship with the members, and he and several others would travel to Edmonds, Washington to look at a new treatment plant there. The priority was still to remove the plant from the riverfront. He and Mayor Bernard met for coffee with Jim Knapp.

**Mayor Bernard** would talk with Mr. Knapp at Timothy Lake regarding release of a joint communication that said they wanted whatever was best for the citizens and ratepayers. His long-term goal was to remove the plant, but the question was how to get there.

**Mr. Swanson** noted the CAC was sticking with its schedule. That did not mean the City would get the decision it wanted but whatever the decision was Milwaukie would be able to talk with them about it.

**Mayor Bernard** agreed everyone had moved forward from the initial "them and us" situation.

**Mayor Bernard** adjourned the work session at 8:45 p.m.

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Pat DuVal, Recorder

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## MINUTES

### MILWAUKIE CITY COUNCIL WORK SESSION July 18, 2006

**Mayor Bernard** called the work session to order at 5:30 p.m. in the City Hall Conference Room.

Council Present: Councilors Barnes, Collette, and Loomis.

Staff Present: City Manager Mike Swanson.

#### **City Manager Matters**

**Mr. Swanson** said there were comments from Mike Guidoni during audience participation at an earlier Council meeting, and he understood there might be some interest on the part of Council to consider minimum amounts on civil fines similar to what it had done with traffic fines. The second issue was that the municipal court judge's contract was extended to the end of calendar year 2006. It was up to the Council whether it wanted to extend the contract further, go out for a request for proposals, or have an evaluation of the judge.

**Mayor Bernard** discussed an individual who did not believe she received proper notice and consequently had a \$7,000 fine.

**Mr. Swanson** said the minimum traffic fine was adopted because the issue related directly to safety, and fines were being imposed in the amounts that would not have much influence on a person's behavior. On first offenses Judge Gray's objective is to clean up the property, so he reduces fines. On second offenses or failures to appear he was more stern. Code enforcement was very important to the City, but it was a somewhat different situation than traffic. In the case that Mayor Bernard mentioned he thought there might have been a language barrier, but the property has been cleaned up.

**Councilor Collette** said if it was a language issue, then it might be a matter of innocence. She did not believe minimums meant there were no exceptions. She was concerned about people who were repeatedly fined. Substantial amounts of time and money were spent on these types of cases, and the fine did not even begin to cover expenses. She was concerned about fairness to the City.

**Councilor Loomis** wanted to hear the judge's thoughts. It was up to the judge to determine what was fair, and he was in favor of letting the judge do what he wanted. There was not that leeway in traffic, and there was a minimum.

**Mayor Bernard** said it was up to the judge to determine if a person was guilty, and he had been very impressed with court.

**The Council directed staff to schedule a meeting with Judge Gray.**

**Mayor Bernard** announced the Riverfest events.

**Councilor Loomis** said donations of money for the Riverfront Park development and canned food for the Annie Ross House would be accepted at the fireworks show. There were still a few volunteer opportunities at various spots during the event.

**Mayor Bernard** visited all the downtown businesses and encouraged them to clean up in front of their stores and offices, and he noted that Foxy's had spent the afternoon doing so. The Farmers' Market was paying for repairs to the drinking fountain at the corner of Main and Monroe. One of the events on the League of Oregon Cities conference schedule was a tour of Milwaukie, so he would be asking businesses to clean up again at the end of September.

**Mayor Bernard** met with Clackamas County Commissioner Sowa. The County had proposed an ordinance that would change the number of commissioners to five, but they pulled back on that idea. There would be a meeting about forming a committee to study the matter based. He would attend the Annual Mayors' Association Conference in Newport.

**Councilor Loomis** would attend the committee meeting to select a designer for the sculpture at the entrances to North Clackamas Park and the ballfield.

**Councilor Collette** attended the Timothy Lake Retreat, and the effort right now was to develop a countywide strategy for Metro's New Look. She offered to chair the committee on sustainability. The Ardenwald summer concert series would begin on August 3, and the opening act was the Ardenwald Elementary Ukulele Group. It would also be the neighborhood's National Night Out event.

**Councilor Barnes** and the City's economic development staff would meet with AMR, and she volunteered for the Ardenwald Summer Reading Program sign-in. She would attend the Chamber luncheon where Fred Hansen of TriMet would discuss light rail. She had been working with Rosemary Crites on an arts program for Milwaukie.

**Mayor Bernard** encouraged people to purchase engraved stones for the Lee Kelly Fountain being installed by the Library at 21<sup>st</sup> Avenue and Harrison Street. He was the co-chair of the Clackamas County Transportation Committee and Lynn Peterson was the chair.

### **Citizen Advisory Council (CAC) for Wastewater Treatment**

The Council participated in a mutual interest identification exercise with CAC members Eric Hofeld, Jim Knapp, and Eugene Schoenheit, Mike Kuenzi, Director of Water Environment Services (WES), facilitator Carrie Fox, and a number of interested citizens.

**Mr. Swanson** reviewed the process and timelines and noted he was very encouraged by the progress the CAC had made.

**Mr. Knapp** said Milwaukie was a big part of Clackamas Service District #1, and he introduced the public information flyer. The CAC included Eric Hofeld, internal auditor for the Portland Water Bureau; Jeff Winner, engineer for the City of Portland and Happy Valley resident; and Eugene Schoenheit, business owner. The capital costs would be ready by the end of July followed by six to eight weeks of discussion. He briefly reviewed the identified alternatives in the *Let's Talk Sewage!* public information piece. These were:

- A.1 Upgrade Kellogg Plant to nitrification and route surplus to Tri-Cities.
- A.2 Upgrade Kellogg Plant to nitrification and route surplus to new plant.
- B.1 Cap Kellogg; limit Kellogg Plant base flows to the capacity of the influent sewer and route excess to Tri-Cities.
- D.1 Abandon Kellogg Plant and route flows to Tri-Cities
- D.2 Abandon Kellogg Plant and route flows to new plant

**Mr. Knapp** along with CAC members Schoenheit and Hilley had concerns with the numbers. There had been eight studies done between 1992 and the present. The Kellogg Plant won five gold awards over the past five years, but it was over capacitated over the years.

**Mayor Bernard** said the City's goal was more than decommissioning Kellogg – it was to make sure the region had a sustainable treatment system. He would like to join with the CAC and go before the Clackamas County Commissioners with a plan. The goals were very similar, and it was important to plan for the future and ensure the recommendation was financially viable.

**Mr. Knapp** was on the Oak Lodge Water Board, so he was always looking out for the ratepayer, and there was an obligation to look out for sewer and water needs as those

services were vital. With new regulations coming out, something needed to be done. Milwaukie was about 40% of the plant, so it needed to be a cooperative effort.

**Mr. Swanson** introduced Thelma Haggemiller who had been helping the CAC with its outreach efforts.

**Ms. Fox** reviewed the CAC criteria.

- Maintain regulatory compliance
- Preserve self-determination
- Fair allocation of costs and impacts
- Cost effective in finding solutions
- Coordinate with other districts and jurisdictions

Those present broke up into discussion groups. Mr. Swanson explained this exercise was not about coming up with a solution but rather to get to know each other and hear others' ideas. The questions were:

- The CAC is charged to recommend a strategic plan for wastewater treatment. Discuss the kinds of characteristics, not the solutions, Milwaukie might be looking for in a good neighbor relationship.
- What does it mean for the District to be a good provider to its customers? What did the City of Milwaukie want from the District?

After a discussion period **Ms. Fox** asked if there were any surprises or interesting insights.

**Susan Shawn** reported that if the Kellogg Plant was not moved then one person suggested allowing Riverfront Park visitors to use the parking lot. There was also the idea of revisiting the intergovernmental agreement (IGA) between Milwaukie and CCSD#1 and making it a longer-term agreement and look at becoming partners in lieu of being customers. There was the idea of Milwaukie receiving rent as the host city if the Plant was not removed. There was a lot of discussion about the value people hold for the quality of the water going into the Willamette River and the environmental impact of the Plant. There was a sense of wanting equity in terms of rates and input into the workings of the Plant.

**Councilor Collette** reported that people sensed they agreed with most things on the list but how the questions were answered would be very different. Some thought all of the criteria could be met by closing Kellogg, and others from CCSD did not believe that was the only way. Everyone wanted regulatory compliance and self-determination. Milwaukie would like to have that self-determination as well as CCSD members. They both agreed on everything and disagreed on everything mainly because of the location of the Plant.

**Councilor Loomis** thought it was important to be good partners, and everyone agreed CCSD had been a good neighbor and responsive to concerns.

**Councilor Barnes** felt it was important to work on a long-term communications plan that addressed not only this issue but also the role of WES.

**Mr. Hofeld** heard a lot of talk among the Milwaukie representatives that their desire was to remove the Kellogg Plant. If that was the most cost-effective solution, then he would support it. If it was not, then he hoped the Milwaukie representatives would at least work toward an equitable, fair, and acceptable solution that might include the Plant in its current location.

**Ms. Fox** heard that the Council was keeping an open mind, and as partners in the dialogue she hoped everyone would do that.

**Mr. Swanson** thanked the CAC members for taking the time to join the Council in this work session. It indicated the parties could sit down and talk together.

**Mr. Knapp** wanted to make good decisions together.

**Mayor Bernard** adjourned the work session at 5:55 p.m.

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Pat DuVal, Recorder

**CITY OF MILWAUKIE  
CITY COUNCIL MEETING  
JULY 18, 2006**

**CALL TO ORDER**

**Mayor Bernard** called the 1986<sup>th</sup> meeting of the Milwaukie City Council to order at 7:08 p.m. in the City Hall Council Chambers. The following Councilors were present:

Council President Deborah Barnes    Joe Loomis  
Carlotta Collette

Staff present:

Mike Swanson, City Manager	Mike Clark, Water & Streets Supervisor
Katie Mangle, Planning Director	Paul Shirey, Engineering Director
Grady Wheeler, Public Information Officer	Alex Campbell, Resource & Economic Development
Kenny Asher, Community Development/Public Works Director	

**PLEDGE OF ALLEGIANCE**

**PROCLAMATIONS, COMMENDATION, SPECIAL REPORTS AND AWARDS**

**Mayor Bernard** congratulated Peter Becker of Milwaukie for attaining the rank of Eagle Scout.

**CONSENT AGENDA**

It was moved by Councilor Barnes and seconded by Councilor Collette to approve the Consent Agenda:

- A. City Council Minutes of June 6, 2006 Work Session;
- B. Resolution 32-2006: A Resolution of the City Council of the City of Milwaukie, Oregon Transferring Appropriation Authority and Expanding a Bid Award;
- C. Resolution 33-2006: A Resolution of the City Council of the City of Milwaukie, Oregon, Supporting a Request for Funds to the Oregon Department of Transportation under the Oregon Bid Cycle and Pedestrian Program for Pedestrian and Sidewalk Improvements along Logus Road at Seth Lewelling Elementary;
- D. Lake Road Waterline Improvements, Phase 2; and
- E. OLCC Application for Albertson's, 10830 SE Oak Street (Change of ownership)

**Motion passed unanimously among the members present. [4:0]**

**Mr. Swanson** announced the City Attorney excused pursuant to Resolution No. 9-2003.

## **AUDIENCE PARTICIPATION**

None.

## **PUBLIC HEARING**

None scheduled.

## **OTHER BUSINESS**

### **C. Authorization to Execute a Purchase and Sale Agreement to Acquire Real Property at 11100 SE McLoughlin Boulevard**

**Mr. Asher** reported this was a request to acquire approximately one acre of real property at 11100 SE McLoughlin Boulevard known as the Cash Spot. This action came after about a year of negotiating with the property owner through the Oregon Department of Transportation (ODOT) to acquire a corner of the subject property for the McLoughlin Boulevard improvement project. This was one of several takings and small acquisitions in the downtown blocks to improve the right-of-way and bring the intersections up to standards. This was the only property for which the City and ODOT did not reach an agreement with the property owner on the terms. For over a year the City had been talking to the property owner about the value of about 1,000 square feet. Originally, ODOT offered \$37,000 for the corner, the value of a sign, and a construction easement. The property owner rejected that offer, and ODOT had to file for immediate possession in order to begin the project. This generally meant going to court, but the City and ODOT were trying to work with the property owner and settle out of court. In this case the property owner was GRS Properties, LLC. The City's role has been to work with ODOT as the project manager, and there was an agreement that ODOT would handle right-of-way acquisition.

The first offer of \$37,000 was rejected and not finding any middle ground, the court date was set for May 30, 2006. In February, the City raised its offer to \$67,000, but it was also rejected. The property owner came back with an appraisal of \$264,000. The reason for the discrepancy was a disagreement about what the McLoughlin Boulevard project did to the value of the entire property. It was the property owner's contention that the McLoughlin Boulevard redesign project damaged their property because it moved the access from Washington Street to McLoughlin Boulevard. The City and ODOT contended that was not so, and that the property owner should not be compensated for any damages and only for the value of the taking. On April 28, 2006 the City made one final offer of \$91,000 for the 1,000 square feet, sign, and construction easement, as it was required to do 30 days before the court date. That offer was larger because if the City lost in court it would be required to pay the attorney fees for the plaintiff. During that time Mr. Asher and Mr. Shirey had inquired about the cost of purchasing the entire property. Staff knew this was going to be an expensive taking. It was a relatively unimproved property in an important location. This spring the property owner indicated he was interested in selling the whole thing if the City could make a viable offer. The City in consultation with appraisers and attorneys for the City and Department of Justice arrived at a value that was thought to be fair for the entire property. The parties settled on a purchase price of \$850,000 or about \$25 per square foot which was fair market value based on appraisals. One of the terms of the purchase and sale agreement was that the City had 30 days for an environmental assessment to determine if there was asbestos. At the end of those 30 days or when the City was satisfied then the purchase could be considered by the City Council. The trial scheduled for May 30 was delayed for 60 days. If agreement were not reached, then the trial would be rescheduled.

An appendix to the staff report outlined the risk analysis of not acquiring the entire site. In the best-case scenario the City would probably be looking at paying \$90,000 for that 1,000 square feet. In the worst-case scenario where the City lost in trial, the City might be looking at about \$600,000 if the jury agreed that the site had somehow been damaged by the redesign of the access. Confronted by that and the willingness of the owner to sell the property, it was determined it was in the City's best fiscal interest to seek to acquire the entire site for \$850,000 as opposed to risking \$600,000 for a small fraction of the site.

Staff was close to coming to terms on the purchase and sale agreement. The \$850,000 would be due in one lump sum and would be borrowed from the wastewater capital reserve fund that had a current balance of about \$2.7 million. The loan from the wastewater fund would be repaid from the general fund over a five-year period as required by law. If the Council approved this action, then staff would move toward closing by the end of August depending on the environmental study. The Cash Spot was interested in operating through the end of the year at a lease rate of \$3,000 per month. The Budget Committee expressed its concurrence with this action.

From a planning point of view this was a key site. It was at the south end of the downtown area, and a lot of work was being done on the north end. Being able to control two ends of Main Street gave the City far more control over what happened in between. It was also across the street from the proposed Riverfront Park entrance, adjacent to Kellogg Lake for which the City had submitted a Metropolitan Transportation Improvement Program (MTIP) application to restore Kellogg Lake to a creek, and was across McLoughlin Boulevard from the wastewater treatment plant. Owning the property would give the City far more control when it came time for redevelopment. Absent any unusual recognized environmental conditions on the site, staff would proceed to close by the end of August.

**It was moved by Councilor Collette and seconded by Councilor Loomis to adopt the resolution approving the purchase of real property located at 11100 SE McLoughlin Boulevard pursuant to MMC § 3.15.030.**

**Councilor Collette** supported the purchase but was concerned about the \$200,000 annual payment from the general fund.

**Mr. Swanson** replied there were a number of one-time completed commitments related to the general fund including the repayment of the water fund loan for riverfront property purchase that was in excess of \$100,000 annually and the \$250,000 commitment to fund the Draft Environmental Impact Statement (DEIS) that commitment should disappear next year. Staff did not look at this lightly. Ownership was the only way to assure the City had some control over development. The purchase was considered carefully, and although the general fund was not flush, there were some commitments that would be fulfilled over the next five years. This action would not take any money from the neighborhoods, library, or any other departments in the general fund.

**Councilor Loomis** appreciated Mr. Asher's discussion of the matter. This project had the potential to address parking issues and access to Kronberg and Riverfront Parks.

**Councilor Barnes** thought the timing was ironic when the City was looking at ways to raise money to fix its roads. She understood this was a different fund, but there was some concern on the part of the general public about why the property was being purchased at this time and what would be done with it in the future.

**Mr. Asher** replied the opportunity was now and was being forced by other circumstances. He thought the City was being responsive. There were no plans for the property right now, and there were several sites in play right now which was great for revitalization efforts. There was Kronberg Park, Riverfront Park, and McLoughlin

Boulevard itself making it important to plan for the entire area. Councilor Loomis was correct that this site could solve some problems including parking, revitalization, and open space access.

**Mayor Bernard** understood this money came out of dedicated funds and not road funds and that the loan would be paid back to the wastewater fund in five years.

**Mr. Swanson** said state statutes required a 5-year payback, which would be included in the upcoming budgets.

**Mayor Bernard** noted this was the only site with about two stories below grade, so there might be opportunities for a parking structure with development above. The Council's job was to ensure the \$850,000 expenditure brought the citizens a good return on their investment. He commented on his pride in the McLoughlin Boulevard project.

**Motion passed unanimously among the members present. [4:0]**

**A. Street Maintenance Program Recommendation -- Resolution**

**Mr. Asher** said the problem was that nearly half of the 150 miles of paved roadway in the City either needed to be rebuilt or resurfaced, but the City did not have the money to do that. The other half that was in good condition would decline rapidly because there were no means to maintain them. The problems were evident, and he believed there was a solution.

**Ms. Mangle** said the streets supported life and activity in the City and a fundamental part of infrastructure. There were 138 lane miles of streets in the City, and if they had to be replaced they would cost \$65 million making them a valuable asset that needed to be maintained. There were concerns from many areas about the declining conditions, and a 2004 study found the current maintenance effort was insufficient. That was due to several factors: ongoing wear and tear, the backlog of maintenance that grew each year because there was a lack of funding, and the cost for construction was rising rapidly.

Staff spent the last several months talking to community groups about the problem and potential solutions as to why streets got to this condition. Staff consistently used the problem statement to communicate the issues and discuss solution. The problem statement was, "Milwaukie's streets are in a state of rapid decline. Some have already failed. Funding is not adequate to turn the situation around. If nothing is done, the roads will worsen and the cost to remedy the situation will skyrocket." The message was "pave now or pay later." The graphics showed that streets as they aged needed maintenance. If minor repairs were done when the streets were in good condition, it would not cost a lot. If the good streets went without basic care, the cost of reconstruction would increase exponentially.

**Mr. Clark** explained the methodology used to categorize the condition of the road system. Each street was rated and given a pavement condition index (PCI) with numbers ranging from 0 – 100. Streets with poor conditions were 1 – 25 and 70 – 100 were good with scales in between. In 2004 the system average was 67 and projected to be 63 in 2006. Three studies were combined to develop the composite findings. The 1995 PMSI study included deflection testing that indicated the condition of the base. In 2004 there was a visual ESI study, and this year staff did its own visual study. The condition rating concluded that 55% was in good shape, 18% was satisfactory, and 27% was fair to poor. Railroad Avenue and the downtown area of Lake Road were examples of streets with poor bases. They were called farmers market roads with a chip seal over dirt called macadam. As technology developed with asphalt that was put on top of the macadam, so there was never a rock base established.

**Mr. Shirey** described the street fund history and talked about the City's resources. Gas tax revenue was the principal source of funds for the street system. General fund and property tax revenue was not used for the street system. The gas tax compromised about 50% of the revenue that was collected at the pump and distributed by the state to cities and counties based on a population formula. It had not increased in 13 years – not even for inflation, and costs have gone up during that period. The other sources were franchise fees from other utilities in the streets, and that has remained flat. System development charges (SDC) cannot be used for maintenance. There were dedicated revenues that were principally grant sources that are leveraged. On the McLoughlin Boulevard project for example \$0.10 in gas tax money made Milwaukie eligible for \$0.90 in federal money. The same was true for Johnson Creek Boulevard and the upcoming Lake Road project. Both Johnson Creek Boulevard and McLoughlin Boulevard addressed deferred maintenance needs. The sub and base of Johnson Creek Boulevard was reconstructed, and the surface of McLoughlin Boulevard was overlaid. Costs have risen, but the gas tax has not changed. Cars were more fuel efficient, so in a relative sense the gas tax paid at the pump continues to go down. While going through the design and eventual construction of projects like Johnson Creek Boulevard and McLoughlin Boulevard material costs have gone through the roof. About 10 years ago, the administration and Council at the time decided to take street lighting out of the general fund and put it into the street fund, which costs about \$350,000 annually. The street fund along with the other utilities supports other departments such as engineering and community development for about \$330,000 annually. He reviewed several charts that graphically showed the revenues and expenditures of the street department.

In fiscal year 2004 – 2005 there was a total of \$2.2 million in revenue. After all expenditures were made for administrative services and overhead there was \$378,400 left for maintenance. That money went not only to streets but also to right-of-way maintenance, emergency repair, signs and signals, sweeping, and street markings. After all of that was allocated, the street fund had about \$30,000 to maintain 138 lane miles of pavement.

**Mr. Campbell** reviewed the local funding options because federal, state, and regional funding was not available to fund maintenance. Because so many other jurisdictions were facing this problem there was potential for political movement in the coming years, but right now there was nothing on the horizon to address this issue outside of a local approach. There were 11 cities in Oregon including Sandy, Woodburn, and Springfield that had local gas taxes. Washington and Multnomah Counties both had gas taxes, but Clackamas did not. Those taxes ranged from \$0.01 to \$0.05 per gallon. The PGE privilege tax was a pass through to the consumer that would amount to a 1.5% increase in energy costs. It was similar to a franchise fee, and the City had the capacity to legally impose this tax. The Council could shift street lighting out of the street fund to the general fund. Twelve cities in Oregon had street utility fees including Lake Oswego, Tigard, Tualatin, and Wilsonville. It was flexible in terms of establishing a fee structure to collect a certain amount of revenue. It would be apportioned by trip generation estimates or parking spaces and within those the share could be adjusted. The scale of funding identified at this point would translate to \$3 to \$5 per household per month. The local improvement district (LID) approach could be used to deal with local streets. That did not address major streets because there was no equitable way to apportion the costs of something like a major arterial. Paid parking downtown was included, but comments indicated any revenue from paid parking should be reinvested in the downtown. Finally, staff looked at property taxes through a 5-year levy or a 10-year levy if it was dedicated to capital projects. Washington County's program was originally the local levy. Since 1997 only one city out of 11 succeeded in passing a levy.

**Mr. Wheeler** reported the object of the outreach effort was to inform and educate as many people as possible about the condition of City streets, the consequences of continuing to fund the program at its current level, and possible strategies that could be implemented. The project team developed three informational sheets that served as the educational tool for the outreach and used in various venues. The project team developed a report back form that asked respondents several basic questions: level of concern about street conditions, willingness to consider a local funding option, favored options, street maintenance propriety, and which streets needed the most immediate attention. The overall goal was to reach beyond those typically involved with City matters, so forms were handed out at the May 13 plant sale, Down-to-Earth Day collection sites, and the Farmers' Market community booth. Due to the complexity of the issue the project team decided against sending out a citywide survey. An insert was mailed with the utility bills to about 6,700 residents that described the problem and let people know how to provide feedback. In May and June staff attended the seven neighborhood association meetings and made presentations to the Planning Commission, Citizens Utility Advisory Board, and the Milwaukie Rotary. Attendees were encouraged to ask questions and complete the feedback forms. Detailed notes of all the questions and comments were provided with the staff report. The City also set up a number of meetings that no one attended or the meeting was cancelled. Letters went out to 250 businesses, but no one attended. The information and an on-line report form were posted on the City's website, and stories ran in the May, June, and July editions of *The Pilot*. Ninety-two feedback forms were collected and summarized in appendix 5 to the staff report. Of those who responded 81% indicated a level of concern as being 4 or 5 on a scale of 1 (low) to 5 (high). 72% indicated their interest in a local funding option as a 4 or 5. The PGE privilege tax was the leader, and most of them were fairly equal with the exception of paid parking downtown and the local gas tax that was introduced too late in the process to include on the form. Some themes emerged: funding options should spread costs across all users not just property owners; any funding package should include a program describing which streets would be fixed and when; street projects should not all be in one area of the City; and funds raised for street maintenance should be dedicated to street maintenance. Outreach for this phase of the project was thorough by using inserts in utility bills, handouts at events, and the community booth. The input informed and validated the staff recommendation, and if the Council directed staff to move forward another round of outreach would be required and particularly with the business community.

**Mr. Shirey** brought forward the recommendation to establish a street maintenance program to protect the street system and reverse the decline. The funding sources were the PGE privilege tax to pay for the streetlights, street utility fee, and implement a transportation utility fee. In respect to this program the project team recommended minimal or no impact on the general fund.

**Mr. Campbell** discussed the desirable goals. The first was to bring at least the major streets into good condition. One of the findings was that there was consensus that the program begin with the major streets. The goal would be to address those deferred maintenance streets within 10 years, and a funding recommendation was done that staff felt could do that. The preventative maintenance goal was to no longer allow any major streets to get to the poor level where reconstruction was required. The City was currently spending about \$100,000 to patch the potholes and would continue to do so. Absent a step to increase the ability to do true preventative maintenance there would be more and more potholes. At the current funding level even that might not continue. The staff report suggested that 10 years from now the City would have another serious decision to make which would be to move beyond the major streets and address problems on local streets. If the City continues the \$1.2 million levy, then that could happen. Staff suggested that two new funding sources go directly into a dedicated

fund. Those would be a local gas tax of \$0.01 per gallon and street utility fee. That fund would be dedicated and protected from transfers to general administrative services. A paving program was largely contracted and did not have a great overhead cost, so it made sense to exempt it from traditional overhead charges. By implementing the PGE privilege tax, the street lighting could be moved into the general fund while keeping it whole. He discussed the proposed 10-year budget. The suggestion in 2007 – 2008 was additional crack sealing which is the basic level of maintenance, consulting services, and two major reconstruction projects. In 2008 – 2009 there would be several rehabilitation, or resurfacing projects. The program did not assume inflation or increases in program revenues. It did assume 20% contingency and inspection costs. If the Council directed staff to continue, it would move into a second phase of outreach and lay out a plan for future Council consideration. There was a lot more to do with the business community, revenue projections, developing the calculations for a street utility, and identification of a prudent maintenance plan.

**Charles Bird**, as Citizens Utility Advisory Board (CUAB) vice chair spoke in favor of staff's finding. As a citizen he had some recommendations. The data provided Council was sound and had been looked over many times to make sure the CUAB members understood them. He had come to the conclusion that the most important thing was to preserve the streets in their current condition. They were deteriorating, and part of the reason for that was because the City was spending money on matching funds that should be spent on maintenance. That was his opinion. The first and foremost responsibility was to maintain the streets in the condition there were in. That was not to say the City should do without matching money or projects that required matching funds, but that was not the first priority. Sometimes those projects that required matching funds could be raised from other sources that had other benefits and were easier to sell. His second suggestion was to put the street lighting money into the streets. It seemed like a direct connection and easy sell that the privilege tax could offset the street light funding. He just heard that Bonneville was reducing its price by 4% which could hit about 1.5% to the ratepayer. The iron might be hot for something like that. These were within the Council authority to create some funding to keep the streets in their current conditions. He thought there would be enough money based on reports to the CUAB that streets could be maintained. In talking to his neighbors and others, people wanted the streets to be improved with bike lanes and sidewalks. He asked that Council consider the utility fee approach. Although it failed in the County, he recommended it be thought out more carefully because it was progressive and put the responsibility on all residents. Everyone participated in the value of the streets from mail delivery and fire service, so streets were important to all. He did not like the gas tax because Milwaukie was too small and people might purchase their gas elsewhere. This did not mean he was against the other things, but Mr. Bird felt these should be emphasized.

**Mayor Bernard** said from the Joint Policy Advisory Committee on Transportation (JAPCT) meetings he recalled the ten projects region wide projects would cost an additional \$0.34 per gallon in gas tax. He suggested taking out the wording related to shifting the money out of the general fund. The privilege tax would pay the street lighting. He agreed with Mr. Bird that paying for street lighting on the PGE bill was logical. He was concerned about how much the City might have spent on three studies to come up with the same conclusion that something needed to be done. He did not want to study this again. He agreed there needed to be a priority list of projects. He thought Railroad Avenue was an example of life and safety issues. He did notice that ODOT and the federal government like to see the local jurisdictions step up first to do something and make an effort to do something about their roads. The City definitely needed to work on business outreach, and he would be happy to participate. He was involved in the street utility fee issue with the County, and there was no business

outreach. Milwaukie was one of the paying partners in the effort, but the County did not take it far enough. The City of Sandy has a gas tax but it was still \$0.07 per gallon cheaper. Milwaukie had some of the cheapest gas in the region, so people would not even notice a small gas tax. He discussed matching funds for federal projects and suggested some of these revenue ideas could go into matching funds. He appreciated the project team's work.

**Councilor Loomis** thanked staff for its out reach efforts. He thought that whatever was done that there should be visible evidence of a result. It had to look good with visible bang for the buck. He was bothered about the PGE tax. The City gets almost \$1 million in franchise fees, so it should have been paid for with that money. He did not know where it all went. It should have never been transferred from the street fund. To him the franchise was nice money, and that was where it should have come from. That was in the past. It was obvious that some thing needed to be done, and the citizens agreed. Now there needed to be a fair way. They knew they were going to pay for it one way or another, and now it was a matter of how. The project team's job was to find out what that was. He recalled talking about a gas tax when Ms. Rouyer was here, and no one liked the idea. The City needed to do something, and everyone could take some of the blame. It was an investment that has been neglected. The citizens realized that, but they wanted to see clear results. He thought people would pay for it as long as the outreach was there and the message was clear. People were pleased with what was going on in the City, and the trust was being built up.

**Councilor Collette** agreed with what had been said and appreciated the staff effort. The motion said the program would be designed with input from the businesses and neighborhoods, and she wanted to make sure that public involvement did not drop off but in fact escalated. There were 92 respondents out of more than 20,000 citizens. She wanted it to be a tight collaboration. She agreed that it was something everyone needed to be proud of, and something that everyone saw. There was no doubt that most citizens in Milwaukie used Railroad Avenue and King Road. This has to be a priority for the City. She wanted a quality product with solid public involvement.

**Councilor Barnes** said the business situation is always difficult, but they were the first to show up when they did not like the Council's solution. She thought the economic development group would initiate contacts and ask them to invite their neighboring businesses. How much of an impact did studded tires have on City streets and was there a way to have people either register to use those and billed for an extra amount for destroying parts of the road. She recommended an updated web page about which streets would be done when with a large sign at the project. People also want all utility lines coordinated so recently paved streets were not dug up. The City appeared to be organized and on the move. McLoughlin Boulevard was finished, and that showed that the City could be taken seriously. Milwaukie does do what it says it will do.

**It was moved by Councilor Barnes and seconded by Councilor Collette to adopt the resolution directing staff to design in collaboration with Milwaukie neighborhoods and business a City of Milwaukie street maintenance program for Council action by December 31, 2006. Motion passed unanimously among the members present. [4:0]**

## **B. Council Reports**

**Mayor Bernard** announced the Riverfest events.

**Councilor Loomis** still needed some volunteers.

## **ADJOURNMENT**

**It was moved by Councilor Barnes and seconded by Councilor Collette to adjourn the meeting. Motion passed unanimously among the members present. [4:0]**

**Mayor Bernard** adjourned the regular session at 8:39 p.m.

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Pat DuVal, Recorder

**CITY OF MILWAUKIE  
CITY COUNCIL MEETING  
AUGUST 1, 2006**

**CALL TO ORDER**

**Mayor Bernard** called the 1987<sup>th</sup> meeting of the Milwaukie City Council to order at 7:05 p.m. in the City Hall Council Chambers. The following Councilors were present:

Council President Deborah Barnes	Joe Loomis
Carlotta Collette	Susan Stone

Staff present:

Mike Swanson, City Manager	Paul Shirey, Engineering Director
Larry Kanzler, Police Chief	

**PLEDGE OF ALLEGIANCE**

**Mr. Swanson** announced that the city attorney was excused from this meeting pursuant to Resolution 9-2003 and Milwaukie Municipal Code § 2.04.120.

**PROCLAMATIONS, COMMENDATION, SPECIAL REPORTS AND AWARDS**

**A. National Night Out Proclamation**

**Mayor Bernard** read a proclamation naming August 1, 2006 as National Night Out in the City of Milwaukie and announced upcoming neighborhood events.

**B. Northwest Leadership Seminar Distinguished Service Award to Milwaukie Police Chief Larry Kanzler**

The Council honored Chief Larry Kanzler for receiving the 2006 Northwest Leadership Seminar Service Award. The Seminar has served emergency service professionals in ten western states since 1970 by providing leadership and management training. Its mission is "To provide a variety of dynamic, educational experiences and valuable, practical skills for leaders of today and tomorrow." The Seminar's influence is recognized throughout the U.S. and Canada. While a going concern for many years, the Seminar really took off when Chief Kanzler was on its Board of Directors. He was instrumental in helping attract high quality trainers and innovative speakers. The success of the Board's efforts can be measured by the number of people signing up for the annual conferences. Attendance grew from 450 to 650 and is now up to 900 participants. Chief Larry Kanzler was recognized as being an excellent law enforcement representative who works to enrich training opportunities for others in the field. He, however, modestly states, "Anybody else would have done the same thing."

### **C. Recognize Riverfest Volunteers**

**Councilor Loomis** thanked the many citizens who volunteered to make the 2006 Riverfest a successful event.

### **D. Oregon Mayors Association**

**Councilor Barnes** congratulated Mayor Bernard for winning the 2006 Leadership Award for large cities through his contributions to local government that led to positive changes to the future of Oregon.

## **CONSENT AGENDA**

It was moved by **Councilor Collette** and seconded by **Councilor Barnes** to approve the consent agenda:

- A. DEQ MS4 Permit Litigation Intergovernmental Agreement for Joint Counsel;**
- B. Citywide Community Emergency Communications System – CodeRed Service Agreement; and**
- C. OLCC Application for Eric’s Market, 9410 SE 32<sup>nd</sup> Avenue (change of ownership).**

Motion passed unanimously. [5:0]

## **AUDIENCE PARTICIPTION**

- **Kiran Das Bala, 9725 SE 29<sup>th</sup> Avenue**

**Ms. Bala** had concerns with her utility bill and concerns about banking issues.

**Chief Kanzler** suggested Ms. Bala discuss the situation with Sgt. Hipes as her situation as described could be identity theft.

**PUBLIC HEARING – None scheduled.**

## **OTHER BUSINESS**

### **Council Reports**

**Councilor Collette** announced the Ardenwald Summer Concert series.

**Mayor Bernard** announced he had been accepted into the Pacific Program.

## **ADJOURNMENT**

It was moved by **Councilor Barnes** and seconded by **Councilor Collette** to adjourn the meeting. Motion passed unanimously. [5:0]

**Mayor Bernard** adjourned the meeting at 7:30 p.m.

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Pat DuVal, Recorder



To: Mayor and City Council

Through: Mike Swanson, City Manager

From: Stewart Taylor, Finance Director

Subject: Resolution: Transfer of Appropriations

Date: August 17, 2006 for September 5, 2006 Council Meeting

Action Requested

Approve, by resolution, the transfer of appropriation authority.

Background

During the public hearing held on July 20, 2006 to consider adopting the fiscal year 2006-2007 annual budget, the City Manager, acting as the Budget Officer, commented that there was an adjustment to the budget that would be brought back to the City Council after the budget was adopted. The adjustment would provide additional staffing and consulting work in support of transportation planning.

This report and resolution request a transfer of appropriation authority of \$40,000 from the General Fund Contingency account to the Planning Department. The transfer provides \$15,000 for a part-time position and \$25,000 for consulting work.

The part-time Planning Intern position will perform the following tasks:

- Conduct research on zoning and land use application questions
- Assist with the permitting process and report preparation
- Assist with the transportation planning process including research, project tracking and community outreach
- Some GIS mapping

- Field inspections and investigations (for development proposals, tree removal permits and planning projects); and
- Review and organize past planning documents including those for historic resources, design review, downtown and transportation planning.

The consulting work will assist the Transportation System Plan Working Group on Street Standards, and work with staff to update the City of Milwaukie Transportation Design Manual to incorporate context sensitive street design standards.

Oregon Local Budget Law (ORS 294.450(1)&(3) allows a governing body by ordinance or resolution to transfer appropriation authority between programs and categories for expenditures that were unforeseen at the time the budget was adopted. A transfer of appropriation authority does not increase or decrease total appropriations.

#### Concurrence

The Finance Director, CD/PW Director and Planning Director concur in this request.

#### Fiscal Impact

The resolution transfers existing appropriation authority between categories in the same fund. It does not increase or decrease appropriation authority.

#### Work Load Impacts

The requested action provides needed support in the Planning Department.

#### Alternatives

- Approve the resolution as proposed.
- Modify the resolution.
- Take no action.

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON,  
APPROVING A TRANSFER OF APPROPRIATIONS**

**WHEREAS**, during the public hearing held on July 20, 2006 to consider adopting the fiscal year 2006-2007 annual budget, the City Manager, acting as the Budget Officer, commented that there was an adjustment to the budget that would be brought back to the City Council after the budget was adopted; and

**WHEREAS**, the adjustment would provide additional staffing and consulting work in support of transportation planning; and

**WHEREAS**, a part-time Planning Intern position would perform a variety of tasks in support of planning and transportation issues; and

**WHEREAS**, consulting work would assist the Transportation System Plan Working Group on Street Standards, and work with staff to update the City of Milwaukie Transportation Design Manual to incorporate context sensitive street design standards.; and

**WHEREAS**, Oregon Local Budget Law allows a governing body to transfer appropriation authority by passing a resolution or ordinance (ORS 294.450(1&(3)).

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Milwaukie:

The transfer of appropriation is hereby approved as follows:

<b>From:</b>	<b>To:</b>
General Fund	General Fund
Contingency	Planning
\$40,000.00	\$40,000.00

Introduced and adopted by the City Council on September 5, 2006. This resolution is effective upon passage.

\_\_\_\_\_  
James Bernard, Mayor

ATTEST:  
Ramis, Crew, & Corrigan, LLP

APPROVED AS TO FORM:

\_\_\_\_\_  
Pat DuVal, City Recorder

\_\_\_\_\_  
City Attorney



**To:** Mayor Bernard and Milwaukie City Council  
**Through:** Mike Swanson, City Manager  
**From:** Larry R. Kanzler, Chief of Police  
**Date:** August 16, 2006  
**Subject:** **O.L.C.C. Application – Save-A-Lot – 6100 S.E. King Road**

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**Action Requested:**

It is respectfully requested the Council approve the O.L.C.C. Application To Obtain A Liquor License from Save-A-Lot – 6100 S.E. King Road.

**Background:**

We have conducted a background investigation and find no reason to deny the request for liquor license.



To: Mayor and City Council

Through: Mike Swanson, City Manager  
JoAnn Herrigel, Community Services Director  
Mike Clark, Operations Supervisor Streets/Water

From: Tim Salyers, Acting Code Compliance Coordinator  
Don Simenson, Water Quality Coordinator

Subject: Milwaukie Municipal Code Title 13

Date: August 16, 2006

Action Requested

Approve an ordinance that repeals City of Milwaukie Municipal Code Section 13.04.070C.

Background

The City's current practice for managing nonpayment of water bills is to turn off the water line to the non-paying home. This action is taken only after several other steps to encourage payment have been completed, including a mailed final notice and the delivery of a door hanger to the home in question.

If someone tampers with a shut off or turns on their water without permission, the City can fine the customer. The current fine of "not less than \$10 nor more than \$50" is found in code section 13.04.070C. This code language is now 60 years old and is lower than other fines assessed for similar violations. Given that a significant amount of staff time and equipment are used for water equipment repairs and water shut off, staff recommends that the current fine be increased to more closely follow the expenses incurred.

All other violations for sections 13.04.010-13.04.170 carry a penalty set in Section 13.04.180 of the municipal code (Attachment B). This section's maximum possible fine is \$500, which is consistent with many of the other code sections in the Milwaukie Municipal Code. By simply removing 13.04.070C from

the code, this \$500 maximum fine would be applicable to the water turn off violations as well as all other violations for this section.

#### Concurrence

Code Enforcement believes that removing a 60-year-old code penalty and making it conform to all other code penalties' will make a more uniform municipal code.

The water department feels that the current \$50 penalty is too low for the violation and advocate for a fine that covers the City's cost of service. They also feel that a \$500 fine may be more of a deterrent to those considering tampering with water shut off.

#### Fiscal Impact

The increase fine would generate more revenue for an offense.

#### Work Load Impacts

No extra workload.

#### Alternatives

Deny the amendment and continue to use the code fine from 1944.

#### Attachments

Attachment A- Ordinance

Attachment B- Milwaukie Municipal Code Sections 13.04.070 & 13.04.180

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON,  
AMENDING THE MILWAUKIE MUNICIPAL CODE BY REPEALING SECTION 13.04.070C.**

**WHEREAS**, Milwaukie Municipal Code Section 13.04.070 requires water shutoffs for each water customer and prohibits interfering with water shutoffs, and MMC 13.040.070C provides that the fine for a violation of MMC 13.04.070 ranges from 10 to 50 dollars; and

**WHEREAS**, MMC 13.04.070 was adopted in 1944 and has not been amended since adoption; and

**WHEREAS**, the penalty for violations of MMC Chapter 13.04 that do not otherwise have a specified penalty ranges from 25 to 500 dollars;

**WHEREAS**, the default penalty of 25 to 500 dollars is more appropriate and would apply if Section 13.04.070C were repealed; now therefore

**THE CITY OF MILWAUKIE DOES ORDAIN AS FOLLOWS:**

Section 1: The Milwaukie Municipal Code is amended by repealing Section 13.04.070C. All other portions of Section 13.04.070 shall remain in effect.

Section 2: This ordinance shall take effect 30 days after adoption.

Read the first time on \_\_\_\_\_, and moved to second reading by \_\_\_\_\_ vote of the City Council.

Read the second time and adopted by the Council on \_\_\_\_\_.

Signed by the Mayor on \_\_\_\_\_.

\_\_\_\_\_  
James Bernard, Mayor

ATTEST:

APPROVED AS TO FORM:  
RAMIS, CREW, CORRIGAN, LLP

\_\_\_\_\_  
Pat DuVal, City Recorder

\_\_\_\_\_  
City Attorney

ORDINANCE NO. \_\_\_\_\_

# Attachment “B”

## **13.04.070 Water shutoff required.**

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A. Any person, firm or corporation seeking water service must establish and provide, at his or its own expense, an absolute water shutoff or cutoff between the meter serving the premises and the first outlet on the premises served before the water may be turned on to the premises. Such shutoff or cutoff must thereafter be kept in workable condition.

B. It will be unlawful for any person, firm or corporation to touch, tamper with, operate or otherwise molest any city water shutoff, cutoff or turnoff without prior authorization granted by the city council.

**C. Any person, firm or corporation violating any portion of this section shall upon conviction thereof be fined not less than ten dollars nor more than fifty dollars for each such offense. (Ord. 450, 1944)\***

## **13.04.180 Violation—Penalty.**

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Any person, firm or corporation violating any provisions of this chapter shall be fined not less than twenty-five dollars nor more than five hundred dollars for each offense, and a separate offense shall be deemed committed on each day during or on which a violation occurs or continues. (Ord. 1418 § 9, 1978)

\* New ordinance would remove 13.04.070C (the bold section) only.



To: Mayor and City Council

Through: Mike Swanson, City Manager

From: JoAnn Herrigel, Community Services Director

Subject: Amendment to Intergovernmental Agreement with North Clackamas Parks and Recreation District

Date: August 17, 2006

**Action Requested**

Approve a resolution amending the Intergovernmental Agreement (IGA) between the City and the North Clackamas Parks and Recreation District (NCPRD) by replacing Section E (2).

**Background**

Milwaukie signed an IGA with NCPRD in 1992. This agreement guides not only how the City and the District work together but also how the District is to function in general. This document is now 14 years old and in great need of updating. To this end, the City's Park and Recreation Board is actively engaged in reviewing the IGA and developing a list of proposed revisions which will be discussed with Council and, later, become the basis for a negotiation with NCPRD in 2007.

In the meantime, NCPRD has an immediate need to amend the IGA to adjust the membership of their District Advisory Board (DAB). This adjustment is largely motivated by Happy Valley's recent decision to formally join the Parks District. Happy Valley must now be represented on the DAB and the District would like to make this formal change as soon as possible. The proposed adjustment would have the following impacts:

- The District Advisory Board would expand from 9 to 11 members
- Recruitment for the DAB would be easier since the geographic areas that members are recruited from will be less restrictive
- Happy Valley would have a formal representative on the Board.

The District Advisory Board (referred to as the Regional Parks Advisory Board in the IGA) acts in an advisory capacity to the Board of County Commissioners for all issues related to the Parks District. This Board has, historically, been made up of 9 members: one from each of 5 sub areas of the District, 3 at large and 1 from the Milwaukie Center. The City of Milwaukie, as one of the sub-areas of the District, has always had one formal representative on the Board. In addition, we have had several residents of the City on the DAB as “at large” members. In short, we have been well represented.

In order to integrate Happy Valley into the Advisory Board membership, the District is proposing to change the DAB membership. In order to do this, they must amend the IGA with Milwaukie. The amendment they are proposing will not change Milwaukie’s representation on the Advisory Board in any way. Following is the proposed Board membership compared to the existing membership:

<b>1992 Board Representation</b>	<b>2006 Proposed Representation</b>
1 City of Milwaukie	1 City of Milwaukie
1 Milwaukie Center	1 Milwaukie Center
3 At Large	2 At Large
4 Other Subarea reps	3 East of I-205
Oak Lodge	3 West of I-205
Oatfield	
Sunnyside	
Southgate Town Center	
	1 Happy Valley
<b>Total Members 9</b>	<b>Total Members 11</b>

**Concurrence**

Milwaukie’s Park and Recreation Board passed a motion at their June 27 meeting recommending that Council “support Dan Zinzer’s (District Director) recommendation for re-structuring the DAB membership.”

City staff supports the reorganization given that it does not affect the City’s participation in the DAB and the District has agreed to appoint the City’s chosen nominee.

The City of Happy Valley will consider this same proposal at their August 24<sup>th</sup> Council meeting.

**Fiscal Impact**

None.

**Work Load Impacts**

None.

**Alternatives**

Deny approval of the District's proposed reorganization of the District Advisory Board membership.

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, AMENDING THE INTERGOVERNMENTAL AGREEMENT (IGA) BETWEEN THE CITY AND THE NORTH CLACKAMAS PARKS AND RECREATION DISTRICT (NCPRD) BY REPLACING SECTION E (2) AND AUTHORIZING THE MAYOR TO SIGN THIS AMENDMENT.**

**WHEREAS**, the City of Milwaukie signed an IGA with the North Clackamas Parks and Recreation District in 1992 which establishes the relationship between the City and the Parks District and which guides the operation of the District and its Advisory Board; and

**WHEREAS**, in May of 2006 Happy Valley voted to join the North Clackamas Parks District and wishes to be represented on the District Advisory Board; and

**WHEREAS**, the representation of the City of Milwaukie on the District Advisory Board is not affected by the proposed changes to the Board membership;

**NOW, THEREFORE, BE IT RESOLVED** that the 1992 Intergovernmental Agreement between the City of Milwaukie and the North Clackamas Parks and Recreation District shall be amended by replacing Section E(2) and expanding the Board membership from 9 to 11 members and changing the geographic areas designated for board member recruitment and the Mayor shall be authorized to sign this amendment.

Introduced and adopted by the City Council on September 5, 2006.

This resolution is effective immediately.

\_\_\_\_\_  
James Bernard, Mayor

ATTEST:

APPROVED AS TO FORM:  
Ramis, Crew, & Corrigan, LLP

\_\_\_\_\_  
Pat DuVal, City Recorder

\_\_\_\_\_  
City Attorney

**Proposed Amendment to IGA between Milwaukie and the  
North Clackamas Parks and Recreation District**

**Current language from Parks District intergovernmental agreement with the  
City of Milwaukie in July 23, 1992:**

“Section E. Administrative Issues

- 2) An Regional Parks Advisory Board (RPAB), composed of 9 members (1 from each of 5 sub areas of the district, 3 at-large; and 1 from the Milwaukie Center) will advise the Board of County Commissioners on all capital improvements, maintenance and operations, and recreational programming activities to be undertaken by the Service District. The Milwaukie City Council will appoint the individual representing the Milwaukie parks sub area. The Milwaukie City Council will also appoint the Milwaukie Center Board member during 1991-92. As of September 1, 1992, the Milwaukie Center Board will designate one of its members and an alternate to serve on the RPAB.”

**Proposed replacement for Section E (2):**

- 2) A. The District Board agrees to reorganize the District Advisory Board (DAB) and appoint an eleven-member board with representation allocated as follows:
  - 3 members from east of I-205 (one of which may reside in the City of Happy Valley)
  - 3 members from west of I-205 (one of which may reside in the City of Milwaukie)
  - 1 member from the City of Happy Valley\*
  - 1 member from the City of Milwaukie\*
  - 1 member from the Milwaukie Center
  - 2 members at large (one from east of I-205 and one from west of I-205)

\*District agrees to appoint the individual nominated by the City Council to fill the City’s representative seat unless there is good cause for rejecting the nomination.

B. District Advisory Board composition will be revisited and adjusted, in the event of significant District boundary changes or major population changes.

C. DAB members will be appointed to staggered four-year terms and may be removed by the District Board.

D. One position from west of I-205 and one position east of I-205 will have terms that expire in two years and at that time these two positions will not be refilled. Composition will then include two members each from east and west of I-205, one member from the City of Happy Valley, one member from the City of Milwaukie, one member from the Milwaukie Center and two members at large (one from east of I-205 and one from west of I-205).

**Amendment Number One**  
**TO**  
**INTERGOVERNMENTAL AGREEMENT BETWEEN THE NORTH**  
**CLACKAMAS PARKS AND RECREATION DISTRICT AND THE**  
**CITY OF MILWAUKIE**  
**JULY 23, 1992**

**The City of Milwaukie and the North Clackamas Parks and Recreation District hereby agree to amend the 1992 Intergovernmental Agreement by replacing Section E (2) in the following manner:**

The current section E(2) which reads:

“Section E. Administrative Issues

- 3) An Regional Parks Advisory Board (RPAB), composed of 9 members (1 from each of 5 sub areas of the district, 3 at-large; and 1 from the Milwaukie Center) will advise the Board of County Commissioners on all capital improvements, maintenance and operations, and recreational programming activities to be undertaken by the Service District. The Milwaukie City Council will appoint the individual representing the Milwaukie parks sub area. The Milwaukie City Council will also appoint the Milwaukie Center Board member during 1991-92. As of September 1, 1992, the Milwaukie Center Board will designate one of its members and an alternate to serve on the RPAB.”

Will be replaced with the following language:

- 2) A. The District Board agrees to reorganize the District Advisory Board (DAB) and appoint an eleven-member board with representation allocated as follows:
  - 3 members from east of I-205 (one of which may reside in the City of Happy Valley)
  - 3 members from west of I-205 (one of which may reside in the City of Milwaukie)
  - 1 member from the City of Happy Valley\*
  - 1 member from the City of Milwaukie\*
  - 1 member from the Milwaukie Center
  - 2 members at large (one from east of I-205 and one from west of I-205)

\*District agrees to appoint the individual nominated by the City Council to fill the City's representative seat unless there is good cause for rejecting the nomination.

B. District Advisory Board composition will be revisited and adjusted, in the event of significant District boundary changes or major population changes.

C. DAB members will be appointed to staggered four-year terms and may be removed by the District Board.

D. One position from west of I-205 and one position east of I-205 will have terms that expire in two years and at that time these two positions will not be refilled. Composition will then include two members each from east and west of I-205, one member from the City of Happy Valley, one member from the City of Milwaukie, one member from the Milwaukie Center and two members at large (one from east of I-205 and one from west of I-205).

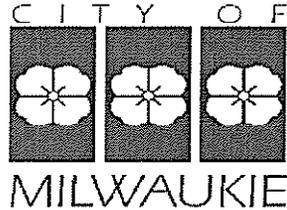
Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2006.

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City of Milwaukie

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North Clackamas Parks  
and Recreation District



**To: Mayor and City Council**

**Through: Mike Swanson, City Manager**  
**✶ Kenneth Asher, Dir. of Community Development & Public Works**

**From: Paul Shirey, Engineering Director**  
**George MacGregor, P.E., Civil Engineer**

**Subject: Milwaukie Water Supply Study**

**Date: August 21, 2006 for September 5, 2006 Regular Session**

**Action Requested**

Authorize approval to re-negotiate the Intergovernmental Agreement with Clackamas River Water (CRW) such that the City will pay CRW for drinking water on a per-unit, as-needed basis only.

Authorize approval to proceed with the design and construction of repairs required to reactivate Well 8.

**Purpose**

The City of Milwaukie drinking water supply has been an issue of ongoing importance and examination. The purpose of this Memorandum is to update Council on the status of Milwaukie's water supply in the wake of the loss of Well 8 in 2005, and to chart a course for ensuring the City has a safe and reliable source in the foreseeable future. This memo focuses on two aspects of Milwaukie's water supply – the City's IGA with Clackamas River Water, and the future of the City's Well No. 8.

In 1998, the City and CRW entered into an IGA for the City to purchase surplus drinking water from CRW. Reasons cited for the IGA included the need to have capacity above actual peak demand, and that the City's water sources should be numerous enough such that the failure of any one source would not disable the City's ability to meet peak demand. The terms of the IGA requires the City to purchase a fixed amount of water, whether the City needs it or not, but it does not guarantee the City will get water when it might need it the most.

In 2005, the pumping equipment at Well No. 8 was destroyed in a fire and the City lost about 15% its pumping capacity. The remaining components of the City's drinking water system are not able to make up for the loss of Well 8, and the City again faces the challenge of meeting its drinking water supply goals.

Staff will demonstrate that reactivating Well 8 at its present site is the most economically feasible alternative for securing the City's water supply. In addition, staff will show that a reactivated Well 8 will render the CRW supply unnecessary, except for emergency use only, and that if the CRW IGA is revised accordingly, the City will realize an annual net savings of approximately \$36,000 over the next 12 years.

### **Background**

In 1985, Well 8 was constructed with a capacity to deliver 700 gallons per minute (gpm), or about 1.0 Million Gallons per Day (MGD). Well 8 is located on Lake Road near the Hwy 224 junction.

In a Memorandum dated November 21, 1997, staff recommended that Council approve an Intergovernmental Agreement with Clackamas River Water to supplement the City's water supply. The IGA arose from two primary policy objectives that were identified by staff and consultants, as follows:

**Objective A:** An additional drinking water source is necessary when 80% of capacity is less than the peak day demand. The 1997 memo reported a 4.3% shortfall toward this goal. (Objective A is another way of stating that the City should have a 25% reserve capacity available, and is consistent with standard water supply practice).

**Objective B:** An additional source is necessary when the loss of the most productive well would render a supply less than the peak day demand. The 1997 memo reported a 3.2% shortfall toward this goal. Objective B is also consistent with standard water supply practice.

See Attachment 1 for the 1997 Memo.

Council concurred with staff recommendations and adopted Resolution No. 38-1997. Subsequently, the City and CRW executed a 20-year IGA on December 2, 1997, to annually purchase twenty-four million cubic feet of surplus water at a rate 0.5 MGD. The annual cost for this water was set at a fixed price of \$70,000 per year. See Attachment 2 for the Milwaukie/CRW IGA.

In August of 1998, the so-called CRW Intertie Improvement Project was completed. The intertie is located on Harmony Road near to and upstream from Well 8.

The capacity of Well 8 began to decline rapidly after the CRW intertie was constructed, according to City Water Department records. The decline is attributed to "bio-fouling" of

the well screens, which was greatly exacerbated by the presence of highly chlorinated CRW water in the system, according to a study by Pacific Groundwater Group.

In 2001, a project to rehabilitate Well 8 to its former capacity was partially successful, but capacity again declined rapidly. Also in 2001, the City of Milwaukie and the City of Portland entered into an IGA for emergency backup water whereby the City could buy water on a per-unit basis. See Attachment 3 for the Milwaukie/Portland IGA.

In April of 2005, the pump at Well 8 caught fire and rendered Well 8 inoperable.

In May of 2005, the City Manager issued an Emergency Declaration to award a contract for engineering services to find a solution to the loss of Well 8.

In June of 2005, the City executed an Engineering Services Agreement with Murray, Smith & Associates (MSA) to produce the *Well 8 Assessment Report* to address the City's options for restoring or increasing the City's water supply. Several alternatives were identified for study, as follows:

- a. Re-drill Well 8 at the existing site (MSA Recommendation).
- b. Rehabilitate the existing Well 8.
- c. Drill a new well at a new site and abandon the existing Well 8 site.
- d. Abandon Well 8 without replacing its capacity.

See Attachment 4 for an excerpt from the 2005 MSA report.

### **Discussion**

Due to the loss of Well 8, the City of Milwaukie water system does *not* meet both water supply objectives outlined in the 1997 staff memo. An analysis of the Peak Day Demand (PDD) since 1991 shows that PDD has declined somewhat, but is beginning to increase again slightly. This trend is shown in Attachment 5. A reasonable estimate of current PDD is about 4.8 MGD. In order to meet Objective A, the City should be able to supply 6 MGD to be safe (80% of 6 MGD is 4.8 MGD). It should be noted that while Average Daily Demand (ADD) has declined over the years, the City's water system should be designed to meet PDD to avoid water rationing or drawing emergency water from outside sources. ADD has declined over the years due to conservation, in part as a reaction to volume-based pricing, but the decline is expected to reverse as Milwaukie reaches full "build-out" with higher density developments.

Attachment 6 shows how the various City Wells and CRW contribute to the City water supply under various conditions. A "typical" day in July 2006 saw about 3.6 million gallons of usage. Peak Day Demand jumps to about 4.8 MGD during hot, dry weather, and on such days the City can barely meet the 25% reserve target (Objective A).

It is also clear from Attachment 6 that Objective B cannot be met with the City's existing capacity. Specifically, if Well 7 failed, the City would fall short of the PDD by about 0.5 MGD. Fortunately, the City of Milwaukie and the City of Portland have an IGA whereby

the shortfall could be covered. However, Portland's water is expensive, of lower quality, and is for emergency use only.

Therefore, it would be prudent for the City to secure an additional source of water, which is consistent with the 1997 staff memo and the 2005 MSA Report.

Alternative 1 shown in Attachment 6 illustrates how re-drilling Well 8 will allow the City to meet both Objectives A and B. In fact, with the additional water from Well 8, it becomes clear that the CRW supply would better serve the City as an emergency backup supply only, especially given the corrosive nature of CRW water. Once Well 8 is operational, the City could meet Peak Day Demand even with Well 7 off-line, thus also satisfying Objective B.

The cost to rebuild Well 8 has been estimated to be \$300,000. Considering other factors such as annual maintenance, Well 8 would pay for itself in about eight years. This, of course, assumes that the City discontinues its \$73,000 annual payment to CRW and associated monitoring costs. As a CRW customer, the City contributes about \$1,400 to the Clackamas Watershed Management Group for surface water monitoring.

It is important to note that the City's cost to monitor the CRW intertie could increase dramatically due to EPA's tougher regulation of disinfection by-products (DBPs) in municipal water systems. At a recent conference sponsored by EPA and the American Water Works Association, it was estimated that a city the size of Milwaukie would need to spend roughly \$300,000 to assess the health risks associated with DBPs. Fortunately, the *2005 Annual Report on the Quality of Milwaukie's Drinking Water* found that Milwaukie's finished groundwater contains such a small amount of DBPs, that the City is not required to perform a rigorous and expensive DBP assessment. On the other hand, the water that Milwaukie receives from CRW contains much higher levels of DBPs. As a result, the City risks rigorous DPB assessments from continued blending of CRW water with City water.

See Attachment 7 for a cost comparison between continuing with the City's current CRW IGA versus rebuilding Well 8 and modifying the IGA.

Advantages of re-drilling Well 8 include the following:

- **More dependable supply.** CRW currently supplies water to the City *at CRW's own convenience*. The IGA states that CRW will sell the City its *surplus* water with no guarantee that the City will get water when the City might need it the most. The inevitable growth in Clackamas County will place ever-increasing demands on CRW. In addition, Well 8 will provide much needed capacity during peak summer demand, and allow the City's other wells to operate under less strain and with greater efficiency.
- **Better water quality.** CRW must disinfect its water to a much higher degree (about 3 times more) than Milwaukie because CRW draws its water from the Clackamas River. The City receives numerous taste and odor complaints

annually from customers who are closest to the Milwaukie-CRW intertie connection. This is especially problematic during summertime algae blooms that occur in the Clackamas River.

- **Lower health risks and monitoring costs.** Because surface water sources (c.g. CRW) require greater disinfection, there is a greater risk of contamination by toxic disinfection by-products (DPBs). Among the DPBs of concern are trihalomethanes (THM) and halogenic acetic acids (HAA). The EPA recognizes the higher risks associated with surface water disinfection and consequently requires more monitoring of water systems that utilize surface water. Conversely, EPA requires less monitoring of water systems that rely solely upon groundwater. See discussion above.
- **Better Asset Management.** It is estimated the existing Well 8 pump house, electrical controls, treatment and distribution system are valued between \$335,000 and \$383,000 if Well 8 is reactivated. If Well 8 is abandoned, the salvage value of these assets is negligible. The City could sell the Well 8 property and recover perhaps \$100,000, based upon the 2005 Real Market value determined by the Clackamas County Assessor.

Per the IGA, the City is obliged to reimburse CRW in whole or part for improvements that CRW makes to its system for the benefit of the City. In addition, the City could be forced to share the cost of major treatment or reservoir projects, even if the City does not directly benefit from those assets. In either case, CRW would retain full ownership of those assets. The City would pay for CRW's asset improvement through higher rates.

It is opinion of Staff that it makes sound economic sense for the City to invest in its own water infrastructure.

Disadvantages or risks of re-drilling Well 8 include the following:

- **Higher initial cost.** Murray, Smith & Associates estimates the cost to re-drill Well 8 to be \$300,000. However, MSA also estimates that this is only one-third the cost of purchasing water from CRW over a 20-year period.
- **Inadequate well production.** Originally, Well 8 produced about 700 gallons per minute, or 1 MGD, but only produced half that amount by the time the well pump failed in 2005. However, Pacific Groundwater Group (PGG) attributes the deterioration of Well 8 more to operational procedures (including the blending of CRW water at Well 8) than to the groundwater supply itself. PGG has recommended the City install a submersible, variable speed pump that will be continuously lubricated and cooled with fewer on/off cycles.
- **Higher unit cost for CRW emergency water.** If the City required emergency water from CRW, the City should anticipate paying a premium for that water. For example, the City's wholesale rate from the City of Portland is currently \$1.10 per hundred cubic feet (which is about 6 or 7 times higher than it costs the City to produce its own water). If CRW charged the City a similar rate for emergency water, then it would cost the City about \$737 per day or \$22,000 per month for

emergency water, or almost quadruple our current CRW rate. The actual rate for CRW emergency water will be negotiated pending Council approval.

- **Groundwater contamination risk.** Groundwater pollution is a challenge that the City is already addressing. Wells 2, 3, 4, 5, and 7 are subject to additional treatment to remove industrial solvents. However, Well 6 and Well 8 (while in operation) have tested free of chemical contamination. The fact that Well 8 is relatively pure should also be recognized as an advantage of reactivating that well.

### **Recommendations**

- Staff recommends Council adopt the Resolution (Exhibit A) authorizing the City of Milwaukie to enter into negotiations with the engineering firm of Murray, Smith & Associates for the purpose of designing a new well at the existing Well 8 site.
- Staff recommends Council adopt the Resolution (Exhibit B) authorizing the City of Milwaukie to negotiate with Clackamas River Water to amend the terms of the existing IGA such that the City would only purchase water for emergency use only at a rate that reflects actual usage.

### **Concurrence**

The City of Milwaukie Water Department has been involved in all technical, operational, and public service aspects of this issue and concurs with Staff recommendations.

The City of Milwaukie Finance Department has been consulted regarding the fiscal impact of the project. Finance concurs that the project is feasible and ready to bid conditional on the outcome of the year-end 2006 audit.

The engineering firm of Murray, Smith & Associates produced a study of Well 8 and made a determination that re-drilling at the existing site would be about one-third the cost of purchasing water from CRW over a 20-year period.

Section 1.C. of the IGA provides a means for the City to amend the IGA in accordance with the City's water supply requirements.

### **Fiscal Impact**

Project cost of approximately \$300,000 (2005 dollars). \$247,000 and \$102,000 have been budgeted for FY06/07 and FY07/08, respectively. However, the City will not enter into any contracts for design or construction until the 2006 year-end audit has been completed and funding is shown to be available for this project.

As discussed above, the current Well 8 site includes at least \$335,000 of City-owned site improvements that will be lost if Well 8 is abandoned. The City may be able to

recover approximately \$100,000 of this amount if the property is sold, as discussed above.

### **Alternatives**

Council may elect to maintain the status quo and continue to purchase drinking water from CRW for the duration of the IGA, which expires on June 30, 2018. The City may then renew the IGA for 10-year terms thereafter. However, Council is urged to consider the risks of this alternative: The IGA does not explicitly forbid CRW from terminating the IGA at any time, nor does it explicitly require CRW to renew it. The IGA explicitly states that CRW will provide Milwaukie with *surplus water to the extent feasible*. There is no guarantee of service. On the other hand, the IGA provides for an automatic 20-year renewal if CRW makes significant capital improvements to CRW-wide treatment or storage capacity, and the City is subject to rate increases to help pay for the improvements. The City also bears a risk of dramatically higher costs of water quality testing due to the introduction of surface water (CRW) into the City's water system. Therefore, Staff reiterates its recommendation to Council that the City should invest in its own drinking water supply and amend the IGA to provide emergency water at a rate that reflects actual usage.

### **Attachments**

- Attachment 1: 1997 Staff Memo to Council recommending CRW IGA
- Attachment 2: Milwaukie/CRW IGA
- Attachment 3: Milwaukie/Portland IGA
- Attachment 4: Excerpt from 2005 *Well No. 8 Assessment Report* by Murray, Smith & Associates
- Attachment 5: Milwaukie Water Demand Trend
- Attachment 6: Milwaukie Water Supply Analysis & Alternatives
- Attachment 7: Alternative Analysis: Well 8 vs. CRW Supply

### **Exhibits**

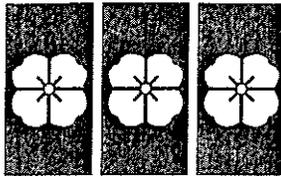
- Exhibit A: Resolution authorizing City to proceed with negotiations with Murray, Smith & Associates for the design of Well 8
- Exhibit B: Resolution authorizing City to proceed with negotiations with Clackamas River Water to amend the existing IGA to purchase water on a per-unit, as-needed basis.

## **Attachment 1:**

### **1997 Staff Memo to Council**

ATTACHMENT 1

C I T Y O F



MILWAUKIE

MEMORANDUM

November 21, 1997

TO: Mayor and City Council

THROUGH: Dan Bartlett, City Manager

FROM: Jim Brink and Mike Swanson *JEB 11-18-97*

SUBJECT: Proposed Intergovernmental Agreement Between the City and Clackamas River Water (CRW) Providing for the Purchase of Surplus Water from CRW

**Action Requested:** City Council approval of the Resolution (Attachment A) approving the proposed Intergovernmental Agreement between the City and Clackamas River Water (Attachment B).

**Purpose:** Provide additional information concerning the proposed IGA and request Council approval of the attached Resolution.

**Background:**

1. This agreement arose from discussions at Council work sessions on February 18, 1997 and June 3, 1997 at which the staff presented its recommendations stemming from the Water Supply Study conducted by Murray, Smith & Associates.

2. At the June 3 work session the staff recommended developing an additional source of water. Two criteria were cited as significant in reaching this recommendation. They were:

a. An additional source is necessary when 80% of capacity is less than the peak day demand. Eighty percent of the then current capacity was 6.7 and 5.37 mgd. Peak day demand in 1996 was 5.6 mgd. Therefore, the peak day demand for the City exceeded the 80% capacity by 230,000 gpd.

b. An additional source is necessary when the loss of the most productive well would render a supply less than the peak day demand. The then current capacity was 6.7 mgd, and capacity of the most productive well (#7) is 1.28 mgd, resulting in a daily production (5.42 mgd) less than the peak day demand (5.6 mgd).

3. The staff recommended that the City "[c]ontract with Clackamas River Water (CRW) for a fixed quantity beginning on July 1, 1998 at 500,000 mgd (approx. equals 1/2 day supply for one well). Gradually adjust the quantity to meet demand. Improve/upgrade infrastructure in concert with supply changes. Begin negotiations now with CRW to establish an agreement that would insure the availability of specified quantities at specified intervals." The advantages of such an agreement were "its low capital cost," "[r]eliability and flexibility," its consistency "with Regional

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Plan approach to water supply," the fact that it "[a]llows the wells to rest," and the fact that the "CRW infrastructure [is] more in the path of future city growth."

**Discussion:**

1. Consistent with that recommendation, negotiations with CRW were concluded earlier this Fall, the result being the agreement currently before the Council. Its important points are as follows:

a. It is a twenty year agreement to provide twenty-four million cubic feet of water each fiscal year on a uniform basis of 500,000 gallons per day;

b. The City may periodically revise its allocation to reflect its needs; however, the initial election to do so may be followed by subsequent modifications no sooner than every fifth year thereafter;

c. The rate is calculated as a wholesale rate, currently estimated at approximately \$.25 per 100 cubic feet of water (Attachment C - memo from Dale Jutila), and the methodology has been reviewed by the City's rate consultant, FC\$G, who found that "[t]he proposed [rate] methodology is generally consistent with the industry approach to wholesale rates" (Attachment D - memo from Ed Cebron attached).

2. The cost to the City to Implement this agreement are as follows:

a. The CRW Intertie Improvement Project (WT-98-4) will improve the existing intertie at Harmony Road just west of 71st Avenue with the installation of two 750 gpm constant speed pumps, meter and piping to pump from 0.5 mgd to 2.0 mgd. The design cost is \$24,306, and the estimated construction cost is \$134,000. Funds are budgeted.

b. The difference in the cost of purchasing water at \$.25 per CCF and the current production cost of \$.10 per CCF for 500,000 gpd is approximately \$36,000 annually. Funds are available to cover this difference.

3. Council should be aware of a number of policy issues in considering this agreement. They are as follows:

a. Cebron noted that the rate of return of 9% is high for a municipal utility. In the short term this is true. However, that rate is a fixed, twenty year rate which binds both parties over the term of the agreement. The length of the guarantee appears to somewhat offset this concern.

b. Cebron also notes that there is no City participation in rate setting. This issue was raised during negotiations, and it was not resolved in a manner consistent with Cebron's suggestion. CRW has similar agreements with two other wholesale purchasers, and it did not wish to grant a more active role in rate setting to the City. Their desire for consistency across their wholesale base is understandable.

c. The termination clause provides for termination only in the event of a "breach of a material term of this Agreement." Unilateral termination is not allowed.

d. The agreement does not pretend to be an 'urban services agreement for water services pursuant to ORS 195.' It is an agreement to purchase surplus water at a wholesale

rate-nothing more. A more fully developed urban services agreement is anticipated to be negotiated following execution of this agreement.

crwmil2

**Attachment 2:**  
**Milwaukie/CRW**  
**IGA**

## ATTACHMENT 2

### AGREEMENT FOR WATER SUPPLY

THIS AGREEMENT FOR WATER SUPPLY is made and entered into effective July 1, 1998, by and between CLACKAMAS RIVER WATER, herein called "CRW" and the CITY OF MILWAUKIE herein called "Milwaukie."

#### RECITALS:

A. CRW is a domestic water supply district, organized and existing under the laws of the State of Oregon. Milwaukie is an Oregon municipal corporation, organized and existing under its municipal charter, ordinances, and the laws of the State of Oregon.

B. ORS 190.003 to 190.110 authorizes units of local government to enter into intergovernmental agreements for the performance of their duties or for the exercise of powers conferred upon them, and ORS 264.310 expressly authorizes agreements for the sale of surplus water.

C. CRW has determined that it is in the best interests of its rate payers for CRW to enter into this contract for the sale of surplus water.

D. Milwaukie has agreed that execution of a long-term agreement for the purchase of water from CRW is in the best interests of its rate payers.

E. The service and commodity provided by CRW are a special contract service and are not provided by CRW as a common utility service.

THEREFORE, the Milwaukie City Council and the CRW Board of Commissioners, herein referred to as the governing bodies," agree as follows:

#### 1. Supply of Surplus Water and Term of Agreement

A. Subject to the other provisions of this Agreement, CRW will furnish to Milwaukie a supply of potable, surplus water for an initial twenty (20) year period beginning July 1, 1998, through June 30, 2018, subject to renewal, extension or termination and on the terms and conditions as set forth in this Agreement.

B. Milwaukie agrees to purchase a minimum of 24 million cubic feet of water each fiscal year during the life of this Agreement. During the period May through September the volume of water is to be delivered into the Milwaukie system on the uniform basis of 500,000 gallons per day, at the rate of approximately 350 gallons per minute. For October through April and other times as approved by CRW the volume of water delivered to Milwaukie on a uniform basis shall be 500,000 gallons per day, but the flow rate (in g.p.m.) may vary during the day, provided the

flow rate does not cause undue or extraordinary demands on the CRW system (for example, not more than 3.0 times the average flow rate). In either circumstance, the total volume per day shall be subject to a five percent (5%) variance, allowing an additional 25,000 gallons per day to be taken without invoking higher rates to compensate for use of additional facilities.

C. Subject to 1.B., on or before January 1 of every calendar year until a modification pursuant to this section is made, and on or before January 1 of every fifth calendar year thereafter, Milwaukie may give written notice to CRW declaring its election to amend this Agreement by revising its water supply requirements. Such modification could include, but not be limited to, purchase of a greater amount of water each day on a uniform basis throughout the year. Upon receipt of notice, the parties shall negotiate the terms and conditions of the amendment to this Agreement, including adjustment of rates pursuant to cost of service principles as set for the in Section 11. Such times shall be approved by the governing bodies of the parties hereto and effective commencing on July 1 following conclusion of negotiations, unless the parties mutually agree to another effective date. Subsequent to an initial modification Milwaukie may revise its water supply requirement no more than once every five years.

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2. Annexation or Transfer of Service Area.

The provisions of this section are applicable until the parties enter an urban services agreement for water services pursuant to ORS 195. Thereafter, the urban services agreement will prevail. If Milwaukie annexes territory within CRW, the parties agree that CRW will continue to provide water to the newly annexed area, and Milwaukie may elect to perform meter reading, customer billing and customer service activities, or the parties may negotiate alternative arrangements for the most effective service delivery in these newly annexed areas. If Milwaukie annexes territory not currently served directly by CRW or, if Milwaukie transfers all or a portion of its service area receiving CRW water to a water service provider other than CRW, the parties agree to commence negotiations on modifications to this Agreement prior to substantial completion of the annexation or transfer.

3. Connections and Meters.

Milwaukie will provide and maintain meters, valves and controls, including backflow prevention assemblies as necessary, as approved by CRW, in proper order for a water transmission line connection at S.E. Harmony Road near S.E. Fuller Road, Milwaukie, Oregon. Milwaukie will arrange to have the master meters tested and calibrated biennially by an independent tester qualified to do such work. A copy of the test report shall be forwarded to CRW. Milwaukie shall provide

control, measuring and monitoring equipment necessary to sustain constant flow rates as anticipated by this Agreement. CRW shall maintain such valves and devices to control flows from its plant and reservoirs to Milwaukie's system.

4. Milwaukie Service of CRW Customers / CRW Service of Milwaukie Customers.

A. Milwaukie agrees to provide water for domestic service to the areas of CRW as may be best served by Milwaukie and as authorized by CRW. The formula for computing the credit to Milwaukie for water provided to CRW customers will be determined by joint resolution of the CRW and Milwaukie governing bodies. CRW will maintain a current record of customers served in this manner and provide copies to Milwaukie.

B. Water main extensions connected to the Milwaukie system within CRW shall be installed and paid for by CRW, but materials and construction thereof shall be subject to approval by Milwaukie.

C. Service connections to CRW customers served by Milwaukie shall be made by CRW using materials and construction methods approved by Milwaukie. All such service connections shall pay the current Milwaukie System Development Charge for this type and size of connection.

D. Should pressure regulators be required either on CRW mains or CRW services, the installation and maintenance thereof shall be the responsibility of CRW and not Milwaukie.

E. Meters on services from Milwaukie for customers residing in CRW shall be installed, maintained and read by CRW. Milwaukie may check services for leakage or any other purpose.

F. Facilities installed under this section will be owned by the party that installs them.

G. Similarly, CRW agrees to provide water for domestic service to areas of Milwaukie as may be best served by CRW and as authorized by Milwaukie. Charges for water provided to Milwaukie customers will be determined by the joint resolution described in 4.A., above. Provisions of 4.B. through 4.E., above, with the names Milwaukie and CRW reversed, will apply where CRW serves Milwaukie customers.

5. Continuity of Services.

A. In consideration of Milwaukie purchasing water from CRW, hereunder, the parties agree that Milwaukie will be provided water to the extent feasible pursuant to Section 18 in the same manner as service to CRW's own inhabitants and other direct service customers for the

minimum daily amount of 0.50 mgd. If a general emergency or water shortage requires restrictions on the delivery of water, then general restrictions placed upon deliveries to Milwaukie shall be determined by a similar method to that used for restricting deliveries to CRW's own inhabitants and other direct service customers; employing a pro-rata reduction. If localized emergency problems occur, temporary service interruptions may result.

B. It is recognized by both parties that emergency curtailment measures may have to be implemented by CRW on an area-wide basis in order to meet an emergency condition. Milwaukie shall assist and support such emergency curtailment measures. Milwaukie shall be included in discussions leading to the decision to implement the measures.

C. CRW will provide oral notice to Milwaukie and any other purchaser if CRW determines that such interruption or reduction is necessary or reasonable for system emergencies or to install equipment, make repairs, replacements, investigations and inspections or perform other maintenance work on CRW's system or those parts of the system supplying Milwaukie. Except in cases of emergency and in order that Milwaukie's operations will not be unreasonably interfered with, CRW also shall give Milwaukie ten (10) days written notice of any such interruption or reduction, the reason, and the probable duration. CRW agrees to exercise reasonable diligence and foresight to repair, replace and maintain its treatment plant and other facilities so as to provide a normal volume and pressure of water to the point of Milwaukie's connection during the life of this Agreement.

6. Contract Demand.

Upon execution of this Agreement and each year thereafter, Milwaukie will notify CRW of the peak days' demand projected and average annual amount of water needed from CRW for the current year and the next ten (10) years. Clackamas River Water will conduct a study every four (4) years in conjunction with a rate study to forecast demand by all users on a regional basis. This will be in addition to the annual forecast of demand by Milwaukie and other users. The amount of annual or quadrennial forecast demand will establish Milwaukie's demand.

7. Water Quality:

The quality of water delivered to Milwaukie's system under this Agreement shall comply with all applicable provisions of state and federal law, rules and regulations. Both parties agree this provision will not be binding on CRW where an emergency exists and best efforts and reasonable prudence have been exercised.

In the event of an emergency when water produced by CRW does not comply with applicable

provisions of state and federal law, rules and regulations for a period of more than two (2) days, Milwaukie may choose not to purchase water from CRW during the time the water does not meet the aforementioned standards, and the minimum purchase use provisions will not apply.

8. Area Supplied.

Milwaukie has furnished CRW with a written description of the area supplied by its distribution system and agrees to provide updates when they occur.

Milwaukie will give written notice to CRW prior to increasing its boundaries. If a boundary change is to occur, and the change involves territory other than that currently served by CRW, then CRW agrees to consider an increase in the volume of water purchased. If CRW determines that additional water is available, the parties may negotiate arrangements for the increased volume of water.

9. Non-Assignability/Sale Limitations.

No rights may be assigned under this Agreement without the written consent of CRW. Milwaukie agrees it will obtain written approval of CRW prior to selling or wheeling water to any other water purveyor other than commitments previously approved by CRW in writing. The parties agree to cooperate in good faith in evaluating the terms of any agreement to provide water to a third party water purveyor through the Milwaukie system. Such terms shall be approved by the governing bodies of the parties hereto. If water is wheeled to a third party water purveyor, it shall not be included in determining the amount of minimum purchase described in Section 1.B.

10. Rates.

Milwaukie will pay monthly to CRW for all water passing through transmission lines and meters described above (or as otherwise determined pursuant to Section 12) at rates determined using cost of service principles described in Section 11 and adopted annually by Resolution of the CRW Board. Effective on each successive July 1 during the term of this Agreement, or any renewal thereof, the rate shall be retained or modified in accordance with the criteria set forth in Section 11.

11. Rate Setting Criteria.

A. Rate Making Principles and Policies.

Revenue requirements shall be determined using the utility basis and cost of service principles as described in manuals M-1 and M-35 published by AWWA, and as may be amended. A cost of service computer model will be used to calculate the revenue requirements and resulting rates. The components used to determine the revenue requirements under the utility basis shall be:

1. Operation and maintenance costs;
2. Return on investment; and
3. Depreciation.

Operation and maintenance costs are those costs incurred by CRW to operate and maintain the assets used by CRW to supply Milwaukie. Operation and maintenance costs shall be based upon the projected expenses of CRW for that portion of the projected year's operation needed to support Milwaukie.

Return on investment shall be determined by applying a rate of return on the depreciated value of the assets that are used by CRW to supply water to Milwaukie. The rate of return on investment shall be nine percent (9%) .

The assets of CRW which are currently used to supply Milwaukie are listed in Appendix A.

Assets used by Milwaukie and the allocation of those facilities will be determined by an engineering review of water use characteristics. The assets and allocations will be reviewed at the same time as and in conjunction with the quadrennial rate study.

In the event of the addition, modification or substitution by CRW of assets that are used by CRW to supply Milwaukie, the list of facilities shall be modified accordingly. These new facilities may be included in any computation notwithstanding the fact that they have not been formally included within this Agreement. In the event the parties have a dispute as to the respective benefit of the use of these facilities, either party may refer the dispute to resolution pursuant to Section 15.

**B. New Expansion Facilities Cost (Jointly Financed Facilities).**

New expansion facilities costs will be allocated between Milwaukie and CRW service customers on the basis of their ultimate shares of the design capacities of these facilities. The allocation of the costs of such facilities will be based on the projections made or reviewed by an independent consultant at the time of each rate study.

If capital facilities that would be jointly financed by CRW and Milwaukie are contemplated, the parties agree to negotiate the terms of an agreement providing for such joint financing.

**C. Wholesale Rate Structure.**

Revenue requirements will be recovered from Milwaukie and other wholesale purchasers through a monthly service charge, commodity rate and/or rate schedule. The charges may

vary with consumption, peak demand, or other variables. The cost of service associated with these variables shall be determined and in accordance with American Water Works Association methodologies described above.

**D. Provision for Emergency Surcharge.**

1. In the event of a severe drought, major catastrophe, or other extraordinary conditions that require emergency expenditures to maintain a sufficient water supply, it may be necessary for CRW to impose, by Resolution, an emergency surcharge on Milwaukie in order to pay for such expenditures. An equitable portion of these costs will be allocated to Milwaukie in accordance with the principles set forth in Section 11, and may be recovered through an emergency surcharge. In the event of any extraordinary conditions listed above, Milwaukie may choose not to purchase water from CRW for the duration of the emergency and the minimum purchase provisions will not apply.

2. An emergency surcharge based on water usage may be implemented immediately upon passage of the authorizing Resolution and apply to all regular billings thereafter transmitted, and may continue as long as necessary to pay for emergency expenditures.

**E. Rate Adjustment Procedure.**

During the life of this Agreement, the applicable rates shall be adjusted and implemented July 1. Every fourth year the rates shall be adjusted as determined by using the utility basis in a cost of service water rate study. This study will include a complete review of components of the cost of service rate model and allocations contained therein. During intervening years, the applicable water rate shall be adjusted by updating the cost of service rate model developed at the previous quadrennial study. Projected flow rates and projected expenses will be used in updating the model to determine revenue requirements and calculate rates for the ensuing fiscal year. It is agreed that the rates resulting from updating the cost of service rate model will be utilized for the ensuing fiscal year. If during the intervening period between rate studies new capital facilities used partially or wholly by Milwaukie and valued at more than \$0.5 million are placed in service, the appropriate allocation of the facility may be added to the cost of service rate model and included in the rates for the ensuing fiscal year.

**F. Rates for Water Sold to Milwaukie.**

Rates for water sold to Milwaukie are calculated on the basis of a uniform amount of water each day throughout the year. In the event Milwaukie uses an amount of water in excess of five percent (5%) above the uniform daily amount, an excess use charge will be calculated for the

additional amount. If an excess use charge is imposed, Milwaukie will be entitled to use water up to the greater amount on a daily basis for the remainder of the fiscal year in which the charge was applied without incurring additional excess use charges.

G. Rates for Emergency Water Supply

In the event of an emergency caused by damage to or the in operability of Milwaukie's water supply system and subject to ability of the CRW system to supply water, CRW agrees to allow Milwaukie to purchase additional water at a rate which is two (2) times the rate determined by 11.F., above, to meet the needs occasioned by the emergency. Authorization to additional purchase of water under this provision shall be limited to a period of time which would be reasonably necessary to repair or replace the system damage.

12. Billing.

Meters installed to measure the volume of water sold by CRW to Milwaukie shall be read periodically by representatives of CRW at times fixed by mutual agreement of CRW and Milwaukie. Representatives of Milwaukie may be present at meter readings. CRW shall compute and render bills and statements to Milwaukie by the 5th day of each month. If the meters at any time fail to accurately measure the water passage through said meters, the charge for water used during the time said meters are out of order shall be based upon the average daily consumption as shown by said meters when in proper operating condition during a comparable period of service. CRW shall invoice Milwaukie each month for water usage in the preceding month. Milwaukie will make payment on or before the 30th day of the month.

Inasmuch as Milwaukie has contracted to purchase a uniform amount of water each day throughout the year and that is considered in the rate calculations, Milwaukie agrees to pay CRW the greater of: the amount calculated based on the actual volume of water passing through the meter(s) described above; or the amount calculated based on 500,000 gallons per day multiplied by the number of days in the billing period.

13. Payment.

During the term of this Agreement, Milwaukie shall, by the last day of each month, pay to CRW the sums due based on the rates and charges provided in Sections 10, 11, and 12 of this Agreement.

14. Late Payment.

CRW may assess a late charge to Milwaukie for failure to make full and timely payment. This charge shall be established by CRW as a percentage of the late portion of the water charges

owed provided that the percentage rate shall not exceed an annual rate of ten percent (10%) on balances overdue 10 or more days.

15. Disputes/Attorneys Fees.

If a dispute arises between the parties regarding breach of this Agreement or interpretation of any term of this Agreement, the parties shall first attempt to resolve the dispute by negotiation followed by mediation if negotiation fails to resolve the dispute.

Step One:

The city manager and general manager or other persons designated by the governing bodies will negotiate on behalf of the entities they represent. The nature of the dispute shall be reduced to writing and shall be presented to each manager who shall then meet and attempt to resolve the issue. If the dispute is resolved at this step, there shall be a written determination of such resolution, signed by each party's manager and ratified by each governing body which shall be binding upon the parties.

Step Two:

If the dispute cannot be resolved within ten (10) days at step one, the parties shall submit the matter to non-binding mediation. The parties shall attempt to agree on a mediator. If they cannot agree, the parties shall request a list of five (5) mediators from an entity or firm providing mediation services. The parties will attempt to mutually agree on a mediator from the list provided, but if they cannot agree, each party shall select one (1) name and the selected mediators shall select a third name. The dispute shall be heard by a panel of three (3) mediators and any common costs of mediation shall be borne equally by the parties who shall each bear their own costs and fees therefor. If the issue is resolved at this step, a written determination of such resolution shall be signed by each general manager and approved by the respective governing body.

Disputes that are not resolved after exhausting steps one and two above shall be submitted to mutually agreeable arbitration or be resolved by proceedings in the Circuit Court of the State of Oregon for the County of Clackamas. If arbitration, suit or action is commenced the prevailing party shall be entitled to its reasonable attorney fees as may be awarded by the arbitration panel, trial court or upon appeal.

16. Limitation of Liability.

Milwaukie recognizes and agrees that no liability for damages shall attach to CRW hereunder on account of any failure to accurately anticipate availability of water, or because of actual failure of

supply due to any damage to CRW's treatment plant, equipment, pipelines, or facilities caused by vandalism, war, riot, invasion, fire, strikes, unavailability of supplies, Acts of God, or other causes beyond its control.

17. Coordination and Consultation.

It is agreed that Milwaukie and other wholesale purchasers of surplus water from CRW have the right to receive information from and to provide input to CRW on matters affecting the water system. Such matters include, but are not limited to, upcoming modifications to the system, anticipated costs, annual budget, rate adjustments, cost of service rate studies and operating constraints. Meetings involving CRW and its wholesale purchasers will be scheduled at least annually and not later than March 1st of each calendar year to provide opportunity for the respective administrative officials to exchange information.

When capital facilities that will be partially or totally utilized by Milwaukie and costing greater than \$250,000 are contemplated, Milwaukie will be allowed opportunity for input and advice on the proposed projects.

18. Limitation of Supply.

The parties acknowledge CRW is not engaged in the water business and was not created to sell water outside the corporate limits of CRW, except surplus water not needed by CRW and its inhabitants, and that the citizens and inhabitants of CRW have the prior right to use of the water distributed by the Clackamas River Water system. CRW herewith expresses confidence in its desire and ability to furnish sufficient surplus water to meet the needs of Milwaukie, but in the event there should ever arise in the future an inability on the part of CRW to furnish sufficient surplus water to Milwaukie, it is understood that CRW shall not be liable on account of any such inability.

19. Planning.

Milwaukie agrees to report to CRW its annual and peak day total system demand for each fiscal year and to report certain other data relating to water supplies as may be requested by CRW for water planning purposes, provided that supplying such data shall be reasonably within the means of Milwaukie. Records relevant to water supply and consumption within the possession of CRW or Milwaukie will be provided to the other upon reasonable request.

CRW shall assemble the information provided by Milwaukie and other wholesale purchaser and undertake planning for water supply requirements.

CRW shall examine and investigate water supply suitable and adequate for present and reasonable future needs. CRW shall prepare and adopt a plan for acquiring such water supplies in a

timely fashion. This plan shall include provision for the land, water and water rights and easements necessary therefor and facilities for retaining, storing and delivering any such waters, including dams, reservoirs, aqueducts, and pipelines to convey the same throughout the system. CRW shall endeavor to secure water supplies such that it will provide high quality, safe drinking water to its direct service customers and wholesale purchasers at rates that are both reasonable and consistent with the long term health of the water system.

CRW shall also prepare an emergency plan as part of its Comprehensive Regional Plan to provide for water supply in the event of drought or disaster.

20. Conservation Program.

Water Conservation Programs adopted by CRW shall be implemented by CRW with the assistance and support of Milwaukie, except that Milwaukie shall not be required to adopt special rates with respect to this program.

21. Termination.

This Agreement is conditioned upon the faithful performance by both parties of all the terms and provisions hereof. Pursuant to Section 15, either party may give notice of termination for breach of a material term of this Agreement and shall thereupon commence dispute resolution; one of the remedies in dispute resolution may be termination of this Agreement.

22. Renewal.

This Agreement may be renewed by Milwaukie by furnishing notice, in writing, to CRW not later than twelve (12) months prior to the expiration of the original term of this Agreement for an additional period of ten (10) years. Thereafter, this Agreement shall be renewable by the parties at periodic and regular intervals of ten (10) years each, provided, however, notice of request to renew shall be given by Milwaukie in writing no later than twelve (12) months prior to the expiration of any renewal period. The above notwithstanding, the parties further agree this Agreement shall automatically extend for twenty (20) years from the date of construction of new treatment facilities, completion of treatment facility expansion of 10 million gallons per day capacity or more or construction of a regional reservoir of five (5) million gallons or more by CRW. CRW will provide Milwaukie timely notice of any intent to make major treatment facilities expansions which would affect the term of this Agreement.

Upon receiving such notice Milwaukie will have a period of six (6) months in which to decide if Milwaukie will continue to purchase water from CRW. If Milwaukie determines that it will continue to purchase water from CRW under the same conditions as provided herein, this Agreement

shall be renewed as provided above. If Milwaukie determines that it will not continue to purchase water from CRW on a long-term basis, this Agreement will expire on a date on which the existing facility treatment capacity is expected to be exceeded, as determined by CRW, except that such expiration shall not occur less than one (1) year following notice from Milwaukie to not continue water purchase from CRW on a long-term basis. Prior to commencing with a major facility described in this section, CRW will notify Milwaukie of its intent to proceed.

23. Notice.

Any notice under this contract shall be in writing and shall be effective when actually delivered or when deposited in the mail, addressed to the parties at such addresses as either party may designate by written notice to each other.

24. Effective Date.

This Agreement shall be effective as of July 1, 1998, and continue until terminated as herein provided.

IN WITNESS WHEREOF, City of Milwaukie, pursuant to a proper resolution dated the 2<sup>nd</sup> day of December, 1997, duly authorizing the City Manager and \_\_\_\_\_ of its City Council to execute this instrument on its behalf, and said Clackamas River Water, pursuant to a resolution dated the 2nd day of December, 1998, duly authorizing the President and Secretary of its Board of Commissioners to execute this Agreement on its behalf, have caused this Agreement to be signed, in duplicate, as of the day and year first hereinabove written.

CLACKAMAS RIVER WATER

CITY OF MILWAUKIE

By Paul E. Rogers  
President

By Don R Bartlett

By Lowell J. King  
Secretary

By \_\_\_\_\_

**Attachment 3:**  
**Milwaukie/Portland**  
**IGA**

Portland Water  
Intergovernmental Agreement

This agreement is entered into by and between, the City of Milwaukie, a municipal corporation of the State of Oregon, herein called "Milwaukie", and the City of Portland, a municipal corporation of the State of Oregon, herein called "Portland."

The parties recite:

- A. Milwaukie is a municipal corporation of the State of Oregon and is authorized by its charter and by state law to operate a municipal water system.
- B. Portland is a municipal corporation of the State of Oregon and is authorized by Chapter XI of the Charter of the City of Portland to maintain water works for the furnishing of water to the city, its property, its inhabitants, and the places and people along or in the vicinity of the pipes, conduits, or aqueducts constructed or used for that purpose. The Council of the City is further authorized to enter into contracts for the supply of water to the City, and to sell water to persons, public and private, outside the city, on terms and conditions the Council finds appropriate.
- C. Portland is further authorized by Section 2-105(a) 4 of its Charter to enter into agreements without limitation as to term, as the Council finds appropriate for cooperation, consolidation and maintenance of services with any other public corporation or unit of government.
- D. ORS 190.003 to 190.110 authorizes units of local government to enter into intergovernmental agreements for the performance of their duties or for the exercise of powers conferred upon them.
- E. Parties have determined that it is in the best interest of ratepayers for the parties to enter into contracts for the purchase and sale of water for emergency and backup purposes. Parties agree that execution of a long-term agreement for the sale of water between Milwaukie and Portland will provide greater likelihood of the water supply being available to both Milwaukie and Portland for an emergency or backup situation.
- F. The service and commodity provided by Portland are a special contract service and are not provided by Portland as a common utility service.

### Section 1: NATURE OF THE AGREEMENT

The agreement provides for the construction, operation, and maintenance of a connection for the supply of water between Portland and Milwaukie and for the sale of water between Portland and Milwaukie for emergency and backup purposes.

## Section 2: FACILITIES CONSTRUCTION

The Portland/Milwaukie Emergency/Backup Connection consists of relocating the existing 12-inch diameter connection between Portland and Milwaukie. The new connection will consist of three primary components: a flow meter, a back-flow prevention device, and a pressure-reducing valve to be installed below the ground surface in three separate vaults. Hereinafter these facilities are referred to as the "metering facilities", "the back-flow prevention facilities", and the "regulating facilities". The new connection is to be located in the Springwater Corridor (near Johnson Creek Boulevard), which is managed by the Portland Parks Bureau.

### A. Property Acquisition

The property on which the facilities are to be located is owned by the Portland Bureau of Parks and Recreation. The Portland Bureau of Water Works will obtain rights for the placement of the facilities at the site in the Water Bureau's name, as agreed to in the November 21, 2000, letter of understanding between the Portland Bureau of Water Works and the Portland Bureau of Parks and Recreation (Exhibit A). By this agreement, the Water Bureau grants Milwaukie the right to place its part of the facilities at the site. Provided, that if the Water Bureau is unable to obtain access and occupation rights from the Bureau of Parks and Recreation, this agreement shall be null and void and of no effect.

### B. Design

Milwaukie shall prepare plans and specification for construction of the connection, including all three facilities and connections to the Portland system and the Milwaukie system. The design of the regulating facilities and piping on the Milwaukie side of the regulating facilities shall meet Milwaukie's system standards. The design of the metering facilities and back-flow facilities and all piping on the Portland side of the regulating facilities shall meet Portland's system standards. Both Portland and Milwaukie will be given an opportunity to review and comment on the design to insure consistency with system standards and no design shall be approved without concurrence of both municipalities.

### C. Construction

Milwaukie shall issue and manage contracts for the construction of the connection. Milwaukie, working with the design consultant, will provide contract oversight and inspection of construction to insure compliance with the plans and specifications. Portland will also monitor the construction, and provide additional inspection of metering and back-flow prevention facilities.

### D. Connection and Telemetry

Portland and Milwaukie will each be responsible for connecting the facilities to their systems upon completion of construction.

Milwaukie shall install telemetry equipment needed for operation of the regulating facilities and Portland shall install telemetry equipment for meter operation. Telemetry and electrical services will be shared to the extent possible.

### Section 3: COST SHARING

#### A. Design Costs

The share of design and site acquisition costs between Milwaukie and Portland is in accordance with a Memorandum of Understanding for "Portland/Milwaukie Backup/Standby Connection" dated February 2, 2000 (Exhibit B).

#### B. Construction Costs Participation

All costs for the pressure regulating facilities will be the responsibility of Milwaukie. All other facility costs (other than telemetry and connections to the two systems) will be split equally between Portland and Milwaukie. Each municipality shall pay its own costs to install telemetry and to connect the facilities to its own system.

#### C. Billing and Payments

Milwaukie will initially pay all costs for the installation of metering, backflow prevention, and regulating facilities, and associated piping and will bill Portland for its share. Portland will initially pay all costs of property access (permits or easements) and will bill Milwaukie for its share.

### Section 4: OWNERSHIP AND OPERATION

A. Portland shall own, operate, and maintain the metering facilities and the piping on the Portland side of the regulating facilities. Portland owns the property on which facilities are located. Milwaukie shall own, operate, and maintain the regulating facilities, back-flow prevention facilities, and the piping on the Milwaukie side of the back-flow facilities.

#### B. Site Access

Access to and protection and restoration of the site is governed by the agreement for non-park use granted by the by the City of Portland Bureau of Parks and Recreation. Subject to the terms of that agreement, these additional conditions apply:

1. Both parties shall have access to the facility site as described in Exhibit C, (herein after "the Site"), for the purposes of constructing, inspecting, operating, and maintaining the facilities .
2. The right of access shall remain in effect as long as Portland and Milwaukie require use of the facilities or until the termination of this agreement or the underlying agreement for non-park use.

3. Prior to the commencement of any work within the Site, Milwaukie shall notify the Chief Engineer of Portland's Bureau of Water Works and the appropriate party of the Portland Bureau of Parks and Recreation, in writing or orally, and identify its intentions for the work, including how it plans to address questions of access, security, and any other work impacts. Where possible and applicable, Milwaukie shall arrange its work schedule so as to not or minimally interfere with any planned Portland Bureau of Water Works or Bureau of Parks and Recreation programs. Subject to the paramount rights of the Bureau of Parks as established under the agreement for non-park use for the Site, the determination of the Portland Bureau of Water Works' Chief Engineer regarding the timing of any work on the Property shall be final.
4. No prior notice is required in the case of an emergency. In the event of an emergency, Milwaukie shall provide such notice to the Portland Bureau of Water Works and the Portland Bureau of Parks and Recreation, either before or after work commences, as the emergency situation reasonably allows. Routine operations and maintenance activities do not require notice.
5. Any surface or underground item or feature disturbed as a result of either parties' activities will be repaired or restored to a state equal to or better than existed prior to its activities.
6. Neither party shall store, use, manufacture, or dispose of materials within the Site except in compliance with all federal, state, and local laws, provided that in no case may there be stored, used, or manufactured, or disposed of within the Site any hazardous materials as defined by ORS 465.200 and the implementing regulations of the Department of Environmental Quality (DEQ), or which constitute a public health hazard, as defined by rules of the Oregon State Health Division, and no conditions shall be permitted within the Site which constitute a health hazard, as defined by rules of the Oregon State Health Division.

#### **Section 5: REQUEST FOR EMERGENCY OR BACKUP WATER**

Either party may request emergency or backup water from the other. To the extent possible, parties agree to provide forty-eight hours notice or notice as soon as is reasonably possible of the request to use water. The purpose of such notice is to provide time to prepare the connection for use. Parties agree to share ongoing operational information as is determined necessary for each party to appropriately manage and operate their systems.

Milwaukie's primary contact to request emergency water is the Water Operations Supervisor, telephone number (503) 786-7600. Portland's primary contact is Bureau of Water Works, Chief Engineer, telephone number (503) 823-7404.

In the event of a request for water from one party to this Agreement, the other party shall respond as quickly as reasonably possible. The response shall indicate if the request can be met and, if so, with how much water, for how long, and under what conditions. Each party agrees to use its best efforts to provide emergency or backup

water to the other upon request, but neither party may be held liable to the other if a request for water is not met or not met in full. In addition, once one party begins to supply emergency or backup water to the other, the provider may cease or reduce the supply upon 24 hours notice to the purchaser if the provider determines the cessation is necessary for the protection of its own system and its other supply obligations.

#### **Section 6: PRICING AND PAYMENT**

The pricing for water supplies to Milwaukie will be on a unit commodity basis for water actually used as measured by the meter. Rates and charges for water used shall be as established by the Portland City Council for water served to non-contract water purveyors on an emergency basis, updated from time to time. Portland shall furnish the rate schedule to Milwaukie at each update by the Portland City Council.

The pricing for water supplied to Portland shall be on a unit commodity basis for water actually used as measured by the meter. Rates and charges shall be as established by Milwaukie for the supply of emergency or backup water according to its normal rate-making processes.

Parties agree to pay monthly for all water purchased. Statements for water used shall be computed and rendered monthly to Purchaser. Should the meter fail to measure accurately the water passing through said meter, the charge for water used during the time the meter is out of service shall be based on the estimated volume of water supplied. Purchaser shall make payment within thirty days of issuance of the statement.

#### **Section 7: DURATION AND TERMINATION OF AGREEMENT**

This agreement shall remain in force and effect in perpetuity, unless it is terminated as provided herein. The parties may mutually agree to terminate this agreement under such terms as they establish at the time. Either party may terminate this agreement by providing written notice to the other of the termination. This agreement shall terminate 180 calendar days from date the notice is received.

The agreement shall automatically terminate if Portland or Milwaukie loses the right to occupy the site at which the facilities are located, unless the two parties agree to amend the agreement to specify a new site and to establish respective responsibilities for construction, operation, and maintenance of new facilities at the alternative site.

#### **Section 8: INDEMNIFICATION**

Subject to the conditions and limitations of the Oregon Tort Claims Act, ORS 30.260 through 30.300, Milwaukie shall indemnify, defend and hold harmless Portland from and against all liability, loss and costs arising out of or resulting from the acts of Milwaukie, its officers, employees and agents in performance of this agreement. Subject to the conditions and limitations of the Oregon Tort Claims Act, ORS 30.260 through 30.300, Portland shall indemnify, defend and hold harmless Milwaukie from and against all

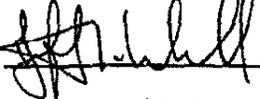
liability, loss and costs arising out of or resulting from the acts of Portland, its officers, employees and agents in performance of this agreement.

**Section 9: ACCESS TO RECORDS**

Each party shall have access to the books, documents and other records of the other which are related to this agreement for the purpose of examination, copying and audit.

APPROVED:

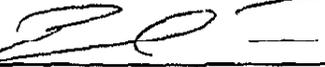
CITY OF MILWAUKIE

By 

Title Council President

APPROVED:

CITY OF PORTLAND WATER BUREAU

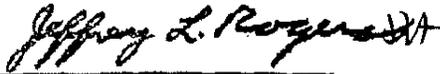
By 

Title Commissioner

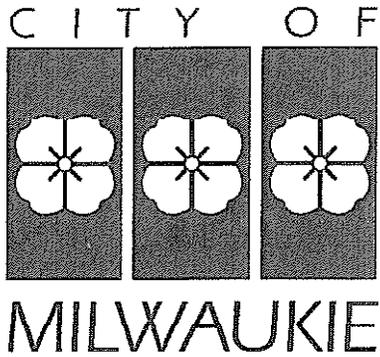
By 

Title AUDITOR

Approved as to Form  
~~APPROVED AS TO FORM~~



CITY ATTORNEY  
Portland City Attorney



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**WELL NO. 8 REPLACEMENT ASSESSMENT REPORT**  
**FOR THE**  
**CITY OF MILWAUKIE, OREGON**

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Preliminary Report  
December 2005



Murray, Smith & Associates, Inc.  
Engineers/Planners

121 S.W. Salmon, Suite 900 PHONE 503.225.9010  
Portland, Oregon 97204-2919 FAX 503.225.9022

**Summary**

This assessment studied three basic options for recovering the lost production of the City of Milwaukie's Well 8 due to biofouling of the well screens. The options studied included rehabilitation of the existing well, drilling a new well at the Well 8 site, or drilling a new well at an alternate location.

A hydrogeologic assessment was completed by Pacific Groundwater Group (PGG) to determine the overall likelihood of success in implementing each of these options. PGG concluded that rehabilitation of the existing well would be unlikely to yield significant gains, based on the lack of success with historical rehabilitation efforts and problems related to the original well construction and limited access to the lower portion of the well. PGG also concluded that drilling of a replacement well on the Well 8 site would be feasible and would be attractive because much of the existing infrastructure related to the well could be reused and water quality for this site is known. They caution that the biofouling problems related to the existing well could be encountered in a replacement well, but that the potential onset of these problems could be minimized through a change in operational controls. PGG also concluded that drilling a well at an alternate site is advantageous because the biofouling would not likely occur and the well would be shallower than at the Well 8 site. However, there would be significantly higher costs associated with new infrastructure related to the well, the water right would need to be moved, and water quality is unknown at the alternate sites studied.

The options were developed to a conceptual stage in order to determine the overall requirements and cost for implementing each option. This development included determining regulatory requirements, preparing conceptual site plans and strategies for connecting to the City's water distribution system, and estimating project costs for implementing each option. Rehabilitation or replacement on the existing site would carry the lowest cost and the minimum amount of regulatory requirements.

Finally, a water supply assessment was completed to determine the need for rehabilitation or replacement of Well 8. Historical water demands over the past 14 years were tabulated and compared to the capacity of the existing water supply with and without the use of Well 8 or purchase of water from Clackamas River Water (CRW). It was determined that the needed water supply capacity to reliably meet water demands for current customers and a limited amount of growth, based on the recommended supply capacity contained in the City's current Water Master Plan, can be provided by rehabilitation or replacement of Well 8 and without the purchase of water from CRW. Alternately, the needed water supply capacity could be provided by the continued purchase of water from CRW without rehabilitation or replacement of Well 8.

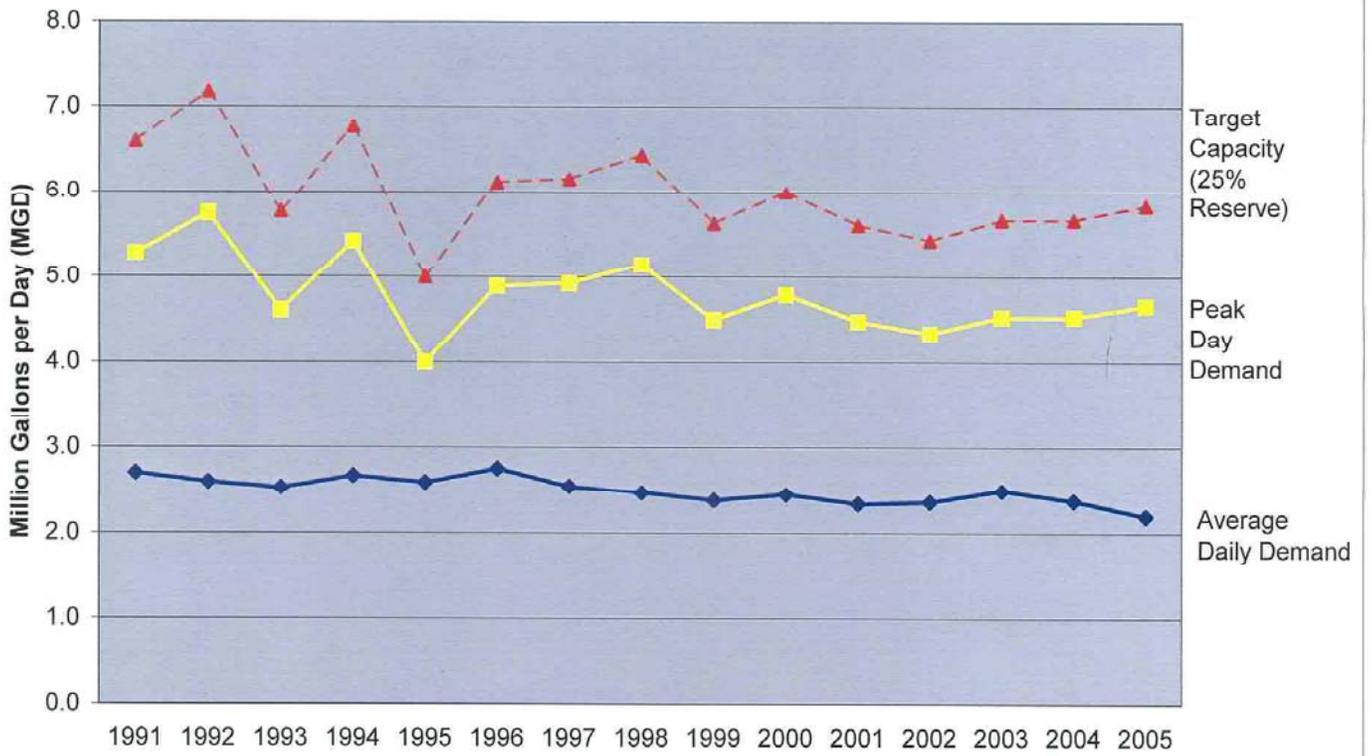
## Discussion and Selection of Preferred Alternative

Given available funding, replacement of Well 8 at an alternate site would provide the highest level of confidence that the capacity of Well 8 could be completely recovered. However, additional water quality testing of existing wells in the vicinity of any potential alternate site would be needed before it could be confirmed that the site would be acceptable.

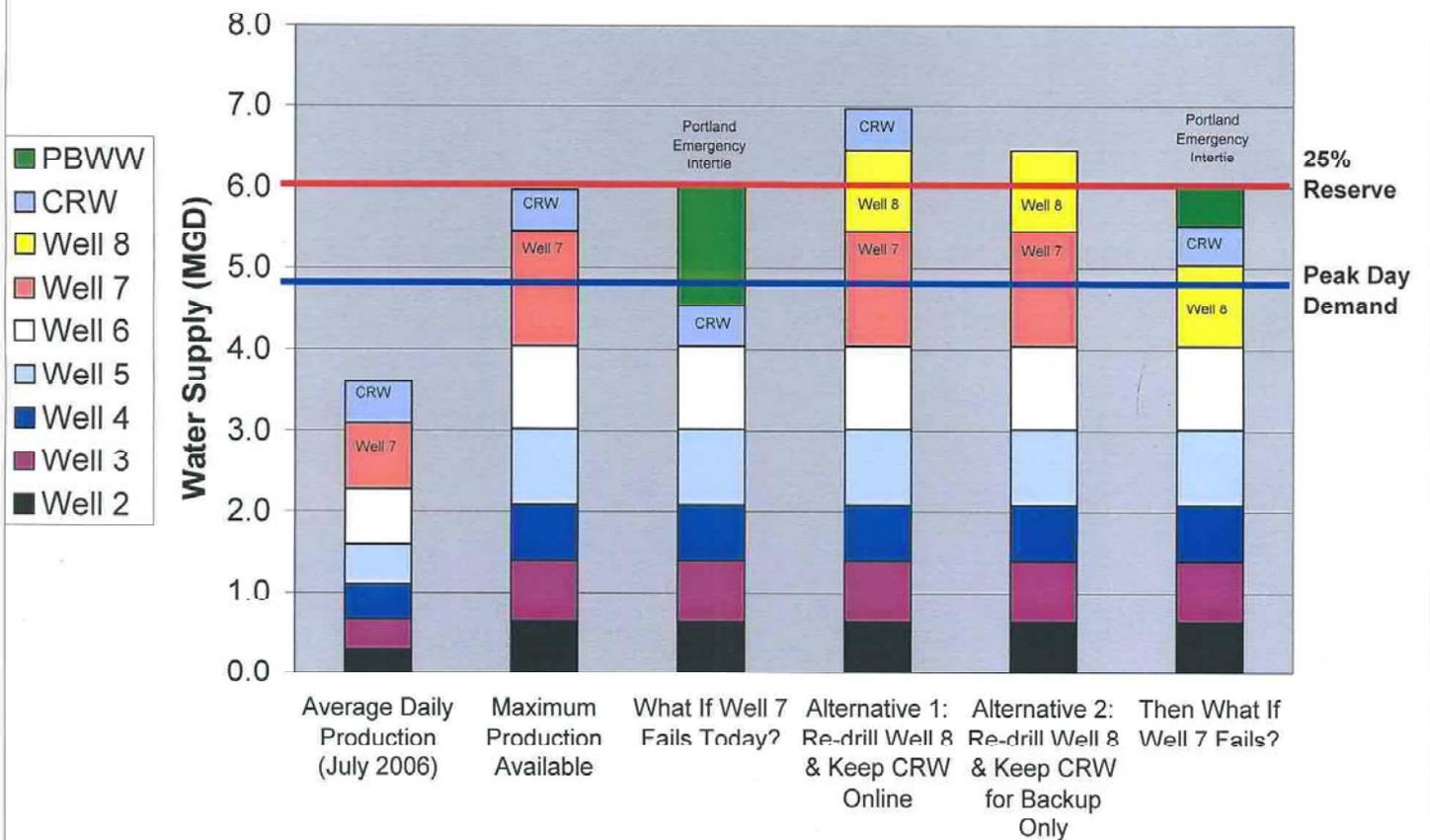
Previous studies commissioned by the City have shown that the cost of drilling and developing a new well at an alternate site is approximately equal to the cost of purchasing water from Clackamas River Water (CRW) over a 20 year operating period. Alternatively, replacement of Well 8 by re-drilling at the existing site would be approximately one-third the cost of drilling and developing a replacement well at an alternate site or purchasing water from CRW over a 20 year period.

Based on the high cost of constructing a replacement well compared to onsite rehabilitation or replacement, City water department staff concerns regarding continuing customer complaints due to mixing the City's groundwater with CRW's surface water, and the assessment that the biofouling of the existing well was most likely caused by operational practices rather than groundwater quality at the Well 8 site, it is recommended that the City proceed with implementing replacement of Well 8 by re-drilling at the existing Well 8 site. Once the capacity of the re-drilled Well 8 is confirmed, the City will be in a better position to assess whether purchase of water from CRW should continue so as to maintain the degree of certainty desired for meeting future City water demands.

### Attachment 5: Milwaukie Water Demand Trend



## Attachment 6: Milwaukie Water Supply Analysis & Alternatives



## **Attachment 7:**

### **Alternative Analysis: Well 8 vs. CRW Supply**

**ATTACHMENT 7**

**Alternative Analysis: Well 8 vs. CRW Supply**

**Alternative Analysis: Well 8 vs. CRW Initial Costs**

Costs	Alternative	
	Rebuild Well 8 (Discontinue Reg. CRW Purchase)	No-build (Retain CRW IGA)
First Cost Installed	\$ 300,000	\$ -
Annual O&M Costs		
CRW Payment	\$ -	\$ 73,000
Electrical Power	\$ 42,000	\$ 5,000
Chlorination	\$ 400	\$ -
Maintenance*	\$ 5,000	\$ 4,000
Quality Monitoring**	\$ 250	\$ 1,000
<b>Total Annual O&amp;M</b>	<b>\$ 47,650</b>	<b>\$ 83,000</b>

\*Well 8 maintenance figure includes monies to be reserved for periodic equipment overhaul.

\*\*Additional monitoring costs of \$300,000 may be incurred with CRW alternative due to stricter restrictions on chlorination by-products.

**WELL 8 Cost Recovery**

Year	Alternative		Annual Savings	Total Savings
	Well 8	CRW		
1	\$ 347,650	\$ 83,000	\$ (264,650)	\$ (264,650)
2	\$ 47,400	\$ 83,000	\$ 35,600	\$ (229,050)
3	\$ 47,400	\$ 83,000	\$ 35,600	\$ (193,450)
4	\$ 47,400	\$ 83,000	\$ 35,600	\$ (157,850)
5	\$ 47,400	\$ 83,000	\$ 35,600	\$ (122,250)
6	\$ 47,400	\$ 83,000	\$ 35,600	\$ (86,650)
7	\$ 47,400	\$ 83,000	\$ 35,600	\$ (51,050)
8	\$ 47,400	\$ 83,000	\$ 35,600	\$ (15,450) Break Even Point
9	\$ 47,400	\$ 83,000	\$ 35,600	\$ 20,150
10	\$ 47,400	\$ 83,000	\$ 35,600	\$ 55,750
11	\$ 47,400	\$ 83,000	\$ 35,600	\$ 91,350
12	\$ 47,400	\$ 83,000	\$ 35,600	\$ 126,950
13	\$ 47,400	\$ 83,000	\$ 35,600	\$ 162,550
14	\$ 47,400	\$ 83,000	\$ 35,600	\$ 198,150
15	\$ 47,400	\$ 83,000	\$ 35,600	\$ 233,750
16	\$ 47,400	\$ 83,000	\$ 35,600	\$ 269,350
17	\$ 47,400	\$ 83,000	\$ 35,600	\$ 304,950
18	\$ 47,400	\$ 83,000	\$ 35,600	\$ 340,550
19	\$ 47,400	\$ 83,000	\$ 35,600	\$ 376,150
20	\$ 47,400	\$ 83,000	\$ 35,600	\$ 411,750

EXHIBIT A

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, APPROVING THE RECONSTRUCTION OF CITY WATER WELL NO. 8 FOR THE PURPOSE OF INCREASING THE CITY'S WATER SUPPLY.**

**WHEREAS**, it is necessary to increase the capacity of the City's water supply;  
and

**WHEREAS**, it has been determined that re-drilling City Well No. 8 will provide the most feasible means of increasing the City's water supply; and

**NOW, THEREFORE, BE IT RESOLVED** that the City of Milwaukie shall authorize the Engineering Director to solicit engineering service proposals for the purpose of designing a replacement well casing, pump, and appurtenances for reconstructing Well No. 8.

**BE IT FURTHER RESOLVED** that the City of Milwaukie shall authorize the Engineering Director to solicit construction service bids for the purpose of reconstructing Well No. 8.

Introduced and adopted by the City Council on September 5, 2006.

This resolution is effective on September 5, 2006.

\_\_\_\_\_  
James Bernard, Mayor

ATTEST:

APPROVED AS TO FORM:  
Ramis, Crew, & Corrigan, LLP

\_\_\_\_\_  
Pat DuVal, City Recorder

\_\_\_\_\_  
City Attorney

Document2 (Last revised )

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, APPROVING THE RE-NEGOTIATION OF THE INTERGOVERNMENTAL AGREEMENT WITH CLACKAMAS RIVER WATER FOR THE PURPOSE OF REVISING THE TERMS TO REFLECT THE CURRENT DRINKING WATER SUPPLY NEEDS OF THE CITY.**

**WHEREAS**, the City and Clackamas River Water (CRW) executed an Intergovernmental Agreement (IGA) in 1998 for the purpose of having the City purchase 0.5 million gallons per day of surplus drinking water from CRW; and

**WHEREAS**, Section 1.C. of the IGA provides the City the means to modify the IGA to reflect the changing water supply needs of the City; and

**WHEREAS**, the City is preparing to reconstruct City Well No. 8; and

**WHEREAS**, it is anticipated the current allocation of surplus water from CRW will provide a water supply above and beyond the needs of the City upon re-activation of City Well No. 8; and

**WHEREAS**, it is in the best operational interest of the City to utilize CRW for emergency water only; and

**WHEREAS**, it is in the best financial interest of the City to purchase water from CRW on per-unit basis, as-needed basis only;

**NOW, THEREFORE, BE IT RESOLVED** that the City of Milwaukie shall authorize the Community Development/Public Works Director to re-negotiate the terms of the IGA on behalf of the City, such that the City shall only purchase water from CRW on per-unit, as-needed basis at a price to be mutually agreed upon by the City and CRW.

**BE IT FURTHER RESOLVED** that the Community Development/Public Works Director utilize the re-negotiation of the IGA with CRW to address other water quality, distribution, and billing matters of interest to the two jurisdictions.

Introduced and adopted by the City Council on September 5, 2006.

This resolution is effective on September 5, 2006.

\_\_\_\_\_  
James Bernard, Mayor

ATTEST:

APPROVED AS TO FORM:  
Ramis, Crew, & Corrigan, LLP

\_\_\_\_\_  
Pat DuVal, City Recorder

\_\_\_\_\_  
City Attorney



# Park & Recreation Board

## PARB

Tuesday, April 25, 2006

6:00 PM to 8:00 PM

Regular Meeting

### MINUTES

**Attendees:** Kate MacCready, Sherri Dow, Ray Harris, Sonny Newson, Mart Hughes, Bob Cooper

**Absent:** Rob Gabrish,

**Staff:** JoAnn Herrigel, Joan Young

#### Minutes

Dow noted a typo and motioned for approval of the April minutes with that correction. Harris seconded and motion passed 6-0.

#### Introduce new member

Bob Cooper was introduced to the group as a new PARB member. Bob lives in Milwaukie and works for Multnomah County Libraries. He and his wife have a small child and are frequent park users.

#### Milwaukie Center Re-Naming:

Herrigel noted that the Center/Community Advisory Board (C/CAB) had forwarded a request for a name change for the Milwaukie Center. The proposed name was North Clackamas Community Center.

Young noted:

- This is a ten year old issue
- It's been suggested the center get a new name due to its regional nature (and with Happy Valley being added – the region is expanding)
- The idea is to be more inclusive
- When pursuing grants – the more inclusive the better
- The C/CAB did a great deal of brainstorming and requested input through their newsletter
- They formed an Ad Hoc committee to review ideas and propose names – this group developed the criteria stated in the letter

Board questions/comments:

- Newson – any names of people? Young – many were considered but none chosen.
- MacCready: process is like Riverfront Park naming – lots of ideas but end up with the name that most people use anyway.
- Harris: I like North Clackamas Community Center
- Hughes: This is a political issue. Milwaukie might want to keep the current name. I suggest we get the recommendation out to the NDAs and see what input we get.

Herrigel agreed to distribute the proposed name to all NDAs along with the letter from the C/CAB.

## **IGA Discussion**

Herrigel went over the areas of the IGA that she felt needed additional work by the PARB before negotiations began with the District staff. The group agreed that Council had directed staff at the recent Council work session with PARB to begin negotiations. Herrigel asked if the group wanted to address these final issues together at their regular meetings or form a subgroup. The group agreed that the whole group should be involved.

It was requested that Herrigel put a few items on each agenda for the next few meetings .

It was also asked that the versions be dated so the group could track their progress.

## **City Updates:**

Mart said he'd be absent for the June meeting

Herrigel reminded the group that she'd be on vacation for the month of July – so the July meeting would be cancelled.

### Stewardship Group

Herrigel reported that she had attended one Stewardship meeting (oversight group for North Clackamas Park) and would attend another on Wednesday. She said the group was still developing a mission and working principles.

### Riverfront Concept

Herrigel showed the group the final Riverfront Park concept proposed to City Council on May 16 by the Riverfront Board. She said staff would be issuing an RFP by August for the final park design.

### Lewelling Community Park

Construction will begin on Lewelling Park by June 1 and should be complete by the end of July 2006.

## **District Update:**

- Happy Valley approved joining the North Clackamas Park district by 33 votes. There was a 29% turnout for the election.
- Happy Valley will be given in-District rates to facilities immediately but Milwaukie Center services will be set up by July 1.
- North Clackamas Park sculpture committee put out an RFP and will pay \$10,000 for the final art. The Blue Spruce on the site was removed and will be replaced with the chosen art.
- The secondary gate at NCP has been closed during construction which has caused some consternation among users.
- Contract for NCP construction is signed and work will begin next week
- Road to Center is not completed yet. 1st layer is done but may not be up to quality so may be dug up and slurry applied. There will be a sidewalk on the north side of Rusk.
- Young noted that off leash dog activity has become common when users know that code officers are not on duty. An alternate schedule was requested to patrolling the park. It was also noted that the "black car the officers use has been identified and alternate car may need to be used.
- Young noted that interviews were being conducted for a "Sport Field Coordinator" and final candidates were being reviewed.
- Eastside Athletics is still working with the District on Plans for the dry-side facility at the Aquatics Park
- Young invited PARB members to attend a meeting at the Aquatics Park on June 27<sup>th</sup> to discuss the development and expansion at the OIT/Aquatics park facilities.
- The second public hearing for the Stringfield property will be June 6.

Harris motioned to adjourn, MacCready seconded and motion passed 6-0.

**NORTH CLACKAMAS PARKS AND RECREATION DISTRICT  
MILWAUKIE CENTER/COMMUNITY ADVISORY BOARD  
MINUTES OF JULY 14, 2006**

**MEMBERS PRESENT:** Joan Staley, Molly Hanthorn, Chuck Peterson, Ben-Horner Johnson, Jane Hanno, Joy Estes, Ben Tabler, Kathi Schroeder, Jim McCready, Carolyn Mills.

**MEMBERS EXCUSED:** Katie Rudfelt, Eleanor Johnson, Kim Buchholz, Sharon Phillips.

**UNEXCUSED:** Joan Rowe

**STAFF PRESENT:** Joan Young, Cheryl Nally.

**CALL TO ORDER:** Joan Staley called the meeting to order at 9:30 am. Ben-Horner Johnson suggested the word agreement after "changes to the IGA" be deleted. Molly moved for approval of the June 2006 minutes as corrected. Kathi seconded the motion which was passed unanimously.

**CORRESPONDENCE:** None

**GUESTS:** None

**DISCUSSION ITEM:** In order to become better acquainted, each board member shared a four minute review of their life by answering a set of questions.

**BOARD/COMMITTEE REPORTS:**

Executive Report: no meeting

NCPRD Board: The dedication of the Stone Creek Golf Course walking trail will be held July 15. Molly is the new C/CAB representative to the NCPRD board and will attend the dedication.

NC Sculpture Steering Committee: No report.

NC Stewardship Committee: A chairman and a vice-chairman were elected and the meetings will be held on the fourth Wednesday of the month.

Budget/Finance: No report on year-end financials yet.

Building Review: The committee meeting was held and Larry reported on improvements and changes for the building and the parking area that are in the budget. Joan Young discussed the painting of the Center and showed the board samples of suggested colors. The next meeting will be on October 11, 2006.

Nutrition/Transportation: Ben reported that the status of the Endowment Fund was given and a review of the fund-raising efforts. A new diesel bus will be delivered in January. A part-time cook is being sought. Service of MOW to Happy Valley has begun. Don reported on the donations to MOW. A new brochure advertising MOW in Clackamas County was shown by Joan Young and she also described other efforts to advertise the program. There is also a "Rent a Bus" flyer available for distribution.

Program/Services: Molly and Ben reported that Monica Craner has been hired to work with Jan as an recreation assistant. The Recmobile is busy in the parks. Over 60 people took advantage of the "Lifeline Screening" service.

#### OTHER REPORTS

Friends of the Milwaukie Center: The first ever donor appreciation luncheon was held and checks for Center programs were distributed. Recognition was given to Bob and Bernnie Kendall. The Lumberjack Breakfast will be held in the fall. The first annual report will be in the mail in August.

Governor's Commission: A successful forum was held for the Salem area. There will be no August meeting and the September meeting will be a planning session at Silver Creek Falls.

Center Report: Joan reported that Joe Loomis has been hired to be the coordinator of the district's athletic fields. Jan and Joe are setting up policies for scheduling the fields. Joan reported that during the first week of September the parking lots will be repaired and the building will be painted. Volunteers are needed for "Fall into Art." The Nutrition Program will have a food booth during that weekend and it would be geared toward children-friendly foods. Sixteen people attended the quarterly cooking class given by Bob's Red Mill and there will be another in the fall featuring soup recipes. An Ice Cream Social, sponsored by The Heights at Columbia Knoll, will be held at the Center on August 11.

INFORMATION/ANNOUNCEMENTS: An Older American Act advocacy flyer was made available. Chuck commented on the Area Agency on Aging meeting held at Gladstone Senior Center.

AGENDA FOR THE NEXT MEETING: A member of the staff will attend and share information from their department.

ADJOURN: The meeting was adjourned at 11:12.

Carolyn Mills, secretary

North Clackamas Parks and Recreation District  
**MILWAUKIE CENTER DIVISION**  
Monthly Report for July, 2006

***Programs/Services:***

During the heat spell of 100+ temps, Milwaukie Center staff distributed fact sheets regarding self-care during hot weather. We also delivered fans to seniors in need, as well as coordinating the repair of several air conditioning units. The fans were donated by community members to help people without the means of getting their own.

Over 28 gallons of blueberries have been harvested to date from the 35 bushes at the Stringfield property. These berries, picked by volunteers, are used in the Milwaukie Center Nutrition Program to help boost important vitamin and antioxidant qualities of the food served by the program to older adults.

The Senior Companion Program is a partnership between Clackamas County Social Services and the Milwaukie Center. Currently 11 trained senior volunteers visit and provide companionship services to homebound older adults in the North Clackamas community. Last fiscal year 57 older adults received almost 9,000 hours of services from these companions such as rides to doctor appointments, shopping, errands, outings and social visits.

A "Super Summer Salads" cooking workshop was held on Monday July 10 at the Milwaukie Center. Lori Sobelson, Program Director at Bob's Red Mill taught this heart healthy cooking class and instructed participants on how to make healthy substitutions for products used on a regular basis. The next lesson with Lori will be Harvest Soups cooking class in the fall.

At last count, 193 volunteers representing twenty churches and community groups work five days a week to serve lunch at the Milwaukie Center. Many of these groups have been involved for over two decades. Their contribution could not be more valuable!

The 39er's Travel Program took three road trips in July to enjoy the sunshine. The Out-To-Lunch Bunch went to the Roadhouse Grill, Officer's Row in Vancouver and to Multnomah Falls for some hiking and eating.

***Fund-raising:***

The Friends of the Milwaukie Center were able to take a breather during the month of July with no events scheduled except regular fund-raising activities – Bingo, newspaper recycling, cell phone and ink cartridge recycling, Rose Garden brick sales, *Celebrations!* (Endowment donation program), quilting, and Gift Shop. Sounds like they didn't take a breather after all!

***Staff changes:***

Staff said farewell to Vicky Gray, who has served as the Client Services Aide for the last four years. Twilla Hayden has increased her job duties to full time, including the Client Services Aide responsibilities in addition to the Meals on Wheels Program Aide. A big good-bye was also given to Vicki Shepherd who has been Milwaukie Center's bus driver for over nine years and this last year additionally worked with Recreation Services to develop the 39er's Travel Program day trip opportunities.