

**August 9, 2017  
Work Session  
City of Gaston**

**Present:** Mayor Tony **Hall**, Jerry **Spaulding**, David **Meeker**, Don **Richter**, and Bill **Martin**

**Absent:** Chris **Jeffries**, Rod **Hale**

**Staff:** City Recorder Wenonah **Blanchette**, Public Works Director Brent **Whittaker**, City Clerk Sharon **Bregante-Candau**.

Mayor Tony **Hall** called this meeting to order at 6:00 PM and stated he wanted to add the Cove Orchard Water System to the regular session agenda, if there was time.

**ROLL CALL:** Recorder **Blanchette** conducted the roll call for the record with:

Councilor Jerry **Spaulding**: present  
Councilor David **Meeker**: present  
Councilor Bill **Martin**: present (arrived 6:05 p.m.)  
Mayor Tony **Hall**: present  
Councilor Chris **Jeffries**: absent (excused)  
Councilor Rod **Hale**: absent (excused)  
Councilor Don **Richter**: present

**Clean Water Services: Storm Water Proposal/Discussion**

Nora **Curtis**, Conveyance Systems Department Director, and Ryan **Sandhu**, Field Operations Division Manager, with Clean Water Services (CWS) presented the storm water and surface water services CWS could provide to the City of Gaston. Ms. **Curtis** explained, while Gaston received its sanitary sewer services from CWS, the City opted out of becoming part of the storm water utility when CWS took over surface water in 1990. She noted the informational handouts provided to the Council regarding the storm water utility, surface water utility, which included street sweeping, and storm water local improvement districts (LIDs).

Ms. **Curtis** said once they learned more about what the City Council was interested in, CWS would return with a proposal or further information as the Council requested. She explained CWS charged for the surface water utility on a per property basis for residential and on the amount of impervious surface for commercial. The residential fee was \$8.25 per property, while the formula for charging commercial properties was \$8.25 per every 2,640 sq. ft. of impervious surface.

Ms. **Curtis** indicated to Councilor **Richter** the CWS Service District covered most of urbanized Washington County with small bits in Multnomah and Clackamas Counties. The District was the area draining to CWS' treatment plants. The County Board of Directors made decisions on boundary expansions, such as including a bit of Yamhill County if Gaston chose to join the utility.

Public Works Director **Whittaker** reminded Council that the City's 2017/2018 Budget included zero dollars for storm services specifically; any funds expended on storm services came out of other accounts, such as streets, water, and parks. The City has already adopted the CWS standards for the City's storm system through an ordinance and adhered to CWS standards for building, remodeling, and public improvements. Currently, the City paid from \$900 to \$1,200 per occurrence for quarterly street sweeping, or \$3,600 to \$4,800 annually. The amount of deferred maintenance on the City's storm system was significant; the City would still be responsible for catastrophic system failures; the City needed to budget monies for storm system capital improvements and repairs.

Ms. **Curtis** clarified if Gaston joined the utility, the District would clean and televise the existing system as part of applying its performance standards for maintenance. Under its rate structure, the District also covered small repairs, such as someone putting a fence post through a storm

water line. The rate structure did not cover large-scale expansions, as it was intended as a maintenance program. A new system would compete with all the other storm water projects in the District's small capital program, A Small Works Program, which funded projects around \$50,000. The District had a set of criteria to evaluate which projects it would accept. She explained that the capital program was not based on income or residents, but rather on considerations such as whether it was a public system, whether it moved the problem downstream, or whether it created structural flooding or a public hazard. The District did not go on private property unless there was an easement.

Ms. **Curtis** reviewed the information on the handouts regarding storm water local improvement districts as a mechanism for funding new neighborhood systems, the infrastructure elements the program covered, and street sweeping. She noted street sweeping was a water quality component as opposed to an aesthetic component.

Ms. **Curtis** explained the District was under a State permit for the storm water system, which usually had new requirements for water quality facilities at the permit renewal. Developments would have to install water quality facilities to clean up storm water and meet the new requirements regarding quantity.

Mayor **Hall** asked a series of questions to which Ms. **Curtis** and Mr. **Sandhu** replied as follows:

- Since the CWS service boundary was blind to the geopolitical boundaries within it, the permitting rules of the CWS permit applied to anything within the service district boundary. The only exception right now was the City of Gaston for the storm water rules.
- If Gaston joined the District, then CWS would have jurisdiction to operate within Yamhill County.
- Impervious surface was defined as anything that did not allow water to pass through, such as roofs, pavement of any type, or a gravel surface, unless it was specifically designed to allow water to infiltrate into the ground.
- Even properties without a direct hook up to a storm drain, and which used dry wells to handle storm water, were subject to the fee if they were within the District's boundaries. The assumption was drainage came off the property and the owners received services associated with catch basin cleaning and street sweeping. All properties within the service area were charged the same rate. There was an exemption process for those property owners who could demonstrate their properties had no runoff that went into the street system or anything else, such as runoff going into a correctly sized dry well that handled and treated the water.
- The District would not charge for the railroad right-of-way running the length of the city. Under its rate structure, the District did not charge for any public streets regardless of jurisdiction or railroad rights-of-way.
- The Gaston Fire Department might qualify for an exemption if its runoff that drained into the park drained into a large enough grassy area and the situation met the District's criteria.
- The District charged property owners with property in the floodplain. The District would not be able to take away the "18 inches of water" flooding homes every year under this \$8.25 per month program, as the program was not set up to deal with flooding rivers and creeks.

Public Works Director **Whittaker** noted that currently, the City Engineer took care of all the City's storm engineering, including new development plan reviews. Ms. **Curtis** explained the intergovernmental agreements (IGA) which CWS entered into with small cities included a list of who was doing what. CWS could work with the City wanting to do its own plan review. If CWS provided the plan review service, the developers would pay for storm water plan review through fees the same as they did currently for sanitary sewer plan review.

Mayor **Hall** asked for a ballpark figure for the monthly cost to Gaston businesses with their parking lots. Ms. **Curtis** estimated a quarter-acre lot of impervious surface would be charged around \$40 a month. Mayor **Hall** commented the biggest complaint the commercial people had was their belief they were not getting a fair shake on the sewer cost; they would complain if this fee was added to their cost.

Ms. **Curtis** said the District could digitize the impervious surface areas of the Gaston commercial district and provide estimates of the monthly fees, including any particular individual parcels. She noted the District's financial model had the surface water management rates increasing by 50 cents a year for the next several years.

Ms. **Curtis** indicated to Councilor **Martin** the District provided bio swale maintenance training.

Mayor **Hall** asked what the term of the contract would be. Ms. **Curtis** explained the District contracts were typically a longer term contract, starting out as 25-year contracts. There was an exit clause with a long lead time by which the City could get out of the contract. The District needed time to depreciate and amortize its capital expenditures for the new equipment purchased to expand the service.

Councilor **Richter** asked how much it would cost the City to get out of the storm water utility if it wanted to in the future. Would it be a buyout plan? Ms. **Curtis** said it could be. She explained the current set up of the agreements allowed that, but the agreements were not specifically structured to set a buyout amount. If there were an acceleration, then the District would look potentially at a buyout.

Public Works Director **Whittaker** commented, in terms of rate structure, rates would increase annually until they reached an equalizing point where the services were fully funded, which was not the case right now. If the City decided not to join the District, the City would have to figure out a structured funding system to charge the residents. The downside was that starting up a utility and getting the necessary equipment and personnel was very expensive.

Mayor **Hall** asked if the District could help the City in writing grants. Ms. **Curtis** said the District currently partnered with cities using Community Development Block Grant (CDBG) funding for projects in addition to what the District might be providing. Mr. **Sandhu** commented the District did not have dedicated grant writers, but it would lend whatever support it could to a city writing a grant that the District would be a part of, such as providing data and helping to fill out the application. Ms. **Curtis** mentioned there were also grant opportunities through the Special Districts Association of Oregon, of which CWS was a member. CWS could also serve as a coordinating point for the five small cities in its service district to share information.

Ms. **Curtis** said CWS could come back with more information on the rates for the City's commercial and institutional parcels. Another factor affecting how quickly CWS could implement the City coming into the District was the question of what type of public outreach the Council wanted to have to its citizenry. Public outreach was not required for annexation into the District, but CWS' public and government affairs people could help with that process if the Council wanted to do a larger outreach. CWS was in partnership and discussions with U.S. Fish & Wildlife regarding improvements and changes at the Wapato Lake National Wildlife Refuge that might be of interest to the City. There might be a good opportunity for the City to provide input and to be part of the process.

Mayor **Hall** observed that when it came to re-negotiating contractual terms, small cities like Gaston had no negotiating power with big companies the cities hired to do certain jobs. The company said, "This is your rate increase," and the cities had no choice but to accept it. He was concerned that a similar situation would occur with CWS.

Ms. **Curtis** explained how the IGA was set up for the smaller cities. The CWS Board set the rates and paid a portion of that rate as a franchise fee to the City, typically 4% to 5% of the rate. The District set its rates based on the program performance standards and permit requirements, which applied districtwide. There were no individual negotiations with any of the cities. An option some of the larger cities have chosen was a division of the rate as opposed to the flat percentage paid to the smaller cities. Because of economy of scale, the District's rates were typically lower than what those cities had to charge for the program.

Mayor **Hall** noted small cities were often charged the same as the big cities even though the small cities did not have the same expenses as the big cities. Ms. **Curtis** explained it was more expensive on a cost basis for CWS to provide services to the smaller cities than it was to the big cities because of the distances involved and needing to move equipment from a central facility. Smaller cities did not pay a premium for those inconsistencies, which was an advantage in having economy of scale. She understood the Mayor's concern. The District took its responsibility to control costs seriously. She could provide information on CWS' rates history, the current trend, and CWS' financial models. The CWS Board has set a policy of steady rate increases to avoid rates spiking due to new permit requirements, such as happened at Vernonia.

Ms. **Curtis** pointed out nothing in the District's rules or Gaston being part of the sanitary sewer utility prevented the City from forming its own storm water utility to provide services and set a rate structure completely under the City's control. CWS could provide information and resources from other cities that have done something similar.

Mayor **Hall** asked if the city doubled in size, whether economy of scale would allow Gaston a price reduction on the monthly amount. Ms. **Curtis** said no, not under the current structure. She explained new areas added in were balanced out by other areas aging.

Councilor **Martin** asked how half the town not having curbs and gutters affected the street sweeping service. Mr. **Sandhu** said the current performance standard was geared towards streets with curbs and gutters, but maybe they could look at a different standard specifically for that situation.

Ms. **Curtis** asked whether the Council would like CWS to provide information to the Public Works Director or to return to a future meeting. Councilor **Martin** asked to see a breakdown of the costs. Councilor **Richter** believed this issue needed a town hall meeting. Councilors **Martin** and **Spaulding** concurred.

Councilor **Spaulding** noted the School District also needed to be involved. Public Works Director **Whittaker** pointed out if the City did its own storm water utility, it would still charge on a per square foot basis. Ms. **Curtis** observed a storm water utility was capital intensive with expensive maintenance equipment. While there were companies providing contract services for street sweeping and catch basin clean outs, CWS did not provide contracts for those services outside the program.

Ms. **Curtis** said she would wait to hear from the Public Works Director about how best to proceed.

Cove Orchard Water System – This item was not discussed.

The following item was added to the agenda.

### **Waste Management**

Public Works Director **Whittaker** introduced Kirk **Duncan** and Dean **Kampfer** from Waste Management. Mr. **Kampfer** reviewed the service and pricing information on the handouts provided to the Council in advance.

- Waste Management offered the 20-gallon can service with the current services of weekly recycling at a rate of \$21.30.
- For \$2.61 a month in addition to the current rate, Waste Management was willing to add a 64-gallon cart for bi-weekly yard debris service and shift the current weekly recycling to bi-weekly recycling.
- For \$7.50 per month, customers could individually subscribe to a bi-weekly yard debris service; Waste Management would not change the current recycling service. The price could go down if sufficient customers signed up for the subscription service but Waste Management typically saw between 10% to 20% of customers sign up for the subscription service. The rate did not cover the company's costs until it reached a 20% to 30% participation level.

- Waste Management would provide an on-call yard debris pick-up service for \$4.50, but the company preferred providing the subscription service.

Public Works Director **Whittaker** indicated to Mayor **Hall** he has conducted an informal survey on these options and received overwhelming support and one objection.

The Council agreed to Mayor **Hall**'s suggestion to conduct a formal survey of these three options to get more feedback from the citizens.

**Kirk** noted the collection day would always be Tuesday. Public Works Director **Whittaker** suggested another option of scheduling yard debris clean-up days where citizens brought their yard debris to dumpsters at a collection point. Mayor **Hall** recalled last year that the Council discussed adding a second clean-up day. **Kirk** pointed out the importance of manning the collection point in order to monitor and limit the amount of yard debris brought in per individual.

Mayor **Hall** directed Mr. **Kampfer** to talk with the Public Works Director about his offer to help with designing a postcard for the survey.

**ADJOURNMENT:** Mayor **Hall** asked for any further discussion, none heard. Meeting adjourned at 6:55PM.

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Mayor Tony Hall

Attest:

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City Recorder Wenonah Blanchette