

WORKSHOP MEETING MINUTES  
SISTERS CITY COUNCIL  
520 E. CASCADE AVENUE  
JUNE 25, 2015

**MEMBERS PRESENT:**

Chris Frye            Mayor  
Wendy Holzman      Councilor  
David Asson          Councilor  
Nancy Connolly      Councilor

**STAFF PRESENT:**

Andrew Gorayeb      City Manager  
Patrick Davenport    CDD Director  
Lynne Fujita-Conrads Finance Office  
Kathy Nelson          City Recorder

**GUESTS:**

Erik Huffman          City Engineer

**ABSENT:**

Paul Bertagna          PW Director

The meeting was called to order by Mayor Frye at 6:02 p.m.

1. Water and Sewer Infrastructure Analysis/Rates

**Manager Gorayeb** directed the Council to the Water System Infrastructure Improvements report written by City Engineer Erik Huffman. He explained the purpose of the report was to determine water supply and demand for the conditions existing today and to full build out of the urban growth boundary. He stated the report also looked at what water related infrastructure systems would be needed to meet demand, the timing for the projects, the estimated costs of the improvements and funding source which would include the Water Fund and Water System Development Charge (SDC) Fund. He stated full built out was anticipated by 2037 with a total of 4,431 residents.

**Manager Gorayeb** discussed the table related to water demand in the city as it relates to annual demand, maximum daily demand, fire flow reserve for fire protection needs and design parameters for demand in the future. He reported the City had good fire flow reserve and consequently the fire related insurance rating was good. Which was a benefit to homeowners. He discussed the information provided in the other tables related to different scenarios with various combinations of the three wells running. He confirmed that Well #3 was the only well that did not have a backup electrical generator and reported if Well #3 went offline, the city could not meet daily demand. He stated if pump #1 or pump #2 were operating together, or pump #3 on its own, the city was covered. He discussed the advantage of adding a backup generator to pump #3, the only pump without the backup, and noted it would improve the reliability of Well #3. He discussed other water system infrastructure items that were recommended prior to full build out of the UGB:

*Variable Frequency Drive:*

**Manager Gorayeb** stated adding variable frequency drives would extend the life of the pumps since it would allow them to run at less than 100% capacity to meet the actual demand necessary. He explained at present, the pumps could only run at full capacity and the variable frequency drivers would reduce stress on the motors.

*Transmission Main*

**Manager Gorayeb** stated the main water transmission line that connects the City's reservoir and waterlines was constructed in the 1960's and as a critical component of the water system would need to be replaced sometime in the next five to 30 years. He stated it would be replaced with a 20 inch diameter line to add supply capacity. He added the old line would remain in place to allow redundancy in case it was ever needed.

*Water Right Mitigation*

**Manager Gorayeb** reported that based on the assumption of a need of approximately 18 acres for full build out, the city had sufficient irrigation water rights to meet its mitigation demand projections.

*Well #1 Building and Chlorination*

**Manager Gorayeb** reported the building for Well #1 was undersized and needed an updated chlorination system.

*Water System Spare Parts Including 75hp Pump Motor*

**Manager Gorayeb** stated having spare parts immediately available was a good risk management practice.

*Water Distribution Improvements*

**Manager Gorayeb** stated the comprehensive list was from the Capital improvement Plan (CIP).

**Manager Gorayeb** stated the schedules provided in the packet listed proposed dates and funding sources for projects. He explained some projects were funded by both the Water Fund and Water SDC Fund as they replaced existing infrastructure and would also provide additional capacity. He pointed out the schedules did not assume any changes to the current SDC rate and that by 2028 the SDC Fund would be unable to meet its financial demand without looking to other options such as raising SDC rates, borrowing or applying for grants.

**Councilor Connolly** asked if the estimate for buildout included the Forest Service property and **Manager Gorayeb** replied it did based on past assumptions of how the land might be developed. **Councilor Connolly** asked whether the generator from Well #1 or Well #2 could be moved to Well #3. **Manager Gorayeb** replied they could but that was not good risk management practice from a safety standpoint in case of a fire. **Manager Gorayeb** added that the City would look to build a fourth well as opposed to a second reservoir as previously considered. He stated that would likely not be necessary for several years. He explained another well would provide additional capacity as opposed to just being a storage vessel.

**Councilor Connolly** asked if the sewer line running under the Whychus Creek Bridge on Locust was included on the project list and **Manager Gorayeb** replied it was not since a solution had not been determined yet. He stated, as such it was impossible to anticipate the cost. He reported staff

had meet with the former City Engineer Dick Nored and Robinson & Owen Construction personnel to discuss what options might be available. He stated since it was such a unique situation the City needed to weight the cost benefit of the different options prior to bringing a recommendation back to the Council.

**Councilor Asson** stated he had several concerns that he felt were not adequately covered in the report. He stated while the schedules were great, using a growth rate of 3.1% over the next 20 years might be realistic over the long term but asked what would happen if there were extreme growth for a few years and whether they could be accommodated. He questioned whether waiting until 2028 for a fourth well was prudent and stated a few years ago Council was informed that Well #1 was inadequate but now improvements were not scheduled until 2022. He noted the main water transmission line was not scheduled for replacement for another 10 years even though it was near the end of the normal life cycle. He stated he didn't see information about securing water rights in case they were needed and asked why the net income was 7% and 9% respectively in years 2019 and 2020 but not in other years where only 2% net income was anticipated. He stated he had seen no mention of water rates until he received the additional handout this evening and stated the issue of equity as it relates to rates still needed to be discussed. Lastly, he saw no mention of the possibility of the UGB expanding in the next 20 years and if it did, how the future needs would be accommodated.

**Manager Gorayeb** addressed Councilor Asson's concerns. He stated he agreed there would be spikes and dips in the growth of the city but noted staff needed to work within an average. He stated other than averaging, he saw no other way to come up with the information included on the schedules. He stated the statistics were based on statistics since the city began keeping those types of records. He stated if growth outpaced the expectation the need for Well #4 would simply come sooner but so would revenue from the new developers and residents to offset those costs. He explained the same held true if the UGB expanded since the cost for the increased capacity would be figured out for the property being annexed. He stated the city could not figure out the cost of future needs and charge at this point as that was unfair and put the burden of future costs onto current residents.

**Manager Gorayeb** remarked he was not looking for the Council to make any decisions related to rates and had provided the information as an update for consideration for future conversation. He stated the proposed rate model was based on paying on actual use and eliminating a minimum allowance. He stated that created more equity and allowed people to save money by becoming more water conscience. He agreed additional analysis of rates was needed

**Manager Gorayeb** stated work performed on Well #1 had allowed the City to postpone other significant work for a few years. He stated the building needed to be replaced only because an updated chlorination system would require more room. He stated with regard to the main water transmission line, it had a useful life of 50 to 80 years, so waiting another ten years before replacing was still well within the range of its anticipated useful life.

**Manager Gorayeb** reminded the Council they had discussed water rights with Adam Sussman, the City's contracted water rights specialist. He stated the City did need to perfect some water rights for Well #3 and the process was underway. He noted the City had a significant surplus of water rights.

**Mayor Frye** suggested that due to time constraints the discussion on sewer infrastructure and rates should be rescheduled for a later workshop.

2. Other Business

- The fix to make the lights on Cascade Avenue compliant with the City's dark skies ordinance has been completed.
- The parking and paving project at Village Green Park should be completed by next week.
- The City received the Big Chaining Award from Deschutes County for significant bike and pedestrian improvements.
- Hours for the splash pad at Fir Street Park have been adjusted to conserve water during the current drought conditions. It is available from 10:00 a.m. to 7:00 p.m. daily.
- Four City Council members attended the follow-up meeting of the Economic Vitality Summit. **Councilor Connolly** reported staff from Rural Development Initiative (RDI) was creating a report on the economic makeup of what different categories of visitors and residents spend in Sisters. She stated the results would help in creating a business and economic plan. She stated four key issues of interest identified were livability, schools, housing and year round recreation.
- Work was continuing on identifying additional stakeholders for the affordable housing task force and developing a menu of options to incentivize affordable housing.
- Council President Bill Hall's resignation was effective immediately. Staff was directed to advertise the open position and accept applications until July 10<sup>th</sup>. **City Recorder Nelson** stated she would also contact all the recent applicants to see if they might still be interested in applying again.

The meeting was adjourned at 7:02 p.m.

Respectfully submitted,

  
Kathy Nelson, City Recorder

  
Chris Frye, Mayor