

REGULAR MEETING MINUTES  
SISTERS CITY COUNCIL  
520 E. CASCADE AVENUE  
OCTOBER 13, 2016

**MEMBERS PRESENT:**

Nancy Connolly Council President  
Amy Burgstahler Councilor  
Andrea Blum Councilor  
Chuck Ryan Councilor

**ABSENT:**

David Asson Councilor

**STAFF PRESENT:**

Rick Allen City Manager  
Jeremy Green City Attorney  
Paul Bertagna PW Director  
Patrick Davenport CDD Director  
Joe O'Neill Finance Office  
Kathy Nelson City Recorder

**I. CALL TO ORDER/PLEDGE OF ALLEGIANCE**

The meeting was called to order by Council President Connolly at 7:00 p.m.

**II. COUNCILOR APPOINTMENT**

*Councilor Blum moved to appoint Chuck Ryan to the City Council to complete the term of Chris Frye that expires on December 31, 2016. Councilor Burgstahler seconded the motion. The motion carried unanimously.*

**III. OATH OF OFFICE FOR APPOINTED COUNCILOR**

City Attorney Green administered the Oath of Office to Mr. Ryan and Council President Connolly welcomed him to the Council.

**IV. VISITOR COMMUNICATION - None**

**V. CONSENT AGENDA**

**A. Minutes**

1. September 22, 2016 – Workshop
2. September 22, 2016 – Regular Meeting

**B. Bills to Approve**

1. October Accounts Payable

- Councilor Blum made a correction to the regular meeting minutes of September 22, 2016.
- The invoice in the amount of \$525 to Sisters Art Association was to reimburse the association for software needed in the facilitation of the roundabout art piece.
- The performance bond release to Obsidian Property Management will be researched.

*Councilor Burgstahler moved to approve the consent agenda as amended with the correction to the minutes. Councilor Blum seconded the motion. The motion carried unanimously.*

**VI. COUNCIL BUSINESS**

**A. Second Reading of Ordinance No. 471: AN ORDINANCE AMENDING THE CITY OF SISTERS DEVELOPMENT CODE, CHAPTER 4.6 CLUSTER DEVELOPMENTS, AND CHAPTER 4.2 SITE PLAN REVIEW, SECTION 4.2.200 APPLICABILITY**

*Councilor Blum moved for the second reading, by title only, of Ordinance No. 471 amending the City of Sisters Development Code Chapter 4.6 Cluster Developments, and Chapter 4.2 Site Plan Review, Section 4.2.200 applicability. Councilor Burgstahler seconded the motion. The motion carried unanimously.*

**City Attorney Green** read Ordinance No. 471, by title only.

*Councilor Blum moved to adopt Ordinance No. 471. Councilor Ryan seconded the motion. The motion carried with a vote of three to one. Councilor Blum, Councilor Ryan and Council President Connolly voted in support of the motion and Councilor Burgstahler voted against the motion.*

**B. Discussion and Consideration of Ordinance No. 472: AN ORDINANCE OF THE CITY OF SISTERS AMENDING ORDINANCE NO. 421, WHICH ORDINANCE GRANTED QUANTUM COMMUNICATIONS, LLC A NON-EXCLUSIVE FRANCHISE AND RIGHT TO PROVIDE TELECOMMUNICATIONS SERVICES IN THE CITY OF SISTERS, AND CONSENTING TO QUANTUM COMMUNICATIONS LLC'S ASSIGNMENT, AND LIGHTSPEED NETWORKS, INC.'S ASSUMPTION, OF ALL QUANTUM COMMUNICATION, LLC'S RIGHTS, INTERESTS, AND OBLIGATIONS ARISING OUT OF OR UNDER ORDINANCE NO. 421**

**City Attorney Green** explained the ordinance was to authorize the assignment of the franchise from Quantum Communications to Lightspeed Networks. **Councilor Ryan** asked if due diligence was performed in these types of circumstances and whether it included a credit rating. **City Attorney Green** replied there was due diligence performed and the degree to which it was performed was based on the assignee. He stated Lightspeed Networks was a well-established entity and the company was assuming franchise agreements across the state. He advised he had no objections to the assignment and both companies were liable under the agreement.

*Councilor Blum moved for the first and second reading, by title only, of Ordinance 472. Councilor Ryan seconded the motion. The motion carried unanimously.*

**City Attorney Green** read Ordinance No. 472, by title only.

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**Councilor Blum** moved to approve Ordinance No. 472, amending Ordinance No. 421, which ordinance granted Quantum Communications, LLC, a non-exclusive franchise and right to provide telecommunications services in the City of Sisters, and consenting to Quantum Communications LLC's, assignment and Lightspeed Networks, Inc.'s assumption of all Quantum Communication, LLC's rights, interests, and obligations arising out of or under Ordinance No. 421. **Councilor Burgstahler** seconded the motion. The motion carried unanimously.

**Councilor Blum** noted the ordinance title had not been read twice and **City Attorney Green** replied it was unnecessary since the ordinance was adopted unanimously.

**C. Discussion and Consideration of a Motion to Approve the Request for Proposal (RFP) for Water and Sewer Rates**

**Director Bertagna** stated the request for proposal (RFP) was to look at water and sewer rates and rate methodology in order to create equity among residential and commercial users and generate sufficient revenue to finance the costs of utility operations, capital and operational reserves and any debt service for the systems. He reported staff had compiled a lot of data already which should reduce the effort needed, reduce costs and accelerate the timeline for the project. He stated staff would like one or two Council members to serve on the selection review committee.

**Councilor Blum** asked if previous increases had been determined with the aid of a consultant or performed in-house. **Director Bertagna** replied the City had done both in the past. He described how a consultant had initially been used for water rates and then a technical advisory committee had been appointed to review the Capital Improvement Plan (CIP) and eventually brought a recommendation back to the Council. Council had approved only a 4% increase at that time by pushing some capital projects out an additional five years. He explained with the sewer rates, the Council merely went back to charging the initial rate of \$39 a month per equivalent dwelling unit (EDU) as a short term fix. He stated the \$39 was what was charged when the sewer system was installed in 2001. **City Manager Allen** stated not adjusting rates to meet future needs was not a good thing. He stated Councils were always reluctant to raise rates but it was their job to set rates that would fund the systems. He added using a third party consultant with no agenda other than to review the data would insure the City ended up the correct rates for a sustainable program.

**Councilor Burgstahler** asked what the cost would be and **Director Bertagna** replied it was estimated it would cost in the range of \$20,000 to \$30,000 and the cost would be split between the water and sewer operating funds. **Councilor Blum** asked if the City had the ability to monitor sewer usage for commercial accounts every month. **Director Bertagna**

replied usage would be based off what went through the water meter. He stated the City would need to come up with a way to deal with big irrigators. He stated those accounts would likely need a separate water meter installed to measure the water used in irrigation, and the City would need to determine if the cost to install the meter would be borne by the City or the account holder. **Director Bertagna** noted the best way for the City to conserve water was by the rate structure it implemented. He stated users would monitor their usage as they knew they would be charged for each cubic foot of water. He stated citizens had benefitted initially from having a new sewer system but after 15 years it was time to make sure the infrastructure was properly maintained.

**Council President Connolly** reported Councilor Asson, who was unable to attend the meeting, had provided some input regarding the subject to her. She stated Councilor Asson indicated felt it was unnecessary to out-source the rate structure and methodology work and it could be handled in-house.

***Councilor Burgstahler** moved to approve the RFP for water and sewer rates. **Councilor Blum** seconded the motion. The motion carried unanimously.*

**Councilor Ryan** stated he would be interested in serving on the selection review committee. **Council President Connolly** asked staff to contact Councilor Asson to see if he would also be interested in serving on the committee.

#### **D. Discussion and Consideration of a Motion to Approve a Settlement and Release Agreement with Lisa Young**

***Councilor Blum** moved for the City of Sisters to enter into a settlement and release agreement with Lisa Young containing terms and conditions that are acceptable to the City Manager and City Attorney and providing the City Manager the authority to execute said document. **Councilor Burgstahler** seconded the motion. The motion carried. **Councilor Burgstahler, Councilor Blum and Council President Connolly** voted in favor of the motion. **Councilor Ryan** abstained from the vote as he was unfamiliar with the case.*

### **VII. OTHER BUSINESS**

#### **A. Deschutes County Sheriff Office**

Patrol Lieutenant Biondi was in attendance and reported there were no major enforcement issues to report.

#### **B. Marlow Litigation**

**City Attorney Green** reported the court case appeal regarding the Marlow property located behind City Hall had been decided and the court found the City had not trespassed nor was the City required to pay the plaintiff's legal fees.

## VIII. STAFF REPORTS

### A. October Staff/Council Work Plan

**Council President Connolly** noted there were three land use applications for vacation rentals and Director Davenport confirmed vacation rentals were becoming more popular. He stated the Planning Commission was going to workshop the topic at its next meeting to consider time, place and manner restrictions. **Council President Connolly** asked if a vacation rental permit stayed with the land if the original property owner who applied for the sold the property. **Director Davenport** replied he thought the permit would stay with the land as long as it was valid even if the original applicant moved but that would be something he would need to confirm with legal counsel.

**Councilor Blum** asked if staff had looked at the work being performed on the previously abandoned home at the intersection of Elm and Washington. **Director Davenport** noted not all building improvements required a permit. **City Manager Allen** stated staff would pass the information on to the County Building Department as they were the ones that performed code enforcement on buildings and they could determine if there were any violations occurring.

**Director Bertagna** reported the City Engineer and staff had been working with the Department of Environmental Quality (DEQ) and had recently received its new Water Pollution Control Facilities (WPCF) permit. He explained that had come with conditions, one of which was to update the reclaimed water use plan. He reported when the DEQ regulator had come to inspect the Lazing Z proposed effluent phasing sites, the agent had approved all three phases which would provide the city effluent capacity until 2050 or later. He stated getting the approval for all three phases under the regulations in place today was a big bonus for the City. He stated the City was getting close to the design stage of the effluent expansion project and once that was completed, the City could go to Salem to look for funding.

**Director Bertagna** reported staff was close to completing the update on the Water Master Plan. He stated in looking at water rights, preliminary approval for the ground water rights for Well #2 had been received. He reported an update to the Water Conservation and Management Plan had been a requirements to get the final permit extension for ground water rights for an additional 20 years. He informed the Council the process for this extension had begun in the 1990's.

**Councilor Blum** stated that since the City had an updated Hazard Mitigation Plan it was eligible for Federal Emergency Management Agency (FEMA) grants and wondered if staff had looked into what types of grants might be available. **Director Bertagna** replied he had not looked into the grants so far and would be working with Sergeant Nathan Garibay, Deschutes County's Emergency Manager to research the options available.

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**Councilor Blum** stated she had been asked by a constituent whether the City could provide bottle recycling at the recycling depot, for container with a deposit. **Director Bertagna** replied he was unsure if those types of facilities were privately owned or not and would need to research the matter to see how the centers were handled in other cities.

**Council President Connolly** questioned whether tokens could be used at the pay showers located at Village Green Park as opposed to quarters. She explained Family Access Network (FAN) had indicated it would be the agency's preference to give out tokens as opposed to quarters to those in need of the facilities. She stated if not, she would request staff look into the option when the restroom improvement project at the overnight park occurred. **Director Bertagna** replied it was an option and had already been discussed with the camp hosts. **Council President Connolly** asked for a status update on the restroom improvement project and **Director Bertagna** replied the City had not received the intergovernmental agreement (IGA) yet. He stated he was hoping to receive it so the restroom building could be ordered prior to the end of the year.

**Council President Connolly** asked how campground fees compared to the previous year. **Finance Officer O'Neill** responded that revenue was up 3.6% when compared to the same timeframe of the previous year. He stated considering five sites had been removed, it indicated an increased use of the campground.

**Councilor Blum** questioned if there had ever been any inquiries from a natural gas provider about coming to Sisters. **Director Bertagna** replied there had not, but several years ago the City had been approached by a propane company. He stated the company determined the infrastructure needed to provide the service was not cost effective. **City Manager Allen** added it was too expensive to install infrastructure retroactively since it would not only require piping the gas from Redmond to Sisters, it would also require digging a line from the street to every property.

**City Manager Allen** reported the City had offered the position of City Recorder to a person to replace retiring City Recorder Nelson. He stated references were being checked and the announcement of the person would be forthcoming. He stated the person would begin November 10<sup>th</sup> in order to attend the regular Council meeting.

**City Manager Allen** reported he and Attorney Chrostek were working on the update of the Municipal Code including transient merchants and temporary use permits (TUP). He noted since a TUP required a land use process, which meant it included noticing requirements, the two topics would be reviewed separately.

**City Recorder Nelson** asked the Council that since it had five Council members, if it was interested in holding Mayor and Council President elections for individuals to serve for the remainder of the year. **City Attorney Green** confirmed with the Council the election was

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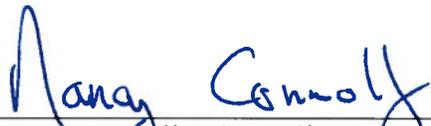
not required per the City Charter. The **Council** decided since it was so close to the end of the year, they would continue to have Council President Connolly serve as the presiding officer.

B. New Business License Report for September 2016 – list included

**IX. MAYOR/COUNCILOR BUSINESS - None**

**IX. ADJOURN** –8:05 p.m.

  
Kathy Nelson, City Recorder

  
Nancy Connolly, Council President