



**DETROIT CITY COUNCIL  
Regular Meeting Minutes  
Tuesday July 11, 2017**

**CALL TO ORDER:** Mayor Trett called the meeting to order at 6:34 PM at City Hall, 160 Detroit Avenue N., Detroit, Oregon.

**1. ROLL CALL – Councilor’s Present** – Keith Munn, Vicki – Larson Hills, Jim Trett, Greg Sheppard and Mark Messmer **Councilors Absent** – Debby Ruyle & John Manthe with notice **Staff Present:** Christine Pavoni, City Recorder and Deborah Hastings, City Clerk. **Citizens Present:** Ken Woodward, Danielle Gonzales, Mark Christensen, Jack Krill, Lew Owens, Scott Whelden, Robert & Berneice Layman, Gail Dixon, Barbara Ryan-Baxter, Dave Layman and Dean O’Donnell

**2. PLEDGE WAS RECITED**

**3. DECLARATIONS OF CONFLICT OF INTEREST AND EX-PARTE CONTACT** – None.

**4. ANNOUNCEMENTS -**

4.1. Danielle Gonzalez, Marion County Community Services: Update on North Santiam Joint Sewer Project – Danielle stated that she is with Marion County and is a Management Analyst, which basically mean she does data analysis. She gave the history and plans in her presentation on the North Santiam Joint Sewer Project, which are attached to these minutes for the record.

4.2. Rob Henry, HBH Engineering: Update on Water Improvement Loan and Grant – City Engineer Rob Henry reported about this time last year, Bob contacted him with changes he wanted to make on the water distribution side and they came up with projects, which is mostly based on maintenance. Almost all the lines they are looking at are on the city’s water masterplan, except the 12” pipe which might be one of the worst pipes we have in town. So they came up with the budget and to do the whole thing is about 3.2 million dollars. At that point we put in a funding request, a letter of interest to the Safe Drinking Water Revolving Loan fund and set up a one stop meeting with all the funding agencies. When we came out of there it looked like we had a solution that was really good, that was a combination of Safe Drinking Water Revolving Loan funds and USDA Rural Utility Service Grants and Loans. At that time council decided they wanted to go with the 3.2 million that it was going to cost about \$11 a month rise in rates over time, until the projects done. That he’s worked with IFA to get the application done, that went pretty well. We were asked to submit the application in May, once we had that it gave us the freedom to talk with the USDA, the Federal Agency, because they needed to see the other portion was committed. He said when they set up this thing they gave us at the one stop, they assumed that Detroit would be able to get the poverty rate. With IFA we can get the poverty rate because the Oregon Health Authority treats massive leakages like we have, especially when there’s septic systems, as a health hazard. In that one stop USDA just assumed that if OHA saying it’s a health hazard there must be something really bad there, but USDA doesn’t consider the leakage to be a health hazard because of leaks. That he called Christine and told her he thought we might have a problem and got permission from her to meet with USDA and found out it wasn’t as bad as he thought. He went through the interest rates we were first given with USDA which was 2.0% over 40-years, not being considered a health hazard those rates went up to 2.625% over 40-years, which is not that much more, a little over 60-cents a month, which is still a possibility. The other possibility is to go with IFA for the whole amount of 3.2 million, the Safe Drinking Water Revolving Loan fund and they can do a maximum loan forgiveness amount of 1 million 30 thousand. With that the water rates would have to come up a little bit more. That being said, the IFA is a lot easier way to go with everybody involved. He explained in detail the requirements the USDA would require in completing an application with them, which would include an environmental study and placement restrictions of the lines. With IFA we would have much more freedom to do more things the way we want. Bottom line Rob said the difference in going straight state revolving loan fund and the combination of the two, it’s about \$3 a month difference as far as how much the debt service would have to increase. Timing wise if we go with the State Revolving Loan fund we’d be in construction next summer. With USDA we don’t know when it would be, but they did say they would work with us to get it done as soon as possible. Rob said he is putting a disclaimer on this next statement; none of this money can be used to specifically increase fire flows, which is a restriction on

all the programs. Their stance is if you want good fire flow in your distribution that is something you have to pay for yourselves. That being said, all the things we are doing are things that are going to increase the fire flow. That anyplace where we are replacing the waterline, we will be putting the hydrants at the recommended spacing. He went into more detail of specific lines on fire flows. Discussion followed regarding which funding source to go with. Council agreed to move things forward faster and have the freedom to do what we need to do. Councilor Messmer motioned to go with IFA only concept, motion was seconded, all in favor; Larson-Hills, Munn, Trett, Sheppard and Messmer, motion passed.

**4.3. Resignation Councilor Mark Messmer** – Mayor Trett read letter of resignation from Mark Messmer, which stated with the impending sale of his home he will no longer be a resident of Detroit and could no longer serve on council. Councilor Munn motioned to accept Mark Messmer's resignation, motion was seconded, all in favor; Larson-Hills, Munn, Trett, Sheppard and Messmer, motion passed. Mayor Trett declared the vacancy and that we would be posting it.

**5. APPROVAL OF MINUTES OF THE LAST MONTH** - City Council Special Session & Public Hearing of June 13, 2017. Mayor Trett stated there needed to be a correction in the beginning where it said acting Mayor to Mayor and Jack Krill instead of Jack Drill. Motion was made by Councilor Messmer to accept the minutes with the corrections, motion was seconded, all in favor; Larson-Hills, Munn, Trett, Sheppard and Messmer, motion passed. Minutes of the City Council Regular Meeting of June 13, 2017 are in progress.

**6. APPROVAL OF THE BILLS PAYABLE LIST FOR CURRENT MONTH** – Councilor Messmer motioned to pay the bills, motion was seconded, all in favor; Larson-Hills, Munn, Trett, Sheppard and Messmer, motion passed.

## **7. UNFINISHED BUSINESS**

**7.1. Rotating Meeting Schedule** – Councilor Munn, DLRABA's next meeting will be on Saturday at Breitenbush. Mayor Trett, Federal Lakes meeting will be on July 19 at Gates Fire Hall. Assistant fire Chief Krill reported the next Fireboard meeting would be on the 19<sup>th</sup>. That tomorrow would be a tabletop meeting regarding the eclipse operations with the County. That they have the hall facility reserved. Also, they are going to be moving the fire apparatus to Keith Munn's property and run out of there with two of their full time Safer Firefighters and the hall will be the ambulances, that they are hoping to have two here, so the hall will be the base for them to operate out of, that the county has freed up some money to pay for two ambulance to be up here for four days. The tomorrow meeting is to kind of flush out the plans and the one on the 13<sup>th</sup> is a presentation for all the public officials letting them know what the plans are.

**7.2. Code Amendment Updates** – Mayor Trett reported that committed to being on the committee so far is: Planning Commission, Kevin Hills and Elaine DeGeorge, alternate Dave Layman. Citizens at Large – Jay Seymour and Brian Sparks, City Council, himself and John Manthe. The first meeting is scheduled for July 25<sup>th</sup> at 3:30 here and August 29 at 3:30 here.

**7.3. Eclipse August 21, 2017** – Recorder Pavoni stated there is still a lot of work to do but we are organized. The only thing is the volunteer list that went around, no one signed up, and reported what shifts and days were covered, that all the afternoons and weekends are open. Councilor Munn stated as far as the money goes, there will be cash register there and then we'll use the bank bags to put the money in, then transfer it to Mountain High to keep in their safe, both the tabs and money will be put in the same bag so it can be counted to make sure it's accurate. Recorder Pavoni commented that Keith organized all that part. Keith stated that he has opted to fill in for anything and everything whenever possible. But if he gets a fire call he would be leaving. Mayor Trett stated that he intends to fill in where needed also. Mayor Trett reported Marion County Sheriff's office will be putting everybody they can up here. Messmer added they said three to four initially plus the federal guy. Dean O'Donnell stated that he was at a meeting today and a lot of the cities are restricting left turns out of the city to keep traffic flow going. In our masterplan we have that restriction on a left hand turn and should be a strong consideration, particularly the first exit and going out on Forest or Santiam. Discussion followed, ODOT would have to be contacted for permission. Mayor Trett said he would contact them. Councilor Munn stated because the Fire Department would be staying on his property he would like permission from council to close the road (Patton N) going to his house with barricades that could be moved quickly. That he already talked to Dave Layman and he was okay with it. Council agreed it would be ok. Mayor Trett reported that Recorder Pavoni has put in for a request for vacation from August 17<sup>th</sup> through the 22<sup>nd</sup>. Councilor Munn motion to approve the request, motion was seconded, all in favor; Larson-Hills, Munn, Trett, Sheppard and Messmer, motion passed.

**7.4. SDC Amendments** – Mayor Trett reported HBH Engineering is working on the SDC methodology which is about to be completed. Public hearing date is set for the October 10<sup>th</sup> council meeting.

**7.5. Tourism Promotion Committee** – Mayor Trett reported they talked about this last month for tourism monies and approved to have a resolution brought back to this meeting, resolution 569, which he read by title. Motion

made by Councilor Sheppard, motion was seconded, all in favor; Larson-Hills, Munn, Trett, Sheppard and Messmer, motion passed.

7.6. Idanha-Detroit RFPD Facility Joint Use Agreement Review (postponed) -

**8. NEW BUSINESS - 8.1. Temporary OLCC License for Street Fair July 15 & 16, 2017: Bend Distillery, Inc. –** Mayor Trett reported a reported a special events OLCC license came in for the Street fair. Motion made by Councilor Larson-Hills to approve a special event OLCC license to Bend Distillery Inc. motion was seconded, all in favor; Larson-Hills, Munn, Trett, Sheppard and Messmer, motion passed.

**9. CORRESPONDENCE –** No question or comments or letters sent or received.

## **10. COMMISSION AND MAYOR'S REPORTS**

10.1. Mayor's Report – Jim Trett reported on the meeting he attended. Which were, one of many Travel Salem's Eclipse meetings on the 21<sup>st</sup>, the open house for the parks project. He also attend the first day of the fair on July 6 with elected official and legislators to officially open the fair, where he got to brag on Detroit. Tomorrow he will be attending the Mayor's Coalition in Dallas. On July 13<sup>th</sup> another eclipse meeting in Salem and then on the 18<sup>th</sup> he will go to the Civic Leaders Eclipse Meeting at the civic center in Keizer. 21<sup>st</sup> is the Code Amendment Committee and then July 27<sup>th</sup> through the 31<sup>st</sup> he would be at the Mayor's conference in Lebanon.

10.2. Police and Safety Commissioner's Report – Mark Messmer stated word is you are to treat the upcoming eclipse like a disaster. Make sure your cars are full, make sure you have food in your house, because the impact of all the people traveling are going to make supplying restaurants, gas stations and everything else difficult. He also reported he sat in with the Marion County's Sheriff's Office to do interview for four new Enforcement Deputies. Next Door.com is still working fine, he didn't see any post or receive any calls during the fireworks. That he noticed a large decrease in the amount of personal fireworks being used, so the signs worked.

10.3. Street Commissioner's Report – Greg Sheppard reported he just finished the ODOT Small City Allotment Grant application for \$50,000 for paving. That they let him put in for three streets to pick from, Deer, Patton and Detroit Road. That we won't find out if we get it until probably October/November.

10.4. Water Commissioner's Report – Mayor Trett read John Manthe's report. He reported on usage and consumption for the month of June. Meters were read on June 30<sup>th</sup> and one leak was found on a customer's side, they were called and notified. The Sanitation Survey was done on June 26<sup>th</sup> and there was one violation on the bypass line that was put in during the 2011 upgrades. Two removable spools need to be installed on that line to keep untreated water from going into the distribution line. This fix will not be cheap. The rest of the survey went well.

10.5. Building Commissioner's Report – Vicki-Larson Hills reported there were seven permits issued for the month of June. Two mechanical, two plumbing, one electrical and one for a manufacture dwelling. Four were finalized, two residential electric, one commercial electric and one site visit. Dean O'Donnell asked if anything was being done on Deer Street. Clerk Hastings reported that he got a building permit,, that he's not going to make it back into a dwelling, that it was formerly a garage so that's what he's going to make it back into and stay in the manufacture home.

10.6. Parks & Rec Commissioner's Report – Mayor Trett reported that SPRINT decided not to put in the temporary cell tower at the park site. Christine added it took to many environmental reports and stuff. They would have had to put in electricity which had to go underground, so to bore through the street, they have to listen to federal agency and required too much reporting.

10.7. Emergency Preparedness Commissioner's Report – Mark Munn stated several meeting are coming up about the eclipse.

10.8. Planning Commission – In Recess

10.9. Sewer Committee – Ken Woodward – Covered under 4.1.

**11. ADVISORY COMMITTEE REPORTS -** Federal Lakes Recreation Committee for Detroit Lake Next meeting Wednesday, July 19, 2017 at 6:30 PM – Gates Fire Hall

**12. PUBLIC COMMENTS –** None

**13. ADJOURN –** Councilor Messmer motioned to adjourn, motion was seconded, all in favor; Larson-Hills, Munn, Trett, Sheppard and Messmer, motion passed. Adjourned at 8:26 PM.

Signed:

\_\_\_\_\_  
Jim Trett, Mayor

Attest:

\_\_\_\_\_  
Christine Pavoni, City Recorder

Attachment to minutes of July 11, 2017 of presentation by Danielle Gonzalez on the  
North Santiam Joint Sewer Project

Danielle Gonzalez reported that the North Santiam Joint Sewer Project is something the county started looking at after requests from all the communities along the Santiam Canyon, including Mill City, Gates, Detroit and Idanha. Concerns were brought up that for years and years there has been attempts to get a sewer system into the communities to help build economic development opportunities. The North Santiam Sewer Project is a combined effort, which started in 2015, when Marion County did a distressed communities program. In 2001 there were some promises made by the Federal Government that once the Opal Creek Wilderness area was designated approximately fifteen million dollars was to come to the communities to offset some of the timber payments that were going to be lost, so that started a conversation. From there the county hired her in September of 2015. That her previous experience specifically was working with federal agencies to follow through on their commitments. That the product proposal they've started to talk through, each of the communities has provided some volunteers to come in and have conversations, that they are approximately seven meetings in since March. They have talked about what each community's needs are from either a sewer system or wastewater solution and what the opportunities are moving forward. They have defined the canyon as, Lyons-Mehama, Mill City-Gates, and Detroit-Idanha. When talking about the North Santiam Canyon she said we really have some historical perspective that has caused some long term difficulties in actually creating economic development opportunities. That they've had information from local businesses that they worry every time they let a customer go to the restroom, that that is not a place where you can really build a strong business platform on. That Marion County is involved because of economic development opportunities, not just for Detroit, Idanha, Gates, Mill City or the Mehama area, but for the region. One of the things looked at, is combined together these communities are very, very strong. Individually and competing against each other, it's really not working, so that's the approach they've taken. The question is then, why is wastewater an economic driver. If you cannot open a restaurant or even get a permit for a retail outlet because your septic system cannot sustain a one to two person operation that is not a functioning business. When you have to have porta potties outside of your businesses, it's not really something you're going to see a lot of new businesses thrive in that environment. She said they did a force field analysis, which is a review of what the opposing forces are and where are the helping forces to actually move forward on a plan. When meeting with community members that attend the wastewater meetings, they walked through and identified and gave point scores of what is positive and what are negative to a regional wastewater or sewer solution. Overwhelmingly, the opposing forces are the high cost of a permitable solution. That, that is the biggest concern from everyone she talked to, the cost is just going to be too much. That she does want to address those concerns up front and put some parameters around them so they can talk about some real numbers verses just the numbers that are in their wastewater study and the three basin rule requirements. In the State of Oregon, the three basin rule says that no sewer or septic discharge can be discharged into the river. She said this is unique, this only happens on three water basins in the State of Oregon, the Clackamas, McKenzie and the North Santiam. One of the options they would like to look at in the future is how do we modify that so it can be a workable solution so the communities out here are not taking the financial brunt of the downstream water users. That those are the two opposing forces and if we feel like we can get rid of some of those, it's more likely this will start moving forward. On the helping forces there is an availability of technical resources from the state and federal levels they have offered. That she has been approached by the Economic Development Association, USDA Rural Development as well as the Oregon Water Utilities. So we've been approached on many different occasions offering assistance and we want to take every opportunity to do that. She said that when she looked at the numbers, none of the cities can do this alone. Even Mill City that has a step system solution, will have to make new investments, which they will not be able to do without having to raise their rates quite a bit. So this is a benefit to all of the communities, if we can see it through under the parameters we're going to look forward to. She said when she was trying to look for a way to bracket what is the absolutely the hard nose answer of what can and cannot be done the constraining parameters the end user fees is 1.4% of median household income. When you average the MHI for Idanha, Detroit, Mill City and Gates together the user fee payments can be no more than \$44 a month. That, that will not pay for a large scale infrastructure piece, but that's the maximum that can be charged. If you multiply that \$44 dollars per month by the amount of dwelling units, the annual user fee estimated value is \$1.3 million dollars. So with that the recommended debt servicing would only be somewhere around \$458 to \$497 thousand dollars. This is putting some book ends on either side, but specifically the one she wanted to pull our attention to is the recommended total debt capacity load. This is among all four of the communities not including Lyons or Mehama. \$8.5 million dollars is actually less than the legally allowable amount, because the legally allowable amount for all the communities is based on 13% of the real market value of all of the properties in that area which is \$31 million dollars. That she knew early on that was not a reasonable number. So when you're looking at the debt capacity verses how much the debt servicing range that is recommended for a best practice, \$8.5 million dollars is the most that can be borrowed against. What that means though is she can say \$8.5 million dollars is the absolute max they could ever take out. That doesn't mean though if other debt is assumed, say Mill City's debt would be assumed but then we would get all of their properties, resources and staffing, that actually goes into our debt total. So there is a possibility this could move forward where the debt capacity would only be \$4 to \$5 million dollars. That means we have a lot of fund raising to do and it could be coming from the federal or state government or local government. One of the other pieces they looked at is the potential for a water source protection fee for downstream water users, benefitting from the fact that we are having to take care of that water source. That would

help to insure the long term stability, where in 25-years additional investments need to be made. That money would already be there so no additional debt would have to be made. She said her concern is, a lot of people take out debt for 40- years, but the usable life of a lot of the water utilities are 25, so she doesn't want us to take out any more than the actual usage life. So how do we get then to a project that is on paper at \$97.3 million dollars, the project cannot be at that amount, so we have to work on costly adjusting and modifying the three basin rule to allow for cooled discharge into the river, Class A recycled water is as clean as it can come, that might be the biggest option that we can move forward on. From the DEQ standpoint, when they initially talked about this, they thought that would take down at least 20% of the cost. Also with diverse grant and funding opportunities, there is everything from clean water agencies to wastewater agencies, economic development agencies, rural development, its piecing together all of these monies for a project that is a massive project. That from their meetings in the last few weeks, a gentleman from the Oregon Association of Water Utilities was very nice to say, don't worry about the money, the money is going to come. That we need to have a plan, people engaged, useable outcomes that everyone can understand, and a narrative. She said all those things already exist, so if we just move through with the process, he felt very comfortable that the money would always be there at least for the capital construction piece. User fees are going to be different, again that's where it caps out at \$44 under current medium household income. With that we would also look to add downstream users as advocates and financial sponsors that kind of creates an endowment, so that long term investments wouldn't keep hitting these communities over and over. She talked about kind of a current pathway to sustainability of the North Santiam Sewer Project. That everyone in the local task group agreed that a wastewater solution was needed and that after doing the numbers doing a combined regional systems was more feasible. The general consensus was that they needed some help with having Marion County involved and getting this off the ground. She said the reason she is here today is to get the feeling of the city council. That we're at the point, if Marion County then takes the lead there are some things they now need to make some decisions on. That they first went through the feasibility governance study, which was funded by Marion County and Business Oregon. They formed the informal task group that was recommended from the feasibility study. Then the third step is at some point we're going to need city council resolution, just saying we do want to be involved in a servicing district. She added, that the numbers do not work out if all communities, Mill City, Gates, Detroit and Idanha are not in this together, there is no project. This is the only foreseeable pathway that her data can point her to. If that is the case there is going to decisions on how the board would need to be structured. That her recommendations to Marion County are going to be that locally the board should be constructed. Marion County has offered to service the board. Also, they need to agree upon areas within the district. The city councils are also going to have to decide on a share debt obligation between all four of the communities and then there would have to an official request for Marion County to form a Sanitary District. That to negotiate all that could take a while six month or more. From there then Engineer and design studies can occur. There has to be a minimum of five board members, one from each community and suggests one downstream user. Capital construction would have to be taken care of through grants and sewer or sanitary bonds. Breaking down the maintenance, governance and operations would all have to be under that user fee by volume and then the water source protection fee that would help to offset the long term cost of refurbishing things 25-years down the road. Councilor Messmer asked what vehicles exists in state law to impose that, and Danielle explained that we wouldn't be imposing anything, we would have to convince our downstream users, City of Salem. That this has been approached and they didn't get throw out of the room, that the reason why is, that Portland right now is having to deal with this exact same situation. Bull Run is where they get there water from, now they are having to make a 5 hundred million dollar investment. Right now a two dollar investment per EDU (equivalent dwelling unit), is a lot more favorable than them having to do an actual full cleaning of the water, so there is a possibility. She said it's going to take some finagling, it's going to have to be something where the North Santiam Watershed Council will definitely have to be on board and a lot of the legislators, who is drinking the water we're sending down the stream. Mayor Trett asked if the DEQ is kind of on board with modification of the three basin rule. Danielle said that one of their long time staffers has said they would be open to a modification but there is a long process. It would be suggested that if we did an engineering design with a two frame, one with the three basin rule and one with the modified one and then said, so here's the deal, we'd love to do this higher level but it's going to cost you to do that, we can't do that on our own. Water Source Protection needs to be, that it is a social inequity for rural communities to have to bear the burden of cleaning the water for 200,000 people. The Mayor commented for the public that this would be at least 10-years down the road and Danielle stated we are talking a significant time frame to get all things in order and off the ground. She said she has been looking at the actual cost of a septic system over the lifetime verses the cost of a sewer over the lifetime and the septic is more expensive. That she had been working with a gentleman from the Oregon Water Association. When first putting in the septic, she used the calculation of \$7,000 for a very low septic. So if you have your septic you have a small maintenance every five years, but after approximately after 15-years you have to do some pretty large maintenance. The person for OWA suggest that maintenance might be as high as another \$7,000 dollars. That her concern is how many people are going to be able to do this when it's needed. If you have a sewer system it actually takes that cost, divvies it up over multiple different people and keeps it at a steady pace up. That what she has is a starter fee of \$44 then adding ½% every year to help maintain the governance, operations and maintenance. Discussion followed. Danielle stated that she would be recommending to Marion County a three year commitment to us for this project. That means that the county is going to have to fund the positions to make sure they are giving us that three year commitment.