



MINUTES

Coburg City Council Work Session

April 26, 2022 6:00 P.M.

Coburg City Hall

Virtual - 91136 N Willamette Street

MEMBERS PRESENT: Mayor Ray Smith, Councilor Bell, Councilor Alexander, Councilor Fox, Councilor McConnell, Councilor Lehmann.

MEMBERS ABSENT: Councilor Blain.

STAFF PRESENT: Sammy Egbert, City Recorder; Anne Heath, City Administrator; Brian Harmon, Public Works Director, Tim Gaines, Finance Director.

RECORDED BY: Marlene Hockema, Lane Council of Governments (LCOG).

CALL TO ORDER

Mayor Smith called the meeting to order at 6:02 p.m.

Welcome

Mayor Smith welcomed the council, staff and guests, turning the meeting over to Ms. Egbert who introduced Damion Gilbert and Julie Leland, both of Branch Engineering, to present their findings regarding planning and engineering of a new water reservoir.

1. Presentation and Report from the Water Team and Discussion Regarding the Water Master Plan

Mr. Gilbert noted despite due diligence on their part they had encountered multiple issues with the proposed site including: long pipeline, cost increases, boulders, backyards, neighbors, 30' elevation error and the need for a conditional use permit, thus, they would recommend abandoning the project at that location. Ms. Leland commented that a feasibility study would determine other potential sites. Justin Ford and Brian Ginter, engineers of Murraysmith joined the conversation stating a feasibility study would cost around \$50,000. Mr. Gilbert noted that additional costs at the proposed sited would include adjusting every meter in town due to increased water pressures. Of note, would be the fact that the City currently owns two tanks which might be fit for rehabilitation rather than replacement. Mr. Ford informed the group that

those tanks were built in 1960-1970 and responded to Mr. Fox's question regarding the lifetime of a new reservoir by stating 50-100 years.

Mr. Ford provided a slide presentation for installation of a 750,000 gallon reservoir:

- A. Benefits of Centralized and Elevated Storage
 - 1. Proximity to other water facilities
 - 2. Reliability of gravity storage
 - 3. Power savings
- B. Conceptual Costs
 - 1. Initial project
 - a. New 750K gallon elevated tank \$3.5M
 - b. Mobilization, piping, BPS modifications \$1.5M
 - c. Total \$4.5M to \$5.5M (including contingency)
 - 2. Future elements
 - a. Tank rehabilitation \$1.6M (including contingency)
 - b. Tank replacement \$2.1M (including contingency)

Included in the presentation were photos of a Multi-Column Elevated Tank, a Spheroid Elevated Tank, and a Composite Elevated Tank.

Discussion followed with Mr. Ford stating that the height of an elevated tank would be 140'-250'. Mr. Fox expressed concern regarding public response to an elevated tank next to family homes to which Mr. Ford responded they would be available to provide Public Outreach Assistance. Mayor Smith addressed the issue of running costs and Mr. Ginter responded operating costs would go down due to the fact that a new system would not run 24/7 as the current system does. Mr. Harmon added that the Public Works department is tight on staffing and the new system would reduce maintenance hours. Mayor Smith expressed concern regarding facility security and stated an elevated reservoir would lower that risk. Mr. Fox questioned if a new reservoir would then need to be consistently upgraded to meet regulations or be grandfathered; Mr. Ginter responded no new regulations would be applied after installation. When queried as to the urgency of the project Mr. Ford responded that one of the current wells would need improvements but the situation would not be urgent. After discussion regarding possible site locations the council decided to abandon the current proposed project and allow engineers to proceed with a feasibility study. Ms. Heath informed the group that the easements which were purchased from residents would need to be sold back.

Moving forward, Mr. Ford proposed that they would be able to get timeline and spending information to the council prior to September following a two to three month modeling. Ms. Heath added it would probably be June before she would have information available to present to the council but she would strive to have it in May.

2. Utility Rates Discussion

Ms. Heath provided a slide presentation which addressed utility rates as follows:

- A. Sustainable utility fees
 - 1. Generate sufficient revenues to sustain the utility system
 - 2. Charge for cost of services provided
 - 3. Recover costs equitably
 - 4. Achieve city objectives
- B. Options
 - 1. Make no changes in fees at this time and see how growth develops in 2023
 - 2. Make cost of goods increase to fees of 1.5-4%
 - 3. Make recommended adjustment of water 3% and sewer 1.5%
 - 4. Delay decision until water fund facts (approx. 6 months)
- C. Assumptions
 - 1. Assumes 4% growth in cost of goods and services
 - 2. Assumes 4% in personal services
 - 3. Assumes some growth conservatively – residential
 - 4. Assumes slow conservative growth – east side and other available commercial

Ms. Heath noted that it had been a volatile year and reviewed utility rates and growth opportunities as well as additional expenses which would be incurred with the proposed reservoir. Mr. Lehmann recalled a letter that went to the public in the fall of 2021 stating the council's goal to keep rates down, adding that he would approve a sewer hike but not water. Following discussion Mr. Lehmann proposed a placeholder of 1.5% for sewer and 3% water. Ms. Heath responded that the hard numbers would need to be built into the budget; Mayor Smith concluded budget numbers would be changed as needed when the necessary information is compiled.

ADJOURNMENT

Hearing no further discussion, Mayor Smith adjourned the meeting at 8:35 p.m.

FUTURE MEETINGS:

April 27	Finance Audit Committee
May 10	City Council
May 11	Heritage Committee
May 17	Park Tree Committee
May 24	Budget Committee
May 30	City Hall Closed – Memorial Day
May 31	URA Budget Committee
May 31	Budget Committee

APPROVED by the Coburg City Council on this 14th day of June 2022.

Ray Smith, Mayor of Coburg

ATTEST:

Sammy L. Egbert, City Recorder

DRAFT