

**CITY OF SCAPPOOSE
CITY COUNCIL MEETING
APRIL 19, 2010 AT 7:00 P.M.
SCAPPOOSE, OREGON**

Call to Order

Mayor Burge called the Council meeting to order at 7:00 p.m.

Flag Salute

Roll Call

The meeting of the City of Scappoose City Council was held at 7:00 p.m. in the Council Chambers; 33568 East Columbia Avenue; Scappoose, Oregon with the following present:

City Council Members:

Scott Burge	Mayor
Donna Gedlich	Councilor
Judie Ingham	Councilor
Larry P. Meres	Councilor
Art Heerwagen	Councilor
Jeff Erickson	Councilor

Staff:

Jon Hanken	City Manager
Doug Greisen	Police Chief
Joe Lewis	WTP Supervisor
Terry Andrews	Field Services Supervisor
Steve Wabschall	WW Supervisor
Susan Reeves	City Recorder

Press:

Andy Jordan	Legal Counsel	Stover Harger	The Spotlight
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Also present: Teresa Keller, Budget Committee member and Craig Frasier, City Charter Committee member

Excused: Councilor President Bernhard

Approval of Agenda

Councilor Ingham moved and Councilor Gedlich seconded the motion to approve the agenda. Motion passed (6-0). Mayor Burge, aye; Councilor Gedlich, aye; Councilor Ingham, aye; Councilor Meres, aye; Councilor Heerwagen, aye and Councilor Erickson, aye.

Public Comments

Teresa Keller, Scappoose, discussed issues at Creekview Park. She explained there is suppose to be a curfew at the park and signs were posted but there are still occurrences of kids being at the park after dark. She is wondering if there could be some sort of lighting at the park. She suggested maybe solar lights. She explained with the summer coming up they would like to stop the problems.

Chief Greisen explained to Teresa Keller that he will notify the officers and also asked her to make sure she lets her neighbors know to call in to dispatch if there are any problems so they can get right on it.

Approval of the Consent Agenda

March 13, 2010 Council Goal Setting Session meeting minutes and April 5, 2010 City Council meeting minutes

Councilor Ingham moved and Councilor Erickson seconded the motion to approve the March 13, 2010 Council Goal Setting Session meeting minutes and April 5, 2010 City Council meeting minutes. Motion passed (6-0). Mayor Burge, aye; Councilor Gedlich, aye; Councilor Ingham, aye; Councilor Meres, aye; Councilor Heerwagen, aye and Councilor Erickson, aye.

Proclamation for Nation Volunteer Week

Mayor Burge read the proclamation.

New Business

Resolution No. 10-06: A Resolution Amending Waste Management's Rate Structure for Garbage Services

City Manager Hanken explained there are representative from Waste Management here this evening. He explained on April 5, 2010 representatives from Waste Management gave a presentation to Council and staff related to fee increases due to increase costs both for their operational and for the cost increase that was approved by Columbia County for the Transfer Station. He explained Waste Management is requesting increases ranging from .30 to \$4.80 per month to cover the associated cost. He explained in the staff report there is a break out of the costs listed as Exhibit A.

Dan Wilson and Will Spears both with Waste Management are here this evening to present their request. Dan Wilson stated he appreciates the opportunity to come before Council again and really appreciate the opportunity to continue to provide solid waste and recycling services to this community. He explained they came before Council a couple of weeks ago and made a request to consider the rate increase; one is the disposal increase that the County passed a few weeks ago and one is a cost of living increase of 3.5%.

Councilor Gedlich asked Dan Wilson if there was mandatory garbage service throughout the community wouldn't the rate be lower? Dan Wilson replied the studies that he has seen when that is applied typically yes it would lower the rate because the cost of the service would be spread across a larger customer base.

Councilor Gedlich asked if they have a senior rate. Dan Wilson replied no not for the collection service but they do at the transfer station. Councilor Gedlich asked Mr. Wilson to tell her why they don't and asked if they have looked in to it? Dan Wilson replied they do offer a will call service, so if somebody wants lesser service that is one of their service options. He explained

they try to provide a service offering that covers all users and they feel that the every other week or the will call service would cover most of the requests.

Councilor Heerwagen asked if this increase passes it would go in to effect May 1? Dan Wilson replied what they were asking for is to make the disposal portion effective April 1st because that is when Waste Management was impacted by that rate increase from Columbia County and the other portion would start on May 1st.

Councilor Ingham stated she is totally against mandatory pickup. She asked if Waste Managements puts the information in front of people who would be candidates for will call pickup and or senior pickup. She stated if Waste Management broke down their rates that way and developed a program for will call and senior how would that effect their overhead and rates.

Dan Wilson replied will call is a little complicated because it comes and goes, He explained for this kind of a service where it is routine and you go there week after week, ideally you do it weekly or every other week but certainly will call is an option and their staff makes that known. He explained when a customer calls our call center all those rates are available to people.

Joan Magin, Scappoose, explained she been on will call services with Waste Management for 6 years and it has worked out okay.

Bill Marinelli, Scappoose, explained he is a new resident of Scappoose and he stated the first three weeks as a new resident he was completely confused by Waste Managements process and after finally three or four conversations with the Washington call center and finally reaching somebody at the garbage dump, he finally got it cleared out in his mind so he finally got it right this weekend. He explained if you had a monthly rate for garbage only, a bimonthly rate for garbage only, typically in other communities that he has resided in the monthly rate is normally the senior rate because the volume is equal in most cases, he is not saying in all, but in most cases.

Councilor Gedlich asked Mr. Marinelli if he paid about the say amount that he is paying now and she asked if he also had to pay for a cost of living increase.

Bill Marinelli replied typically not, there was an adjustment rate, as he recalls, that was addressed by all providers, not just Waste Management, where they would have a monthly rate of \$36.00 for every week pickup for a 32 gallon can. They also had a monthly rate for a 20 gallon can which was \$32.00. Bimonthly if he remembers correctly the 32 gallon can pickup was \$18.70.

Councilor Ingham stated she personally doesn't think Waste Management is raising the rates above and beyond what would be the norm for overhead and what they pay out. All she asks is that they do is substantiate their rate increase to the public, make sure they understand completely and make it easily accessible for the community to be able to call in for will call service or develop a senior rate.

Dan Wilson replied there is a provision so when people do go on an extended vacation they can actually stop their service and then restart it again.

There was discussion on the notification dates.

Councilor Ingham moved and Councilor Gedlich seconded the motion to that Council approve Resolution No. 10-06, A Resolution Amending Waste Management's Rate Structure for Garbage Services effective May 1, 2010.

Councilor Meres stated he is supporting Waste Management in this. He stated it is unfortunate that the notice was given late but he knows the Council was talked to about this increase and the County posts their notices for their meeting. He stated the cost of fuel and everything is going up and unfortunately it is going to hit his wallet.

Motion passed (4-2). Mayor Burge, aye; Councilor Ingham, aye; Councilor Heerwagen, aye and Councilor Erickson, aye. Councilor Meres, nay and Councilor Gedlich, nay.

Resolution No. 10-05: A Resolution Revising Rates for Monthly Use of Water and Sewer Systems and Creating A Stormwater Utility Fee

City Manager Hanken explained as Council will recall at the March 15th workshop there was a discussion related to making adjustments to the City's utilities and incorporating a new storm water utility fee related to being in compliance with the State Law related to clean water and storm water. He explained what Council has before them is the recommendation from Council related to the water rates to increase the monthly fee by \$5.00 per month for each of the next four years and then after 2014 to do an inflationary adjustment ranging from 2% – 5%. He explained the sewer basically recommendation and discussion at the workshop was to just do a cost of living or inflationary adjustment on that. He explained regarding storm water it was recommended to create a new utility and it should be equivalent service unit (ESU), not equivalent dwelling unit and Council kind of leaned toward doing \$4.00 per equivalent service unit.

Joe Lewis, Water Treatment Plant Supervisor explained the City Water Department is in the treading water mode right now. He explained currently our expenses are about 1.4 million dollars a year and our revenues are about 1.2 million dollars a year. He explained .5 million dollars a year are spent on loan payments. He explained the discussion staff had with Council was to address the new loan payments for the law suit mandated Dutch Canyon water line improvements which cost the City about \$138,000.00 a year and that is where the Council came with the \$5.00 a month rate increase. That would directly off set that specific cost. He explained this however doesn't address the long term needs of the water system costs because of the growth rate in the City has declined to the extent that the City is facing the real bills, we are not cushioned by any increase revenue attributable to growth and so to be fiscally responsible the discussion he has had with the Council address this revenue imbalance. At the workshop Council President Bernhard and Councilor Ingham suggested that not only they would take the \$5.00 a month rate increase for one year but to carry it forward for four years. He explained initially if Council remembers talking about balancing the City's budget based on an \$18.00 a month

increase on the fixed rate for our customers. He stated in these times that is a very challenging proposition to put forth before the citizens and so he appreciates the Council looking at it in a step wise approach. He explained the City's costs have been limited at City Manager Hanken's direction. He explained staff has stopped doing some of the maintenance that they would normally do. They have not had an actual freeze in spending but they have had a freeze of none essential spending. He explained the water department has lost 1.5 personnel in the last year and every other step has been taken to reduce our expenses. He explained the water department like every person in the Country has seen increased rates for everything; electricity, fuel, chemicals and for personnel. He explained all though the personnel rates he thinks have been in keeping with the rates Nation Wide and regionally.

Steve Wabschall explained the sewer department is quite better off because they don't have the debt load that the water department has. He explained they are in the process of doing some remodeling work at the sewer plant which will incur some debt load to the sewer budget but staff is just asking for a cost of living. He explained last time the rates were adjusted in the sewer was 2006 and that was attributed to the loss of industrial user, Steinfelds, and it was to make up part of that revenue. He explained the plant is getting older, it is 20 years old. He explained they just need to keep moving forward so the City won't have large increase in rates.

Terry Andrews explained the City has storm water utilities under ground infrastructure that the City has no money to maintain or meet the State requirement that have come down to the City. He explained it has just been kind of supported with street fund money, but there isn't a lot street monies available. He explained staff deals with situations when they come up and they are just looking for some kind of funding to maintain the storm water infrastructure.

City Manager Hanken explained as part of this proposed resolution rate increase one of the things in terms of addressing the question in terms of timing is the effective date on this increase wouldn't be until July 21, 2010. He explained one of the things that staff needs to work on is getting to monthly billing system. He explained it is easier to budget one month then it is to try to budget for two months at a time. So one of the things that staff has talked about, staff has been talking about this for awhile and has been working this, is replace the water meters with radio read meters so then the City would be able to get to a monthly billing system as soon as possible.

Councilor Ingham asked how far away is the City from the process of being completed.

Terry Andrews replied staff has approximately 40% of the meter switched out.

Councilor Ingham asked what is the time line for the rest? Terry Andrews replied a couple of years.

Jew Lewis explained the City currently spends about \$75,000.00 in the water department budget for meter replacements.

Councilor Erickson asked for clarification: irregardless whether he owns a business or a home his water rates are going to up \$5.00 per month that is it correct. Joe Lewis replied he believes that is the proposal.

Councilor Erickson asked sewer rates are going to go up 2% - 5%, that is it, correct, irregardless whether he owns a business or a home and storm water is going to go \$4.00 per ESU or 2,750 square foot of impervious surface irregardless of commercial or residential. Terry Andrews replied that is correct.

Councilor Gedlich stated when there were discussions regarding UIC's previously, there are 55 in the community, correct?

Terry Andrews replied there are approximately 58 which puts the City over the amount we should have because we need to be below 50. He explained UIC stands for underground Injection Control and it is basically a drywell. He explained a lot of the City's storm water systems instead of draining to an open body of water drain in to a gravel hole and that is what the State is mandating the City pay attention to.

Councilor Gedlich asked Terry Andrews if he could tell her how much it is going to cost to maintain each one.

Terry Andrews replied staff has something's that we have to do. As far as the maintenance part of it, the rate increase would help pay for street sweeping which helps take care some of the oils and debris that get in to a storm water system. He explained the City also needs to meet the States requirements and they are saying that we need to come up with a management plan and the City has to do monitoring of the drywells.

Councilor Gedlich asked how much is the management plan. Terry Andrews replied approximately \$75,000.00. Councilor Gedlich asked if that is a one time charge. Terry Andrews replied yes.

Councilor Gedlich asked Terry Andrews how much does he thinks it would cost to maintain one storm drain a year. Terry Andrews replied we are dealing with the whole system he can't single out one and it would depend on the problem. He stated the City also has to get below the limit because we are currently above the limit of UIC's allowed by the State without going to a permit process. If the City was to do the permit process it would cost a whole lot more every year.

Councilor Gedlich stated what about the neighborhoods that don't have any storm drains that they are paying for.

Terry Andrews replied the funding, hopefully, will be able to build enough where the City could go in and put in storm water systems for the neighborhoods that don't currently have it. He explained the City has to do something because of the State mandate.

Mayor Burge recessed at 8:03 p.m. until 8:11 p.m.

Clifton Shober, Scappoose, asked what if somebody collects their storm water, will they be exempt from the charge.

City Manager Hanken replied he thinks in terms of trying to encourage that type of activity is something we want to look at and we want to make sure it is an on going operation. He explained as a City, State, as a Country we are going to have to look at how we collect water because it is a fine item resource. He would like something on that order to encourage more of the rain water collection and using that to water plants. He thinks that is a possibility.

Clifton Shober stated regarding monthly billing he understands it will be easier for budgeting but what about postage, updating the software, personnel, etc.

City Manager Hanken replied it will have some initial one time costs however once the City gets to the electronic read system the time that it takes for staff to download the information and get the bills out is significantly reduced. He explained it used to take three City staff about a week now it takes one or two City staff only two days.

Clifton Shober stated in four years that is going to increase over a 100% and that is a huge increase and hopefully the economy turns around in four years. He understands it costs more to run everything but it is a significant increase in four years. He stated sewer that is not a big deal. He asked about the storm system how often is that tv'd or cleaned or taken care of. Terry Andrews replied only when problems arise.

Clifton Shober asked about tving sewer. Steve Wabschall replied they do 20% every year. He stated the issue with tving is you find problems.

Clifton Shober asked about the water increase, he doesn't understand how that is fair when the businesses are using more water. He feels it should be a percentage basis.

Councilor Meres stated to respond to Clifton Shober's business concern he was concerned about that so he talked to City Manager Hanken. He explained this Council has tried to encourage businesses to come in to Scappoose and keep the rates low for businesses but on the other hand he thinks maybe it should be increased on meter size or percentage and it is something that we are all talking about tonight.

Joe Lewis replied to address the issue of equity for home owners and businesses, he doesn't really have the answer, but he explained in addition to the base rate there is a commodity rate.

Brian Rosenthal, Lake Oswego, explained he is a local property owner. He explained he really doesn't have a concern with the water and sewer increase he primarily wanted to talk about the storm water but there was an issue brought up about businesses with the last speaker. He wanted to through out a couple of thoughts. He explained businesses are actually charged for their consumption of sewer at a higher rate. He explained for residential users there is a cap for sewer; it is unlimited for businesses which includes the water that they use outside. He explained the water he uses in the summer for his landscaping he is being charged like it is going down the drain. He explained if there was a substantial increase in the fees, beyond what is being proposed tonight, he would have to feel like he would need to consider passing on to the businesses that rent from him because it is not an expense he could just absorb. He explained on the storm water he is also okay with that idea in general because he knows the City is mandated and they have to

do that but he wanted to talk about where the City is driving their square footage from. He explained his is fine with the idea of roofs and he is fine with even the idea of sidewalks but any modern commercial building built in this town has a storm water system built for its parking lots that is separate from the City. He would suggest that the storm water fees for commercial would apply to roof area and sidewalk only with the exception of if the City is maintaining that storm water feature.

Brian Rosenthal stated his solution that for commercial applications that roof area and sidewalks are used to calculate the amount to be charged for the storm water fee. He is asking for an exemption on parking lots on commercial buildings that do not utilities City facilities or ask the City to take care any maintenance issues on those areas.

City Manager Hanken explained anything in this resolution can be modified.

Brian Rosenthal explained he had thought about storing water on his site but the amount of water that you use to water verses what you can store is going to be minimal.

John Gedlich, Scappoose, explained he has resided in this town 40 years and this is the first time he has ever come to a City Council meeting. He explained in regards to the sewer he really has not comment except he has never ever seen a bill go on in to perpetuity and that is what you have here. He stated because you say after 2014 it can be raised 2%-5% every year.

Councilor Ingham stated due to CPI.

John Gedlich replied it doesn't say CPI, go back and look at it. He stated as far as CPI, there is no CPI for this year, he got none. He explained our President has froze CPI for three years. He explained as far as the storm water he doesn't have a problem with the \$4.00 even though he has no storm water on his street and there is none, all the water gathers on the whole street on SE 5th, there is none. He explained he has no problem with the \$4.00. He stated here again he does have a problem with the 2% - 5% as Terry said he doesn't even know how much this is going to cost. He stated so now you are going to have \$110,400.00 by the \$4.00 per 2,300 households and you don't even know what you need.

Terry Andrews replied we do know what we need but he is not sure how to come up with an annual cost, we don't have enough. Councilor Ingham stated it is a variable.

John Gedlich replied that is fine then put in the \$4.00, bring that in and when you find out what you do need come back before the City Council and try to get more money, but just to arbitrarily say "I need this much money" and have an increase yearly, that just don't fly, in his book. He explained here again on the water bill, again has anybody multiplied this stuff out. He stated he thinks Joe said there was the Dutch Canyon and it was \$138,000.00 which is the loan payment and that is kind of a new. He stated if you start figuring out the \$5.00 a year increase for the next four years you are going to double the water rate that is presently being paid. He explained presently you are getting \$433,000.00 and in four years you will get \$985,000.00. He stated it is all good and well to sit back and say well we will just go before the public and take it or ask for it; in this case it is pretty much take it. He stated the schools just went up \$500.00 on his property

tax, his health insurance just went up \$150.00, the County is coming after jail, they want \$1.22, the garbage people were just here, and they want more money. Which reminds him, "Judie, is there senior rates for water?" He rests his case. He stated the current minimum bill right now, if it is a minimum bill, is \$45.91 and by 2013 the minimum bill will be \$72.64. He stated the people who are on fixed incomes it is tough, it is already tough and you are not helping. He stated he has no problem with you raising the \$5.00 the first year and then come back and see what the heck you need but just to arbitrarily put these things in to perpetuity, even the Post Office doesn't do that.

Councilor Ingham stated she appreciates John Gedlich being here and she understand his frustration. She explained what she would like to do at this moment is ask him to chime in here because on the back of the Council packets they have a list of deferred maintenance items that this City is looking at that we have to do, repairs that have to be made. She explained in reference to the \$5.00 a year increase, we need \$18.00 to keep up with the maintenance issues that we have now and that doesn't even address the deferred maintenance. She explained the reason that we thought it would be palatable. Some one in the audience said \$5.00 a year. Councilor Ingham replied \$5.00 a month. She wanted staff to address John Gedlich's issues and explain that we are not just grasping at straws here and reaching for a figure out of the sky. She explained we sat down and looked at the issues and looked at the costs and what we need to meet the costs and the maintenance issues, and the repairs that we need to make and they guys have done their homework.

Councilor Gedlich stated point of order, we are in a public hearing, we are asking for public input and then staff or Council can respond.

Mayor Burge replied that is absolutely correct.

Lisa Smith, Scappoose, she stated she thinks somebody is really messed up here. She stated she is going to start first just with the process issues, you all have the whole world lumped in to one pot; you got water, you got sewer and you got storm drainage all lumped into one ordinance and one hearing so as you are making your notes, please make sure you make notes on each of them, you have changes to make on each of them. She stated it might have been little simpler to track if we had done these in three separate pieces. She stated be that as it may the City did save money on sending out one single notice, for those of you who are keeping track of postage. She stated she has got to echo the comment on the from 2014 and after 2%-5% a year. She stated sitting here at the third highest foreclosure rate in the State of Oregon and you are talking about increases the water rates in 2014. She state don't go there and don't go there, what is this, this is April the 19th, we all just paid our taxes on the 15th, that is not smart. She stated we are not talking politically correct here we are talking what is the message that has been sent by this Council, this is not good. She understands that there are expenses. She stated she knows that there is a storm water master plan, she knows when it was written, and she worked here for the City then. She stated it is not in this room right now but it had a \$4.00 fee in it, we might as well start with the simply stuff. She explained Council looked at this storm water master plan business a few years back before the DEQ got so horsey about stuff and she stated "I am sorry Terry, you and I both know that is what is going on, DEQ horsing around and what things changed". She stated so there probably is some stuff that needs to be paid for with regards to that but please take

this, here again, this obscene inflationary adjustment business off of here, eliminate that entirely from this resolution. She stated you don't need to be putting your increases for the next ten years in to today's ordinance, it is bad business. She stated Council need to be going back and looking at this stuff and they really ought to be doing it annually, the rest of us are. She explained specifically at her own property she probably has the exact opposite of the big commercial boys, she doesn't have 2,750 square feet of impervious surface. She explained she has 1,000 square foot house and 700 square foot of garage and driveway. She stated she has absolutely no curbs and gutters. She explained she does have a sidewalk, it is separate from the road by a boundary tree lawn, except it is not really a boundary tree lawn because the City went in and dug out about six feet of it and dump gravel in it, so that is her drainage for 2nd Street and she is not complaining about that, but she is a little concerned about paying \$4.00 every month to maintain somebody else got a heck of a lot nicer house then her, might even be able to sell it in this market which she can't and she is going to be paying \$4.00 towards maintaining their storm drainage fee. She stated it would be nice if she could write it off, she asked if the City could do it in a way that she could make it a charitable donation for these folks. She stated up to the sewer; it looks like somebody exercised some good judgment there, but there again wants to do it forever, 2% - 5% every year forever, based on what? She stated we don't know anything about what is going to happen in the future but we ought to be having some good solid logic behind every time we go and say we need the money for this and this City has demonstrated that in the past. Councilor Ingham just mentioned there is a list of projects, she knows that those lists exist and those are real and those driven by real needs and she is not criticizing that, but please use those to discuss the reality of repairs not 2% - 5% based on the CPI because we all know that may not necessarily address the problem and if it over addresses it nobody is going to give it back we are going to find another way to spend it, lets not do that. She stated on this water increase, wow. She stated this year in 2010 her water will go up from today's rate the \$15.70 will go up \$60.00 a year, next year it will go up \$120.00 a year. The year after that it goes up \$180.00, so now we are \$15.00 over where we are today in 2012 and 2014 we are \$240.00 a year more, we are \$20.00 more a month then what we are paying today four years from now. She stated that is a lot of money folks and there again you have got that 2% - 5% and the thing we are not doing here, the things we are not talking about here she noticed it that is not for a gallon of water, that is not for 100,000 gallons of water, that is before you ever turn your faucet on. She stated that is not for what it cost to produce water. She stated when Cities begin to raise the fixed rate it is usually because they want to buy or build something; it doesn't have anything to do with the cost of producing water. She stated so we all know, just so we know, when we are talking about fixed rates we are talking about the paper work, what we are going to take to a lender and we are going to tell them we have guaranteed this much money, not what it costs to produce that water. She stated the cost to produce that water is partially in the commodity rate and we are not talking about the commodity rate. She stated she finds it a little interesting just in doing a little looking around we are actually now going to have more expensive water then Portland and we have all sat and talked about economic development. She stated she is not sure how all this ties together but we are not going in that direction, we are not going in a direction which we are going to be able to say come to our community because we have this quality of life for your employees. She stated because when you implement this you are going to charge the school the increase in all these fees, you are going to charge the home owners and some of the home owners in this town she would dare to say are beginning to get the point where you might actually be effecting what somebody has for dinner with a water bill and she really thinks that is the reason why we are

going to monthly billing because it is embarrassing, the numbers will be embarrassing if they are two months. She stated if the bills go up in those kinds of increments, those numbers are going to be big; they are going to have big impacts so she would ask Council to please go back and make some changes in these things. She stated don't try to ram this through tonight, go back and take a hard look at where you are going with these policies and do maybe perhaps run some numbers of typical, what you believe is typical, pick some examples and say, staff tell us exactly what is going to happen to the school district for instance, what is their water bill going to look like, today and five years from now. She asked is that somebody's job we are talking about here that is going to go away because they have to pay the water bill. She stated we don't want that, she knows Council doesn't want that. She stated Council has talked so much about economic development and it sounds to her like Council sincerely has their hearts in it. She stated lets go back and give this thing another pass please.

Member of the audience applauded Lisa Smith.

Jon Kangas, Scappoose, explained he really hoped back when he met with Council and staff in March to talk these fees over that some stuff would change but the way he is seeing it right now there were no changes. He explained it was a real quiet meeting and he was the only guy that came but you know the way this is based is very frustrating to him, it is like the math isn't being done, so he would like to actually kind of click through a couple of points on the math where he doesn't think it adds up. He stated if it is alright with Council he will start with the storm water problem or storm water retention system. He stated deferred maintenance is a loan that we take out on our own self and he understands deferred maintenance and you end up with bigger problems then you had initially and as part of the storm water treatment system the largest quantity of impervious surface he thinks is probably the road and they don't show up here and so what is being asked for is an equivalent service unit of 2,750 be kind of the base line, lets say, lets call all the houses 2,750 and then we will base all the expenses against the businesses against that number of impervious square footage. He asked if it was correct, does he understand that. City Manager Hanken replied pretty close. Jon Kangas stated he just built a house and had to put in a storm water retention system because it is a new house and so he has his storage on site and it cost him \$15,000.00 to put in his water treatment on his property. He stated he captures his water in rain barrels but the expense is there, you are building a house, you've got to make it livable. He stated new businesses are doing the same thing but Mr. Rosenthal covered that really well and really effectively but what really concerns him is that number 2,750 selected because of the storm water master plan, you know he actually bought a copy of the storm water master plan and he read it. He explained it is an arbitrary in there as it is in this increase and he would like to say, you know what, it doesn't seem like the right number. He stated what would be the right number is you add up the impervious surface across Scappoose on property then you take the 20 center line miles of road way and you cut that in to equal units and you say look we have all got this problem of deferred maintenance lets all pay it together and come to us with a plan like that, instead of taking an arbitrary number to cover an expense that isn't arbitrary but it is based on a number that we are not even pulling in to calculation he thinks it would be fair more equitable. He stated fresh water drives him crazy because when we voted to bring in Dutch Canyon the financial accountability office wrote us up some numbers and they didn't say that our water rates were going to double when we voted on that.

Mayor Burge explained Council didn't vote on that, that was a law suit; The City was mandated by a court to provide water to the properties out Dutch Canyon Road.

City Manager Hanken explained the Dutch Canyon law suit. He explained since the 1926 the City had an agreement with some of the property owners that if the City was allowed to run the raw water line through their property they would be able to hook up to the system. When the Clean Water Drinking Act went in to effect the law basically stated that we had to provide clean drinking water to everybody on the system. At the time the City wasn't looking at putting a line out there to the 10 properties and those property owners took the City to court and basically the ruling was you have to provide service to all the people on the system with treated water. He stated that suit was decided in 1984 and until this year that line had not been done and that law suit had not been resolved.

Jon Kangas replied so he misunderstood the origin of that expense and where it came from.

Mayor Burge replied that one is frustrating because had it just been done in 1984 it would have been paid off by now.

Jon Kangas stated the law suit was just to hold the City to their obligation, he understands that. He stated the way this is coming out; the way it is coming forward he would like Council to help understand what his view is of this. He explained the Federal Government tells him that he makes way more money now then he did 2 years ago, however his money allowance is still \$40.00 and he has debt maintenance that he pays, and he has expenses that he pays and his fees keep coming up and frankly when you come to him and tell him that on a monthly basis you are going to take half of what is allotted to his allowance, \$20.00 will by him one cup of coffee per week and that is it, if you get good coffee, right. He is wondering if there is anything we can do, instead of buying the good coffee, instead of paying the \$20.00 that it is going to cost him out of pocket and all of his neighbors, he manages houses around here, he has 32 people in houses and he would like to say he speaks for them but he doesn't know if he does or not but it is frustrating to know that your water bill is going to double and you know boil the frog is a term that if you put a frog in a pan and you turn it up slowly he won't hop out he will eventually get cooked in the pan without knowing that he was in trouble. He stated well you have to be a lot more settle if you are going to boil our frog. He stated you sent us a letter saying we are going to bill you twice, we are going to bill you once a month now, so we are going to double the number of times we bill you but we are not going to cut the price of the bill any. He stated that is not settle enough to squeak by, so we have a whole bunch of people here saying this isn't right, this isn't fair but the solution, he thinks, is a difficult thing, we have this financial obligation we have got to meet. He is just saying the way that we set this up isn't going down well. He stated he doesn't like it, he thinks we could chew this up better and make it more palatable so that we could all swallow it a little bit easier and frankly he doesn't want to sign up for a 2% - 5% increase every year for the years after we get through this big jump. He stated that is his position, it is going to cost him quite a bit.

Councilor Ingham moved and Councilor Gedlich seconded the motion to extend the meeting past 9:00 p.m. Motion passed (6-0). Mayor Burge, aye; Councilor Gedlich, aye; Councilor Ingham, aye; Councilor Meres, aye; Councilor Heerwagen, aye and Councilor Erickson, aye.

Karen Thornton, Scappoose, stated probably not many people know her but they may have seen her out in her yard, she gardens but she doesn't water and the reason why she doesn't water is because her husband took retirement from Boise after 31 years. She apologized and said sorry this is hard. She explained her husband works from home now because for a year he drove 40,000 miles working two jobs to cover the expenses that they have. She explained she is on disability and she gets \$672.00 a month before they take the taxes out. She explained she has an almost 17 year old girl who is an honor student in Scappoose. Her daughter wants to go the University of Portland and she can't go unless they let her live at home. She stated you know your water bill before you ever use a drop, lets be honest, it is \$91.81 in fees, let alone usage. She stated the former Mayor was at her house, she said because her water takes really crummy, she has five times the iron level in her water, been here almost 10 years and that hasn't changed. She explained her husband now works 40 hours a week, 45 if they will let him; he makes \$10.00 an hour. Her house payment is a \$1,000.00. She stated she can't do this anymore, she doesn't have any grocery money left, and you are taking out of her child's mouth. She stated she is upset and she doesn't want to lose her house but you know what she is about ready to just say the heck with it, she will take everything out of her beautiful yard and she has had several people tell her she has a beautiful yard, she will take her iris and she will give them away, she will take her plants, you can have those too, she stated but please don't make me tell my kid "Oh sorry honey you have to eat peanut butter again because they raised the water rates and you know to you \$5.00 is nothing, that is have of my husbands pay for an hour. She stated so put things in perspective, the week after she saw that in the paper they say well the employment fair got cancelled because 200 employers were invited 6 opted to show up. She stated there are no jobs in this county folks, there are no jobs and her husband tried, boy did he ever, and he put 40,000 miles on a Camry in one year. He was gone from 5:00 in the morning to 1:00 am the following morning, she never saw her husband. She stated God bless him, he tries and she did too, that is the reality and you know what there are more people that are not saying this because they say, "Well they are just going to pass it anyway", but that is the reality in this community. She stated there isn't anybody making a ton of money and if you push me over the edge guess what there is another house in foreclosure because she is going to get up and she is going to walk away and say she tried and she is a good honest, hard working person and she would give anything if she could say sure I could give you more money but the fact of the matter is when her husband worked at the mill he made \$50,000.00 a year, we put that away as much as we could and you know what his retirement, we had to borrow from his retirement, we are not going to send our kid to school with our money, we had to borrow from his retirement to live to stay in this community. She stated she has never been here before and she is not asking for much, she is just asking for them to realize there is more than her out there than they think. She stated her biggest problem is she has a big mouth and an Iris temper and \$91.81 in fees alone is ridiculous. She stated so she respectfully would like to say on behalf of most of her neighbors, who are retired and maybe having the same trouble she is, please take in to account that some of them are not going to get a cost of living increase. She stated her husband got told "You will be lucky to work for this company". She explained the company that he works for now he had to buy his own insurance. The insurance for him, they didn't pay any of it, she stated let me tell you what it was, for a \$25,000.00 a year insurance policy, and that is for your entire family, the minute you hit that you are done, it costs him \$175.00 a week and he was making \$9.70 an hour. She stated so guess what, she is a responsible parent her husband is insured, her child is insured, she has social security, which is Medicare, there is no dental for her, there is no help for her. She explained she

gets out in her yard every day and tries to make it beautiful because she has pride and she loves this City but if you do this so help her there will be a number of people that are going to have to say can't do it anymore, packing my bags and I am leaving and you already have got the third highest rate in Columbia County, and she recognizes it is not just Scappoose, that doesn't have a home to live in and God knows where they went but this isn't the time to do this.

Joan Magin, Scappoose, stated she wanted to thank everybody that came out tonight to talk about the water bill increase but again she have to agree with Mr. Gedlich and Ms. Smith that they way you guys came down with them, she wondered what else was going to fall down on her head, meaning increase, he you go, pay up or move the heck out because that is really the attitude that she got. She stated she knows many of people that work for the City and the engineering department; she has a lot of respect for them. She stated the thing of it is with these new increases in subdivisions and over 10 – 15 years at \$15,000.00 a pop on building fee, permit fees, where in the heck has anybody been looking at planning on what we were going to do with our wastewater runoff and increased capacity in sewer and our water use in our whole community. She really wonders if there is enough water to go around and again she lives in a single family 750 square foot. She stated she uses about \$10.00 of City water every two months but she doesn't see that just slamming this down our throat is going to do any good. She would encourage the Council to get some solid numbers on the cost because the perpetuity of this increase is, that is kind of like looking at AIG's budget and trying to figure out what that is going to be next year because she really doesn't see that there is any tangible evidence of what the set fees and costs will be and she thinks that our community as a whole has to expect that there are going to be problems with our wastewater, there is going to be issues that happen. She understands where we are at. She has a curb and she actually has a drain water system out in front of her house, it is actually just about 10 feet from her property line and she also has a problem with recurring things called Lake Joanie" every year that comes down and all the water just sits there. So she has a storm drainage sewer right there, in fact her house is probably one of the first streets constructed here after the fire but it doesn't work. She explained it doesn't work, in fact her mom tripped over something over there and she almost drowned her purse in her lake out in front of her house on day not too long ago and she asked her to call Terry to see what he could do to fix it. She stated she has learned to wear a lot of boots and help her mom not trip when she leaves her property and she has had some people kind of clean up around there to keep the water out, it is still there, the curb is not to code. She doesn't know when the curb was put in but she doesn't know whose code it was but it is not any curb she has ever seen and she is lucky she has tripped over it yet. She stated in our community our insurance rates are more expensive, our water rates are more expensive, her car insurance rates are more expensive and now when she is thinking of the storm drainage she is thinking now is she going to be paying for every time it rains too, because that is really how she looks at it. She knows we need the infrastructure but she would expect that some how that we have a clearer picture of what the costs in terms of what the dollars are going to be because she might have to make some arrangements and sell her property and then she can go live in public housing somewhere because that is just about where she is at. She stated again, she doesn't want to accuse anybody but what happened to our plan 5 years ago before all this increase in subdivisions happened with relationship to our storm, sewer and water. She stated when we let all these million dollar houses in her who did we think was going to pay for it. She stated it seems to her that the little tax payer like her or her little house that has been there since 1920 and she thinks there has been some taxes paid on that house over

the years. She stated virtually the infrastructure, she has been paying this rate and she is getting the idea that she is in Southern California or something and this is the sham and this is how you guys can take it and if you don't like it get your tent and go to Wal-Mart's parking lot and move there and that is the message that she gets. She hopes that some how that every one can resolve these issues and she knows that the increase is going to be there because we have to have safety, we have to have roads, we have to have safe drinking water and we obviously have to have sewers and it is not a glamorous subject, most people don't really like to talk about waste and water but they have to realize that is an intrinsic value of their property and if they don't have that then their property value is dramatically effected. So she would encourage the Council to ask for some additional hard figures on what this is projected to cost and she knows this will only be an estimate because you can't determine what is going to happen tomorrow but she thinks as overall general she feels that as a property owner as an older established home she doesn't have 5 bathrooms, she has 1, she feels like she is almost paying for the development of our City which probably should have been paid for with development fees when the houses were put in. She just hopes she doesn't have to sell her tent too.

Ted Dvorak 33234 SW Rogers Way, Scappoose, explained he has lived here for about 14 years. He explained over the past 14 years he has seen his water rate increase by about three times. He stated about every 5 years it doubles, roughly. He stated the comment he has is that like many Scappoose residents he is retired and he has heard here in this meeting by many other commenter's the CPI was mentioned. Well according to the CPI seniors don't get a cola, this year or next year, probably the year after and after that, he doesn't know, that is an unknown factor. He stated here comes the City of Scappoose and they want to raise my water rates by 32% this year, 24% next year, 19% the following year, 16% the year after that for a total of 127% increase and this while we are in the depths of the worst depression since 1929.

George Tomaskie, Scappoose, stated first of all he would like to say the community has good water, excellent water. He explained following all these people pretty well have stated the questions that he had here. He asked Mayor Burge since he is in sales, when was the last time he got his automatic cost of living raise. Mayor Burge replied he doesn't have that, he is on commission.

George Tomaskie stated then I think you can understand, Judie, with all due respect, he stated he sees her sitting here and talking about a discount for seniors with the garbage for a increase, or calling in when they will not put their garbage out for will call and get a discount, which would be a nightmare for the Waste Management people to try to do that with everybody if they were just doing that they could probably arrange that but here is a situation and he doesn't understand the wastewater thing but this is a heck of an increase and it sounds to him like the numbers are fuzzy here, we are just going with automatics. He stated if somebody were to show him our costs here have gone up and up and up, because you know costs have gone up but there are a lot of costs that have gone down. He stated we are not paying what we did for fuel a year ago; we are not paying for other things. He hasn't notice his electrical bill go up that much and he hasn't noticed his gas bill go out that much in retrospect he realizes that. He stated you see what this is doing to these people just to take an arbitrary 33% increase out of the blue and then we have to get software. He asked what does the software cost to go on monthly billing verses what we have got now. City Manager Hanken replied he hasn't gotten the quote yet, but his guess is \$6,000 -

\$7,000.00. George Tomaskie replied okay, there is a thing we don't have the quote. Now we are asking for the raise but we don't have the quote. He stated he wonders how many more of these numbers; the compliance for the State with the run off water, he is not familiar with that but they say they mandate it. He asked what does the State do if you can reach their goals or their mandates and how long does the City have to meet those goals. Terry Andrews replied they haven't set a time line but ultimately they could fine us. George Tomaskie replied okay ultimately they could fine us but we don't know a time line yet, yet we are jumping in to this thing. He explained he is not opposed, he understands that costs go up, but to take these arbitrary costs and 30%, 25%, 20%, 16% and then 2% - 5%, he would much rather see on his bill, "Look we have got this problem, we have Dutch Canyon that we had to meet". He stated this is responsible. He stated people will help pick up the burden if they know they are not getting taken for something just for an arbitrary thing and you know anything attached to Government seems to be doing that a lot here over, he can say the past year. He stated lets take the last 50 years, how far do you want to go past and so there is a doubt with people how effectively this money is going to be used. He stated it bothers him when he sees the cost of living raising, not that he begrudge anybody a cost of living raise but like the gentleman said here on social security, he is not getting a cost of living raise, it has been decreed for the next three years he is not going to get one, but all the sudden he sees well we have a raise coming up and that is the way it is we need a 3.2% raise. He stated maybe you take an 8% raise three years from now but right now you kind of tighten up your belt with everybody else. He stated he thinks Government often times, he wish Government would spend 20% of their time and municipalities too, thinking on how they could save money, just 20% of the time. He stated it seems like right now what they do is spend half their time figuring out what they want to do and the other half of their time figuring out how they are going to fund it, that is what they are. He explained he came to the water department for an example in a situation here, it always kind of bugged him, a pet peeve, is that every year he has to get the City's backflow prevention device checked. He has to hire somebody, why does he have to do that. He stated the water might run back in the line, he stated I guess so, that could happen; you got what a 600 pound pressure line. Terry Andrews replied where you are at the pressure is 65. George Tomaskie replied okay, so I have to do this things and everything else, if that is what has to be done, then it has to be done. He stated he figures he is in one of the situations, and he talked to the water department, when he installed his sprinkler system he installed valves that have backflow preventatives on each valve. He explained that doesn't matter so he still has to have his backflow preventative checked every year. He stated so he said he talked to the guys that checked it out and they said it cost \$35.00 to do this. He explained these people on fixed incomes they have all told him if they could go out and do it we could charge \$15.00 rather then going back and forward. He explained he went to the water department and said why don't you just put this on this billing, have these guys go out once a year and put it on my billing. He stated he got laughed out of there, no it is not possible. He stated they were polite about it but there was no reason or anything else. He stated the point is this and he thinks you see it for everybody in here, this is a heck of an increase and does this increase have to mandate this all at once or can we say we are going to increase it this and then we are going to see what it takes, we are going to see how long the State mandates this water, this storm run off water, we are going to look at these things, we are going to look at what we have got. He stated right now we have got a high foreclosure rate so in essence he would assume, he doesn't know the water business but if you are not pumping as much water you are not making as much revenue but that means all the sudden now these people are having to subsidize the people that have headed South

or North or where ever they have gone. He just thinks this whole thing personally; he knows there are a lot of people out there, because he has discussed this thing, that thinks everything is really unclear before you implement this automatic cost increase. He stated everybody is little unsure about it and that is his two cents worth.

Councilor Gedlich stated to City Manager Hanken when the City bought software from Springbrook we had once a month billing so you go back to Springbrook and find out what they program was.

George Tomaskie asked Councilor Gedlich if there is a reason that we have to go from a bimonthly billing to a monthly billing. Councilor Gedlich replied she doesn't know why we went to the bimonthly billing, for years and years and years they went monthly. She explained when they started talking about the increases, and she missed several of the workshops and she has to apologize because of surgeries, but when we started talking about this public hearing several of us were adamant about going back to the monthly billing and that is how it came up because her biggest water bill last year was \$170.00 and that was for two months. She asked could you imagine if we would continue that her bill would probably be \$240.00. She stated it is disgusting and who ever made the comment about the City would be embarrassed if we continued that, you bet they would because she was devastated. She stated she has to say and because she is sitting up here, that she doesn't pay the water bill, her husband does and he does all the yard work and he is the one who wants the green grass and we have a beautiful yard because of him, that is what he does, just like Mrs. Thornton so she never says a word and when he got the notice, boy let me tell you, you cannot believe the comments and the phone calls that she has gotten in the last couple of weeks. She explained she got to the point where he answers all the phone calls, he talks to all the people because she didn't want to offend anyone, she tried to explain as many issues as we can and she wants to thank everyone of you all for coming to tonight and expressing your opinion because she had probably a half a dozen people tell here they are not coming tonight because you are going to do what ever you want any way and she was devastated. She has lived in this community since 1970, she worked for the City for years and she also has the privilege of representing her community by sitting up here so it has been real hard for all of us and we all want to thank you. But she would request and she is going to make a motion ~

Councilor Gedlich moved and Councilor Meres seconded the motion continue this public hearing until the next Council meeting and adjourn this meeting.

Councilor Ingham explained she is incredibly passionate as you are about this whole issue. She stated for someone to say that they feel the City is sending them a message that we don't care, she is sorry that she feels that way. She stated this is a very hard decision for Council to make and for you to think that these gentlemen have pulled arbitrary figures out of the sky she thinks you are incredibly wrong. She explained these people have worked months and months to work with figures and try to make it work and try to make the repairs. She asked what would you do if you had dirty water come through your pipes. She stated what she would like to do before we end this meeting is maybe to close this public hearing and possibly reopen it but she would like Joe and Terry to address the specific issues that you folks have brought up tonight so you can go home and have some kind of answer in your mind about what has been discussed tonight and then maybe come back next week and have another public hearing. She stated she doesn't want

them to walk out confused because some of you might not come back. She stated if you would entertain 10 more minutes of your time to close this public hearing and have these gentlemen who are responsible for figuring the rate increase and the methodology in getting there and explained to you where this is coming from. She stated we are not going to make discussions, this is why we are having a public hearing, so she would ask that we entertain, the information that you can provide before they leave. She is asking the citizens to allow 10 more minutes of their time so Joe and Terry can address the issues.

Councilor Gedlich explained when she said the word adjourn she didn't mean tonight, she meant the meeting. Mayor Burge replied you didn't mean the meeting you meant to table or postpone this issue to the next meeting and continue this public hearing.

Councilor Gedlich and Councilor Meres withdrew their motion.

Councilor Gedlich moved and Councilor Meres to table the public hearing and continue it to the next meeting and have staff bring back as much information from everybody's comments and questions as what they can to the next meeting. Motion passed (5-1). Mayor Burge, aye; Councilor Gedlich, aye; Councilor Meres, aye; Councilor Heerwagen, aye, Councilor Erickson, aye and Councilor Ingham, nay.

Adjournment

Mayor Burge adjourned the meeting at 9:35 p.m.

Scott Burge, Mayor

Attest: _____
Susan M Reeves, CMC, City Recorder