

MINUTES
City of Newport
Infrastructure Task Force Meeting
City Hall Conference Room "A"
Thursday, August 15, 2013

Task Force Members Present: David Allen, Ralph Busby, Patricia Patrick-Joling, and Mark McConnell.

Task Force Members Absent: Fred Springsteen and Mark Saelens (*both excused*).

City Staff Present: Interim City Manager Ted Smith, Community Development Director (CDD) Derrick Tokos, Public Works Director Tim Gross, Interim Finance Director Bob Gazewood, and Executive Assistant Wanda Haney.

I. Call to Order. Allen called the meeting to order at 3:05 p.m.

II. Approval of Previous Meeting Minutes.

MOTION was made by Patrick-Joling, seconded by McConnell, to approve the meeting minutes of July 31, 2013, as presented. The motion carried unanimously in a voice vote.

III. Overview of existing infrastructure (Presentation by Tim Gross & Derrick Tokos). Gross and Tokos had prepared a PowerPoint presentation, and Gross distributed a handout of the presentation. Gross noted that the purpose of the presentation is to show what the City maintains and operates and how much it costs.

Gross began the discussion with the water system and noted that it is the most far-reaching. He noted that the City serves 10,000 residents. The infrastructure is sized for 30,000-50,000. He said that Newport is not a normal town; we have a very large fishing industry and a lot of tourists. Gross said that in a single year we produce enough water to fill an area 460' x 460' x 460' (which would be about 1 ½-2 square blocks filled with water). That is 2 million gallons average per day; 5 million per day at peak time. He said we are not able to do the entire treatment if we are running at maximum, so the water quality goes down as far as taste and odor when production exceeds 3.5 MGD.

There are two primary watersheds. The Siletz River is the largest, but we feed from Big Creek ¾ of the year normally. We have water rights in ten different locations; primarily the Siletz River. The Siletz intake station was installed in the early 90s. It has three 200 HP pumps. The discharge pressure is 208 psi. For comparison, normal water pressure in a house is 50 psi. The Siletz raw water line includes 5.7 miles of pipe, and there is 550' of elevation change. It is 7.6 miles from the intake to the reservoir.

Gross showed an aerial photo that gave a picture of the reservoirs. He explained that the red arrow is the creek that discharges to the upper reservoir, and then the lower dam and the water treatment plant are shown at the top of the photo. He noted that Reservoir 1 stores 8.7 million gallons. The upper reservoir is 4/5 of the water storage. Reservoir 2 can store 42.2 million gallons. The water treatment facility is designed to treat 5 million gallons per day; practical treatment is 3.5 million gallons per day.

Gross noted that there are seven water tanks in Newport. They are shown by black dots on the map he presented. There are six booster stations to get the water pressure needed at higher elevations. There are twenty-six wastewater lift stations. He showed a map of the South Beach area and explained that there is one tank and six or seven pump stations there.

Next, Gross discussed the distribution system. He said it is broken down into three different cost centers. One is for water treatment, which is just the plant and the Siletz pump station and the reservoirs; and is \$800,000. Second is \$900,000 for distribution. And then there is non-departmental, which includes engineering and public works staff, billing, and transfers to the general fund; and accounts for \$1.1 million. A little over \$980,000 is funded for improvements to the water system. Gross noted that the City just took bids for 71st Street and Lakewood water improvement line, which will help update valuable pieces. That will go to the City Council on Monday the 19th. He noted that so far, bids are under the engineer's estimate; so he almost has money to build the 71st Street lift station. The tank is next fiscal year. Gross said there are 90 miles of pipe in the water distribution system. He noted that the graph in the PowerPoint that shows inventory is from the Water System Master Plan. He noted that the total operating budget for water distribution is \$2.8 million with \$981,000 in capital improvements. The funding source is the water enterprise fund.

Next, Gross discussed the wastewater and stormwater collection systems. He noted that we have no idea how much pipe we have. There is funding in place for a Wastewater and Stormwater Master Plan this year. After that, we will know how much pipe there is and what condition it is in. He noted that there has been some smoke testing done. It will be televised later this summer to see what needs to be repaired and how. There is \$1.2 million budgeted for wastewater treatment because it costs

more to treat dirty water. For collection, \$618,000 is budgeted. For non-departmental, \$1.6 million was budgeted and includes paying back loans for the wastewater treatment facility; we are still paying off those bonds. \$605,000 was budgeted for wastewater capital improvements. The source is the wastewater enterprise fund. The stormwater budget is \$572,000 funded through the street fund, which is funded through the State gas tax primarily, and the stormwater utility fee. Stormwater capital improvement is budgeted for \$641,000 out of city funding. Gross noted that the total funding is way higher than that; we have some FEMA matches and some grants. The primary source is from infrastructure fees and storm drainage SDCs.

Gross explained that the wastewater treatment plant is permitted to treat 5 million gallons per day. In the winter time when there are heavy rains, with the inflow and infiltration 15 million gallons per day run through the plant; but by permit, only 5 million gallons per day can be treated. The average is 3 million gallons per day.

Next, for the street system, Gross displayed an example of a report that is sent to ODOT every year. He noted that the City has about 110 miles of streets. The budget for improvements is \$280,000 this year. Primarily that funding source is an ODOT fund exchange, which are federal funds that go to the state where they take their cut, and then we get the rest. The City gas tax comprises the rest for the street improvements fund.

Next, Tokos covered the municipal airport, which includes about 700 acres. He noted that the City operates the FBO building (fixed base operator) and the operations of the airport. Buildings also include the hangars and the south fire station. There are two runways. The primary runway is 5,398 feet long and about 50 feet in width. The secondary is 3,000 feet in length and about 75 feet wide. There is the lower taxiway that is 3,000 feet. There are 190,000 square feet of apron and aircraft parking. There are various navigational aids: the MALSR (approach lighting system) on the north approach, beacons, and signage. There is fueling with 22,000 gallon capacity. There are paved parking and access roads. The airport budget is about \$760,000 excluding a one-time capital outlay of \$8.6 million for resurfacing the primary runway. The funding source for the airport is primarily the general fund along with federal and state grants.

There was a question raised by the audience about commercial airline service coming back. Allen noted that is beyond the scope of what the Taskforce is talking about. That is more of a Council issue, and he will note that as a question. For the benefit of the public in attendance, Allen explained how the meetings are being set up. At the last meeting the Taskforce put together the three flow charts that were posted on the wall. He noted that the goal of today's meeting is to go through current infrastructure that the City has. The following meeting will be about projected infrastructure needs; then the current funding structure, and then what are some options for future funding. He said that at the end, meetings will be set aside to make recommendations to the City Council. This group is only an advisory committee. After the first of the year, the Council will debate and deliberate the matter. The purpose of the Taskforce is not to make the decision; it reviews options and makes a primary recommendation with more public involvement. There is public comment time set aside at each Taskforce meeting.

Gross continued the discussion with Parks. He presented a list of parks that are actively maintained. It does not include the non-active ones, except those where we occasionally mow for weeds. The list includes developed sites and passive sites. He noted that the parks \$301,000 budget is funded through the general fund. The parks capital projects fund this year is \$25,000 and is intended to replace broken equipment. Tokos noted that there hasn't been a Parks Master Plan done for years. He tried to supplement the list with acquisitions that have been made. He said that the list does include quite an array of park sites that we maintain. He noted that we also maintain the dog park in Wilder through lease arrangements. Sites we maintain also includes ball and sports fields. Gross said that not on the list are landscapes around City buildings that the City Facilities crew maintains, which comes out of the operational budget. Tokos said that the passive sites list is from the Parks Master Plan along with more recent acquisitions and the designation of Forest Park. He noted that there are a number of city-owned drainages. They haven't been inventoried and are not included. Some are not readily accessible. Some may have water and sewer in them. McConnell asked if there were others that the City doesn't actually own, and Tokos said that the dog park is the only one he is aware of. Patrick-Joling asked if Gross had the finances to go with each park. Gross said that he doesn't to date, but we will. For every one of these parks, they have developed a tracking number. When there is work done in a park, it gets billed against that number. This has been created just in the last few months, so he will be able to track that. Tokos said that we don't have a real good sense of conditions because there hasn't been a detailed look at that.

The next discussion was on public buildings. There was a list of all buildings owned and maintained by the City. Gross noted that, except for water and wastewater, all public buildings are maintained by the Public Facilities staff. The ones that are leased are maintained by the individuals leasing them. The facilities maintenance operating budget is \$322,000, and \$100,000 was put into the facilities capital improvement fund. He noted that the re-siding of the Senior Center is funded out of the general fund. Gross said that they have now created tracking numbers for any physical asset (even lawn mowers). Tokos noted that we do have the final funds from the north side urban renewal district that ended. He said there was about \$180,000 that will be used for the City Hall HVAC system. Gross said that not all of it. About \$90,000 has already been spent for the north side urban renewal buildings; but some is set aside for the HVAC system at City Hall. Some was spent on a new roof at the PAC, and there was a number of those types of things that came out of it.

The last of the PowerPoint was a list of rights-of-way that are maintained. Gross noted that for the Nye Beach Turnaround, we share duties as we can or use room tax dollars. He said that a lot of these areas end up being tourist-related facilities. Marine Science Drive is heavily landscaped, and Parks doesn't have the capacity to deal with that amount of landscaping; so we all kind of do it.

IV. Question and Answer Period. Busby asked if we have a listing of properties the City owns like buildable or unbuildable lots. Gross said he could by address and size. A few are buildable lots with no access. Tokos agreed some may have sloughed off the bluff, and a lot are open spaces. Gross said that he has a master data base that would have a map. He said that as part of the GIS, he can produce whatever information they want. He said he can print a map easily. He could break it down by size or appraised value. Allen thought that might be helpful. Busby wondered if any of them would have buildings other than these. Tokos said this is it for buildings. What property is left would be vacant. He said the lion's share of city-owned properties are drainages purchased to deal with storm drainage, incidental right-of-way pieces, or those that have sloughed off the bluff. Gross agreed that the properties that are not as obvious are the incidental rights-of-way. He said that when the City was platted, a grid system was used regardless of the topography. There are platted roads across bluffs and creeks. Those properties are harder to map. McConnell asked if there is money being spent on these incidental properties. Gross said there is in order to keep them from being a nuisance under the code. That could include mowing them, or removing noxious weeds, homeless camps, or dangerous trees. He said we don't spend that much on vacant properties; it's more what we could make if we sold them if they are buildable. He said that it is right that the City owns properties not otherwise buildable. We have the capacity; and it does keep nuisances down.

Allen asked if, in addition to the listing of public buildings, are there any other properties that might have an associated structure that would require upkeep. Gross said the other properties would be the other rights-of-way. The public buildings list has everything that has a structure. Busby asked about asset value. Gross said that he could print out a list of anything with 5,000 square feet or above.

Patrick-Joling noted that the City made changes to the geologic zones, there are new FEMA maps, and new tsunami maps. She wondered if we have identified infrastructure affected with these changes; and are we putting more money into those. Gross mentioned Schooner pump station and noted that pump stations are inherently in the lowest places. Patrick-Joling wondered if we would get any relief if it were destroyed. Gross said if it is damaged and there is a disaster declaration, we would for sure get relief. He said that if we follow all state requirements and don't build in the 100-year floodplain, we would be eligible for funding just as anybody else would be. If we make smart decisions and do what we should, there would be no problem. He acknowledged that Schooner pump station is in a geologic hazardous area. The NW 55th Street Pump Station is out on the cliff. In 20 years, it could be in the water. He said that FEMA may help move it before we lose it; and we will go after that. Tokos said that part of the Master Plan update is what needs to be done in those types of hazard zones and the ramifications of redesigning.

Audience member Nyla Jebousek asked about the location of the San-Bay-O pump station. Gross pointed it out on the map on the overhead screen and explained that it is small and serves Frank Wade Park and those two houses right there. Jebousek asked about what is involved in treatment, distribution, and non-departmental under the water distribution system. Gross explained what functions are involved in each. Jebousek said she would appreciate it if the vocabulary used was something that the public could understand. Allen said it may be useful to include at the beginning of the PowerPoint an informational sheet of what is meant by certain references and acronyms that are used so it is clear what we mean by certain terms.

Gross added that built into the treatment numbers is the big pump stations. All wastewater from the north side is pumped down under the Bay to the influent pump station, at the bottom of the hill from the wastewater treatment plant. He said that between the water and wastewater operations and treatment, he spends \$650,000 a year in electricity. Gross said these are budget numbers, so anyone can go on line and plug in the numbers that are shown in parentheses and look these funds up in the City budget.

Jebousek said that since Gross had talked about controlling noxious weeds, this was her chance to whine about the public land across from her house and the trees that are covered with ivy. She said these trees are keeping the bank stable above Big Creek Road, so to her it seems that it would be cost-effective to cut the ivy from the bottom of the trees. Allen said that the issue is noted. He said that Gross could talk directly to her about that. Gross said that he doesn't have time to cut ivy from trees; that is all he would do. But, he said that he will go look at it. McConnell said what Jebousek brought up might be important if we are trying to get a handle on what parks we should be spending money on. Patrick-Joling said that is why she asked about individual costs. Allen said that with specifics of how to maintain that sort of thing, if it's an issue of how time and money is allocated, it is a policy choice and the Taskforce might make a recommendation on how those resources are allocated. The Taskforce can give direction based on the information we are getting. Patrick-Joling said it is important how much these parks cost, and it is always nice to have a break down. Gross said that he has two full-time parks guys that maintain all this and City facilities. Based on the budget, he has determined what priority parks are. If equipment at a park gets dangerous, he will just take it out or shut it down because the City can't afford to have somebody get hurt. He said that is the responsibility of the department head.

McConnell noted that one thing the Council has struggled with is not having a full inventory (i.e. buildings); what is at the building (i.e. roof A/C, park equipment), how much life is left there, how much will it cost to replace it. He asked if that is part of the concept for the information that Gross and Tokos are supplying at the next meeting. Gross said that he just took over parks and facilities. He said that the guys have been doing this for a long time; the challenge is doing it differently. They are in the process of going through each building so he can put together a real CIP for investments to any facility. He said part of that will be at the next meeting. It was mentioned that a recommendation we may be making is that this is a real need and it may be more cost-effective to do those inventories; get it done and get it out. We may need to spend money to get on top of these issues to get the information.

An audience member asked if the City can't still use inmates to do cleanup work. Gross said that the inmates cost money every time the City has them come out, but we do use them. He used them behind the Library to clear the blackberries. He said that we use them as much as we can, but there is a daily cost. He noted that the City also has a number of summer help. He said that he can only manage so many temporary bodies and keep on payroll. He said that he doesn't have the manpower to coordinate manpower. Gross said that he has a \$25,000 CIP for all parks facilities. He has a good handle on what it takes to operate. He said we are talking about ways of finding funding. Allen said that the goal right now is to find out if the Taskforce has an accounting of what infrastructure is for talking about future needs. He wondered if there was any information that the Taskforce felt was needed to supplement this PowerPoint with respect to current infrastructure.

Jebousek asked what this park land is. Gross explained that the City owns the municipal parks, physical buildings, equipment, bathrooms, parking lots, lighting, and all kinds of things associated with the land. He said this is a summary of the assets that the City maintains and the costs to operate and maintain it this year. Allen said that, broadly defined, anything that does have a cost associated with it.

Gross said he's not sure if we have the information the Taskforce needs as far as the condition associated with the City facilities. He will have that information from now on and will have better information; but he doesn't really have anything right now. John Johnston, Facilities Manager, is developing a conditions list for each building. Gross said he wants to put a CIP together over 5-10 years for every building we own.

V. Opportunity to request follow-up information or particular items for review at the next meeting (RE: projected infrastructure needs). Allen asked if the Taskforce wanted to give direction to staff for what they want to see next meeting to go into the inventory of what we have not just now but projected in the future. Patrick-Joling asked Gross if he didn't already give a presentation on capital projects. Gross said that he started developing a presentation with that starting with where that information came from. They are projects from the Master Plan document; structures, all land, and where estimates came from. He can go through projects identified in the Master Plans to give the gist of what we are talking about over the next 10 years. McConnell through Gross should try to project 5-10 years. Patrick-Joling thought that was a Council thing. She thought he should stick with what he outlined at budget time and go off that. Allen thought this Taskforce should define for the Council what is meant by long term. If this Taskforce has the ability and information to make a recommendation over a long period of time, as a group we should define what is that long term period that we are talking about. We can give the Council a timeframe as a policy choice of this Taskforce. Allen said that he and the other Council members can give a sense of what the City Council might want to see. McConnell thought the Taskforce could set it up as a policy that we want Public Works and Staff to keep themselves projected out 10 years. He agreed that we can give a recommendation of policy. Patrick-Joling thought that everybody on that Council needs to hear it. Allen said the Council gets a recommendation, and they can get more information. He thinks it would be appropriate and beneficial at the next meeting when having general discussion about projected infrastructure needs to define what we are talking about. Is it 5-10 years? He thought there should be discussion at the next meeting to define that parameter. Smith wondered if for the projected needs at the Recreation Center, we need Jim Protovia here. Tokos said there are going to be areas that he and Gross are not going to be able to bring information. Gross said that even two years ago, the only system we had a master plan for was water; and it was developed on bad assumptions. They didn't take conditions into consideration. He said looking at the CIP this year, half the projects are planned and the other half are unplanned. We are phasing. We don't have a choice. He said we don't have great data right now. It will be better next year; the following year it will be great.

The Taskforce will discuss project infrastructure needs at the next meeting and will talk about a timeframe. McConnell suggested that staff present what we have in place; then we will know where the holes are. Allen agreed that for the projections, we'll know more about some than others; and we can just go from there. If there are gaps, we can make that part of our recommendation as well. He asked what Gross and Tokos were thinking they are wanting to present at the next meeting. Gross said he will give what he has come up with. He has information he can present. He is looking 20 years out already; water is 20 years, wastewater is 5 years and when the Master Plan is finished, it will be 20 years, dam expansion is 20-plus years. He can present the data that he has.

Gazewood noted that at the last meeting he had asked about a list of projects and cost estimates and was told that the strategic plan would actually list the projects over a projected period with estimated costs. He was under the impression that was a 5-year

capital plan that is prioritized and has that financial data. Gross said he has it 20 years for water, 5 years for wastewater. That is what he will present at the next meeting; only water and wastewater, not streets or parks. He has one or two years for parks.

McConnell asked about the dams. Gross said he has no data. A feasibility study is being done and will be rolled into the CIP at some point. Allen said at the next meeting we can expect information regarding projected needs (some more than others), and some with money. Others will be less definite with no associated costs or where the money comes from. At the next meeting we will have a variety of projected infrastructure needs; some more clear and definite than others. He said we might have to categorize those. For water and sewer, we already have some costs. The Taskforce's job would be whether that is the kind of funding we want to see associated with those. He noted that some had wanted to see other options; not only to see what can be put together but also how we are paying for things. Also to look at other ways of doing that rather than rate increases. Gross said that the CIP is \$11.5 million; \$1.5 from water and sewer, the rest from alternative sources. Only 10% is from enterprise funds.

Gross said that it is difficult to just talk about water and sewer rates without talking about everything else. Tokos said they will package information to show what we do have; and if there is inadequate information, they will point that out. Allen noted that at the meeting after next we will be talking about existing and future ways of paying for these. Gross said it is difficult to talk about the existing CIP without talking about funding, so he will just touch on it. McConnell noted that the third meeting is about existing funding. He said we need to get an idea of how interdependent these funds are really; how they relate. If we are making changes to one, what the ripple effect is. Gazewood said that it impacts other capital purchases. He said we have rolling stock in other departments that need to be replaced. You have a fire truck that the Chief wants, and things like that. He said that when looking at existing funding, it impacts more than just infrastructure; it will affect the City's rolling stock.

Jebousek asked about the enterprise funds. Gross explained that the water and wastewater enterprise funds make their own money and spend their own money on infrastructure. When the utility bills are paid, that money goes into the enterprise funds. We can't transfer money out of them to use it just anywhere. He said that in some places it is governed by a water board that operates as an independent entity.

VI. Other Comments. McConnell noted that he will miss the first meeting in October. Busby will possibly be gone for the first meeting in September.

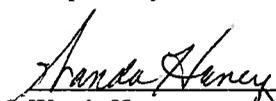
VII. Public Comment. Jebousek stated that she is really troubled when she hears the Public Works Director say he will never pull ivy. She said that she had just described a geologic hazardous slope directly above Big Creek Road, which is a primary road that runs from the water treatment plant past the swimming pool. She thinks that is something that matters if the trees fall down and the slope becomes unstable and slides down. It has already sloughed off on the other side of the road. This is not in a flat section of town, and she is having trouble with the risk. Gross said that if there is a dead tree that is causing a hazard, he will take it down. He is not pulling ivy with the hope of keeping trees alive. He doesn't have the manpower to do that; it's not even on his radar screen. He said that in public parks, like Forest Park, there are organizations that pull ivy. Allen said that Jebousek had provided her comment and it is noted. Gross has noted his response. Allen said that if she wants to sort that out with Gross, it has to happen outside this meeting. He said, if necessary, she and Gross can talk about it later.

George Mpitsos works on the dynamics of complex systems. He said that from what he sees on the wall you have a complex system dealing with complex problems. He is very impressed.

Takako Cooter said she thinks she misunderstood and this isn't the right taskforce, but her concern was for supporting an alternate route for log trucks rather than John Moore Rd. Allen explained that is a different taskforce, which hasn't met for a couple of months. That is the Port/City taskforce on pedestrian safety regarding Teevin. Allen said that after the meeting he will get her name to pass along to that committee to make sure she is on their notification list so that when they meet again she can provide her public comment to the taskforce that is actually dealing with it.

VIII. Adjournment. Having no further business to discuss, the meeting adjourned at 4:25 p.m.

Respectfully submitted,



Wanda Haney
Executive Assistant