

WORKSHOP MEETING MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
JULY 21, 2011

MEMBERS PRESENT:

Lon Kellstrom Mayor
David Asson Council President
Sharlene Weed Councilor
Pat Thompson Councilor
Wendy Holzman Councilor

STAFF PRESENT:

Eileen Stein City Manager
Lisa Young Finance Director
Pauline Hardie Community Dev. Director
Paul Bertagna Public Works Director
Kathy Nelson City Recorder

GUESTS:

Scott McCaulou DRC Program Director
Aaron Maxwell DRC Project Manager

The meeting was called to order by Mayor Kellstrom at 8:00 a.m.

1. Utility Billing Invoice Changes

Director Young stated she was providing a status report on changes the Council had suggested for the City's utility bills. She stated although Incode was only able to report usage in cubic feet, it had confirmed it could show consumption in gallons with some changes to the rate table or the bill form. Additional conversation with Incode would be necessary to determine the costs to make any of those changes. She stated the City could also purchase additional modules from Incode to print invoices in-house but noted the cost was a minimum of \$1,100.

Director Young stated staff also checked with Bend Mailing, the third party vendor that handles the utility bill printing and mailing. She reported Bend Mailing would be able to modify the invoice to add informing user how to perform the calculation from consumption in cubic feet to consumption in gallons, add information to the bottom of the invoice by shifting the language down on the invoice, and printing on the blank back of the invoice to present pertinent phone numbers and information on rate plans. She explained that printing the back side of the invoice would carry an additional \$45 a month charge while the other improvement could be done at no additional cost. She suggested staff implement the changes that had no additional cost attached to them and the **Council** agreed. The **Council** decided it did not want to move forward with printing on the back side of the invoice at this time.

2. Uncle John Ditch Piping Status

Manager Stein stated there were three elements related to the Uncle John Ditch piping project that needed to be addressed in relation to the proposed project. She stated in speaking with Sisters District Ranger Bill Anthony she was informed an environmental review would be necessary. She stated Three Sisters Irrigation District (TSID) would take the lead in the installation of the pipe while Deschutes River Conservancy (DRC) would take the lead in the National Environmental

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Protection Act (NEPA) review process. **DRC Program Director Scott McCaulou** added the Upper Deschutes Watershed Council (UDWC) would rehabilitate the area around the point of diversion.

Councilor Thompson arrived at 8:37 a.m.

Manager Stein stated District Ranger Anthony also informed her that the pond feature the Council was interested in maintaining would require additional NEPA analysis and the City would be responsible for the additional cost involved. District Ranger Anthony indicated the City would also be liable for the water feature. **Mr. McCaulou** stated grant funds would pay for the initial NEPA analysis but warned the additional review to add the water feature could be costly. He stated it would be dependent on the scale of the project and how it was engineered. **Manager Stein** stated Marc Thalacker from TSID, who had spoken with a representative from the Oregon Water Resources Department (OWRD) who had indicated a 1/8 to 1/4 acre pond would be acceptable with the pond since water would be conserved from piping the ditch. She stated the date of the water right and whether it predates the Homestead Act would determine whether the pond would need to be inside or outside the ditch's easement.

Director Bertagna reported he had come up with a simplified plan for the water feature. He suggested keeping the section of the ditch that provides the water feature as is and running the pipe next to it. He stated it would be installed with a circulating pump and solar panel and would not need as much maintenance as a pond. **Councilor Holzman**, who also attended the meeting with Mr. Thalacker, stated he had been quite optimistic about the alternative plan for a water feature. **Mayor Kellstrom** added it would also lessen the City's Endangered Species Act (ESA) liability.

Manager Stein stated the conserved water amount of 22% was based on analysis by Black Rock Consulting and all users of the Uncle John Ditch would have their water rights reduced by 22% since the conserved water would go back in-stream. **Mr. McCaulou** explained that the City would still receive the same amount of water supply since the 22% was previously being lost to evaporation or going back into the ground. He stated the end result was the City would still have the same number of acres of water rights. He stated only surface water rights were affected, not ground water rights and the City would still have the right to irrigate the same number of acres.

Manager Stein stated it was good to have the conserved water go back in-stream but the City would not be receiving credit for that mitigation. She stated it was important to draft an agreement between the City and TSID to protect the City's interests. She stated she had spoken with other beneficiaries of the ditch who were in favor of the project since it would lessen their cost to run their irrigation pumps.

Councilor Holzman stated Mr. Thalacker had warned the City there could be some risk if the City refused the grant offer for the piping project and later an issue related to ESA liability

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surfaced. **Manager Stein** stated either a fish screen at the Uncle John point of diversion or the piping project has been recommended as a way to reduce the City's liability risk.

Councilor Thompson stated he felt there should not be any cost to the City and the permit fee should be paid by TSID or DRC. **Manager Stein** reported TSID had volunteered to file the necessary paper work but it was assumed the \$800 permit fee would be divided among the five users. She stated the biggest benefit of the project to the City was to separate irrigation water from Whychus Creek from wastewater effluent. She stated she was researching the 2001 Inclusion Agreement and how that agreement would be impacted by the project. She stated of the 155 water right acres the City has there were 17 acres of water rights that must stay inside the district. She had discussed the option of excluding those acres with Mr. Thalacker and he had indicated those water rights could not be excluded or be used for mitigation. She stated thought needed to be given as to how the 17 acres could be used to benefit the City.

Councilor Thompson asked the time frame of the project and **Manager Stein** replied TSID wanted to begin as quickly as possible, as soon as the end of the month. **Councilor Thompson** asked if there would be a written agreement and **Manager Stein** replied one would need to be developed between TSID and the City to protect the City's interests. **Councilor Thompson** stated he didn't think it was possible to craft an agreement in that timeframe and suggested since the Council was in favor of the project, a "nod" should be given to TSID for piping the ditch and changing the point of diversion, and require the written agreement prior to allowing any work be performed on the Lazy Z property. **Manager Stein** stated that approach would work but she was most concerned with the details of the water feature. **Councilor Weed** stated she didn't want to lose any water rights and she did not want to pay for any portion of the project. **Councilor Thompson** agreed. **Manager Stein** asked if the Council would agree to pay for the water feature and **Councilor Thompson** stated he felt TSID should pay for the additional NEPA analysis. **Mr. McCaulou** explained there were no funds in the grant that could be used to construct a water feature but DRC would provide the water and the paperwork for the conserved water rights. He stated the City would need to negotiate with TSID to construct the water feature.

Manager Stein stated she would relay these issues to Mr. Thalacker. She added she also needed to discuss the alternate water feature with District Ranger Anthony. **Mr. McCalou** stated the NEPA process was beginning now and so it was important for the City to have the conversation with the Forest Service as soon as possible. He stated he would leave a copy of the DRC agreement with the City would commit the City would put the conserved water in-stream when the piping project is completed. He stated the agreement would not deal with any of the liability or inclusion issues which would need to be worked out directly with TSID. **Manager Stein** stated staff would begin putting together the bullet points for consideration for the agreement and bring those back to the Council.

3. Preview July 28, 2011 Workshop and Regular Meeting

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Manager Stein provided an overview of the upcoming workshop and regular meeting. She stated an item to approve the scoring criteria for the Main Avenue design proposal request for proposal (RFP) by the Contract Review Board would also be added to the agenda.

4. City Manager Update

Director Bertagna reported the Deschutes County Road Department was chip-sealing Wilt Road all the way to Barclay Avenue and had asked if the City would like the work to continue down Locust Street. **Director Bertagna** stated the area from City Hall to Highway 20 was scheduled for chip-sealing and at the County's cost of \$1.90 a square foot it would cost approximately \$4,000 to have the County perform the work. He stated the benefit to having the County do the work was the County was using oil-coated rock and it would provide a test area for the City to see how the oil-coated rock weathers for a year prior to the possibility of using that method of chip-sealing in the downtown core. He noted there were roads in the City that were in greater need for chip-sealing but still felt it was worth consideration. The **Council** agreed to allow the County to crack seal the area from City Hall to Highway 20 on Locust Street.

Councilor Holzman reported she had attended the Central Oregon Area Commission on Transportation (COACT) meeting. After the meeting she spoke with Bob Bryant, ODOT Region 4 Manager, about the proposal to expand Highway 20 to four lanes from Black Butte Ranch to Sisters. She reported he was willing to come and speak at a community meeting to discuss the project and answer questions from citizens. The **Council** agreed it would be a good idea to schedule a community meeting with Mr. Bryant in attendance.

Director Bertagna reported that Well #2 was repaired, re-installed and functioning but was still experiencing some vibration. He stated a vibration analysis would be performed on all the wells.

The meeting was adjourned at 9:38 a.m.

Respectfully submitted,

Kathy Nelson, City Recorder

Lon Kellstrom, Mayor