

CITY OF PRINEVILLE

MINUTES

November 27, 2007

The meeting of the Prineville City Council was called to order on November 27, 2007 at 6:30 PM in the Council Chambers at City Hall by Mayor Wendel. Present were Council Members Gordon Gillespie, Dean Noyes, Steve Ilk, Jack Seley, Betty Roppe, Steve Uffelman and City Manager Robb Corbett.

Present representing the press media was Shelby Case of the Central Oregonian and Don Wood of Hometown Radio.

The meeting was opened with the flag salute.

CONSENT AGENDA:

- A. Minutes of November 13, 2007 regular meeting.
- B. Liquor License for Debbie Sue's Café (new owner).
- C. Approval of agreement with ODOT for temporary closure of access to US 26 at Knowledge Street.
- D. Gaming License for Meadow Lakes Golf Course.

Council Member Roppe requested item "D" be removed from the consent agenda and moved to "Council Business" to be discussed later.

Council Member Roppe moved to approve the consent agenda, minus item "D". Council Member Gillespie seconded and the motion passed unanimously.

VISITORS, APPEARANCES AND REQUESTS:

ODOT Area Manager Gary Farnsworth along with Railroad Manager Dan Lovelady gave a presentation on the Central Oregon Rail Plan.

Railroad Manager Dan Lovelady reported the Central Oregon Area Commission on Transportation (COACT) is leading this effort. COACT is made up of local and state agencies and transportation stakeholders from the Tri-County area. He represents the City on this board.

ODOT Area Manager Gary Farnsworth reported the purpose of the Central Oregon Rail Plan is to develop a regional plan, which addresses various safety and congestion problems associated with at-grade railroad crossings and opportunities to improve freight mobility. This planning effort covers the Tri-County area of Crook, Deschutes and Jefferson Counties.

At grade crossings are dangerous for both motorists and railroad personnel. There are 45 public at-grade crossings on the Burlington Northern Santa Fe Railway mainline between LaPine and Madras. Nearly 50 percent of those are within the communities of Bend, LaPine, Madras and Redmond. The City of Prineville railroad has 22 public at-grade crossings with 33 percent of those within communities. In addition there are numerous private at-grade crossings.

Over the past ten years there have been 17 train/vehicle crashes resulting in 10 injuries and 4 deaths, so with increased rail and vehicle traffic this is expected to increase substantially.

Mr. Farnsworth stated many communities are having trouble working to manage the resulting increased congestion. To make matters worse, the increasing number of trains and the numerous at-grade railroad crossings add significantly to the road congestion and safety problem. Even short delays can back up traffic for blocks and disrupt traffic patterns throughout a community on any given day. They are dealing with some immediate community impact issues.

Railroad Manager Dan Lovelady talked about the freight mobility issue that needs to be addressed. They will be evaluating the feasibility of other long range rail planning work, such as analysis of rail yard and terminal capacity, semi-truck/railroad integration. They will evaluate the feasibility of establishing a regional rail freight hub, likely in the area of Prineville Junction as well as the feasibility of handling containers by rail into and out of Central Oregon.

Mr. Lovelady stated this report was presented to the Council tonight for review and their awareness of what they are anticipating for Central Oregon as far as rail.

Mr. Lovelady and Gary Farnsworth answered questions and concerns of the Council.

WORKSHOP - WATER DEVELOPMENT COMMITTEE: Jeff Barry and Adam Sussman from GSI Water Solutions provided the Council with an update on what the Water Development Committee has been discussing.

Jeff Barry stated the purpose of this Committee is to develop short term and long term water supply alternatives, evaluate risk and cost, provide recommendations to the Council regarding preferred alternatives and provide information to the Council and public. He briefly reviewed a graph showing the City's water demand, water rights and supply capacity. The committee is presently looking at ways to increase the water supply to reach the City's maximum demand.

The committee has been reviewing some short term alternatives for increasing the water supply and will continue to pursue securing additional water supply for the City. They will be selecting a test well site and production well site for 2008, identifying opportunities for future well sites, look at acquiring water rights as properties develop, securing temporary or permanent mitigation for the airport site and begin investigating long term alternatives for water supply.

Adam Sussman reviewed the City's water rights and water supply strategy. He briefly reviewed some graphs showing the City's well capacity as well as the existing water right capacity. The committee is looking to maximize the City's well capacity by maximizing the water rights, so we need to begin looking for additional water rights.

Adam talked about acquiring new water rights/mitigation. Mitigation for "new" ground water use permit typically comes from retiring an irrigation water right. The "retired" irrigation water right is left in the stream and accrues a

"credit" for ground water use. Each acre "retired" and left in the stream allows a municipal water user to pump approximately 4.5 acre-feet or 1.46 million gallons.

Adam explained the airport wells permit has permanent mitigation that allows pumping of 261 acre-feet each year (104 credits). More mitigation in the "Crooked River Zone of Impact" will be needed to maximize the Airport Wells permit. There is a new water right permit application pending for the additional airport wells and wells west of Prineville in the General Zone of Impact. Acquisition and cancellation of existing ground water rights can be used to "offset" new use.

In summary we are looking at maximizing existing water rights first. The new water right permits will require mitigation. The City needs to be proactive about the cost for mitigation, water rights and required transactions. The City needs to be a positive partner with North Unit Irrigation District, Ochoco Irrigation District and Deschutes Water Alliance Bank.

Jeff Barry and Adam Sussman answered questions and concerns of the Council.

PUBLIC HEARING REGARDING TYPOGRAPHICAL CORRECTION AND WORD CHANGE TO APPROVED CITY OF PRINEVILLE COMPREHENSIVE PLAN: Senior Planner Scott Edelman reported in October, the City received a partial approval from Oregon Department of Land Conservation and Development (DLCD), which included two items in the plan that need to be corrected. These changes are minor textual amendments and have no substantive effect on the overall document or its intent.

The first correction was under "Urban Growth Boundary and Policies", and concerns the sentence "The UGB must include all of the land needed for residential, industrial, and commercial development for at least a 20-year period." They are requesting we remove the words "at least" from this sentence.

The second correction is under "Programs" #2 "Maintain adequate levels of residential, commercial, industrial and recreation lands for at least a 20-year period." Again, they are requesting we remove the words "at least" from this sentence.

Scott reported the Planning Commission has reviewed the proposed changes and is recommending the City Council approve the proposed changes.

Mayor Wendel opened the Public Hearing.

There was no testimony given, Mayor Wendel closed the Public Hearing.

Council Member Roppe moved to adopt the recommended changes to the City of Prineville Comprehensive Plan as presented. Council Member Uffelman seconded and the motion passed unanimously.

DECISION ON APPEAL OF SYSTEM DEVELOPMENT CHARGES ON AIRPORT HANGAR PROJECT: City Attorney Carl Dutli stated this is an attempt to put into writing what staff thought was the Council's decision on the appeal of the SDC fees on the airport hangars. If this is acceptable, then it needs to be approved by the Council and then it will be put into effect.

Council Member Roppe asked if the staff and the Airport Commission reviewed this?

Mr. Dutli replied the Staff has, but he is not sure about the Airport Commission.

Council Member Uffelman stated he had a concern that this would not have precedence for future SDCs on the airport hangars. He suggested adding another paragraph to the document to state something to the affect that this decision shall not set precedence for future airport hangars SDCs, or something similar.

Mr. Dutli stated if the Council wants that, then it certainly can be added. He thinks that as a practical matter the Council has agreed with the Airport Commission and is reducing it to essentially one EDU and the details need to be in writing. This addition can be made and then bring it back to the Council for final approval. The Airport already knows that it is one EDU, so they can go ahead a move forward.

Council Member Roppe asked if the Council wants to hear from the Airport Commission to hear their comments?

Jim Petersen, Vice Chairman of the Airport Commission stated their comment has to do with paragraph #3. They felt that some of the issue seems to be, if there is going to be too much water usage and they go over one EDU. The Council is asking to place a separate meter on a separate hangar and then bill the Airport Commission for that meter. They would request that the City bill the hangar owner for that meter. They would also request that if we charge the hangar owner for another EDU, that they go from 300 gallons per day to 600 gallons per day, so effectively they will go to two EDUs.

Mr. Petersen stated as he understands it from what they read and from what they discussed at their meeting, is that the City is reserving the right to charge a SDC to a new hangar, if they go over and they are going to charge that, if they have one hangar that is a commercial hangar that is utilizing more water and they are going over the 300 gallons or if they have a commercial hangar that the City decides to charge a SDC fee.

Council Member Noyes stated he believes what Mr. Petersen is saying, if you alter the use of the space for other than storage than another SDC may apply to that use.

Council Member Uffelman stated if that were the case, then that individual hangar would be separate and isolated and that would not have any impact on remaining 63 hangars.

Mr. Petersen stated it says, you are only going to monitor the 2" water line, is that correct?

City Attorney Carl Dutli stated how they envisioned it, because the City cannot put in a new line, you put a line in from your 2" meter. They would monitor that and give the City those readings, then the person who is receiving that water from that separate meter off of that 2" line would be billed separately and that amount would come off of the total that is run through the meter. If you don't give us the information, then the Airport Commission is stuck paying.

Frank Porfily, Airport Commissioner, the whole point is this is all going through a 2" meter and the Airport will be charged for it all. Their concern is if a commercial enterprise comes in and starts using extra water, then will it come out of their capacity of 300 gallons and then charge another EDU to the whole thing? What Mr. Dutli explained that it would be substracted off and it really is not an issue if that happens.

Council Member Roppe stated what she heard them say is that they wanted that expense of putting that additional meter in, to be charged to the person who owns the hangar, not to the Commission. Mr. Petersen agreed.

Mr. Dutli stated the City's thought is where the Commission gets the money from we don't really care, but we do not want to be stuck collecting it, because it is an internal line.

Council Member Roppe asked that the Council discuss #4 that Council Member Uffelman brought up, that this should not set a precedent for the future.

Council Member Uffelman stated the reason he brought that up is that he knows the Planning Department has been looking at how to design appropriate SDCs for different uses, such as airport hangars and whatever else. It would be far more appropriate to have those types of policies spelled out and for them to refer to those in the future, rather than if somebody decides to put in a hangar or a cluster of hangars at some other point, that they refer to this and say you charged the Airport Commission such and such price and he would rather the Planning Department design an appropriate SDC's and we can work forward from that. He is fine with this agreement for this set of circumstances, but in the future he would rather have a plan that we can work from, as opposed to referring back to this document.

The Council was in agreement to add #4 as suggested. Mr. Dutli will make that change and bring it back to the Council at the next meeting.

AIRPORT MANAGEMENT AGREEMENT: City Manager Robb Corbett reported the City and County share oversight of the airport. The property is owned by Crook County. Discussions have occurred between the Airport Commission, Crook County and City staff about transferring fiscal oversight to Crook County. Both the previous and new agreement are both included in the Council packet.

Staff has reviewed the agreement and found the only difference between them, other than the transfer of fiscal oversight, is the elimination of the following sentence in item 1, page 2 "Members of the Airport Commission shall serve at the pleasure of the appointing body during their term of office."

Mr. Corbett has discussed the elimination of this sentence with the County Judge and he stated they would be willing to put that phrase back into the agreement, that it was an oversight on his part. The existing County policy is that the appointees serve at the pleasure of the County Court and he would believe that appointees to committees serve at the pleasure of the City Council, so he is not sure they would have to codify that in an agreement such as this.

City Attorney Carl Dutli stated he reviewed the two agreements and they are very similar with no real changes other than changing the financial management, insurance and legal representation from the City to the County.

After a brief discussion, Council Member Gillespie moved to approve the revised agreement between the City and the County for the Airport with the addition of the sentence that was eliminated in the new agreement as discussed. Council Member Noyes seconded and the motion passed unanimously.

BID AWARD ON AIRPORT PUMP: City Engineer Eric Klann gave a brief staff report. On November 20, 2007 at 2:00 PM the bids were opened for the Airport well pump. The following bids were received: United Pipe \$58,803, Hi-Tech Electric \$60,802 and Weir Floway \$70,512, with United Pipe being the apparent low bidder. This project is well within the budgeted amount.

City Staff recommends awarding the contract for the purchase of a pump for the Airport well to United Pipe and apparent low bidder.

Council Member Roppe moved to award the bid for the Airport well pump to United Pipe in the amount of \$58,803. Council Member Uffelman seconded and the motion passed unanimously.

BRAND CONTRIBUTION: Council Member Roppe suggested the Council verify the commitment from the other partners involved in the Branding Project.

Council Member Uffelman stated he is concerned because we are only hearing about this project from the promoters.

Mayor Wendel stated he will be attending a Chamber meeting and he will ask them about this project and come back to the Council.

GAMING LICENSE FOR MEADOW LAKES GOLF COURSE: City Manager Robb Corbett stated Meadow Lakes Golf Course is applying for a Social Gaming License because the Boy's and Girl's Club fundraiser Monte Carlo will be held at their facility.

After a brief discussion, Council Member Roppe moved to approve the Social Gaming License for Meadow Lakes Golf Course. Council Member Seley seconded and the motion passed with Council Member Uffelman opposing. Council Member Uffelman stated he is opposed to the use of this facility for that purpose.

The Council adjourned to Executive Session at 8:02 PM.

It was determined the Council was not ready to enter into Executive Session to complete the evaluation, because some of the evaluations had not been submitted and some issues had not been clarified.

The Council reconvened to Open Session at 8:10 PM.

Council Member Uffelman raised the issue of reviewing the City Manager on criteria he has not discussed publicly. He feels it violates his understanding of Oregon Revised Statutes. The evaluation form that was handed out for the Council to make their individual evaluation of the work done by the City Manager, included specific criteria used for the evaluation. He

understood that for an evaluation to be done during an Executive Session, the evaluating criteria had to be discussed and approved only after holding a public hearing.

City Attorney Carl Dutli explained to the Council that he had researched the ORS previously provided to him by Council Member Uffelman, and that the language was specific to the hiring of a public official, not the evaluating of job performance.

Council Member Roppe brought up Councilor-Manager Relationship Policy 3.3, which describes the criteria the City has determined should be used to evaluate the City Manger, and indicated that the evaluation forms handed out to the Council included criteria that was not specifically in this adopted policy document. Minutes from earlier meetings, indicated the Council had discussed adding criteria to this policy requiring the City Manager to keep the Council informed with timely reporting. However, it appears that the Council did not officially act on this amendment to the policy document.

Council Member Roppe moved to add "Keeping the Council informed with timely reporting" to Councilor-Manager Relationship Policy 3.3. Council Member Gillespie seconded and the motion passed unanimously.

Council Member Uffelman then questioned the directive given to the Council to evaluate the City Manager for the six month time frame, since the previous City Manager evaluation.

Mayor Wendel briefly explained his reasoning.

Council Member Roppe stated it was her understanding after the previous evaluation that the Council wanted to evaluate the City Manager after six months to determine if the City Manager had made any progress in areas the Council wanted to see improvement.

It was determined that the Council was not ready to enter into Executive Session to complete the evaluation because some of the evaluations had not been submitted.

Council Member Roppe brought up the process to be used in communicating the results of the seven evaluations. She explained what had previously been done for the last evaluation. The Council agreed to use the same method again. The scores would be averaged, written individual comments would be provided to the City Manager and then a discussion would occur about each area of the evaluation in an Executive Session.

There being no further business to be discussed, the meeting was adjourned at 8:25 PM.

Mike Wendel, Mayor

Robb Corbett, City Manager
Recorder

