AGENDA ADDITIONS OR CORRECTIONS

Gladstone Police Department Memorandum

TO: City Administrator Eric Swanson

FROM: Chief Jeff Jolley

DATE: **June 27, 2016**

SUBJECT: "Feckin Takes Over Latus Motors"

The application from Feckin Irish Brewing Co. for a Latus Motors Customer Appreciation event scheduled for July 9, 2016 is approved.

OREGON LIQUOR CONTROL COMMISSION

SPECIAL EVENT BREWERY-PUBLIC HOUSE APPLICATION

This license allows an Oregon Brewery-Public House Licensee to sell wine, cider, and malt beverages for drinking within the special event licensed area, in sealed containers for taking out of the special event licensed area, and malt beverages, wine, or cider in a securely covered container (i.e. growlers) for taking out of the special event licensed area.

- **Process Time:** OLCC needs your completed application to us in sufficient time to approve it. Sufficient time is typically **one to three weeks before the first event date** listed in #10 below (some events may need extra processing time). OLCC may refuse to process your application if it is not submitted in sufficient time for the OLCC to investigate it.
- **License Fee:** $10 per license day or any part of a license day. **Make payment by check or money order, payable to OLCC.** A license day is from 7:00 am to 2:30 am on the succeeding calendar day.
- **License Days:** In #10 below, you may apply for a maximum of **five** license days per application form.

1. Licensee Name (please print): MARK MAHER 2. E-Mail: EXDUBO@HOTMAIL.COM
3. Trade Name of Business: FECKIN IRISH BREWING CO 4. Fax: _____
5. Address of **Annual** Business: 415 S McLoughlin BLVD #B 6. City/ZIP: OREGON CITY 97045
7. Contact Person: DAVID MAHER 8. Contact Phone: 503 516 7240
9. Event Name: Feckin Takes over Latins
10. Date(s) of event (no more than **five** days): JULY 9th 2016
11. Start/End hours of alcohol service: 12 ☐ AM ☑ PM to 2 ☐ AM ☑ PM
12. Address of **Special Event** Licensed Area: 870 E. Berkeley St (Street) Gladstone 97027 (City/Zip)
13. Is the event outdoors? ☐ Yes ☑ No

    13a. If no, in what area(s) of the building is the event located? upstairs balcony

    13b. If yes, submit a drawing showing the licensed area and how the boundaries of the licensed area will be identified.
14. List the primary activities within the licensed area: Serving and Consuming Alcohol
15. Will minors and alcohol be allowed together in the same area? ☐ Yes ☑ No
16. What is the expected attendance per day in the licensed area (where alcohol will be sold or consumed)? _____

PLAN TO MANAGE THE SPECIAL EVENT LICENSED AREA: If your answer to #16 is 501 or more, **in addition** to your answers to questions 17, 18 and 19 you will need to complete the OLCC form, **Plan to Manage Special Events,** unless the OLCC exempts you from this requirement.

17. Describe your plan to prevent problems and violations. BARTENDER WILL CHECK ID'S
NO MORE THAN 2 DRINKS SOLD AT A TIME

18. Describe your plan to prevent minors from gaining access to alcoholic beverages and from gaining access to any portion of the licensed premises prohibited to minors.
We will be having Bartender checking ID'S before every pour. Also have a ID checker at the only entrance to the area.

19. Describe your plan to manage alcohol consumption by adults. NO MORE THAN 2 DRINKS
BARTENDER WILL MONITOR FOR VIP'S

20. List name(s) and service permit number(s) of **alcohol manager(s)** on-duty and in the licensed area:

ALEX KRAFT

LIQUOR LIABILITY INSURANCE: If the licensed area is open to the public and **expected attendance is 301** or more per day in the licensed area, you must have at least $300,000 of **liquor liability insurance** coverage as required by ORS 471.168.

21. Insurance Company: LIBERTY NW 22. Policy #: 71 23. Expiration Date:

24. Name of Insurance Agent: KIPP & CO 25. Agent's phone number: 503 219-4553

FOOD SERVICE: You must provide at all times and in all areas where alcohol service is available at least two different substantial food items (see the attached sheet for an explanation of this requirement).

26. Name at least two different substantial food items that you will provide:

① Hot Dogs ② Burger

GOVERNMENT RECOMMENDATION: Once you've completed this form to this point, you must obtain a recommendation from the local city or county named in #27 below **before** submitting this application to the OLCC.

27. Name the city if the event address is within a city's limits, or the county if the event address is outside the city's limits:

Gladstone

I affirm that I am authorized to sign this application on behalf of the applicant.

28. Licensee Name (please print):

29. **LICENSEE SIGNATURE:** Mark Mah 30. Date: 6/22/16

CITY OR COUNTY USE ONLY

The city/county named in #27 above recommends:

☐ Grant ☐ Acknowledge ☐ Deny (attach written explanation of deny recommendation)

City/County Signature: Date:

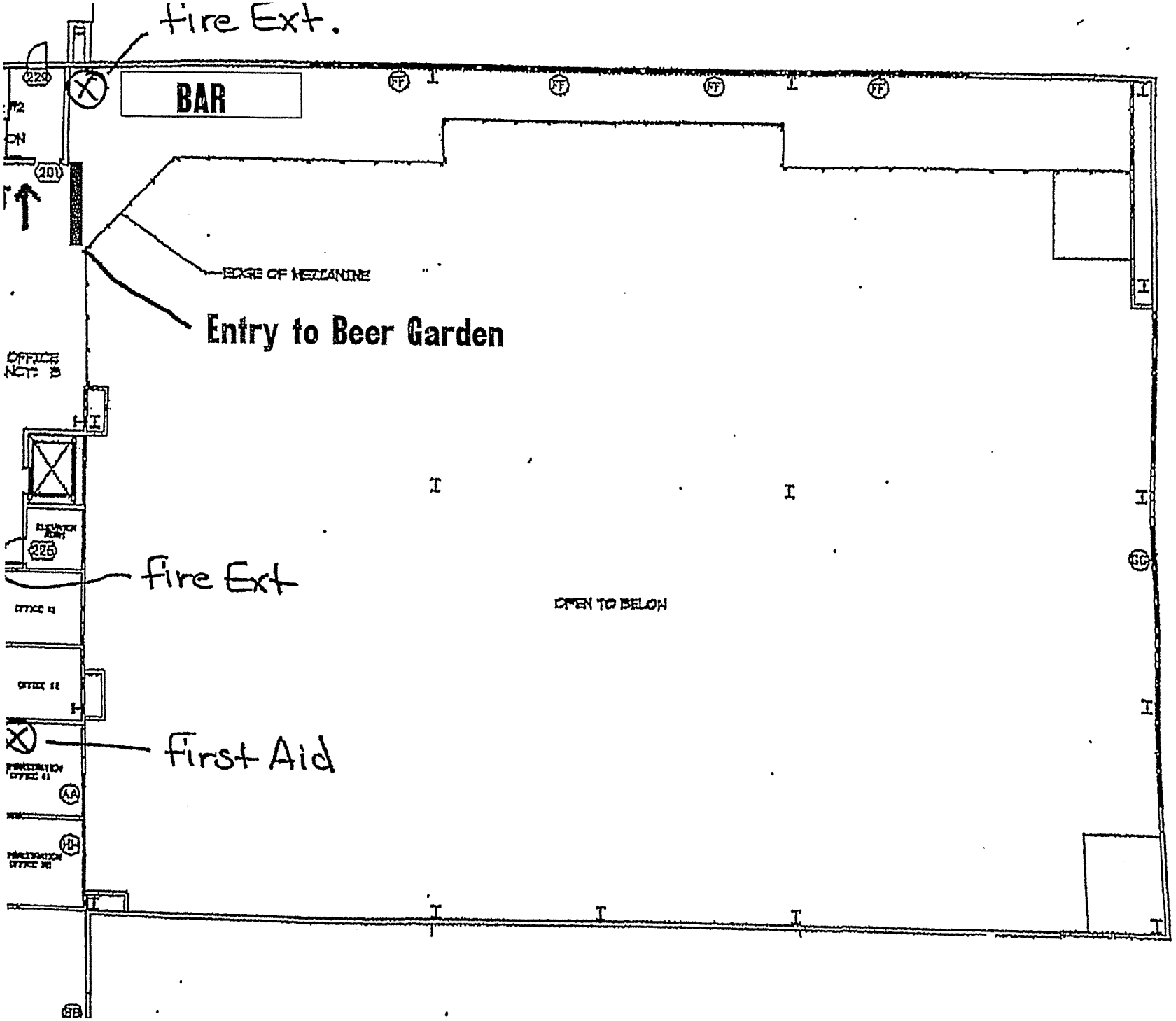
FORM TO OLCC: This license is valid only when signed by an OLCC representative. Submit this form to the OLCC office regulating the county in which your special event will happen.

OLCC USE ONLY

Fee Paid: Date: Receipt #:

License is: ☐ Approved ☐ Denied

OLCC Signature: Date:


fire Ext.
BAR
EDGE OF MEZZANINE
Entry to Beer Garden
fire Ext
OPEN TO BELOW
first Aid

AGENDA ITEM #4

GLADSTONE PLANNING COMMISSION MEETING MINUTES of April 19, 2016

Meeting was called to order at 5:30 PM.

ROLL CALL:
The following City officials answered roll call: Commissioner Kirk Stempel, Commissioner Natalie Smith, Commissioner Malachi de AElfweald, Commissioner Les Poole, Commissioner Linda Neace, Commissioner Kevin Johnson, and Chairperson Tammy Stempel.

ABSENT:
None.

STAFF:
Jolene Morishita, Assistant City Administrator; David Doughman, City Attorney; Clay Glasgow, City Planner, Jeff Jolley, Police Chief; Mike Funk, Fire Marshal; Jim Whynot, Public Works Director.

Chairperson Tammy Stempel made a few comments regarding the duties of the Planning Commission.

CONSENT AGENDA:

1. Approval of February 16, 2016 Minutes:
   Commissioner de AElfweald wanted to note that under the Regular Agenda, Item #3, the decision to go with a heavy composition roof was due to safety concerns. Commissioner Johnson wanted to note that the owner's name is Dennis Marsh, not Kevin Marsh.

   Commissioner Neace made a motion to approve the minutes with the above amendments. Motion was seconded by Commissioner Poole. Motion passed unanimously.

REGULAR AGENDA:

2. Public Hearing: Z0035-16-D, Design Review, Bart Kearns – Manufactured Home/Watchman's Quarters in Conjunction with Property Located at 6005 Duniway Avenue. Site is South Side of Duniway at the end of Watts Street. Zone Designation – LI, Light Industrial:
   Chairperson Tammy Stempel opened the public hearing at 5:35 PM and went over the procedure. None of the Commissioners wanted to disqualify themselves and all of them have visited the site. None of the audience members had any objections.

   Mr. Glasgow went over the staff report. He pointed out that the wetlands designation no longer applies to this property. Commissioner Johnson pointed out an error regarding sidewalks. There was discussion regarding the wetlands designation. Commissioner de AElfweald asked if there was sufficient accessibility for fire trucks – Fire Marshal Funk said that would vary, depending on what is parked where. Fire Marshall Funk has questions/concerns regarding the address of the site, the ability to turn fire trucks around, and whether someone will be living there full time. He said that having a residential type structure in an industrial area can be problematic. Commissioner de AElfweald asked Police Chief Jolley what kind of postings/contacts would be necessary for a watchman in relation to the Police Department. Chief Jolley said they would want to make sure they were certified through the State/DPSST, but the postings/contacts requirements would be the same as any other business in the City. Chairperson Tammy Stempel asked if there had been any issues at the Road Runner building as far as vandalism, thefts, etc. that would justify the need for a watchman. Chief Jolley was not aware of any crime issues in

that area. Jim Whynot, Public Works Director, said there were no issues as far as Public Works. Dave Caum, Plant Manager, explained that they have 25 full time employees that work as needed and hours change. The Food Defense Assessment has been giving them more requirements regarding security/monitoring the facility. He said there have been thefts from the property, vehicles broken into, illegal dumping, trespassing, and drug paraphernalia left on the grounds. They haven't decided on who the watchman will be, but they are hoping that it will be one of their current employees.

Public Testimony:
Steve Gleason is hoping that this will not be the same situation as the one on Portland Avenue. He feels it looks bad in the neighborhood.

Katherine Ellerby is opposed to the watchman's quarters because of the continuing screening issues and other problems with the one on Portland Avenue. They have not had any response from City administration.

Jim Hopp is opposed because he feels the area has turned into a slum/eyesore.

Police Chief Jolley said they have issued citations relating to the Portland Avenue site and now the City Attorneys are involved to help get the issues resolved. Lori Green has had her house vandalized but doesn't see the need for a security guard. Sean Price said that the Portland Avenue/Duniway area becomes a parking lot during high school football games which may cause accessibility issues for the fire trucks.

Due to time constraints the hearing for Z0035-16-D, Design Review will be held over until the next meeting, May 17th, 2016 at 6:30 PM.

Commissioner de AElfweald made a motion to continue the hearing until Mary 17th, 2016 at 6:30 PM. Motion was seconded by Commissioner Neace. Motion passed unanimously.

If anyone has any correspondence please send it to Assistant City Administrator Jolene Morishita at Morishita@ci.gladstone.or.us. Mr. Doughman pointed out that if anyone emails any of the Commissioners directly they will not receive a response because it is not allowed.

ADJOURN:
Commissioner Neace made a motion to adjourn. Motion was seconded by Commissioners de AElfweald and Poole. Motion passed unanimously.

Meeting adjourned at 6:30 PM.

Minutes approved by the Planning Commission this 17TH day of MAY, 2016.

Tamara Stempel, Chair

AGENDA ITEM #7

Tami Bannick

From: David Doughman <David@gov-law.com>
Sent: Tuesday, June 28, 2016 1:18 PM
To: Tom O'Connor
Cc: Eric Swanson; Tami Bannick; Kristen Ketchel - Bain
Subject: Fire Code

Hi Tom:

Thanks for your call. I did review the ordinance replacing the fire code. The substance looks just fine. I do recommend a slight revision to the ordinance to clarify that we are repealing the existing chapter 15.08 and replacing it with the language in Ord. 1466.

To that end, I recommend the title of the ordinance be revised as follows: "AN ORDINANCE REPEALING GLADSTONE MUNICIPAL CODE CHAPTER 15.08 FIRE CODE AND REPLACING IT WITH A NEW CHAPTER 15.08 FIRE CODE"

Then, in Section 1 of the ordinance, revise the first line as follows: "Gladstone Municipal Code Chapter 15.08, FIRE CODE, is repealed and is replaced with a new Chapter 15.08 as follows:"

Other than those minor tweaks, all looks good.

David

David F. Doughman
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Portland, OR 97201
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www.gov-law.com

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ORDINANCE NO. 1466

AN ORDINANCE REPEALING GLADSTONE GLADSTONE MUNICIPAL CODE CHAPTER 15.08 FIRE CODE AND REPLACING IT WITH A NEW CHAPTER 15.08 FIRE CODE

WHEREAS, it has been identified that chapter 15.08 of Gladstone Municipal Code is outdated;

WHEREAS, the last adopted fire code in the City is the Uniform Fire Code -edition 1991;

WHEREAS, Oregon Fire services across the State are adopting an Oregon Fire Code;

WHEREAS, The Oregon State Fire Marshal's office adopted the 2014 Oregon Fire Code based on the 2012 International Fire Code;

WHEREAS, the City wishes to be in compliance with current Fire Code;

NOW, THEREFORE, the City of Gladstone ordains as follows:

Section 1. Gladstone Municipal Code Chapter 15.08, FIRE CODE, is repealed and is replaced with a new Chapter 15.08 as follows:

1.1 **Section 15.08.010 -Adoption of Fire Code**

(1) The whole of this Chapter, including the codes hereby adopted, shall be filed and maintained in the records of the City of Gladstone and with the State Fire Marshal's Office.

(2) For the purpose of prescribing regulations governing conditions hazardous to life and property from fire or explosion, the city adopts the 2014 Oregon Fire Code based on the 2012 edition International Fire Code, published by the International Code Council. (hereinafter referred to as "OFC"), together with appendices A, B, C, D, F, H, I, K, L, N only.

(3) The city adopts the 2014 Oregon Fire Code based on the 2012 edition International Fire Code, published by the International Code Council.

(4) The city adopts the 2014 edition of the Oregon Structural Specialty Code (hereinafter referred to as "OSSC") as promulgated by the 2012 International Building Code, as amended and adopted by the State of Oregon.

(5) The city adopts the 2014 edition of the Oregon Mechanical Specialty Code (hereinafter referred to as "OMSC") as promulgated by the 2012 International Mechanical Code, as amended and adopted by the State of Oregon.

(6)) As long as the City of Gladstone contracts with Clackamas County for services like Planning, Plan Review, Inspections and other Building Services, the City of Gladstone will attempt to use the Fire and Building codes as adopted by County Building official in regular 3 year cycles.

1.2 **Section 15.08.020 -Definitions**

(1)No change

(2) Wherever the terms "Code," "Fire Code" or "Oregon Fire Code" are used, they shall be held to mean the Oregon Fire Code, 2014 Edition, as amended by the State of Oregon and this ordinance, the 2014 Edition of the Oregon Structural Specialty Code, as amended

by the State of Oregon, and the 2014 Edition of the Oregon Mechanical Specialty Code, as amended and adopted by the State of Oregon.
(3) Whenever the term "City Attorney" is used in the Fire Code, it shall be held to mean the City Attorney for the city.
(4) Whenever the words "Fire Prevention Officer" or "Chief of Fire Prevention" or similar terms are used, they shall be held to mean "Fire Marshal" of the city.
(5) Whenever the words "jurisdiction," "city" or "municipality" are used in the Fire Code, it shall mean the city.
(6) Wherever the term "State Fire Marshal," is used, it shall be held to mean the Fire Marshal of the State of Oregon or his duly authorized representative.

1.3 **Section 15.08.030 -Establishment of limits of districts in which storage of flammable or combustible liquids in outside above-ground tanks is to be prohibited.**
(1) The limits referred to in Chapter 57 of the OFC in which storage of the flammable or combustible liquids in outside above-ground tanks is prohibited are as follows: All areas other than those described by the city Zoning Ordinance and subject to the approval of the Fire Marshal. Not allowed in residential zones including areas with split zones that include residential areas.

1.4 **Section 15.80.040 -Establishment of limits in which bulk storage of Liquefied Petro Petroleum Gases is to be restricted.**
(1) The limits referred to in OFC Chapter 61 in which bulk storage of liquefied petroleum gas is restricted, are as follows: All areas other than those described by the city Zoning Ordinance and subject to the approval of the Fire Marshal. Not allowed in residential zones including areas with split zones that include residential areas.

1.5 **Section 15.08.050 -Establishment of limits of districts in which storage of explosives and blasting agents is to be prohibited.**
(1) Explosives and Fireworks are to be governed by OFC Chapter 56, Gladstone Municipal Code 15.16 Blasting, are hereby adopted and made a part herein as if printed in their entirety. The limits referred to in which the storage of these materials is restricted, are as follows: All areas other than those described by the city Zoning Ordinance and subject to the approval of the Fire Marshal. Not allowed in residential zones including areas with split zones that include residential areas.

1.6 **Section 15.08.060 -Oregon Fire Code -amendments**
(1) This section is reserved for future use.

1.7 **Section 15.08.070 -Appeals**
(1) Whenever the Chief, or designee, disapproves an application or refuses to grant a permit applied for, or when it is claimed that the provisions of the Code do not apply or that the true intent an meaning of the Code have been misconstrued or wrongly interpreted, the applicant may appeal from the decision of the Chief, or designee, to an Appeals Board within 30 days from the date of the decision appealed.
Appeal process is outlined in 2014 Oregon Fire Code, Appendix A.

1.8 **Section 15.08.080 -Penalties**
(1) Violations of the provisions of this Code may be prosecuted under ORS 455.156 and 455.157. Pursuant to ORS 478.990, continued violation of the Code, or refusal to remove a fire hazard by one responsible for conformity to the Code, is punishable by a

fine listed as a Class A infraction. Each day's continued refusal to conform to the Code or remove a fire hazard after notice by the inspecting officer is a separate offense.

1.9 **Section 15.08.090 -Conflicting ordinances or resolutions**
(1) No changes

1.10 **Section 15.08.100 -Savings clause**
(1) If any part of this chapter of the Oregon Fire Code adopted hereby shall for any reason be held invalid or unconstitutional by a court of competent jurisdiction, it shall not nullify the remainder of this ordinance or the Code, which shall continue in force without the invalid part.

Section 2. The City Administrator or designee shall amend the Gladstone Municipal Code in accordance with this ordinance once it is effective.

Adopted by the Gladstone City Council this _____ day of _____, 2016.

ATTEST:

_____ _____

Thomas Mersereau, Mayor Jolene Morishita, Asisstant City Administrator

AGENDA ITEM #8

Tami Bannick

From: Markley Drake <markleyd@happyvalleyor.gov>
Sent: Monday, June 20, 2016 8:07 AM
To: powerk@milwaukieoregon.gov; dholladay@orcity.org; Steve Johnson; Brenda Perry; Diana Helm; eric.hofeld@hotmail.com; GGeist@co.clackamas.or.us; JBernard@co.clackamas.or.us; JLudlow@co.clackamas.or.us; PSavas@co.clackamas.or.us
Cc: Lori DeRemer; Brett Sherman; Michael Morrow; Tom Ellis; Jason Tuck
Subject: Happy Valley City Council Vote on Bio-solid options

>
>
> To member of the Regional Wastewater Advisory Committee and interested parties:
>
> The Happy Valley City Council met in regular session and discussed the options for bio solids handling. The two proposals were the WES Proposal to purchase products that are currently approved by DEQ, and have a proven history of reliable operations; or consider an option of an experimental proposal by Janicki Industries for their OMNI processor.
>
> At the heart of the matter, is that the Janicki proposal is not permitted use in Oregon by DEQ. DEQ is in the process of re-writing the air quality standards, a process that may take up to two years. After the rules are written and approved, there is a permit process that can take two to four years.
>
> On advice of WES staff and independent consultants we need to purchase capacity now for both redundancy and future growth, the Happy Valley Council has given me direction to support the WES Proposal to move forward with the purchase of equipment that is permitted by DEQ and proven technology.
>
> That is the advice I will pass on to the County.
>
> Sent from my iPad

This e-mail is a public record of the City of Happy Valley and is subject to the State of Oregon Retention Schedule and may be subject to public disclosure under the Oregon Public Records Law. This e-mail, including any attachments, is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure, or distribution is prohibited. If you are not the intended recipient, please send a reply e-mail to let the sender know of the error and destroy all copies of the original message.

TRI-CITY SERVICE DISTRICT

OVERVIEW

In 1980 the Cities of Oregon City, West Linn, and Gladstone, in conjunction with Clackamas County, formed the Tri-City Service District. A $65 million construction program designed to upgrade the sewerage systems serving the residents of the area was undertaken, and in FY 1987-88 the entire system was placed into service.

The budget proposal contained herein includes a proposed user rate increase for FY 2016-17 of 7.5%. The existing wholesale rate of $20.00 per EDU per month is proposed to increase to $21.50 per EDU per month for FY 2016-17. A $1.00 per EDU per month or 5.3% increase was implemented in FY 2015-16.

The District also has a small number of retail customers. The retail rate is currently $30.00 per EDU per month, and is proposed to increase to $32.25 per EDU per month.

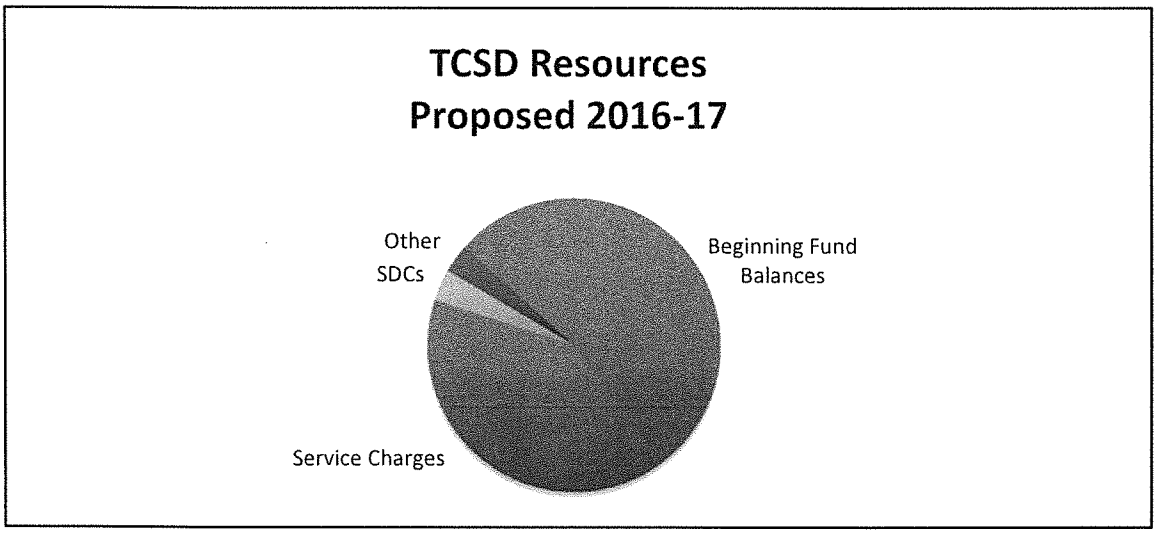
The District finished paying its only outstanding debt obligation in FY 2015-16. This was a State Revolving Fund loan requiring approximately $56,000 annually for debt service.

TRI-CITY SERVICE DISTRICT

GENERAL

This discussion of the Tri-City Service District (TCSD) covers all revenues and expenditures for the District during the budget year.

RESOURCES



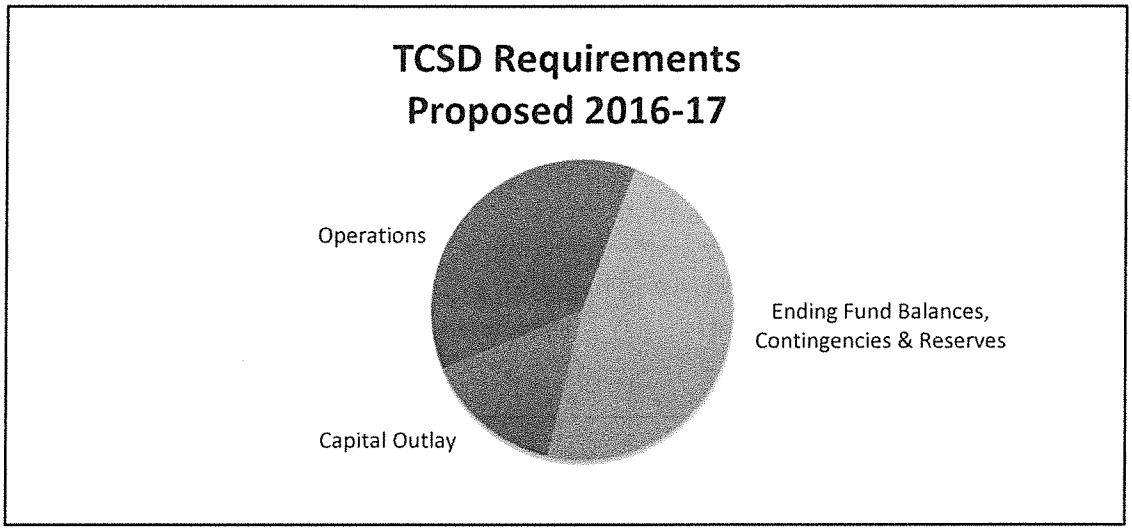
Total resources for the District for FY 2016-17 are budgeted to be approximately $20.7 million, up from $19.0 million budgeted for FY 2015-16. The increase is due to a higher projected beginning fund balance as well as increased service charges.

Approximately $8.3 million is expected from monthly service charges, $.7 million more than the amount budgeted for FY 2015-16. This is the result of moderate growth in the number of customers in the member cities and an adjustment to the monthly wholesale service fee. The proposed rate adjustment for FY 2016-17 is to a fee of $21.50 per EDU per month from the current rate of $20.00 per EDU per month or a 7.5% increase. These funds provide for the annual operating program, which includes operations, maintenance, and capital maintenance efforts. The above increase is needed to pay for the increased costs of operating all of the treatment facilities at Tri-City, including the new facilities constructed by Clackamas County Service District No. 1 (CCSD #1). The costs of Tri-City's facilities are being shared between the Districts, proportionate to the amount of flow sent to these combined facilities by each district. It is also needed to continue preparing the district to be able to pay its share of the solids handling expansion currently being discussed by the Regional Advisory Committee.

Other Resources include interest income, revenue from Biosolids services supplied to CCSD #1, rental income, and other small revenue items.

Approximately $.7 million is expected from System Development Charges (SDCs) in FY 2016-17. This revenue is based on a proposed fee of $2,765 per EDU. This is the second year of a five-year plan to bring the SDC up to $3,855 as recommended by the Tri-City Advisory Committee. These funds are used to pay for capital improvements related to growth in the District.

REQUIREMENTS



Total requirements for the District are proposed at $20.7 million, up from $19.0 million budgeted for FY 2015-16. Capital outlay is proposed at $3.1 million for FY 2016-17, a decrease from the $4.2 million proposed in FY 2015-16. Reserves, contingencies, and ending balances are proposed at $9.9 million for FY 2016-17, up from the $7.0 proposed for FY 2015-16.

Budgeted operations and maintenance expenditures for FY 2016-17 are proposed at approximately $7.7 million, approximately equal to the FY 2015-16 budget. Engineering (master planning efforts) is down while Chemicals (primarily carbon which is used for odor control) are up.

Approximately $2.0 million is budgeted as a contingency and ending balance in the operating fund to provide for emergencies or unexpected needs.

The Construction Fund is proposed to receive a $2.5 million transfer from the operating fund in FY 2016-17. The Construction Fund has been funded in prior years through annual transfers from the Operating Fund as balances allowed. The Construction Fund is used solely for the purpose of providing funding for capital efforts in the District. Proposed capital outlay is approximately $2.2 million for FY

2016-17. Approximately $6.2 million is proposed for contingency and ending balances and to act as a reserve for future capital improvements.

Approximately $.9 million is proposed for capital outlay in the Systems Development Charge Fund to pay for growth related future capital efforts. The SDC Fund has $1.7 million proposed for contingency and ending balances for future capital improvements.

The State Revolving Fund loan has been completely retired. The District no longer has any outstanding debt.

USER CHARGE ANALYSIS

The District's portion of the total monthly user charge rate is proposed to increase by 7.5% to $21.50 per EDU per month from the $20.00 per EDU per month amount charged during FY 2015-16. The following table combines the District's rate with the rate charged by individual cities for their local operating expenses, to arrive at the proposed total user rates that will be charged for a single family unit in each city:

	District Rate 2016-17	City Rate 2016-17	Estimated Total
Oregon City	$ 22.90 **	$ 28.63 *	$ 51.53
West Linn	$ 21.50	$ 17.93	$ 39.43
Gladstone	$ 21.50	$ 9.65 *	$ 31.15

*This is the FY 2015-16 rate. The Oregon City and Gladstone rates are subject to change.

**Oregon City will be charged a higher rate to offset the Oregon City franchise fee.

WATER ENVIRONMENT SERVICES
A Department of Clackamas County

REGIONAL WASTEWATER TREATMENT CAPACITY ADVISORY COMMITTEE

June 30, 2016
6:30 PM – 7:30 PM

Water Environment Services
Development Services Building, Rm 115
150 Beavercreek Road, Oregon City

AGENDA

1. Welcome, Introductions, Opening Remarks – 6:30pm
   a. Approval of 5/26/16 Minutes
2. Public Comment Period – 6:35 pm
3. Damascus Participation (Power/Helm) – 6:45 pm
4. Vice-Chair Election and/or July Meeting Cancelation (Power) – 6:50 pm
5. Project Update (Geist) – 6:55 pm
6. Vote to Submit Accepted Technology List to BCC – 7:15 pm
7. Next Meeting: August 25, 2016 or September 22, 2016 (?)
8. Adjourn - 7:30pm

Actions Required For This Meeting: Vote to Submit Accepted Technology List to BCC, Vice Chair election

Items to Track After This Meeting:

Please note: This meeting is being recorded and will be available online within a few days.

Rev: June 23, 2016

DRAFT

Regional Wastewater Treatment Capacity Advisory Committee

May 26, 2016 Meeting Summary

The Regional Wastewater Treatment Capacity Advisory Committee met on May 26, 2016 at 6:30 PM, in the auditorium, room 115, of the Development Services Building, Clackamas County.

Advisory Committee members in attendance:

Markley Drake	Member	Councilor, City of Happy Valley
Diana Helm	Member	Mayor, City of Damascus
Eric Hofeld	Member	Unincorporated Clackamas County, CCSD#1 RiverHealth Advisory Board Chair
Dan Holladay	Member	Mayor, City of Oregon City
Steve Johnson	Member	Councilor, City of Gladstone
Brenda Perry	Member	Councilor, City of West Linn
Karin Power	Member	Councilor, City of Milwaukie
Kay Mordock	Member	Mayor, City of Johnson City
John Ludlow	Chair, Clackamas County Board of County Commissioners, Liaison	

Advisory Committee members absent:
None

Public and WES staff in attendance:

Greg Geist	WES, Director
Greg Eyerly	WES, Water Quality Manager
Lynne Chicoine	WES, Capital Program Manager
Don Krupp	Clackamas County, Administrator
Chanin Bays	WES, Resource Recovery Supervisor
Randy Rosane	WES, Civil Engineering Supervisor
Ed Nieto	Clackamas County Pubic and Government Affairs
Amanda Keller	County Counsel
Ron Wierenga	WES, Surface Water Manager
Ernest Hays	Clackamas County Board of County Commissioners
Nancy Newton	Clackamas County, Deputy County Administrator
Sara Roth	KGW
Joe Miller	Physicians for Social Responsibility
Chris McCalib	TEC
Jim Bernard	Clackamas County Board of County Commissioners, Commissioner
MJ Cartasenga	Clackamas County Administration
Anya Relleve	Customer
Erik Kancler	Oregon City
Natalie Smith	Gladstone
Kim Sieckmann	Gladstone City Council
John Lewis	City of Oregon City
Ken Williamson	Clean Water Services
Alice Richmond	West Linn

Dave Devore	Customer
Sara VanTassel	Janicki Bioenergy
Jeff Graf	Janicki Bioenergy
Peter Janicki	Janicki Bioenergy
J. Michael Read	Oak Lodge Sanitary District
Steve Kennett	RiverHealth Advisory Board
Chris Randall	City of Happy Valley
Barbara Muller	City of Happy Valley
Lance Powlison	City of Oregon City
Tom Mersereau	Gladstone City Council
Bob Martin	West Linn City Council
Damon Mabee	Oregon City
Matt Glazewski	WES, Director's Policy Analyst
Katie Wilson	WES, Administrative Assistant
Darren Aevermann	CCOC

The full meeting discussion and presentation materials are available at: http://clackamas.granicus.com/ViewPublisher.php?view_id=6#reg, "Regional Wastewater Treatment Capacity Advisory Committee, May 26, 2016".

The Regional Wastewater Treatment Capacity Advisory Committee meeting was called to order at 6:30 p.m. by Committee Chair, Karin Power. Introductions of the Regional Wastewater Treatment Capacity Advisory Committee were made.

I. Welcome

1) Committee Chair, Karin Power welcomed everyone.

2) The Committee voted unanimously to approve the meeting summary from the April 20, 2016 RWTCAC Meeting. Benda Perry was absent at the time of the vote.

3) The group briefly discussed the status of the disincorporation of the City of Damascus. Mayor Helm noted her interest in continuing on the Regional Wastewater Treatment Capacity Advisory Committee. There was a suggestion the committee recommend to the Board of County Commissioners Mayor Helm continue to represent her area on the committee. Committee members agreed to come prepared to the next meeting to discuss a recommendation on the matter.

4) Mayor Helm suggested the committee consider selecting a Vice-Chair for the committee to assist during Chair Power's upcoming parental leave. The committee agreed to discuss and vote on the matter at the next meeting.

II. Public Comment:

J. Michael Read, General Manager of the Oak Lodge Sanitary District spoke about the WERF Lift Program and the risks associated with new technologies with limited testing.

Dr. Joe Miller of Physicians for Social Responsibility spoke about industry concerns regarding public health and incineration.

Steve Kennett, RiverHealth Advisory Board spoke about his concerns about environmental impacts of incineration and the importance of public trust, fiscal responsibility, and transparency.

Letters read into the record included:

- Eileen J. O'Neill, Ph. D.
  Executive Director, Water Environment Federation
- Melissa L. Meeker
  Chief Executive Officer, Water Environment & Reuse Foundation
- Terry Gibson
  Chair, North Clackamas Urban Watershed Council
- Glen T. Daigger, Ph.D., P.E., BCEE, NAE
  Professor Engineering Practice Immediate Past President of the International Water Association Distinguished Fellow, IWA Fellow, Water Environment Federation Voted Most Influential Global Water Professional for 2015

Councilor Johnson suggested a motion that moving forward, all correspondence be made available in advance in the meeting packet. Mayor Holladay seconded the motion. There was brief discussion regarding flexibility and discretion. The motion did not carry.

II. Presentations/Discussions:

1) Peter Janicki and Sara VanTassel of Janicki Bioenergy presented to the group a slide presentation and video outlining how the Omni Processor works, where it is currently being tested, and their opinions on how it could be implemented in Clackamas County. There was a lengthy discussion on the subject including questions from the committee pertaining to air quality standards, permitting with the State of Oregon, the types of waste the Omni Processor can process, cost, and possible limitations. Chair Power thanked Mr. Janicki and Ms. VanTassel for their presentation.

2) Ken Williamson, Director of Regulator Affairs at Clean Water Services gave a presentation on the regulatory requirements and permitting process for both air and water quality involved in upgrading infrastructure such as solids handling at a wastewater facility. Dr. Williamson also reviewed solids handing and his concerns about the Omni Processor still needing digestion in order to process waste-activated sludge that has water concentration too great to be processed directly by the new technology. There was a lengthy discussion on Dr. Williamson's presentation including estimation of permitting timeline, current political climate, and perceived complications of installation and operation.

   The committee discussed the solids handing capacity issue at length including discussion of a tour of the Janicki testing facility in Washington, communication between Janicki Bioenergy and WES staff, and project

timeline. The committee agreed to come to the next meeting prepared to make a recommendation to the Board of County Commissioners for moving forward with the project.

III. Actions Taken:

1) Motion made by Councilor Johnson to require all written correspondence be provided in advance in the meeting packet. Seconded by Mayor Holladay.

Councilor Power	Nay
Councilor Drake	Nay
Mayor Holladay	Aye
Mayor Helm	Nay
Councilor Perry	Nay
Councilor Johnson	Aye
Eric Hofeld	Nay
Mayor Mordock	Nay

Motion did not carry.

IV. Follow Up:

1) At the June 30, 2016 RWTCAC Meeting:
   a. Make recommendation to Board of County Commissioners regarding continued participation of Mayor Helm moving forward, should the disincorporation of Damascus take place.
   b. Make recommendation to the Board of County Commissioners regarding moving forward with the Solids Handling Capacity Project.
   c. Select a Vice-Chair to the committee to accommodate upcoming parental leave for Chair Power.

V. Next meeting

June 30, 2016 at 6:30pm

The meeting was adjourned at 9:25pm.

/kw

CLACKAMAS COUNTY SERVICE DISTRICT NO. 1

OVERVIEW

Clackamas County Service District No. 1 is comprised of four separate, noncontiguous sewer service areas, as well as a service area charged with providing surface water management services. Each area began providing service at varying times, noted as follows:

Service Area	Initial Service Provided
North Clackamas Service Area	1974
Hoodland Service Area	1982
Fischers Forest Park Service Area	1971
Boring Service Area	1986
North Clackamas Surface Water Service Area	1993

Each service area is served by completely separate sewerage collection, treatment, or surface water facilities.

The budget report format herein first provides a combined revenue and expenditure summary for the sanitary sewer funds comprising the North Clackamas Service Area (NCSA), the Hoodland Service Area (HSA), the Fischers Forest Park Service Area (FFPSA), and the Boring Service Area (BSA). This is followed by a revenue and expenditure summary for the surface water funds comprising the North Clackamas Surface Water Service Area (NCSWSA).

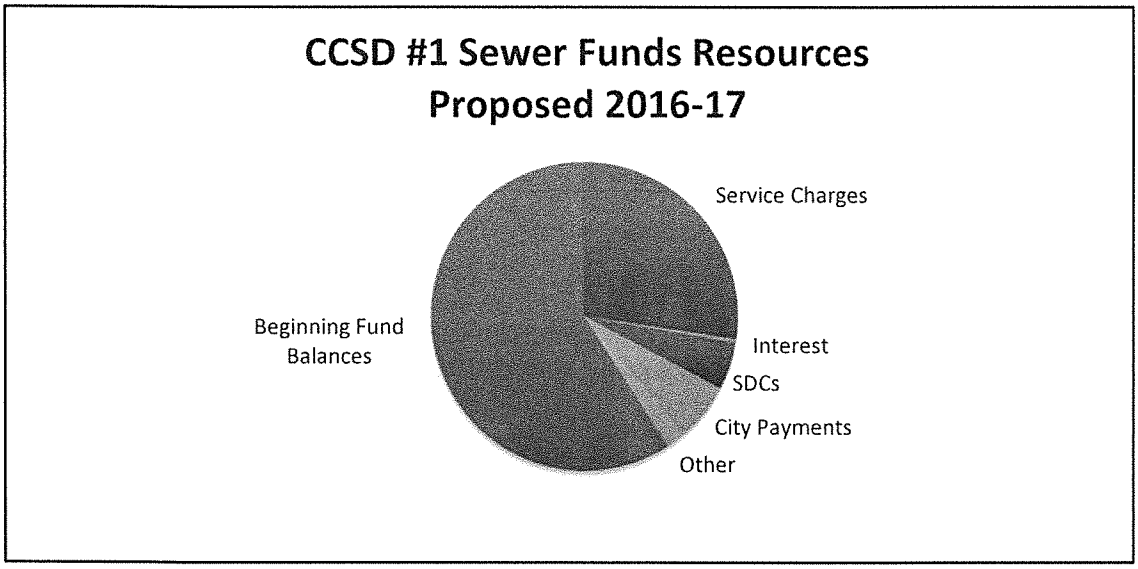
CLACKAMAS COUNTY SERVICE DISTRICT NO. 1

SANITARY SEWER FUNDS

GENERAL

The sanitary sewer funds for Clackamas County Service District No. 1 consolidate all revenues and expenditures that are proposed for each of the District's four separate sanitary sewer service areas. The Hoodland, Fischer's Forest Park and Boring service areas have not traditionally generated service charge revenue sufficient to cover the costs of serving these areas. As a result, any deficiencies have been covered by funds from the NCSA.

RESOURCES



Total resources for the sanitary sewer funds (including the Revenue Bond Fund) for FY 2016-17 are proposed to be approximately $76 million. These consist of reserves carried forward as beginning balances of $44.8 million. Beginning balances include $4.5 million in the operating fund, $12.8 million in System Development Charge (SDC) funds, $15.0 million in the Construction Fund, $8.3 million in the Revenue Bond Fund, and $4.2 million in the State Loan Fund. Major sources of revenue are SDC revenues ($3.8 million), monthly service charge revenue ($21 million), and wholesale service payments from cities ($4.6 million).

The District's sanitary sewer SDC rate is currently $6,950 per EDU. The SDC was increased beginning July 1, 2008 in response to the District's five year Capital Improvement Plan (CIP) which contained Phase I of the Capacity Management Program (CMP). The RiverHealth Advisory Committee has made a recommendation to increase this amount by an inflation index to be effective at the start of FY 2016-17. The current SDC rate is proposed to increase to $7,140, an increase of 2.7%.

The monthly service fee for the NCSA was increased to $43.50 per EDU per month in FY 2015-16. This fee is proposed to increase to $45.00 per EDU per month in FY 2016-17, an increase of 3.4%.

The monthly service fee for each of the other sewer service areas is adjusted to the same fee as that calculated for the NCSA. Accordingly, the monthly service fee for the three other service areas is proposed to increase to $45.00 per EDU per month as well. A summary of all sanitary sewer rates in the District is as follows:

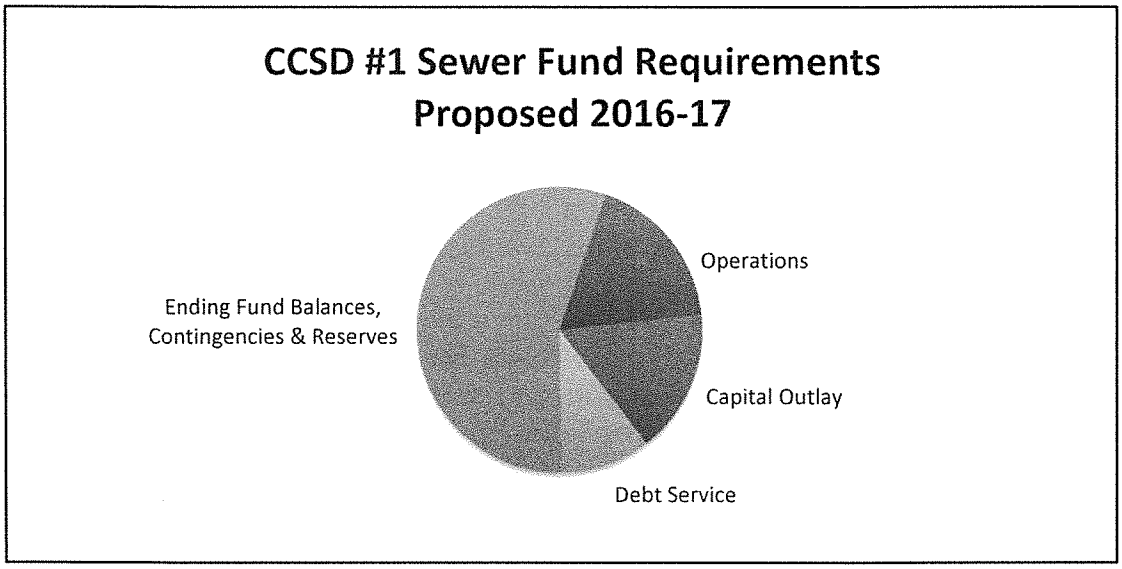
	Current	Proposed	% Change
North Clackamas Service Area*	$43.50	$45.00	3.4%
Hoodland Service Area	$43.50	$45.00	3.4%
Fischer's Forest Park Service Area	$43.50	$45.00	3.4%
Boring Service Area	$43.50	$45.00	3.4%

*Ratepayers in Happy Valley will be charged a rate of $47.25 per EDU per month in order to cover Happy Valley's Right-of-Way fee.

The District and the City of Milwaukie reached a 25 year wholesale service agreement that was codified during FY 2012-13. The District budget has been prepared reflecting the general rate terms outlined in the agreement. The City will pay the full District wholesale rate for its total number of connections, and semi-annual adjustments agreed to in the service agreement.

Johnson City entered into a long-term wholesale agreement with the District in FY 2010-11. The signed agreement was for a stepped rate increase over the next several years, at which time Johnson City would then pay the current district-wide wholesale rate. For FY 2016-17, the monthly wholesale rate for Johnson City will be $33.00 per EDU as agreed to in a May 2014 amendment to the IGA.

REQUIREMENTS



Total requirements for the sanitary sewer funds for FY 2016-17 are proposed to be approximately $76 million. These consist of operations and maintenance expenses, debt service, capital outlay, and reserves.

Proposed operation and maintenance expenditures in FY 2016-17 are projected to decrease to $13.7 million, primarily through the transfer of the soils group to the County and the reduction in proposed engineering expenses. The main cost drivers for CCSD #1 are engineering and labor. The total costs of operating the conventional Tri-City owned facilities and the new facilities paid for by CCSD #1 are shared proportionately between the Districts. This cost allocation methodology is detailed in the Intergovernmental Agreement (IGA) between the Districts, which addresses all aspects of the new facilities constructed by CCSD #1 at Tri-City.

Approximately $2.7 million is budgeted as contingency and ending balances in the operating fund to provide for emergencies or unexpected needs. All funds in the operating budget not needed to meet operating requirements, debt service requirements, and reserve requirements will be transferred to the Construction Fund.

The Construction Fund is used solely for the purpose of providing funding for future capital efforts in the District. Capital outlay for sanitary sewer related projects from this fund is proposed at approximately $10.8 million for FY 2016-17. Approximately $12.2 million is proposed for contingency and ending balances, and to act as a reserve for future capital improvements.

Approximately $1.6 million is also proposed for capital outlay in the SDC Fund. The SDC Fund has approximately $15.1 million proposed for contingency and ending balances, which will act as a reserve for future growth capital efforts.

The proposed FY 2016-17 budget anticipates approximately $7.1 million in debt service payments for outstanding revenue bonds and revenue obligations. These include revenue bonds issued in 2002, which financed the first assessment district constructed in Happy Valley, and revenue obligations sold in February and November of 2009 and December of 2010, in support of Phase I of the Capacity Management Program. The principal and interest payments associated with the 2002 assessment district revenue bonds are financed by payments received from beneficiaries of the Happy Valley assessment district. The debt service for the three revenue obligations is paid from sanitary sewer user charges.

Approximately $.6 million is proposed for debt service payments on two outstanding state revolving loans. These loans financed the NCRA assessment district, and the principal and interest payments associated with these loans are from revenues received from beneficiaries in that assessment district.

Clackamas County Regional Wastewater Issues
June 28, 2016

There are 3 service districts in urban Clackamas County related to sewage processing. They are Tri City Service District (TCSD), Clackamas County Service District #1 (CCSD1) and the Oak Lodge Sanitary District (OLSD). Gladstone, West Linn and Oregon City are in TCSD. Happy Valley, Milwaukie, Johnson City, a small part of Gladstone and Eastern areas of urban, unincorporated Clackamas County are in CCSD1. OLSD serves the unincorporated urban areas of Clackamas County to the North of Gladstone and a small part of Gladstone.

By a vote of the people of Gladstone, West Linn and Oregon City the Tri City Service District was created as an ORS 451 service district, which by Oregon State law is governed by Clackamas County. CCSD1 is also an ORS 451 and is also governed by Clackamas County. The OLSD is organized as a municipal corporation and is governed by a locally elected board of directors. OLSD is included here for clarity but is not a part of the larger problems between TCSD and CCSD1.

Since the creation of TCSD in 1980 and the construction of the sewer plant which the 3 cities share in Oregon City, Gladstone has not grown in any appreciable way. West Linn and especially Oregon City have both grown. Oregon City continues growth through annexation on its Southern and Eastern borders. This growth was planned for when the TCSD plant was constructed but it is possible that growth in Oregon City has or will grow to the point where the TCSD plant needs to be expanded. To the extent that happens, Gladstone may be required to contribute to this expansion as part of the district. This plant was funded by a bond paid for by the people of the 3 cities and a grant from the federal government.

Some instrumentation to measure the inflow of sewage to the Tri City plant from the 3 cities exists but provides questionable or non-existent data. Clackamas County relies on an estimate of inflows called equivalent dwelling units or EDU. This measurement technique is subject to a wide range of variables including: flow, load and strength, all of which affect sewer plant operations and capacities and can, apparently only be estimated. Instrumentation exists for inflow to the Tri City plant from CCSD1 but clarity as to how the data describes the difference between flows and loads has never been provided nor has any proof that this instrumentation provides valid data. As with TCSD inflows, the operator of the plant; Clackamas County Water Environment Services (WES) relies on EDU measurements for its inflow data from CCSD1.

With continued, rapid growth in Happy Valley and surrounding unincorporated areas and political pressure from Milwaukie to prevent any expansion of the Kellogg Creek sewer plant, CCSD1 has run out of sewage processing capacity. Clackamas County as the governing body of both sewer districts, without a vote of the people and by its actions has declared that the Tri City plant will be the regional wastewater treatment plant for both districts. It has solidified this position by allowing pipelines and pump stations to be built to divert sewage from CCSD1 to the Tri City Plant. CCSD1 has also financed and built a liquids handling plant at Tri City called a Membrane Bioreactor (MBR). The MBR is of limited value to TCSD as adequate liquids handling existed for TCSD prior to construction of this facility. The MBR increased the quality of effluent from the Tri City Plant which has permanently changed the discharge permit with the Oregon Department of Environmental Quality (DEQ). In essence, there is no way to turn off or move the MBR to CCSD1 where it would be closer to the people it serves.

The increase in influent from CCSD1 to the TCSD plant has caused the TCSD plant to run out of solids handling capacity. Clackamas County proposes to build more anaerobic digesters to solve this problem. Anaerobic digestion, while proven technology, is a very expensive process to build. Clackamas County has estimated this to be a $56M project. It intends to spread this cost out across both districts in the form of higher rates. This includes charging Gladstone residents a higher rate for additional sewer capacity that it doesn't need and that will primarily support people in Happy Valley and unincorporated, urban Clackamas County.

An alternative to the construction of $56M anaerobic digesters from Janicki Bioenergy was explored as a solution to the solids handling capacity issue but was aggressively shot down by members of the BCC, including Chair John Ludlow and by WES. While there were many reasons and excuses for keeping the Janicki process from being actively considered the final 2 were that it is not in production in the United States and the potential for uncertainty in Oregon DEQ certification. Janicki Bioenergy does have an experimental certification from the Washington State Department of Ecology and is processing sewage solids from Sedro-Woolley, WA and other sources in Skagit County, WA. It also has a plant in production in Dakar, Senegal as part of a Gates Foundation project.

Janicki Bioenergy had submitted proposals for both the purchase of their Omni Processor technology for approximately $10M and for a leased, turnkey process where Janicki personnel and contractors would have operated the plant for TCSD for $2M per year. Both proposals had performance guarantees and would have eliminated the need for additional anaerobic digesters and most likely would have replaced the current digesters. Ultimately, Janicki Bioenergy asked to be removed from consideration, probably due to the political uncertainty of the relationship between TCSD, CCSD1 and Clackamas County.