



## OFFICIAL MINUTES OF TUALATIN CITY COUNCIL WORK SESSION FOR MAY 12, 2014

---

Present: Mayor Lou Ogden; Councilor Wade Brooksby; Councilor Frank Bubenik; Councilor Joelle Davis; Councilor Nancy Grimes; Councilor Ed Truax

Absent: Council President Monique Beikman

Staff Present: City Manager Sherilyn Lombos; City Attorney Sean Brady; Police Chief Kent Barker; Assistant City Manager Alice Cannon; Community Services Director Paul Hennon; Finance Director Don Hudson; Deputy City Manager Sara Singer; Planning Manager Aquilla Hurd-Ravich; Deputy City Recorder Nicole Morris; Information Services Manager Lance Harris; Engineering Manager Kaaren Hofmann; Management Analyst Ben Bryant; Public Works Director Jerry Postema

### CALL TO ORDER

Councilor Ed Truax called the meeting to order at 5:04 p.m.

#### 1. ***Update from Metro on the Climate Smart Communities Project.***

John Williams, Deputy Director of Planning at Metro, presented an update on the Climate Smart Communities project. Mr. Williams explained Climate Smart Communities is part of a statewide transportation funding bill requiring development of an approach for reducing greenhouse gas emissions from small trucks and cars. Metro is currently working towards a preferred approach which must be completed in 2014. The project is currently in the third and final phase consisting of regional discussions to determine the preferred approach. On May 30 the Metropolitan Policy Advisory Committee (MPAC) and the Joint Policy Advisory Committee on Transportation (JPACT) will meet to discuss policy choices. Metro staff will then evaluate the draft preferred approach and report back to regional advisory boards with final adoption by Metro Council in December.

Councilor Bubenik asked about financing of the project. Mr. Williams explained financing will have to be a discussion that happens both at a local and regional level.

#### 2. ***Southwest Corridor Draft Recommendation.***

Assistant City Manager Alice Cannon and Economic Development Manager Ben Bryant presented the Southwest Corridor Draft recommendations. Manager Bryant explained Metro and Tri-Met need to complete a Draft Environmental Impact Statement (DEIS). The Southwest Corridor Steering Committee has been asked to eliminate potential alignments that are not viable. The proposed alignments were recapped. Manager Bryant stated the next step is to share this information with several City of Tualatin groups to determine what recommendations to make to the steering committee.

Councilor Bubenik asked about a proposed bill date for this project. Mayor Ogden explained the project lead has stated 2021 as the proposed bill date. He noted that a timeline was passed out at the steering committee stating it could be ten years or more until a bill would be ready.

Councilor Davis asked if the DEIS only studies the environment or if station locations are included. Assistant City Manager Cannon responded that the location of stations will continue to be refined throughout the process. Councilor Davis expressed concern with the location of stations and how they will impact businesses in the downtown area.

Councilor Brooksby asked if the proposed mode is light rail or bus rapid transit. Assistant City Manager Cannon stated data is still be gathered and a more detailed evaluation will need to occur before a decision is made on a mode.

Councilor Davis asked what impact the prospective initiative petition would have on Tualatin's participation in this project. City Attorney Brady stated it could prohibit the City from participating but does not keep the State or TriMet from carrying the project out.

### **3. *Water Update.***

Engineering Manager Kaaren Hofmann and Public Works Director Jerry Postema presented an update on current water issues. Manager Hofmann stated the City's existing supply capacity is 10.8 million gallons per day (mgd) and our build-out water demands are projected to be 14.2 mgd.

Mayor Ogden asked when the build-out would be completed. Manager Hofmann stated sometime after 2030.

Manager Hofmann explained the city currently has a contract with Portland to receive Bull Run water through 2026. She noted the City of Tigard will be going off this system in July 2016 and will cause Tualatin's rates to increase 23% over the next 5 years. Currently the Tualatin Valley Water District (TVWD) and the City of Hillsboro plan to be drawing water from the Willamette Water Treatment Plant in Wilsonville by 2026. Tualatin is currently participating in the preliminary design work and will act as a technical resource on construction.

Councilor Davis asked about City participation in the project. Manager Hoffman responded the Council made a decision last year to participate in the study to be informed about future water supply options.

Manger Hofmann stated due to the decisions of TVWD and Hillsboro and the far-reaching policy implications of this move to obtain Willamette River water, a group of interested jurisdictions have began meeting. The goal is to have a jurisdictional framework that would effectively replace the Willamette River Water Coalition (WRWC) by the end of this calendar year.

Manager Hofmann noted Portland Water Bureau (PWB) is currently in the process of completing construction on the Powell Butte II reservoir. PWB started discussing allocation to wholesale customers with a proposal showing a 34% rate increase to

the City of Tualatin on July 1, 2015. Wholesale customers are discussing concerns with this shift in policy and its implications.

Councilor Truax stated the Council is being asked tonight to consider having a cost allocation study conducted. He explained hiring a consultant will help show the City what expected rate increases could look like under different scenarios and allow the City to plan for these appropriately.

Councilor Davis asked at what point does PWB become too expensive and stop being the preferred source. Councilor Truax explained a potential structural change with PWB has left a lot of unknowns and completing a cost allocation study will help to answer these types of scenario questions.

Councilor Brooksby asked about the cost of completing the study. Councilor Truax responded the cost will be around \$7,500. Manager Hofmann noted there is money available in the budget to complete this study.

Council consensus was reached to move forward with a cost allocation study.

**4. Refunding of Outstanding Water Revenue Bonds.**


Finance Director Don Hudson presented information regarding a proposal to move forward with the advanced refunding of outstanding water revenue bonds. He explained in 2005 the City sold revenue bonds in the amount of \$7,305,000 for construction of a five million gallon water reservoir and the retrofitting of four existing water reservoirs and three water pump stations. Interest rates for the bond ranged from 4.00% to 4.5% and mature in December 2025. The current state of the bond market, offers the ability to reduce the average coupon rate on the outstanding bonds from 4.34% to 2.28%, and reduce the annual debt service payment by approximately \$25,000 to \$30,000 annually. This would offer a significant savings to the City. He noted if the Council chooses to move forward a resolution will be brought back at the next Council meeting.

**5. Council Meeting Agenda Review, Communications & Roundtable.**

**ADJOURNMENT**

The work session adjourned at 6:55 p.m.

Sherilyn Lombos, City Manager

 / Nicole Morris, Recording Secretary

 / Lou Ogden, Mayor