

AGENDA BILL
WEST LINN CITY COUNCIL

SUBJECT:

DEPARTMENT:

Water Svstem Imorovement
Task Force Report

Administration
By:John A. Buoi
Date:July 16, 1987

BRIEF SUMMARY:

We have now received the Water System Improvement Task Force Report of which the City Council should have a copy. This report provides the City Council with eleven recommendations and two of those recommendations would have to be acted upon immediately if the Council is interested in submitting a ballot for the citizens approval at the next regularly scheduled election which is September 15, 1987. It will be necessary for the Council to adopt a resolution by August 12th at 5 P.M. if they would like to submit a measure to the citizens on September 15. Otherwise, the next regularly scheduled date for an election is the second Tuesday in November, or the third Tuesday in March of 1988.

If the City Council is interested in placing a measure on the September 15 ballot, it is suggested that you act as soon as possible so we may prepare a resolution calling for an election. After a meeting on Thursday, July 16, 1987 with the Mayor and City Attorney and Representatives of the Clackamas County Homebuilders Association and other builders in West Linn, it is recommended that the City Council hold a work session as soon as possible. We have scheduled a work session for Monday, July 20 at 7:30, McLean House.

RECOMMENDED
ACTION:

It is our recommendation that the City Council first accept the report from the Water System Improvement Task Force and have the Mayor send letters of appreciation to the Chairperson and members of the Task Force. Secondly, it is recommended that the City Council hold a work session to discuss the study with City Staff and the Chairperson of the Task Force. Last of all, it is recommended that the Council implement the study as soon as possible and increase the water rates as recommended by the Task Force. Also, they need to place a ballot measure before the citizens of West Linn for the construction of what is entitled Priority #1 in the study.

7-22-87 T/F presented report and recommendation.
Council accepted report - raised water rates
and authorized water bond issue.

July 14, 1987

To: West Linn City Council
From: Water System Improvement Task Force
Re: Final Report

In April, 1987, the West Linn City Council created the Water System Improvement Task Force (Task Force) to study possible problems in the City's water supply system and to recommend solutions. A copy of the Statement of Work presented to the Task Force is attached as Attachment 1.

This report presents the Task Force's major conclusions and recommendations together with an explanation of how they were reached.

MAJOR CONCLUSIONS

1. From the available research and data the Task Force finds evidence that the West Linn Comprehensive Water System Plan is a valid plan and that concepts recommended in the plan are sound and acceptable for use as a guide to improvements and the growth of the City. In particular the capital improvements detailed in Recommendation 2 of this report need to be made.
2. An urgent problem exists in the Rosemont Service Zone due to a critical lack of adequate water pressure and volume. This problem is caused by the fact that water in the zone is supplied by a pumping and pipeline system inadequate to meet the volume and pressure needs of the zone. This problem is the City's most urgent water system problem. The problem is twofold. First and the more important, during periods of high water use, water pressure and volume are insufficient to assure an ability to fight fires. This insufficiency unnecessarily and unreasonably menaces public safety. Second, during the summer months water pressure is often too low to meet fully normal household water demand. This problem will get worse as development continues within the Rosemont Service Zone.

The Task Force reached Conclusion 2 based on (a) the facts and findings in the Comprehensive Water System Plan, (b) opinion and facts presented by Murray, Smith & Associates, (c) opinion and facts presented by the City of West Linn Fire Chief, Russ Castleman, (d) opinion and facts presented by the City of West Linn Public Works Department, and (e) a large amount of anecdotal and secondhand testimony and evidence from residents within the Rosemont Service Zone

that the problem exists. A good summary of the nature of the City's problem in the Rosemont Service Zone as it relates to fire safety can be found in Chief Castleman's memorandum to the Task Force, attached as Attachment 2.

3. West Linn citizens should anticipate an Insurance Service Office (ISO) rating review within the next two years. Failure to solve the City's problem in the Rosemont Service Zone will likely cause the City a poorer ISO fire insurance rating. The poorer rating will mean that for all citizens in the city the cost of fire insurance will increase. The higher fire insurance costs would not be confined to the Rosemont Service Zone but would apply to all property throughout the city.
4. The problems identified above exist because there has been a lack of adequate funding and absence of an overall funding strategy for capital improvements in the water system. Funds now available or scheduled to become available for improvements to the water system are not sufficient to pay for needed improvements.

RECOMMENDATIONS

1. To solve the City's problem in the Rosemont Service Zone the City should construct a 110 foot high, 400,000 gallon spheroid water reservoir on the site reserved and designated for that purpose in the Comprehensive Water System Plan. The immediate neighbors should be consulted to assist in determining the nature of aesthetic improvements to the site. This project would also require completion of a transmission main between the Horton pump station and the new reservoir and modifications to the Horton pump station. This reservoir and these improvements will solve the City's problem in the Rosemont Service Zone.
2. The City should rank the priority and budget the cost of current and expected needs for capital improvements in the water system as follows:

	<u>Project</u>	<u>Cost</u>
Priority I		
	Rosemont Reservoir	\$788,000
	Transmission Main (Rosemont Reservoir)	138,000
	Horton Pump Modifications (Rosemont Reservoir)	66,000
	Site Improvements	

	(Rosemont Reservoir)	<u>70,000</u>
Total		\$1,062,000

Priority II

	Willamette Falls Transmission Main	\$723,000
	Marylhurst Tower Demolition	17,000
	Horton II Reservoir Land Acquisition	<u>23,000</u>
Total		\$763,000

Priority III

	Total All Other Improvements Identified in Comprehensive Water System Plan	<u>\$3,600,000</u>
Grand Total		\$5,425,000

3. Priority I projects should be accomplished by the end of the 1988 construction season.
4. Priority II projects should be accomplished within 2 to 5 years from now. 1988 FY TO 1992 FY
5. Priority III projects should be accomplished as needs and means arise during the next 12 years. 1988 TO 2000
6. The Marylhurst Reservoir should be demolished as soon as financially feasible after completion of Priority I projects. Marylhurst Reservoir must not be demolished until Priority I projects are completed.
7. The City should establish and maintain a Capital Improvements Plan for the water system based on this report and the Comprehensive Water System Plan. The Capital Improvements Plan should be updated periodically and used by the City to plan and budget for needed improvements in the water system.
8. The City Water Fund should be financially self-sustaining. The City's goal should be to fund its water needs, including operations, maintenance and capital improvement, on a "pay-as-you-go" basis through user fees, incidentally supplemented by system development fees, developer-provided improvements and other resources. Once in place, this funding method would preclude the specter of urgent

problems, such as the City's problem in the Rosemont Service Zone, lacking the money needed for solution and would eliminate reliance upon uncertain and more expensive methods of funding, such as bonds and property tax levies.

9. The City should immediately increase water use fees as follows:
 - a. increase the excess water usage rate by \$.30 per 100 cubic feet for use over the first 500 cubic feet per month;
 - b. increase the water meter/EDU charge by \$3.50 per month.

The Task Force estimates that these changes will establish a solid base for a self-sustaining "pay-as-you-go" plan. Please refer to Exhibit "B-1b" of Attachment 3 for the estimated revenue impact.

10. Due to the urgency of the City's problem in the Rosemont Service Zone, Priority I improvements should be funded immediately by issuance of an \$850,000 general obligation bond, to be paid from water use fees, and by dedication of \$212,000 from system development fees. The City should seek voter approval of the bond measure as soon as possible after increasing water fees as described in Recommendation 9, but in no event later than necessary to begin construction in the Spring of 1988. No further increase in water fees will be needed to pay for the bond.

The chart in Exhibit C of Attachment 3 shows how the bond complements the "pay-as-you-go" plan and helps fund all needed improvements in a timely fashion.

11. In presenting the bond issue to the voters the City Council should stress the following advantages. Improvements funded by bond approval will:
 - a. Preserve the City's ISO fire insurance rating.
 - b. Enhance fire protection.
 - c. Help implement the "pay-as-you-go" plan.
 - d. Accelerate needed capital improvements in an orderly manner throughout the water system.
 - e. Not affect property taxes.
 - f. Not require an additional increase in water rates.

METHODS

The Task Force met every Tuesday night beginning May 5, 1987. The early meetings were devoted to gathering information on historical, engineering, safety, legal, land use, insurance and liability issues related to the water system. The Task Force sought first to ascertain what problems exist in the water system, then to find the best solutions to those problems and finally to select the most appropriate method of funding the cost of the solutions.

The Task Force requested and reviewed a large number of documents related to the above issues. Among these documents were fact sheets prepared by Murray, Smith & Associates specifically for the Task Force, past correspondence dealing with the issues, pressure reading reports from the Rosemont Service Zone and special reports prepared for the Task Force by the City's Fire, Public Works and Finance departments.

The Task Force also discussed the above issues with: Hal Murray of Murray, Smith & Associates; Phil Smith of Murray, Smith & Associates (Mr. Smith attended all Task Force meetings); Jack Hammond, City Attorney; Willie Gin, City Finance Director; Earl Reed, City Public Works Director; Dennis Koellermeier, City Operations Manager; John Buol, City Administrator; Kathy Lairson, Mayor; and Susan Oman, Landscape Architect.

The Task Force tried to explore all possible options with each issue. Most discussion centered on alternatives to solving the City's problem in the Rosemont Service Zone and possible funding mechanisms for the entire water system.

In particular the Task Force examined many possible solutions to the City's problem in the Rosemont Service Zone. After exploring many options the Task Force concluded that there are two alternatives worth serious consideration. One is described in Recommendation 1 above; the other is to significantly enhance the Horton pumping station to provide the necessary volume and pressure. The costs of the two options are essentially equivalent. By a vote of 5 to 2 (with one abstention and some members absent) the Task Force endorsed Recommendation 1. The primary reasons for adopting this option are that the reservoir (a) will provide a more reliable system than an enhanced pumping station and (b) is consistent with the City's plans and past actions for solving the problem. The majority of the Task Force decided that the possibility of a failure in an enhanced pumping station, which would abruptly shut off water to the Rosemont Service Zone, is a risk the City should not and need not take. They also believed that the fact that the City has planned and already secured a site for a reservoir was relevant to the decision.

Upon request, more details about information gathered and alternatives considered but rejected can be provided.

The Task Force urges the City Council and residents to act promptly and decisively to address the needs of the water system.

SIGNATURES

The following signatures are of Task Force members who have read this report. By signing this report the members agree that it is an accurate representation of the Task Force's conclusions, recommendations and methods. Signing this report does not represent a member's personal agreement with each and every conclusion and recommendation.

Tom L Kelly

Candice L. Foster

Peggy Keenjian

Abreu

Robert L. Lescane

Daniel W. Fowler

Jacqueline Nelson

Earl Reed

Chad Taylor

Quinn