

Lowell City Council
Regular Meeting
Tuesday, January 2, 2024 at 7:00 pm

Executive Session at 6:00 pm

Lowell Rural Fire Protection District Fire Station 1
389 N. Pioneer Street, Lowell, OR 97452

Members of the public may provide comment or testimony through the following:

- Joining in person or by phone, tablet, or personal computer. For details, click on the event at <www.ci.lowell.or.us>.
 - Mailing written comments to PO Box 490, Lowell, OR 97452 or delivering in person at Lowell City Hall located at 70 N. Pioneer St.
 - By email to admin@ci.lowell.or.us.
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Executive Session Agenda – 6:00 pm (estimated 50 minutes)

Executive Sessions are closed to the public. Representatives of the news media and designated staff may attend Executive Sessions. Representatives of the news media are specifically directed not to report on any of the deliberations during the Executive Session, except to state the general subject of the session as previously announced. No decision will be made in this executive session.

Call to Order/Roll Call

Councilors: Mayor Bennett ___ Harris ___ Stratis ___ Weathers ___ Murray___

Executive Session:

The executive session is being held pursuant to ORS 192.660(2)(h), to consult with counsel concerning the legal rights and duties of the city with regard to current litigation or litigation likely to be filed.

Adjourn the executive session. Regular meeting to follow.

The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or other accommodations for persons with disabilities must be made at least 48 hours before the meeting to City Clerk Sam Dragt at 541-937-2157.

City Council Meeting Agenda

Regular Meeting Agenda

Call to Order/Roll Call/Pledge of Allegiance

Councilors: Mayor Bennett ___ Harris ___ Stratis ___ Weathers ___ Murray ___

Approval of Agenda

Consent Agenda

Council members may request an item be removed from the Consent Agenda to be discussed as the first business item of the meeting.

Public Comments

Speakers will be limited to three (3) minutes. The Council may ask questions but will not engage in discussion or make decisions based on public comment at this time. The Mayor may direct the City Administrator to follow up on comments received. When called, please state your name and address for the record.

Direct all comments to the Council through the Mayor. All speakers are expected to be polite, courteous, and respectful when making their comments. Personal attacks, insults, profanity, and inflammatory comments will not be permitted.

Council Comments (three minutes per speaker)

Staff Reports

New Business

1. Motion to approve a "Retention Bonus Agreement" with Max Baker in the amount of \$15,000 and to authorize the City Administrator to sign. --- Discussion/ Possible action
2. Motion to appoint City Administrator pro tempore during City Administrator Caudle's scheduled vacation from January 5, 2024 to January 10, 2024. - Discussion/ Possible action

Recommended motion: "I move to appoint Mayor Bennett to serve as City Administrator pro tempore from January 5, 2024 to January 10, 2024."

City Council Meeting Agenda

3. Discussion of draft letter prepared by Representative Jami Cate requesting that Governor Kotek “advocate for a modification to Judge Hernandez’s 2021 injunction.” – Discussion/ Possible action
At this time, the City Council may approve a motion agreeing to sign on to the letter and authorize the city’s logo to signify approval.
4. Motion to approve a “Safe Drinking Water Revolving Loan Fund Letter of Interest” and to authorize the City Administrator to sign and submit the “Letter of Interest.” – Discussion/ Possible action
5. Motion to approve a “One Stop’ Financing Meetings Information Request” form and to authorize the City Administrator to sign and submit the form. – Discussion/ Possible action

Other Business

Mayor Comments

Community Comments: Limited to two (2) minutes if prior to 9:30 P.M.

Adjourn the Regular Meeting.

Agenda Item Sheet

City of Lowell City Council



Type of item:	Contract
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Item title/recommended action:

Motion to approve a "Retention Bonus Agreement" with Max Baker in the amount of \$15,000 and to authorize the City Administrator to sign. --- Discussion/ Possible action

Justification or background:

This is a "Retention Bonus Agreement" that is intended to incentivize Public Works Director Max Baker's continued employment with the city. To that end, the "Agreement" provides a \$15,000 retention bonus paid in a lump sum. In exchange, Baker agrees to remain employed with the city for a minimum of 18 months. If Baker voluntarily resigns or is terminated for cause during this 18 month period, then the bonus must be repaid on a pro-rata basis.

This retention bonus is justified on the basis that Baker holds the necessary certifications for direct responsible charge designation (DRC) for the water, wastewater, and wastewater collections utilities. DRC designation is a requirement in Oregon for any utility system. If Baker left his employment with the city, then it would be necessary for the city to contract with a firm that provides utility supervision services until a suitable replacement could be found. It is to the city's advantage to retain a highly qualified, certified, and experienced employee such as Baker.

Staff do not believe that that paying the bonus will cause an excess of expenditures over budgeted amounts for the month of January. However, a line-item budget transfer will be required at a future meeting to cover the costs of the retention bonus agreement and prevent an excess of expenditures over budgeted amounts at fiscal year-end.

Budget impact:

Lump sum bonus payment of \$15,000

Agenda Item Sheet
City of Lowell City Council



Type of item:	Contract
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Department or Council sponsor:

Public Works

Attachments:

Retention agreement

Meeting date:	01/02/2024
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RETENTION BONUS AGREEMENT

This agreement (the "Agreement") is made effective as of January 2, 2024, between the City of Lowell (the "City") and Max Baker (the "Employee").

1. BACKGROUND

The City desires to retain the services of the Employee and to ensure his continued improvement. To that end, the City wishes to provide an incentive to the Employee to remain in the employment of the City by providing a retention bonus.

2. RETENTION BONUS

The City agrees to pay the Employee a one-time lump sum bonus, referred to as the "Retention Bonus," equal to \$15,000. The Retention Bonus will be subject to all applicable taxes and withholdings and will be paid on the second pay date in January 2024.

3. REPAYMENT CLAUSE

In consideration of the Retention Bonus, the Employee agrees to repay a pro-rated amount of the Retention Bonus if he voluntarily resigns or is terminated for cause within the clawback period of 18 months, which ends on July 2, 2025 (18 months from January 2, 2024). The pro-ration will be based on the portion of the clawback period remaining at the time of separation, calculated as follows: (Number of days remaining in clawback period ÷ 547 total days in clawback period) × Retention Bonus.

4. REPAYMENT TIMELINE

If the Employee resigns or is terminated for cause within the clawback period, the Employee agrees to repay the pro-rated amount of the Retention Bonus within 30 days of the termination date. The Employee further agrees to authorize the City to withhold the agreed-upon repayment amount from his final paycheck.

5. NON-TRANSFERABILITY

The Retention Bonus is non-transferable and may not be assigned or transferred by the Employee to any other person or entity.

6. ENTIRE AGREEMENT

This Agreement represents the entire understanding and agreement between the City and the Employee concerning the Retention Bonus and supersedes all previous negotiations, understandings, and agreements, whether written or oral, between the parties.

7. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon.

By signing below, the Employee and City acknowledge having read, understood, and agreed to the terms and conditions of this Retention Bonus Agreement.

For the City:

Employee:

Signed: _____

Signed: _____

Jeremy Caudle
City Administrator

Max Baker

Date: _____

Date: _____

Agenda Item Sheet

City of Lowell City Council

Type of item:	Personnel
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Item title/recommended action:

Motion to appoint City Administrator pro tempore during City Administrator Caudle's scheduled vacation from January 5, 2024 to January 10, 2024. – Discussion/ Possible action
Recommended motion: "I move to appoint Mayor Bennett to serve as City Administrator pro tempore from January 5, 2024 to January 10, 2024."

Justification or background:

L.R.C. Sec. 2.040 states: "When the administrator is absent from the City or disabled from action as administrator, or when the office of administrator is vacant, the Council shall appoint an administrator pro tem who has the powers and duties of administrator, except that the administrator pro tem may appoint and remove employees only with Council approval." The City Administrator will be absent from the city from 1/5/24 to 1/10/24 and will be back in the office on 1/11/24. The City Administrator has asked Mayor Bennett to serve as City Administrator pro tempore, and Mayor Bennett has agreed. Staff recommend Mayor Bennett's appointment as City Administrator pro tempore.

Budget impact:

N/A

Department or Council sponsor:

Administration

Attachments:

N/A

Meeting date:	01/02/2024
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Agenda Item Sheet
City of Lowell City Council



Type of item:	Discussion
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Item title/recommended action:

Discussion of draft letter prepared by Representative Jami Cate requesting that Governor Kotek "advocate for a modification to Judge Hernandez's 2021 injunction." – Discussion/
Possible action
At this time, the City Council may approve a motion agreeing to sign on to the letter and authorize the city's logo to signify approval.

Justification or background:

This item is placed on the Council's agenda based on the request from a member of the Council. Representative Jami Cate's (District 11 - Lebanon) office contacted staff with a request to sign on to a letter to Governor Kotek. The letter asks Governor Kotek to: "[provide] assistance in mitigating damages and fostering a more equitable and community inclusive approach to managing our dams. We urge you to not only advocate for the allocation of \$[to be filled in] million* in emergency funding to cover the incurred costs communities have sustained (and will sustain) due to the turbid waters, but also to advocate for a modification to Judge Hernandez's 2021 injunction to require a balanced approach of priorities and representation for our communities during future management decisions of our dams."

Staff request City Council input on if the City Council wishes to sign on to this letter. This means providing the city logo to Rep. Cate's office for inclusion on the letter to signify the city's approval of the letter's message. The deadline for signing on is 1/3/24 at 9:00 am.

Agenda Item Sheet
City of Lowell City Council



Type of item:	Discussion
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Budget impact:

N/A

Department or Council sponsor:

City Council

Attachments:

Draft letter to Governor Kotek prepared by Rep. Jami Cate's office
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Meeting date:	01/02/2024
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3 January 2023

The Honorable
Governor Tina Kotek
254 State Capitol
Salem, OR 97301

Subject: State has responsibility in devastating deep drawdowns at Willamette Basin Dams

Governor Kotek,

We sincerely appreciate you taking the time to express your concerns to the U.S. Army Corps of Engineers over the water quality and fish kills many of our communities are experiencing. Clean water is a resource our state prides itself on protecting, and your advocacy embodies that commitment. We are writing, however, to bring to your attention the critical role one of your agencies played in the rise of these concerns and the conditions we are now facing: violations of communities' right to clean water, a looming threat for many more communities' water, and millions of dollars in costs to communities as a direct result of the state's advocacy.

Though it is easy to regard this as a Federal issue and think an agency like the Corps is thus responsible, the State's overwhelming support of plaintiffs seeking to improve salmonid populations in the Upper Willamette River under the Endangered Species Act cannot be ignored. Despite the Corps and other defendants' staunch opposition to plaintiffs' proposed remedies due to fears of far-reaching negative impacts including to human health and safety, ODFW was resolute in their support of the remedies. The State's testimony was critical in U.S. District Judge Marco A. Hernandez filing the injunction in 2021 which forced the Corps to conduct drawdowns of Willamette Basin dams—including the devastating deep drawdowns at Green Peter Dam and Lookout Point Dam. ODFW's overwhelming support for plaintiffs and utter dismissal of the Corps' concerns can be summed up in one quote from their reply brief:

“Nothing in the Federal Defendants' response brief or declarations has shaken [ODFW]'s support for remedies proposed by plaintiffs. To the contrary, the Federal Defendants' response underscores the need for the Court to enter the proposed remedies...”

When the Corps raised concern these measures would force them to violate state standards in water quality and that the state would need to alter our standards for remedies to be in compliance, ODFW denied any change to standards was necessary and argued that the Corps was “over simplifying” the situation. The agency went even further in their advocacy, assuring the Court that these drawdowns would in fact *improve* water quality, and that “the potential for conflicts have been considered and addressed.” Yet no provisions were included in the remedies to mitigate the negative impacts on anything but Chinook Salmon.

We understand you were not Governor at the time this injunction was ordered, but that doesn't diminish the State's obligation in the problems occurring today due to ODFW's role in that trial.

Oregon has a responsibility to balance the priorities of our state and ensure the protection of our communities, waters, and our ecosystems as a whole—not just a single part. In failing to do so, the State paved the way for the Corps' and other Defendants' fears of negative impacts—to water quality, to neighboring communities' water supply, to other species sharing our water ways, to agriculture's irrigation abilities, and to economies who rely on recreational tourism—to become the reality for our region, proving those concerns were not the mere “deflections” ODFW dismissed them as being. The State demonstrated a unilateral priority of one salmonid species—regarding as irrelevant anything that didn't have direct impact to that species, including human health and safety, the thousands of Kokanee Salmon in Foster Reservoir, and the economic losses in the communities surrounding these waterways.

ODFW failed to give adequate consideration to the warned far-reaching and truly devastating impacts on the priorities of our state beyond a single species. As such, we need for you and your agencies to champion the balanced solutions Oregon deserves, and prioritize mitigating the harm inflicted to our rural communities because of these orders.

The injunction resulted in concerning drawdowns at many of the 13 dams in the Willamette River Basin, but the epicenter of the fallout is truly the deep drawdowns at Green Peter Dam and Lookout Point Dam. The communities of Lebanon and Sweet Home have experienced raw water turbidity levels as high as 350 NTU (nephelometric turbidity units), far surpassing the usual wintertime average of 15 NTU, and even the storm-event spikes of 50 NTU. Water treatment plants for communities were planned according to historic NTU levels our waterways may experience, and have caused plants to be grossly inadequate to process these incredible turbidities without added costs, increased chemical usage, and prematurely depleting their membrane longevity. The long-term impacts on the treatment plants are still being assessed, but replacement of the membranes alone will cost these cities several million dollars, and the necessary pre-treatment installations will cost many more millions—which communities cannot afford.

There are some who think that the consequences of these drawdowns will not persist beyond the winter months—as the Corps has already begun refilling the reservoirs; but there are serious concerns that the reservoirs will not be restored to previous levels by spring and summer. Lower pool levels will reduce summer flows in our rivers and heighten the risk of wells running dry, exacerbating water scarcity, and impacting local communities as well as irrigation districts. These impacts have already started just outside Lowell near Dexter Reservoir, and are likely to spread to other communities as we proceed into summer months. The reduced reservoir capacity also threatens economic stability as communities face losses in recreation and tourism, leading to further declines in revenue and employment opportunities, such has already been reported for many businesses in Sweet Home.

Looking ahead to future years, even downstream communities like Salem face an imminent threat to their water supply if the deep drawdown orders are expanded. Salem and communities upstream toward Detroit Dam rely on the North Santiam for their water supply, and their treatment systems are ill-prepared to endure anywhere close to the turbidity levels that have been seen in the South Santiam and the Willamette's Middle Fork. The long-term consequences extend beyond the immediate challenges some communities are enduring, as the cumulative

impact may strain municipal resources throughout the river basin, necessitate costly infrastructure adjustments, and adversely affect the overall well-being our communities—especially disrupting the wildfire recovery efforts in the Santiam Canyon as it sustains the incredible losses of recreation tourism (estimated at up to \$11M per year) which it has relied on for decades.

It is imperative that the State of Oregon takes a stand in mitigating the fallout from decisions it so strongly advocated for, but also to show Oregonians that there are no double standards between the expectations of government entities and private entities when it comes to the protections of our natural resources. When a privately owned and managed dam in Douglas County needed to conduct a drawdown for repairs, and the negative impacts and fish kills were more than engineering firms anticipated, ODFW took action to hold them accountable filing a \$27.6 million claim against the Winchester Water Control District (WWCD) on the basis that the losses were “significant and preventable”. Yet when the managing entity of the Willamette River Basin dams (the Corps) objected to mandated drawdowns due to the overwhelming risk of negative impacts, the State chose the opposite course of action: advocating for the remedies which have resulted in, likewise, significant and preventable losses—including an unfathomable amount of dead Kokanee in Foster Reservoir. The entities who advocated for those remedies should be held accountable for the losses incurred, no differently than what ODFW did with WWCD—which should include the State of Oregon.

As a result of the widespread negative environmental and economic consequences stemming from the deep drawdowns at Green Peter and Lookout Point Dams, we respectfully request your assistance in mitigating damages and fostering a more equitable and community-inclusive approach to managing our dams. We urge you to not only advocate for the allocation of \$XX million* in emergency funding to cover the incurred costs communities have sustained (and will sustain) due to the turbid waters, but also to advocate for a modification to Judge Hernandez’s 2021 injunction to require a balanced approach of priorities and representation for our communities during future management decisions of our dams. Letting our rural communities have more of a say in the management of our own resources will ease many of the tensions that continue to fuel the urban and rural divide our state faces, while also leading to more balanced decisions that weigh water, fish life, and the economic impacts nearby localities will sustain.

Respectfully,

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Agenda Item Sheet
City of Lowell City Council



Type of item:	Other
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Item title/recommended action:

Motion to approve a "Safe Drinking Water Revolving Loan Fund Letter of Interest" and to authorize the City Administrator to sign and submit the "Letter of Interest." – Discussion/
Possible action

Justification or background:

On 12/5/23, staff met with Business Oregon and USDA representatives to discuss the "one-stop" meeting process for the water treatment plant expansion. During the "one-stop" meeting, representatives of these agencies present a variety of financing options based on the needs outlined in letters of interests. During the 12/5/23 meeting, these representatives suggested that the city evaluate funding from the "Safe Drinking Water Revolving Loan Fund" (SDWRLF). This letter of interest authorizes Business Oregon to start preparing financing options for the water treatment plant expansion through SDWRLF financing. Submitting the letter does not obligate the city to continue with financing through this program.

The Business Oregon and USDA representative advised the city to submit information for the total water infrastructure needs. This way, the city can have a total picture of financing options. From this total picture, the city can pick and choose what projects it wishes to pursue and which it is going to defer. To that end, the letter of interest lists the entire water system capital improvements program, as listed in the master plan. Again, the letter does not obligate the city to fund the entire \$11.990 million program.

The deadline for submitting the letter is January 15, 2024. City Council approval of the letter is required.

Agenda Item Sheet
City of Lowell City Council



Type of item:	Discussion
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Budget impact:
To be determined

Department or Council sponsor:
Public Works

Attachments:
Safe Drinking Water Revolving Loan Fund Letter of Interest

Meeting date:	01/02/2024
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Date Received:
SD#:
Portfol Number:

Safe Drinking Water Revolving Loan Fund Letter of Interest

Note: Submit completed Letter of Interest to LOI.DW@biz.oregon.gov

Annual submittal deadline is January 15th. Contact your Business Oregon Regional Development Officer if you have questions about the form. Contact information can be found at [Contact Us page](#).

Section I A: Basic Information

Water System Name	Public Water System ID #
Address	County Served
Office Phone	Organization Type

Section I B: Contacts

Main Contact	Secondary Contact
Name	Name
Title	Title
Email	Email
Phone	Phone

Section I C: Project Overview

Project Title (Give your project a short but descriptive title.)

Describe the drinking water quality or other concern that the project would address.

Note: If applicable, please attach or reference documentation that supports any public health risk or compliance issue.

Section I D: Project Details

Project Description (Attach Additional Pages if Necessary)

Note: Provide a brief, but specific project description. Identify each project element to be constructed/replaced/rehabilitated and include a brief description of how the project would address the problem or concern identified above.

Activity

Estimated
Start Date

Estimated
Completion Date

Estimated First Cash Reimbursement Request Date

Estimated Project Completion Date

Section I E: Summary of User rates and Population Served

A. Population. Identify the permanent population that would be served by the project:

Note: Permanent = more than six months per year.

B. User Rates. Identify the current monthly residential user rate charged for 7,500 gallons of water usage per month:

Note: Use 7,500 gallons per month (~10 units) as the average amount of water use for residential user rate calculation.

Section I F: Project Budget

Budget Line Item	SDWRLF Funds	Other BizOR Funds	Non-BizOR Funds	Total
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Planning
 Design / Engineering (20% Max*)
 Construction
 Construction Contingency (10% Max**)
 Labor Standards (\$15,000 Max)
 Environmental Review
 Project Management (\$15,000 Max)
 Legal Fees
 Cultural Resource Report(s) and Monitoring
 Permitting and Regulatory Fees

Total Project Costs

Note:
 * Design/Engineering may not exceed 20% of Construction and Construction Contingency total.
 ** Construction Contingency may not exceed 10% of Construction costs unless justification is provided. Justification is subject to approval by the Department.

A 1.5% origination fee will be charged for those communities with a median household income above the state average. The borrower may choose to finance the fee amount.

Prepared By:

Name	Title
Organization	Date

Section I G: Federal Reporting - SDWRLF Funds

For federal reporting purposes, Business Oregon is required to identify the federal project categories implemented with SDWRLF Funds. Identify the percentage of the SDWRLF budget that would be allocated for the following project categories.

Treatment	%	Purchase of System	%
Transmission & Distribution	%	Restructuring	%
Source	%	Land Acquisition	%
Storage	%	Other:	%
Total	%		

Section I G: Financing Sources

Source of Funds	Amount	Status
SDWRLF		
Applicant Funds		
Total		

Section I H: Loan Repayment

Check all source(s) of funds intended to be used in meeting loan repayment obligations.

- | | |
|-----------------|-----------------------------------|
| Water Use Fees | Voter-approved General Obligation |
| Connection Fees | Reserves |
| Other | |

Section II: Compliance

If your project addresses a Safe Drinking Water Act compliance issue, please identify and describe:

For Example: Arsenic, Nitrate, Microbiological, etc.

Note: If applicable, please attach or reference documentation that supports the public health risk or compliance issue.

Section III: Additional Project Information

- A. Is the project consistent with the local acknowledged comprehensive plan? Yes No
- B. Is the project listed on any local county-wide or regional plan (e.g., adopted capital improvement plan, master plan, facility study, or local inventory of planned projects)?
Yes No
- C. Has any project application or coordination been submitted to your local city or county community development review department, engineering and/or local permit center related to this specific project?
If yes, list name(s) and contact information: Yes No

D. Has a licensed engineer certified in a master plan or other technical report (e.g. feasibility study) that the project is feasible and cost effective?

Yes No

If yes, date of plan or report:

E. Is the project consistent with the existing master plan (for 300 or more connections) or feasibility study (less than 300 connections)?

Yes No

If no, an updated plan or study will be required prior to construction and may be included in the project scope and budget. Will an updated master plan or feasibility study be completed as part of this project?

Yes No

F. Has a licensed engineer aided you in project development and the completion of this LOI?

If yes, list name and contact information: Yes No

Engineer Name:

Phone:

Firm:

Email:

G. For construction projects, has the governing body of the water system conducted a public meeting (council or board meeting, public hearing, workshop, etc.) to identify and discuss the proposed project, including such items as the nature and need for the project, starting date, financing requirements that may involve taking on debt and raising rates, and consistency with the local comprehensive land use plan?

Yes No

If yes, type of public meeting:

Date of public meeting:

If no, when will a public meeting be held?

H. Does the water system either own, or have a permanent easement or right of way, for all properties on which the improvements will take place?

Yes No

If no, explain:

I. Does the water system have a meter(s) at the water supply source(s)?

Yes No

If no, explain:

J. Does the water system require meter installation on all service connections?

Yes No

K. Does the water system have meters installed on all service connections?

Yes No

If no, percent not metered: %

If no, explain:

L. Does the water system have an operations program to read and maintain the required source and service connection meter(s)?

If no, explain Yes No

M. Does the water system bill its customers based on water usage? Yes No

If no, explain:

N. Is this project the result of a study funded through the Sustainable Infrastructure Planning Projects (SIPP) program?

Yes No

If yes, describe how the SIPP program benefited the water system.

Section IV: Certification

Yes, I certify that, to the best of my knowledge, all information contained in this pre-application and Letter of Interest is valid and accurate. By typing my name below, I certify that I am a designated or authorized signatory for the city, county or water system entity.

Authorized Signatory Title

County/Jurisdiction: Date:

Agenda Item Sheet
City of Lowell City Council



Type of item:	Other
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Item title/recommended action:

Motion to approve a "'One Stop' Financing Meetings Information Request" form and to authorize the City Administrator to sign and submit the form. – Discussion/ Possible action

Justification or background:

On 12/5/23, staff met with Business Oregon and USDA representatives to discuss the "one-stop" meeting process for the water treatment plant expansion. The first step in scheduling the meeting is to submit an information request letter, a draft of which is included after this agenda sheet. This letter of interest authorizes Business Oregon to start preparing financing options for the water treatment plant expansion. Submitting the letter does not obligate the city to continue with financing through this program.

The Business Oregon and USDA representative advised the city to submit information for the total water infrastructure needs. This way, the city can have a total picture of financing options. From this total picture, the city can pick and choose what projects it wishes to pursue and which it is going to defer. To that end, the information request form lists the entire water system capital improvements program, as listed in the master plan. Again, the form does not obligate the city to fund the entire \$11.990 million program.

Staff request City Council approval of the form prior to its submission to Business Oregon.

Agenda Item Sheet
City of Lowell City Council



Type of item:	Other
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Budget impact:
To be determined

Department or Council sponsor:
Public Works

Attachments:
Safe Drinking Water Revolving Loan Fund Letter of Interest

Meeting date:	01/02/2024
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“One-Stop” Financing Meetings Information Request

Please use Section F3 to complete your response if additional space is required in any response field.

A. Applicant Information (Provided by Regional Development Officer)

1) Applicant

Note: Who will apply for federal and/or state assistance (city, county, water or sewer district, port, et cetera), and who will be the project manager/contact for the applicant?

City of Lowell. Contact: City Administrator Jeremy Caudle

2) One Stop Attendees & Contact Info Note: Who will attend the One Stop Meeting on behalf of the applicant (name, title & email address)?

Jeremy Caudle, City Administrator - jcaudle@ci.lowell.or.us
Matt Waddlinton, City Engineer, Civil West Engineering - mwaddlington@civilwest.net
Max Baker, Public Works Director - mbaker@ci.lowell.or.us
Dan Vaage, Project Manager, Civil West Engineering - Dvaage@civilwest.net

3) Population

Note: (Based on latest census data.) This should be the population that will be benefited by this project; may not be the entire population of the city / county.

1,196

4) Median Household Income

\$ 64,135.00

5) Low / Moderate Income

Note: The percentage (%) of Low / Moderate Income households in the area.

36.70

6) IFA Affordability Rate

Based on ACS data (MHI X 1.25% ÷ 12)

\$ 66.81

B. Project Background (Provided by Applicant)

1) Name of Project

Note: location and description (e.g., Coburg Sewer System Improvements)

City of Lowell - Water System Improvements Project

2) Type of Project

Note: water system, sewer system, roads, port facility, et cetera. The development, extension, or improvements of a water or sewer system or treatment facilities or roadways or port facility, et cetera.

Water system

3) Compliance Issue

Note: yes or no (If "yes", identify specific compliance issue(s) and what documentation exists from DEQ or Oregon Health Services – Drinking Water Program)

No

4) Estimated Project Start Date

6/1/2024

5) Project Description

Note: Brief statement of problem or need and the proposed solution

The City of Lowell grapples with a water production challenge, as the Water Treatment Plant (WTP) faces restricted capacity. This leads to the additional problem of turbidity spikes when the flow rate surpasses limits. Current storage capacity stands at 845,000 gallons, yet projections for 2021 through 2045 indicate needs of 1.0 and 1.2 million gallons, respectively, leaving the city ill-equipped for equalization, fire flows, and emergencies. Anticipated residential growth necessitates additional high-elevation pressure zones, while the distribution system, featuring varied mains and aging 6" AC pipes, poses concerns about potential leakage. The Water System Improvement Project offers a comprehensive solution, encompassing a new WTP, a 0.8 MG reservoir for the upper pressure zone, installation of hydrants to address coverage gaps, replacement of all AC pipes with HDPE, and the establishment of a seismically resilient HDPE "backbone" within the distribution system, ensuring a robust and sustainable water infrastructure for the City of Lowell.

C. Financial Information

1) Estimated Cost of Project

Note: Identify by budget activity all costs to complete the project; construction, contingencies, engineering, administration, permits, inspection, legal, et cetera. CDBG: If this project is interested in pursuing CDBG, please remember the CDBG program can only fund design **OR** construction (capture totals for final design & construction in table below). Provide details of final design & engineering cost break down on a separate sheet (attach).

Budget Line Item	Total
Engineering /Architecture	\$ 2,300,000.00
Construction	\$ 8,700,000.00
Construction Contingency	\$ 870,000.00
Land Acquisition	\$ 0.00
Legal	\$ 5,000.00
Construction Management	\$ 15,000.00
Other (Specify)	\$ 100,000.00
Other (Specify)	\$ 0.00
Totals	\$ 11,990,000.00

2) Local Contribution

Note: Identify amounts, source of funds & if loan or grant.

Possible up to \$428,003 - total balance of water system development charge fund

3) Assistance Requested

Note: Identify the amount of financial assistance requested from state / federal agencies.

\$11,990,000

4) Source of Local Loan Repayment

Note: Identify source of local funds. E.g. User rates, property taxes, et.

User rates

5) Debt Service

Note: Identify any existing loans and the annual debt service for the system being improved.

\$42,636 (annual \$5,218) - J05001, 2029 maturity; \$779,703 (annual \$17,938) - RUS 91-03, 2052 maturity; \$170,101 (annual \$7,811) - L21001, 2040 maturity

D. Water Projects Only

1) Number of Connections and Annual Flow Data

Note: Annual consumption specify gallons or cubic feet.

User Class	Number of Connections	Annual Consumption Gallons
Residential	475.00	29,429,435.00
Commercial	32.00	6,421,168.00
Industrial	3.00	35,990.00
Other		
Total	510.00	35,886,593.00

E. Sewer Projects Only

1) Number of Connections and Annual Flow Data

Note: Annual consumption specify gallons or cubic feet.

For **sewer** projects, provide average monthly winter (Nov - Feb) consumption data for Residential and list everything else under other.

User Class	Number of Connections	Annual Consumption
Residential		
Other		
Total	0.00	0.00

F. Water/Sewer System

1) Current Monthly Residential User Rate charged for 7,500 Gallons of Water Usage per Month (Sewer projects: Use monthly residential sewer user rates)

\$ 92.63

2) Local Property Taxes applied to system budget (if any)

\$ 0.00

3) Current and Projected Annual Operation, Maintenance & Replacement (OM&R) Expenses. Note: Current expenses can usually be found in the annual audit. Projected expenses can usually be found in the Master Plan/ Facility Plan / Feasibility Study, but may need to be updated if Plans are older than two years.

Expenses	Current Annual	Projected Annual
Operation & Maintenance	\$ 422,834.00	\$ 494,665.00
Replacement	\$ 61,043.00	\$ 316,420.00
Total	\$ 483,877.00	\$ 811,085.00

G. Job Creation / Retention (if applicable)

1) Business Commitment

Note: Is there a "firm business commitment" to create /retain jobs? If yes, provide company name(s) and estimated number of jobs created / retained.

N/A

H. Additional Information

(If more room is needed please attach supplemental form)

1) Please provide any additional project or community information and/or comments that you feel adds value to the consideration of this project.

The \$11.990 million is the entire water master plan CIP. The city is interested in evaluating the one-stop options for the entire plan. The highest CIP priorities (complete within next 10 years) total \$4,775,610. After the one-stop, the city may pick and choose which projects to complete.

2) Identify any questions or concerns you would like to have addressed.

N/A

3) Continued information from any response field above. Please specify section letter and number.

Section C.1. "Other" costs include: labor standards (\$15,000), environmental review (\$30,000), cultural resource reports (\$25,000), permitting fees (\$30,000). Section F.2. Projected "replacement" includes one-time \$306,420 expense of upgrades that are grant funded, with the grants already received. "Projected annual" is FY 23/24 budget with some adjustments. "Current annual" is audited FY 22/23 actual expenses.