

AGENDA

REGULAR CITY COUNCIL MEETING

July 25, 2011

5:30 p.m.

CITY HALL COUNCIL CHAMBER
313 COURT STREET
THE DALLES, OREGON

1. CALL TO ORDER
2. ROLL CALL OF COUNCIL
3. PLEDGE OF ALLEGIANCE
4. APPROVAL OF AGENDA
5. PRESENTATIONS/PROCLAMATIONS
 - A. Americans With Disabilities Day Proclamation
 - B. Presentation by ODOT Regarding Interstate 84 Marina Interchange Landscaping Project
 - C. Presentation by The Dalles Business Team Regarding Business Recruitment and Retention
 - D. Update from Economic Development Policy Committee
6. AUDIENCE PARTICIPATION

During this portion of the meeting, anyone may speak on any subject which does not later appear on the agenda. Five minutes per person will be allowed. If a response by the City is requested, the speaker will be referred to the City Manager for further action. The issue may appear on a future meeting agenda for City Council consideration.

7. CITY MANAGER REPORT

CITY OF THE DALLES

"By working together, we will provide services that enhance the vitality of The Dalles"

8. CITY ATTORNEY REPORT

9. CITY COUNCIL REPORTS

10. CONSENT AGENDA

Items of a routine and non-controversial nature are placed on the Consent Agenda to allow the City Council to spend its time and energy on the important items and issues. Any Councilor may request an item be "pulled" from the Consent Agenda and be considered separately. Items pulled from the Consent Agenda will be placed on the Agenda at the end of the "Action Items" section.

A. Approval of July 11, 2011 Regular City Council Meeting Minutes

B. Authorization for City Clerk to Endorse Annual OLCC License Renewals

C. Approval for Outside City Limits Sewer Connection Application

11. PUBLIC HEARINGS

A. Public Hearing to Receive Testimony Regarding an Annexation Request by Gary Honald [**Agenda Staff Report #11-071**]

B. Public Hearing to Receive Testimony Regarding a Proposed Amendment to the Land Use Development Ordinance Regarding Height Requirements in the Central Business Commercial District [**Agenda Staff Report #11-072**]

12. CONTRACT REVIEW BOARD ACTIONS

A. Award Contract for Purchase of Electric Shuttles for The Dalles Dam Tours [**Agenda Staff Report #11-073**]

B. Award Contract for 2011 Sanitary Sewer Slipline Contract [**Agenda Staff Report #11-074**]

13. ACTION ITEMS

A. Approval of Golf Course Memorandum of Understanding [**Agenda Staff Report #11-082**]

B. Approval of a Water System Agreement Between the Columbia Gorge Regional Airport and Dallesport Water District [**Agenda Staff Report #11-076**]

C. Special Ordinance No. 11-542 Vacating a Portion of Terrace Drive and East Terrace Drive Located Adjacent to the Mayfield Property at 513 East Terrace Drive [**Agenda Staff Report #11-077**]

- D. Resolution No. 11-025 Accepting a Deed of Dedication from Stanley G. Mayfield
[Agenda Staff Report #11-078]
- E. General Ordinance No. 11-1313 Amending Land Use Development Ordinance No.
98-1222 [Agenda Staff Report #11-079]

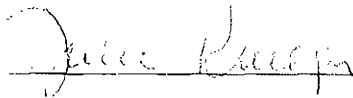
14. DISCUSSION ITEMS

- A. Report Regarding Water Rates and Water Capital Improvement Plan Re-Evaluation
[Agenda Staff Report #11-080]
- B. Discussion Regarding Department Managers Salaries [Agenda Staff Report #11-
081]

15. ADJOURNMENT

This meeting conducted in a handicap accessible room.

Prepared by/
Julie Krueger, MMC
City Clerk

_____

PROCLAMATION

WHEREAS, the Americans with Disabilities Act has helped fulfill the promise of America for millions of individuals living with disabilities and the anniversary of this legislation is an important opportunity to celebrate our progress over the last 20 years; and

WHEREAS, when the legislation was signed, it was noted as a dramatic renewal not only for those with disabilities but for everyone because along with the precious privilege of being an American comes a sacred duty to ensure every American's rights are guaranteed; and

WHEREAS, the Act has far reaching reforms that have played a significant role in enhancing the quality of life for millions of Americans who must overcome considerable challenges each day in order to participate fullin in all aspects of life;

NOW THEREFORE, I, Jim Wilcox, Mayor of the City of The Dalles, Oregon, proclaim July 26, 2011, as a day of celebration of the 21st Anniversary of the Americans With Disabilities Act and call on the citizens of The Dalles to celebrate the contributions of individuals with disabilities as we work toward fulfilling the promise of the ADA to give all citizens the opportunity to live with dignity, work productively and achieve their dreams.

APPROVED AND DATED THIS 25th DAY OF JULY, 2011

SIGNED:

James L. Wilcox, Mayor

ATTEST:

Julie Krueger, MMC, City Clerk






AGENDA STAFF REPORT
CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
July 25, 2011	Consent Agenda 10, A - C	N/A

TO: Honorable Mayor and City Council

FROM: Julie Krueger, MMC, City Clerk 

THRU: Nolan K. Young, City Manager

DATE: July 14, 2011

ISSUE: Approving items on the Consent Agenda and authorizing City staff to sign contract documents.

A. **ITEM:** Approval of July 11, 2011 Regular City Council Meeting Minutes.

BUDGET IMPLICATIONS: None.

SYNOPSIS: The minutes of the July 11, 2011 regular City Council meeting have been prepared and are submitted for review and approval.

RECOMMENDATION: That City Council review and approve the minutes of the July 11, 2011 regular City Council meeting.

B. **ITEM:** Authorization for City Clerk to Endorse Annual OLCC License Renewals.

BUDGET IMPLICATIONS: A fee of \$35.00 is charged for each renewal, and credited to the General Fund.

SYNOPSIS: The list of proposed OLCC license renewals is included. The Police Department has reviewed the list and recommends they be approved for renewal.

RECOMMENDATION: That City Council authorize the City Clerk to endorse the annual OLCC license renewals as submitted.

C. ITEM: Approval for Outside City Limits Sewer Connection Application.

BUDGET IMPLICATIONS: Prior to connection, the applicant would be charged a sewer SDC of \$1,789 to connect to the City system and a “reimbursement fee” of \$1,529.96 as calculated by Tenneson Engineering to Wasco County which funded the original pipeline construction. The applicant can then either pay the City on a time and materials basis for work necessary to make the connection to the public sewer system in the right of way or pay a contractor approved by the City to make the connection. Lastly, the applicant will be charged out of city rates for monthly sanitary sewer services, currently \$71.15 per month.

SYNOPSIS: The City has received a request from Aubrey Russell with a residence located at 4510 Discovery Drive (formerly known as the Taylor House) to connect to the City’s sanitary sewer system. Although the City’s Sewer Ordinance does not specifically require Council authorization to provide sanitary sewer service to properties outside the city limits but staff believes it is prudent to seek authorization before providing the requested service. If allowed, this service would be connected to the sanitary sewer line from the Discovery Center. The pipeline and pumping systems have the capacity to accommodate the request. The slight additional flow from this service should help improve the current low flow hydrogen sulfide problems that exist in this line as long as there is no tankage in the line prior to discharge to the City’s system.

RECOMMENDATION: That City Council approve the request to provide sanitary sewer service to 4510 Discovery Drive.

MINUTES

REGULAR COUNCIL MEETING
OF
JULY 11, 2011
5:30 P.M.
CITY HALL COUNCIL CHAMBER
313 COURT STREET
THE DALLES, OREGON

PRESIDING: Mayor Jim Wilcox

COUNCIL PRESENT: Bill Dick, Carolyn Wood, Dan Spatz, Brian Ahier, Tim McGlothlin

COUNCIL ABSENT: None

STAFF PRESENT: City Manager Nolan Young, City Attorney Gene Parker, City Clerk Julie Krueger, Community Development Director Dan Durow, Senior Planner Dick Gassman, Police Chief Jay Waterbury, Administrative Intern Will Norris, RARE Planner Thomas Gilbertson, Police Detective Sean Lundry

CALL TO ORDER

Mayor Wilcox called the meeting to order at 5:33 p.m.

ROLL CALL

Roll call was conducted by City Clerk Krueger; all Councilors present.

PLEDGE OF ALLEGIANCE

Mayor Wilcox invited the audience to join in the Pledge of Allegiance.

MINUTES (Continued)
Regular Council Meeting
July 11, 2011
Page 2

APPROVAL OF AGENDA

It was moved by Wood and seconded by Spatz to approve the agenda as presented. The motion carried unanimously.

PRESENTATIONS/PROCLAMATIONS

Report from Burn Policy Committee

City Clerk Krueger said she had enjoyed the opportunity to work with the Committee and commended them for their professionalism and dedication. She introduced the members of the Committee. Committee Chair Chris Zukin reviewed the recommendations of the Committee.

Mayor Wilcox thanked the Committee for their service and gave each member a City of The Dalles pin.

Mayor Wilcox asked if the Committee had any expectations regarding changing the seasons for open burning in the event weather did not allow for time to burn during the specified dates. Zukin said flexibility to shift the dates should be included in the language of the ordinance. He said DEQ hoped to be able to provide daily air quality information to the public. Zukin said the dates for the open burn seasons were a general guideline.

It was noted that the Committee hoped the City would provide alternatives to burning prior to implementing the seasonal open burning and barrel ban, including yard debris pick up programs and shredding opportunities. Committee Member Karen Murray said the Tri County Hazardous Waste and Recycling Program had already added a program to their monthly drop off which would allow people to deposit their confidential papers for shredding. She said it was a free service.

Councilor McGlothlin asked who would work with Wasco County regarding the recommendation to extend the burn ban to the urban growth boundary. City Manager Young said it would be his responsibility to work with the partners, assign staff for enforcement and development and implementation of an ordinance.

Committee Member Kathy Heitkemper thanked the City Council for appointing her to the Committee and said it had been a year since she had first approached the Council regarding a burn ban for the City. She said the group had worked well together and although she supported a complete ban, she believed the unanimous recommendations from the Committee were a fair proposal.

MINUTES (Continued)
Regular Council Meeting
July 11, 2011
Page 3

It was moved by Ahier and seconded by Spatz to accept the recommendations of the Burn Policy Committee and direct staff to begin implementation of the recommendations. The motion carried unanimously.

Mayor Wilcox provided some letters and donations to Rae Lynn Ricarte for the Campaign of One to support soldiers.

Wilcox reported he had attended the David Thompson Voyager Brigade visit in The Dalles and said it had been a positive experience. He said the travelers said it was the best welcome they had received on their Columbia River journey. Wilcox presented gifts that were given to the City, including a sash, DVD, and book. Councilor Wood said the Discovery Center had also participated with an exhibit of maps and said it was a full house in the theater for the talk about the journey. Councilor Spatz thanked Susan Buce for organizing the event.

AUDIENCE PARTICIPATION

None.

CITY MANAGER REPORT

City Manager Young reminded the City Council that the discussion regarding water rates would be scheduled for the July 25th Council meeting. He said the Union Street Crossing was nearly dried out from the high water event staff planned to re-open it sometime this week.

CITY ATTORNEY REPORT

City Attorney Parker reported he was working with staff regarding revocation of some out of compliance animal permits. He said he would be working with the City Clerk to review the election boundaries of the City to meet 2010 census and annexation changes that may require shifting of the Council districts. Parker said Christine Brigner had been hired as a permanent employee in the Legal Department.

CITY COUNCIL REPORTS

Councilor Spatz said he had attended a Main Street Program meeting last week and commended the group for their work to advance the program.

Councilor McGlothlin said the next Traffic Safety Commission meeting was scheduled for July 20th. He said the beautification at the east end of the downtown, by Cannon Packer, was very impressive and commented that the Jammin' July event had been well attended.

Mayor Wilcox said he and Councilor Wood had attended the Northwest Aluminum Specialties fifth anniversary celebration. He asked the City Council if they would like to have a tour of the facility. Hearing consensus, Wilcox asked the City Clerk to schedule a tour for the City Council.

Mayor Wilcox said he attended a meeting between Codes Enforcement staff and citizens regarding a nuisance issue and had been very impressed how staff worked so hard to help the citizens resolve their nuisance problems.

CONSENT AGENDA

It was moved by Wood and seconded by McGlothlin to approve the Consent Agenda as presented. The motion carried unanimously.

Items approved by Consent Agenda were: 1) approval of the June 27, 2011 regular City Council meeting minutes; 2) Resolution No. 11-024 concurring with the Mayor's appointments to various committees; and 3) authorization for City Clerk to endorse OLCC new outlet application for Columbia View Station and Mini Mart.

DISCUSSION ITEMS (Taken Out of Order by Consensus of Council)

Discussion Regarding Amendments to the Resale Business License Ordinance

City Attorney Parker reviewed the staff report. He reviewed changes in an updated version of the ordinance including removal of language regarding loans and abandoned property; added language to address donations of property; included DVD's as in the regulated items; language to clarify that a secondhand dealer would have at least half their sales in used merchandise; added language that would allow newly acquired property to be displayed for sale during the seven day holding period. Parker said Detective Lundry would provide a demonstration of the proposed RAPID system proposed to be used in tracking property for the purpose of criminal investigations.

Detective Sean Lundry provided a demonstration of the RAPID System, showing the City Council how the Police Department would be able to search for stolen property. He said it would be an excellent tool in protecting citizens from property crimes. Lundry explained how property entered into the system was compared with stolen property reports from police agencies on a daily basis. He said the business owners would need the capability of connecting to internet and purchase a scanner and thumb print scanner at a cost of approximately \$400 to participate in the program.

MINUTES (Continued)
Regular Council Meeting
July 11, 2011
Page 5

Councilor McGlothlin expressed concern that utilizing the system would be a larger burden on the business owners. He questioned how it would affect antique dealers who have large inventories to have to enter a description of every item into the system.

In response to a question, Detective Lundry said it would cost the City approximately \$600 per year to participate in the program.

Public Comment

Kevin Ramsey, Red Wagon Antiques, said he was opposed to the requirements of the proposed ordinance. He said most of the items sold in his store were purchased from auctions, personal collections, yard sales, flea markets and antique shows, saying the ordinance did not address how to collect identification data from people who didn't come to the store to sell items to them. Ramsey said it placed an undue burden on small businesses and would create a paperwork nightmare. He said his business did document purchases and it worked well for them, but the new rules could make so much work, it would not be worthwhile to stay in the business.

Mel Mendez, Gameopoly, said he had been in the resale business for 10 years and always cooperated with the police agencies regarding stolen property. He said the new documentation procedure would be a big burden and that most of his customers were minors.

City Attorney Parker said there was language in the ordinance that stated parents could provide the identification requirements for minors.

Eric Stovall, Red's Trading Post, said he also had a system in place for tacking property he purchased and sold. Mr. Stovall said some of the language in the proposed ordinance did not make any sense to him, particularly Section 8 D and E regarding transaction reports. He said it would make sense to have uniform reporting but did not believe the proposed system was necessary.

Staff was directed to work with Ramsey, Mendez and Stovall to continue working on alternatives to the proposed tracking system and language for the ordinance.

PUBLIC HEARINGS

Public Hearing to Receive Testimony Regarding Proposed Amendments to the Land Use Development Ordinance (LUDO)

Mayor Wilcox reviewed the procedures to be followed for the public hearing.

Senior Planner Dick Gassman reviewed the staff report. He highlighted the major changes, including laydown yards, tour oriented destination; geohazard study; political signs; and signs in rights of way.

There was discussion regarding the laydown yards including an explanation of what type of companies would seek this permit. Community Development Director Durow said the sites would be used to store equipment that would then be transferred to remote work sites. The proposed 50 foot paving requirement was discussed. It was explained each case would be considered through the site plan review process to ensure mud and debris did not get carried out on to City streets.

Councilor Ahier questioned whether the proposed language regarding political signs met constitutional requirements. City Attorney Parker said the language was reasonable and defensible.

There was a discussion regarding sandwich board signs. Senior Planner Gassman said Section 28 addressed these types of signs that were outside the central business commercial zone.

The City Council discussed Section 29, signs in rights of way. Mayor Wilcox provided photographs of yard sale signs in the right of way at 10th and Trevitt Streets, saying the yard sale signs were a nuisance. He said the Codes Enforcement Officer was spending too much of her time collecting the signs and sending letters to people. Wilcox said the ordinance should include the ability to fine people who violate the ordinance.

Testimony

Randy Kaatz questioned whether the language regarding geohazard studies included driveways and sidewalks. Senior Planner Gassman said it could be a variety of issues that would require a study, but that the area requiring a geohazard study had been significantly reduced based on a study the City had recently completed.

Mr. Kaatz expressed concern that the cost to develop property could become extremely expensive when a geohazard study was added to the other development costs.

Councilor Wood said she was pleased to see the zone reduced in size.

MINUTES (Continued)
Regular Council Meeting
July 11, 2011
Page 7

Councilor Ahier said he appreciated that the area had been reduced and said it seemed the applicability had increased. Community Development Director Durow said if a geohazard study was required, it should include all potential problems for the property.

Dana Schmidling, Chamber of Commerce Director, said she hoped the Council would adopt the right of way sign language. She said it was not a good face for the tourists to allow all the yard sale signs.

Council Deliberation

Councilor Wood said it was important to educate the citizens where they could advertise their sales and to provide alternatives to placing signs in the rights of way.

It was moved by Dick and seconded by Ahier to approve the LUDO amendments as recommended by the Planning Commission, as further amended by the Council, and direct staff to prepare an ordinance for adoption at a later meeting, with the exception of Section 29. The motion carried unanimously.

Discussion continued regarding the placement of signs in the rights of way. Wood reiterated her desire for the City to provide alternatives. Councilor Dick said he was not opposed to right of way signs that were directional and perhaps a specific distance from the actual sale or event being advertised. Councilor Spatz said he believed yard sales were part of the culture of The Dalles and agreed with the suggestions of Councilor Dick.

Community Development Director Durow explained that if one type of sign was allowed in a right of way, all signs would have to be allowed.

Extend Time of Meeting

It was moved by Wood and seconded by Spatz to extend the meeting to the conclusion of business. The motion carried unanimously.

Continued Council Deliberation

It was the consensus of the Council to direct staff to develop alternatives to allowing yard sale signs in the right of way and to continue picking up the signs at the intersections of 10th and Trevitt; Third Place and Sixth Street; and 10th and Cherry Heights Road on Fridays, Saturdays and Mondays.

ACTION ITEMS

Approval of 2011 Vision Action Plan

RARE Planner Thomas Gilbertson reviewed the staff report. He highlighted the process used in development of the Plan, including the public meetings and community surveys.

In response to a question, RARE Planner Gilbertson noted the off-leash dog park was included in the Community Life section, first tier strategies.

Councilor Spatz asked that the word “establish” on page 35, second tier strategies, be changed to the word “expand” because a degree of partnerships already existed.

It was moved by Ahier and seconded by Wood to accept the 2011 Vision Action Plan as amended. The motion carried unanimously.

City Manager Young said the Vision Action Plan would be used during City Council goal setting sessions and it was noted a committee would be created as recommended in the Plan, to review and evaluate the strategies.

Fort Dalles Museum Fee Waiver Request

Senior Planner Gassman reviewed the staff report.

It was moved by Dick and seconded by Ahier to approve the \$335 filing fee waiver for site plan review application of the Fort Dalles Museum because it was in keeping with the Council’s policy to allow non-profits to apply for fee waivers. The motion carried, McGlothlin voting no.

Susan Herring Fence Variance Fee Waiver Request

Senior Planner Gassman reviewed the staff report, recommending the request be denied. Gassman said it had been past practice of the Council to only accept fee waiver requests that were for public or nonprofit applicants.

Councilor Ahier questioned whether the applicant could pay the fee on a payment schedule.

Mayor Wilcox said this property owner was trying to improve her property and he believed the Council should approve the request.

MINUTES (Continued)
Regular Council Meeting
July 11, 2011
Page 9

It was moved by Ahier and seconded by Dick to allow the applicant to pay the fee within one year, making monthly payments. The motion carried unanimously.

ADJOURNMENT

Being no further business, the meeting adjourned at 9:15 p.m.

Submitted by/
Julie Krueger, MMC
City Clerk

SIGNED:

James L. Wilcox, Mayor

ATTEST:

Julie Krueger, MMC, City Clerk



POLICE DEPARTMENT

CITY of THE DALLES

401 COURT STREET
THE DALLES, OR 97058
(541) 296-2613
FAX (541) 298-2747

MEMORANDUM

DATE: July 5, 2011
TO: Julie Kruger, City Clerk
FROM: Jay B. Waterbury, Chief of Police
SUBJECT: 2011 Annual OLCC Renewals

The following outlets have been investigated and are approved for OLCC license renewal for the fiscal year 2011 – 2012.

9th St. Sugarbowl
Allen's Food Center
American Legion Post # 19
Anana's Boutique
Baldwin Saloon
Bi-Mart #645
Canton Wok
Casa El Mirador
Celilo Inn
Civic Auditorium
Clock Tower Ales
Columbia Portage Grill
Comfort Inn
Cousin's
Creative Cottage
Cruz Thru Grocery
Denny's #6807
Dinty's Market
Downtown Chevron & Food Mart
Eagles Lodge #2126
Elks Lodge #303
Fred Meyer
Hatt's 76 Fuel Stop
HiWay House
Ixtapa
Jack's Mini Market # 2
Kmart #3888

La Michoacana
Lone Pine 76
Montira's Thai Cuisine
Moose Lodge #2075
New York City Sub Shop
Petite Provence
Poppy's Mini Mart
Portside Pub and Windseeker
Quenett Winery
Rite Aid #5334
Riverenza
Romul's
Safeway #1489
Shari's #247
Spooky's
Taco Del Mar
The Barbeque
The Dalles Grocery Outlet
The Vault Bistro & Lounge
Tijuana
Walgreen's
Water's Edge Bistro
West 6th Street 76
West Second Food Mart
Windy River
Wong's Chinese Restaurant
Zim's Brau Haus



AGENDA STAFF REPORT

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
July 25, 2011	Public Hearings 11, A	11-071

TO: Honorable Mayor and City Council

FROM: Richard Gassman, Senior Planner

THRU: Nolan Young, City Manager *ny*

DATE: July 25, 2011

ISSUE: Public Hearing to allow for testimony concerning annexation number ANN 71-11 of property located in the Urban Growth Boundary pursuant to ORS 222.125.

RELATED CITY COUNCIL GOAL: None

PREVIOUS AGENDA REPORT NUMBERS: None

BACKGROUND: This public hearing is to allow for testimony concerning the annexation of a portion of a single lot, the property of Gary and Barbara Honald, annexation file number ANN 71-11.

The property to be annexed is by a consent annexation. The proposed consent annexation under ORS 222.125 requires that not less than 50 percent of the electors who reside there give written consent to the annexation.

NOTICE: A letter was sent on July 13, 2011 to the affected property owners notifying them of this hearing. Notice of the hearing was published on July 10, 2011 in The Dalles Chronicle as required by Oregon law and the City's Land Use and Development Ordinance (LUDO) Section 14.010.030 and Section 3.020.060.

PROCESS: This annexation application is being processed under the provisions of LUDO Chapter 14, adopted by the City on June 11, 2007. Per LUDO Section 14.010.030 all applications for annexation shall be processed as legislative actions. Under the provisions for legislative actions in LUDO Section 3.020.060 annexation requests shall be heard by the City Council.

CRITERIA: Per LUDO Section 14.010.040, annexations shall be subject to the following criteria:

A. The territory is contiguous to the City limits and qualifies as a consent annexation pursuant to ORS 222.125 or as an island annexation pursuant to ORS 222.750, or is public right of way.

FINDING #1: The property to be annexed is contiguous to the City limits and qualifies as a consent annexation. A copy of the consent from the property owner is attached.

B. The territory is within the Urban Growth Boundary (UGB).

FINDING #2: The property is within the UGB.

C. The development of the property is compatible and consistent with the rational and logical extension of utilities and roads to the surrounding area.

FINDING #3: A portion of this property is already within the City limits. Adding this additional portion is reasonable.

D. The City is capable of providing and maintaining its full range of urban services to the territory without negatively impacting the City's ability to adequately serve all areas within the existing city limits.

FINDING #4: This area can be served without negatively impacting other areas within the City.

E. The annexation conforms to the Comprehensive Plan.

FINDING #5: Policy 5 of Goal 14, Urbanization, encourages the orderly annexation of land within the UGB. This is another step in the process of annexing land out to the UGB and attempting to regularize the City limits.

PROPERTY TO BE ANNEXED: A map and legal description of the property to be included within the City limits is attached. The property is a portion of the property at 2505 Wright Drive.

BUDGET IMPLICATIONS: Completion of this annexation will result in slightly more property taxes being paid to the City.

MOTIONS:

A. **Staff Recommendation:** *Move to approve the annexation and direct staff to return to Council with an Ordinance for adoption.*

B. **Alternative Motion:** Move to deny the annexation application.

TO: The City Council of the City of The Dalles, Wasco County, Oregon

OWNER CONSENT TO ANNEXATION

(ORS 222.115)

I/We, Gary B. Donald, OWNER(S) of the following described real property situated in Wasco County, Oregon:

*see legal description dated June 6, 2011
w.o. #10006, attached.
2505 Wright Drive*

do hereby consent to and request annexation of the property described above to the City of The Dalles, Wasco County, Oregon; said property is contiguous to the present city limits of the City of The Dalles, Oregon.

Dated this 9 day of June, 2011.

Gary B. Donald

STATE OF OREGON)

) ss.

County of Wasco)

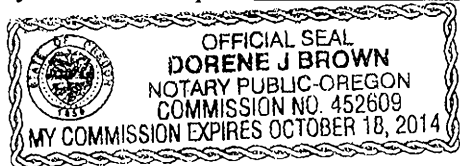
SUBSCRIBED AND SWORN to before me this 9

day of June, 2011, by _____

Dorene J. Brown

Notary Public for Oregon

My Commission expires: 10-18-14



STATE OF OREGON)

) ss.

County of Wasco)

SUBSCRIBED AND SWORN to before me this _____

day of _____, 20____, by _____

Notary Public for Oregon

My Commission expires: _____

Received by the City on the _____ day of _____, 20____

Grantor

City of The Dalles
313 Court Street **Grantee**
The Dalles, Oregon 97058

After recording return to:
City Clerk
City of The Dalles
313 Court Street
The Dalles, Oregon 97058

June 6, 2011
W.O. #10006

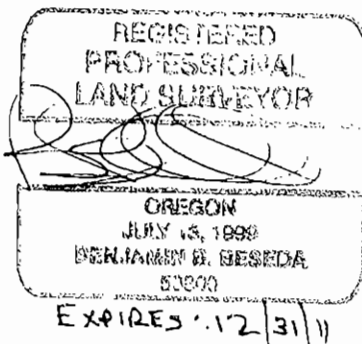
LEGAL DESCRIPTION
for
Gary Honald (Area South of Mill Creek)

A tract of land lying in Ericksen's 4th Addition and in the Southeast 1/4 of the Southeast 1/4 of Section 5, Township 1 North, Range 13 East, Willamette Meridian, City of The Dalles, Wasco County, Oregon being more particularly described as follows.

Tract "B" of said Ericksen's 4th Addition, also the following described parcel.

Beginning at the southwesterly corner of said Tract "B"; thence South $31^{\circ}10'00''$ East along the extension of the Westerly line of said Tract "B" a distance of 7.00 feet to the Northwestern corner of Parcel 3 of Partition Plat 2009-0014; thence along the Northeasterly line of said Parcel 3 and extension thereof, South $42^{\circ}14'43''$ West 124.92 feet; thence South $63^{\circ}04'50''$ West 143 feet, more or less, to the intersection with the centerline of Mill Creek; thence along said centerline, downstream a distance of 423 feet, more or less, to the intersection with the Westerly line of Tract "A" of said Ericksen's 4th Addition; thence along said Westerly line, South $31^{\circ}10'00''$ East 7 feet, more or less, to the Northeasterly corner of said Tract "B"; thence along the North line of said Tract "B", South $53^{\circ}36'00''$ West 79.33 feet to the Northwestern corner of said Tract "B"; thence along the Westerly line of said Tract "B", South $31^{\circ}10'00''$ East 160.11 feet to the Southwesterly corner of said Tract "B" and the point of beginning.

Contain 1.05 acres, more or less.



<10006_D.003>

**CITY of THE DALLES**

313 COURT STREET
THE DALLES, OREGON 97058

(541) 296-5481 ext. 1125
FAX: (541) 298-5490

AGENDA STAFF REPORT

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
July 25, 2011	Public Hearings 11, B	11-072

TO: Honorable Mayor and City Council

FROM: Dick Gassman, Senior Planner

THRU: Nolan Young, City Manager

DATE: July 25, 2011

ISSUE: Public hearing for a single amendment to the Land Use and Development Ordinance, Zoning Ordinance Amendment 79-11, to allow taller buildings in the Central Business Commercial zone.

RELATED CITY COUNCIL GOAL: N/A

PREVIOUS AGENDA REPORT NUMBERS: N/A

BACKGROUND: This matter was heard by the Planning Commission on July 7, 2011. A copy of the staff report for the Planning Commission public hearing is attached. Also attached is a copy of the recommendation of the Planning Commission.

PROPOSED AMENDMENT: This request would allow buildings in the Central Business Commercial district to extend to 75 feet in height, with the approval of a conditional use permit. The current height limitation is 55 feet.

NOTICE: Notice of the public hearing was published in The Chronicle on July 10, 2011.

PROCESS: The Planning Commission heard this matter on July 7, 2011 and has made a recommendation to the Council. The Council will hold a public hearing for consideration and decision. If approved, staff will prepare an ordinance for Council consideration at a later meeting.

DISCUSSION: The proposed amendment would allow taller buildings in the downtown area, if a conditional use permit is obtained. The reason for the taller buildings is to allow denser development in the core area. The conditional use permit requirement is to give the City the ability to review such issues as the requested height, parking, design and other architectural features.

Staff recommended to the Planning Commission, and the Planning Commission has recommended to the Council the approval of this proposed amendment.

RECOMMENDATION: Staff recommends that the City Council follow the recommendation of the Planning Commission.

MOTIONS:

1. **Recommended Motion.** *Move to approve the proposed amendment as recommended by the Planning Commission with the findings of facts and conclusions of law as contained in the staff report and to direct staff to prepare an ordinance adopting Zoning Ordinance Amendment 79-11, to be presented at a future City Council meeting.*
2. **Alternative Motion.** Move to deny Zoning Ordinance Amendment 79-11, and state the reasons for the denial.

RESOLUTION NO. P.C. 511-11

Recommending approval of Zone Change Ordinance #79-11, proposing a change to a height limitation on buildings in the CBC-Central Business Commercial District from a maximum of 55 feet to 75 feet with a Conditional Use Permit.

WHEREAS, on July 7, 2011, the Planning Commission of the City of The Dalles conducted a public hearing to consider a request for approval of Zone Change Ordinance #79-11; and

WHEREAS, the Planning Commission has considered the public testimony, and reviewed the proposed legislative amendment, and has considered the information in the staff report, including proposed findings of fact and conclusions of law; and

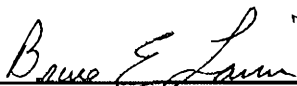
WHEREAS, based upon the information in the staff report, including the proposed findings of fact and conclusions of law, which are hereby incorporated herein by this reference, and the public testimony presented during the public hearing, the Planning Commission voted to recommend that the City Council approve Zone Change Amendment #79-11.

NOW, THEREFORE, THE PLANNING COMMISSION RESOLVES AS FOLLOWS:

Section 1. The Planning Commission recommends that the City Council of the City of The Dalles approve Zone Change Amendment #79-11.

Section 2. The Secretary of the Commission shall (a) certify to the adoption of the Resolution; (b) transmit a copy of the Resolution along with a stamped approved/denied site plan or plat to the applicant.

APPROVED AND ADOPTED THIS 7th DAY OF JULY, 2011.



Bruce Lavier, Chairman
Planning Commission

I, Dan Durow, Community Development Director for the City of The Dalles, hereby certify that the foregoing Resolution was adopted at the regular meeting of the City Planning Commission, held on the 7th of July, 2011.


AYES: Lavier, Ahlberg, Zukin, Nelson, Whitehouse, Wimmers

NAYS: Poppoff

**City of The Dalles
Planning Commission Staff Report**

**Amendment to the
Land Use and Development Ordinance**

ZOA 79-11

Prepared by: Dick Gassman, Senior Planner 

For: City of The Dalles Planning Commission

Procedure Type: Legislative Hearing

Meeting Date: July 7, 2011

Request: Amendment to the Land Use and Development Ordinance

Properties: All properties within the City of The Dalles Central Business Commercial District

Applicant: City of The Dalles
Community Development Department
313 Court Street
The Dalles, OR 97058

BACKGROUND INFORMATION

The Land Use and Development Ordinance (LUDO) is the guiding document for development within the administrative authority of the City. It contains over 450 pages of language on procedural and substantive requirements for land division, property development, and zoning. One of the development standards in each zone is a height limitation. In the downtown area, which is zoned CBC-Central Business Commercial, and in other commercial zones, that height limitation is 55 feet. There is a prospective developer who is interested in building a new hotel in the downtown area and may want to build it higher than 55 feet.

In the existing LUDO the method for obtaining relief from a particular code provision is to request an adjustment or a variance. Neither of these is automatically approved. In order to facilitate development of this kind the City is proposing to amend the height limitation in the CBC to allow for buildings up to 75 feet in height, but for those over 55 feet, a conditional use permit would be required. This is the only proposed amendment.

This application is a legislative action under the provisions of Section 3.110.020 and 3.020.060(A)(2). The role of the Planning Commission is to review the proposed amendment, amend as needed, and forward a recommendation to the City Council. The final decision on the proposed amendment will be made by the City Council.

NOTIFICATION

Notice of this public hearing was published in The Dalles Chronicle on June 26, 2011.

COMMENTS

As of the date of the preparation of this staff report, no comments were received.

REVIEW

A. LAND USE AND DEVELOPMENT ORDINANCE 98-1222

1. PROCEDURE

a. Section 3.010.040 Applications:

FINDING A-1: This application is initiated by the Director pursuant to the provisions of Section 3.010.040 F.

b. Section 3.020.060 Legislative Actions:

Subsection A. Decision types. 2. Ordinance Amendments:

FINDING A-2: This application is for a single Ordinance Amendment per Section 3.110.

Subsection B. Public Hearings. The Commission shall hold at least one legislative public hearing to review applications for legislative actions and, by duly adopted resolution, make a recommendation to the Council to approve, approve with conditions, or deny the request.

FINDING A-3: The public hearing has been set for July 7, 2011.

d. Section 3.020.060 Legislative Actions:

Subsection C. Notice of Hearing. At least 10 days before the legislative hearings, notice of the hearing shall be published in a newspaper of general circulation.

FINDING A-3: A notice of hearing containing the information required was published in The Dalles Chronicle on June 26, 2011.

e. Notice of Hearing as required by ORS 227.186.

ORS 227.186 requires that all property owners whose property is rezoned must be provided notice at least 20 days but no more than 40 days prior to the date of the first hearing. For purposes of this provision, rezone includes any change that limits or prohibits uses previously allowed in a zone.

FINDING A-4: Staff has determined that the proposed amendment does not come within the definition of rezone as contained in the statute. Notices to individual property owners were not required.

f. Section 3.020.070(A)(3) Staff Report.

A staff report shall be presented which identifies the criteria and standards applying to the application and summarizes the basic findings of fact. The staff report may also include a recommendation for approval, approval with conditions, or denial.

FINDING A-5: The staff report has identified the criteria and standards as they relate to this application and has summarized the basic findings of fact. The staff report does include a recommendation for approval.

2. REVIEW

a. Section 3.110.030 Review Criteria

Proposed text amendments shall be consistent with the Comprehensive Plan, and State Laws and Administrative Rules.

FINDING A-6: The City of The Dalles has broad discretion to adopt zoning textual changes. The proposed amendment is consistent with the Comprehensive Plan, State Laws, and Administrative Rules.

B. COMPREHENSIVE PLAN

1. Goal #1. Citizen Involvement. To develop a citizen involvement program that insures the opportunity for citizens to be involved in all phases of the planning process.

Policy 3. The land-use planning process and policy framework shall include opportunity for citizen input as a part of the basis for all decisions and actions related to the use of land.

FINDING B-1: This proposal is consistent with goals and policies of the Comprehensive Plan. A notice of public hearing has been published and the public has an opportunity to provide testimony on the proposed change to the Commission. The Commission can make alterations in the proposed amendment based on testimony at this hearing. There will be another public hearing before the City Council and that body will also have the opportunity to consider testimony from citizens and make changes.

2. Goal #2. Land Use Planning. To establish a land use planning process and policy framework as a basis for all decisions and actions related to use of land and to assure an adequate factual base for such decisions and actions.

Policy 6. Implement this Plan through appropriate ordinances and action. Implementing measures shall be developed to allow administrative review and approval authority.

FINDING B-2: This amendment adds additional flexibility to development in the CBC District. There is nothing about this amendment that is contrary to the Comprehensive Plan.

DISCUSSION

The actual proposed language would amend the Building Height standard for the CBC District, found in LUDO Section 5.050.050 Development Standards. The current language simply says “55 ft. maximum.” The proposed new language would read as follows: “55 ft. maximum **except 75 ft. maximum with a conditional use permit.**” This language change would allow development to be over the existing height limitation, but would allow the City to have some control so that adverse effects might be mitigated. A proposal over the 55 foot level would be required to obtain a conditional use permit through the usual process which includes notice to surrounding property owners and a public hearing in front of the Planning Commission.

STAFF RECOMMENDATION

Staff recommends that the Planning Commission recommend to the Council the approval of the amendment as written above in the DISCUSSION paragraph, with any additional changes from the Commission.

CITY OF THE DALLES PLANNING COMMISSION MINUTES

Thursday, July 7, 2011

City Hall Council Chambers

313 Court Streets

The Dalles, OR 97058

Conducted in a handicap accessible room

CALL TO ORDER:

Chair Lavier called the meeting to order at 6:00 PM.

BOARD MEMBERS PRESENT:

Bruce Lavier, Ron Ahlberg, John Nelson, Nan Wimmers, Mark Poppoff, Chri Zukin, Dennis Whitehouse

BOARD MEMBERS ABSENT:

None

STAFF MEMBERS PRESENT:

City Attorney Gene Parker, Associate Planner Dawn Hert, Administrative Secretary Carole Trautman

APPROVAL OF AGENDA:

It was moved by Commissioner Whitehouse and seconded by Commissioner Wimmers to approve the agenda as submitted. The motion carried unanimously.

APPROVAL OF MINUTES:

It was moved by Commissioner Ahlberg and seconded by Commissioner Nelson to approve the minutes of the June 16, 2011 meeting as submitted. The motion carried, Commissioner Whitehouse abstained.

PUBLIC COMMENT:

None

LEGISLATIVE PUBLIC HEARING: – ZOA 79-11

Associate Planner Hert presented the Staff Report. Currently, there are plans for the development of a structure in the Central Business Commercial (CBC) District that will exceed the 55 ft. maximum height limit. Staff requested the Planning Commission's recommendation to amend this restriction to a 75 ft. maximum in the CBC District with a Conditional Use Permit and forward the recommendation to the City Council.

Discussion followed regarding various current building heights in the CBC District. The Commodore Building is around 45 to 50 feet in height, Hert reported, and the tallest buildings are probably the Hughes grain elevator and the Flour Mill, both at 50-60 feet.

Associate Planner Hert reported that the information on the proposed redevelopment of the Granada Block has been limited. Hert commented that the new building would be approximately six or seven stories high depending on the height of the ceilings, and the structure would be compatible in appearance to other CBC District buildings.

Chair Lavier asked Associate Planner Hert what the typical approval process would be if the amendment was adopted. Hert answered that this amendment included the entire CBC District, not just the Historic District, although there are portions of two historic districts within the CBC district. With each permit, a Conditional Use Permit would be required which would be considered by both the Planning Commission and the Historic Landmark Commission if development was located in an historic district. Chair Lavier sought clarification on how much control the Planning Commission would have over the style of architecture if this amendment was in place. Associate Planner Hert stated the Planning Commission would have jurisdiction over the height and architectural designs which are minimal. The Historic Landmarks Commission would be addressing guidelines for architectural styles and compatibility with other historical structures.

Chair Lavier expressed his concern about the Planning Commission not having enough control or definite guidelines to prohibit the development of an ultra modern-style structure being built within the CBC District, which would not be a good "fit."

City Attorney Parker stated that City Council made it very clear to the Granada Block developer that the architectural style needed to be compatible to the current styles found within the CBC District. The developer stated that he was very willing to comply with the City Council's wishes, according to Parker.

Commissioner Wimmers asked why this particular development was not brought to the Planning Commission as a variance rather than a zoning ordinance amendment. Associate Planner Hert explained that the developer wanted more reassurance going into the project than a variance would provide.

After further discussion, it was determined that architectural style compatibility is not addressed on the Conditional Use Permit.

Commissioner Poppoff stated that he preferred a height maximum of 60 to 65 feet instead of 75 feet.

Chair Lavier asked if another statement pertaining to building architectural compatibility could be added to the proposed maximum height limitation language to provide some leverage from some extreme architecture. City Attorney Parker pointed out that the LUDO ordinance regarding height is found in Section 5.050.50. Commissioner Zukin emphasized that possible architectural compatibility language could be added in that section. Zukin then suggested limiting the 75 ft. maximum to just the CBC District within the Historic District since the Historic District had specific architectural guidelines on architectural compatibility with other buildings within the Historic District.

Chair Lavier called for a recess at 6:31 pm.
The meeting was reconvened by Chair Lavier at 6:35 pm.

Hert advised that the Planning Commission could identify both the Historic Downtown District and the Trevitt Historic District as the only districts for the maximum height change. Commissioner Wimmers asked what the ramifications would be to limit the height change to the two historical districts. City Attorney Parker answered that if the Planning Commission would state the reasons why the Commission limited the ordinance change to within the two historical districts, the Commission would

have the authority to make that determination. Commissioner Nelson stated that if the height change applied only to the CBC District within the Historical District, then the Planning Commission would have to defer to the jurisdiction of the Historic Landmarks Commission only.

Chair Lavier indicated that it would probably be best to apply the height change to the entire CBC District, but he felt more guidelines would need to be in place to control compatible building styles. Associate Planner Hert reported there are some design standards in LUDO (Section 5.050.070 B) for the Sub-district CBC-2 (Downtown Core) that set guidelines for building exterior finishes (brick, rock, stucco, plaster, cut stone such as marble or granite and similar materials), roofs, and minimum building heights. Further discussion followed, and Chair Lavier summed up by commenting that with those standards in place in LUDO, he saw no problem with the height ordinance change to include the entire CBC District. He also commented that those standards would provide enough Planning Commission tools to hinder the building of non-compatible architectural structures within the CBC District.

Commissioner Nelson asked if the Fire Department had been contacted regarding the height change. Associate Planner Hert reported that Director Durow had contacted the Fire Department agencies, and there were no problems with the maximum height ordinance change.

Commissioner Ahlberg made the motion to recommend ZOA 79-11 as presented to the City Council for approval. Commissioner Zukin seconded the motion. The motion carried; Lavier, Ahlberg, Zukin, Nelson, Whitehouse and Wimmers voted in favor, Poppoff voted in opposition.

RESOLUTION

Commissioner Ahlberg moved to approve Resolution PC 511-11, Commissioner Wimmers seconded the motion. The motion carried; Lavier, Ahlberg, Zukin, Nelson, Whitehouse and Wimmers voted in favor, Poppoff voted in opposition.

STAFF COMMENTS:

None

COMMISSIONER COMMENTS/QUESTIONS:

Commissioner Poppoff asked about the status of the new trees planted on Second Street. Attorney Parker stated the trees were being watered, but there were some voids in the soil that prevented the trees from getting enough water. Some of the trees were doing well, Parker said, and some would need to be replaced.

Commissioner Zukin inquired about the status of the fence issue at 10th and Trevitt. Associate Planner Hert reported that Sr. Planner Gassman had not been able to contact the property owner due to the property owner's work schedule. Zukin commented that he has recently seen some other fences going up that are too high. Hert commented that she had talked with another person who was currently in violation and suggested that they continue to work toward a resolution of their violation while the Planning Commission continues to discuss a possible ordinance change allowing additional height for fencing.

Commissioner Whitehouse asked if the Planning Commission meetings were still being scheduled for the first and third Thursdays of the month. Chair Lavier answered that those meeting times are still being upheld.

Chair Lavier asked City Attorney Parker about the audit letter he received from Kate Mast. Lavier asked Parker to acquire some more information regarding the issuance of this letter, because he had never received one previously. Parker said he would provide more background information to the Commission; he commented that this was the first year the Commissioners received the letter from the auditors.

Chair Lavier asked Staff to schedule a discussion item for the next meeting's agenda regarding LUDO updates. Lavier requested a cost comparison analysis of providing LUDO updates in hard copy or providing electronic updates.

NEXT MEETING:

The next meeting is scheduled for July 21, 2011.

ADJOURNMENT:

Chair Lavier adjourned the meeting at 7:15 PM.

Respectfully submitted by
Carole J. Trautman, Administrative Secretary.

Bruce Lavier, Planning Commission Chairman



CITY of THE DALLES

313 COURT STREET
THE DALLES, OREGON 97058

(541) 296-5481
FAX (541) 296-6906

AGENDA STAFF REPORT CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
July 25, 2011	Contract Review Board 12, A	11-073

TO: Honorable Mayor and City Council

FROM: Will Norris, Administrative Intern

THRU: Nolan K. Young, City Manager

DATE: July 12, 2011

ISSUE: Award of Electric Vehicle Procurement Contract.

BACKGROUND: The City of The Dalles was previously approved for a \$340,000 Federal Transit Administration grant and a \$10,000 Oregon Investment Board grant to restart The Dalles Dam Tours using electric shuttles. The previous tours, which used a small train, were discontinued due to their increasing maintenance costs. In partnership with the Army Corps of Engineers, The Dalles Chamber of Commerce, Northern Wasco County Parks and Recreation District and the Mid-Columbia Economic Development District, The City of The Dalles is on schedule to restart these tours in the Spring of 2012. The new tours will utilize electric shuttles which require less maintenance than the previous train system and reinforces the connection to the electricity produced by The Dalles Dam.

The procurement of the electric shuttles followed a sealed invitation for bid process. This process concluded with a public bid opening on July 12th at 2:00 pm in the Council Chambers. The invitation for bid process is a simplified procurement method which requires that selection of a responsive bidder is made on the sole criteria of lowest price. To qualify as a responsive bidder, each vendor must meet the minimum specifications listed in the bid packet. A full list of specifications for this procurement is in Exhibit "A" #.

Award of Electric Vehicle Procurement Contract

The City of The Dalles is purchasing the electric shuttles under pre-award authority in regards to the Federal Transit Administration grant. This authority allows the City to incur project costs prior to the final award of the federal grant. These costs are then reimbursed. The final grant approval for The Dalles Dam Tours is pending Disadvantaged Business Enterprise, environmental and historical reviews. The Dalles Dam Tours project has received final approval of its Civil Rights plan. Going forward with the vehicle purchase now will allow the project to continue on schedule and take advantage of the \$10,000 Oregon Investment Board grant before it expires.

The City of The Dalles sent out eight Invitation to Bid packets to previously identified vendors and placed advertisements in one local publication, two minority targeted publications and one national publication. Additional Invitation for Bid packets were sent upon request by three additional potential bidders.

The City of The Dalles received two returned bid packets. One was non-responsive and the other met our specifications. The responsive bid price was \$43,800.00. Our Federal Transit Administration grant application, informed by market research completed by past Administrative Interns, had budgeted \$60,000 for the purchase of the two vehicles. This lower than expected price leads staff to conclude that this bid is price competitive.

Below is a table of the bids received for the purchase of two electric shuttles:

Bidder	Proposal Price
Specialty Vehicles	No bid
Cruise Car Inc.	\$43,800.00

BUDGET IMPLICATIONS: \$10,000 of the purchase price will be reimbursed through an Oregon Investment Board matching grant; \$3,312 will be reimbursed from a PUD grant to the Chamber of Commerce. Reimbursement of the balance of the purchase costs will occur after final award of the \$340,000 Federal Transit Administration Grant expected in October of 2011. The City also has an additional \$20,000 in its budget from the Chamber Marketing Fund in 2009-10. This money may be used on the shuttle purchase if needed.

RECOMMENDATIONS:

1. Staff Recommendation: *Move to authorize the City Manager to enter into contract with Cruise Car Inc. in an amount not-to-exceed \$43,800.00 for the procurement of two electric shuttles and accompanying ADA accessible trailers.*
2. Provide additional direction to staff about how to proceed.

Exhibit "A"
Specifications For Purchase of
Two (2) Electric Shuttles

Drive train

- Automatic or manual transmission
- Forward and reverse settings
- Ability to reach 20mph

Power/Electrical Requirements

- Climbing capacity: at least 10% grades (full capacity)
- Travel 30 miles and remain continuously on for 8 hrs on a single full charge
- Carry at least 15 passengers, including at least one person requiring a wheelchair
- Plug into a standard electrical socket
- On-board charger
- Battery Indicator

Americans with Disabilities Act Standards

- Fully ADA compliant
- Wheelchair seating must be available on EITHER shuttle OR accompanying trailer system
- Wheelchair seating must not reduce total seating capacity to less than 15

Capacity Requirements

- 15 passengers or more - A trailer system can be used to meet this requirement

Accessories

- All standard equipment with no deletions
- Windshield and wiper
- Canopy cover (roof)
- Head, tail and brake lights
- Turn signals
- Rear and side view mirrors
- Horn
- Seatbelts
- PA system, must be audible in the trailer system
- Speedometer
- Backup alert system
- Parking brake

Durability & warranty

- 1-Year parts and labor warranty
- Expected usable life of 7 years
- A set of replacement batteries, supplied one (1) month prior to the end of the warranty

Miscellaneous

- Pricing must include delivery to: 1215 West 1st Street, The Dalles, OR 97058
- Must be delivered within 120 days of payment
- Must provide a copy of the paid invoice upon receiving payment

DOT**FTA**

U.S. Department of Transportation

Federal Transit Administration

Application

Recipient ID:	7018
Recipient Name:	DALLES CITY OF
Project ID:	OR-20-X004
Budget Number:	1 - Budget Pending Approval
Project Information:	09 5320 TIP Shuttles Trail Construction

Part 3: Budget

Project Budget

	<u>Quantity</u>	<u>FTA Amount</u>	<u>Tot. Elig. Cost</u>
<u>SCOPE</u>			
111-00 BUS - ROLLING STOCK	2	\$60,000.00	\$60,000.00
<u>ACTIVITY</u>			
11.13.04 (09 5320 TIP 100%)BUY <30-FT BUS FOR EXPANSION	2	\$60,000.00	\$60,000.00
<u>SCOPE</u>			
129-00 TRANSIT ENHANCEMENTS	0	\$280,000.00	\$280,000.00
<u>ACTIVITY</u>			
12.93.07 (09 5320 TIP 100%) CONSTRUCT TRANSIT CONNECTIONS TO PARKS	0	\$280,000.00	\$280,000.00
Estimated Total Eligible Cost:			\$340,000.00
Federal Share:			\$340,000.00
Local Share:			\$0.00



CITY OF THE DALLES
Department of Public Works
1900 West Sixth Street
The Dalles, Oregon 97058

AGENDA STAFF REPORT

CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
July 25, 2011	Contract Review Board 12, B	11-074

TO: Honorable Mayor and City Council

FROM: Dale S. McCabe, City Engineer

THRU: Nolan K. Young, City Manager

DATE: July 13, 2011

ISSUE: 2012 SANITARY SEWER CIPP LINING, CONTRACT NO. 2012-001

RELATED CITY COUNCIL GOAL: None

BACKGROUND: The City of The Dalles Public Works Department advertised for bids for the 2012 Sanitary Sewer CIPP Lining Project, Contract No. 2012- 001. The scope of work for the project was stated as follows: "The work to be performed shall consist of furnishing all materials, labor, and equipment necessary in the installation of approximately 9,800 feet of 8" CIPP liner, 400 feet of 12" CIPP liner and 1,100 feet of 15" CIPP liner. All work will be conducted in accordance with the contract documents."

The Public Works Department has developed a process of annually inspecting, prioritizing, and repairing deteriorated sections/high maintenance sections of the sanitary sewer or storm sewer systems. The prioritized lines for this project will be the lining of the recently discovered deteriorated sanitary sewer trunk line located along W 6th Street with the remaining and then sanitary sewer lines that are on the trouble sewer/root list that also have little to no available access.

Once again, due to the location and condition of the proposed lines to be repaired, The Dalles Public Works Department has determined that using the method of Sliplining with cured in place pipe (CIPP) is the best way to repair the lines without exposing them and completely replacing them. We have issued similar contracts in the past and have experience with using similar materials and construction methods to repair other lines in our system. We have been happy with the performance of the repairs that were made and we feel that it is a long term solution for ensuring proper function of our system.

The bid opening for the contract was held on July 12th, 2011 at 2:30 p.m. for which we received three bids. The bids received were as follows.

1. Insituform Technologies, Inc., in the amount of \$329,740.40
2. Michels Corporation, in the amount of \$351,442.80
2. PEC, Inc., in the amount of \$385,644.00

The bids were reviewed by City staff to make sure that the proper material was submitted and the bids were deemed complete.

BUDGET IMPLICATIONS: A total of \$400,000 is budgeted for this project in the Wastewater Fund 56, Line Code 7630. The low bid for this project falls under the amounts that were budgeted and available for this project.

ALTERNATIVES:

- a. Staff Recommendation: *Move to authorize the City Manager to enter into contract with Insituform Technologies, Inc., in an amount not to exceed \$329,740.40.*
- b. Provide additional research in response to questions raised by City Council.
- c. Not to proceed with the contract.



AGENDA STAFF REPORT

CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
July 25, 2011	Action Items 13, A	11-082

TO: Mayor and City Council

FROM: Nolan K. Young, City Manager

DATE: July 14, 2011

ISSUE: Golf Course Memorandum of Understanding

BACKGROUND: On July 15, 2011 the Columbia Gorge Regional Airport Board recommended a memorandum of understanding (MOU) and associated agreements with Roseland Property Group for development of a golf course on airport property and purchase of the Bluff and Meadows property from the airport. Section 2 of the MOU called for the developer to sign the lease and purchase options as soon as certain conditions as identified in Section 2 subsections A-C on page 2 were completed. Section 5 called for both agreements and the Memorandum of Understanding to expire on March 31, 2012, if resolution of the outstanding issues had not been completed. Following is the current status of those conditions:

- A. We have received written approval from the FAA not opposing signature of the Golf Course Lease Agreement (attached). The Airport Layout Plan (ALP) has been amended. Any extension of runway 25/7 will not interfere with the golf course. We still need written approval for the wildlife plan. The developer is still working on that plan with the State of Washington.
- B. The FAA authorization of the City's purchase of the Bluff and Meadows properties are proceeding and should be completed by the end of this year.
- C. There are several items listed here, following is the status of each:

- Proof of necessary SEPA or other environmental controls: The Environmental Impact Statement of the SEPA has been completed.
- Extension of necessary public water and sewer system to serve the Bluff and Meadows properties: An agreement with the Dallesport Water District is on this same agenda.

Board Action: The Airport Board considered this action at the July 15, 2011 Airport Board meeting and recommends the City Council and County Commission authorize signature of new Memorandum of Understanding changing the expiration date to June 30, 2012.

COUNCIL ALTERNATIVES:

1. Staff Recommendation: *Move to authorize signature of a new Memorandum of Understanding with the same terms with a new expiration date of June 30, 2012.*
2. Delay action on this request so additional research can be done.
3. Approve signature with some other expiration date.
4. Deny this request

Memorandum of Understanding

This Memorandum of Understanding (MOU) is made this ____ day of _____ 2011 between Klickitat County, a political subdivision in the State of Washington hereafter referred to as "County" and City of The Dalles, a municipal corporation in the State of Oregon hereafter referred to as "City" in their role as co-owners of the Columbia Gorge Regional Airport hereafter referred to as "Airport" and Roseland Property Group, LLC a limited liability corporation in the State of Oregon hereafter referred to as "Developer".

WHEREAS, the parties have negotiated a lease agreement for the lease of airport property for the purpose of building a golf course for recreational purposes and an Option agreement for purchase of Lodging/Resort Property adjacent to the golf course; and

WHEREAS, certain issues require resolution in order to obtain the approval of the Federal Aviation Administration ("FAA"), and other governmental approvals, before the parties can sign the lease agreement; and

WHEREAS, the parties want to establish a firm commitment that each party will work toward a resolution of those outstanding issues and upon resolution of those outstanding issues, the parties will sign the negotiated lease agreement attached as Exhibit A and the Option Agreement attached as Exhibit B;

NOW, THEREFORE, the parties mutually agree to the following:

1. The County and City will have their duly authorized officer(s) or official(s) sign the Golf Course Lease Agreement identified as V10-B revised July 14, 2011, attached as Exhibit "A", and the Option Agreement to Purchase Lodging/Resort Property identified as V8-B revised July 14, 2011, attached as Exhibit "B", after they and Roseland have signed this MOU, and Roseland has paid the sum of \$_____ owed by Roseland to Klickitat County under reimbursement agreement C083073.
2. The Developer will have their duly authorized officer(s) or official(s) sign the Golf Course Lease Agreement identified as V10-B revised July 14, 2011 attached as Exhibit "A", and the Option Agreement to Purchase Lodging/Resort Property identified as V8-B revised July 14, 2011, attached as Exhibit "B", upon completion of the following conditions:
 - A. Written approval issued by the FAA authorizing City purchase of the Bluff and Meadow Properties and sale for a use consistent with the Option Agreement as set forth in Exhibit "B".
 - B. Issuance of documentation evidencing that any other required governmental approvals, including any necessary SEPA or other required environmental approvals and extension of necessary public water and sewer to serve the Bluff and Meadow property, have been obtained.

3. All parties agree that they will use their best effort to resolve the outstanding issues in order to allow for execution of the documents identified as Exhibits "A" and "B".
4. The funding of the Golf Course is contingent upon securing all government approvals and financing for the Golf Course.
5. This Memorandum of Understanding (MOU) and both Attachments A & B will expire on June 30, 2012, if the resolution of the outstanding issues identified in Section 2 have not been completed.

CITY OF THE DALLES

By: _____
Nolan K. Young, City Manager

Approved as to form:

Gene E. Parker, City Attorney

Klickitat County

By: _____
Chair, Board of Commissioners

Approved as to form:

Prosecuting Attorney

ROSELAND PROPERTY GROUP, LLC

By: _____

Approved as to form:

Title: _____

Victor VanKoten,
Attorneys for Roseland Property
Group, LLC

OPTION AGREEMENT TO PURCHASE LODGING/RESORT PROPERTY

DATED: _____

FROM: CITY OF THE DALLES & KLICKITAT COUNTY GRANTORS
ROSELAND PROPERTY GROUP LLC GRANTEE

1 Agreement

1.1 This Option Agreement ("Option") to purchase Lodging/Resort Property is entered into by the City of the Dalles, an Oregon municipal corporation, and Klickitat County, a political subdivision of the State of Washington, ("Grantors"), and Roseland Property Group LLC, an Oregon limited liability corporation, ("Grantee").

1.2 Grantors grant to Grantee an option to purchase the property described below for the purpose of creating recreational residential properties and lodging adjacent to a destination public golf course that Grantors and Grantee are developing under a contemporaneously adopted Golf Course Lease Agreement.

2 Recitals

2.1 Grantors are the owners of certain real properties located in Klickitat County, Washington, on property owned by Grantors, commonly known as the Columbia Gorge Regional Airport, which are more particularly described as follows:

2.1.1 The Bluff Property which contains 24.4 acres more or less, appraised at \$30,000 per acre (subject to survey), with a legal description provided upon completion of a survey, to be attached as Exhibit A.

2.1.2 The Meadows Property which contains 19.5 acre more or less appraised at \$25,000 per acre (subject to survey), with a legal description provided upon completion of a survey, to be attached as Exhibit B.

2.2 Grantors are interested in selling the Bluff Property and the Meadows Property for the purpose of enhancing the development of the airport and golf course operations, but must first complete an application process including an environmental study required by the Federal Aviation Administration (FAA).

2.3 Grantee intends to lease airport property from Grantors in order to construct a destination public golf course that will take advantage of the its proximity to the airport to attract fly-in golfers and vacation home owners to the airport.

2.4 Grantee is interested in purchasing the Bluff Property and Meadows Property for the purpose of enhancing the development of the airport and golf course operations but wishes to further investigate the two properties and the feasibility of its purchase before finally committing itself to such a purchase.

3 Grant of Option

3.1 In consideration of the Grantee's commencing construction of a destination public golf course on June 30, 2013 and completing construction no later than June 30, 2015 and the purchase price as established in Section 11, Grantors agree to grant the Grantee an option to purchase the Bluff Property and Meadows Property under the terms set forth in this Option.

3.2 It is anticipated that this Option maybe assigned to a new entity that will be established specifically for the development of one or both portions of the Property, consistent with the terms, conditions and restriction hereof. This Option is not transferable by Grantee without the express written consent of the Grantors, which consent may not be unreasonably withheld.

4 Duration of Option

4.1 The Option may be initially exercised to purchase either the Bluff Property or the Meadows Property without being required to exercise the Option on the remaining property.

4.2 The Option for either the Bluff Property or the Meadows Property must be initially exercised within 180 days of later of (a) completion of the golf course as provided in the Golf Course Lease Agreement or (b) approval of the Grantees' application to Governmental Agencies for a preliminary plat approval or (c) approval of the required public water and sewer lines, or (d) approval by the FAA, but no longer than three years from the time this Option is dated.

4.3 In the event that Grantee fails to perform its obligations in Section 4.2, Grantee shall relinquish all rights and claims hereunder.

4.4 In the event that Grantee has performed its obligations in Section 4.2 but Grantor is unable to secure government (including FAA) approvals for the division, transfer and development of the Property as stipulated herein, Property may not be transferred, leased or developed for any use that may be deemed to conflict with the interests of the golf course, as mutually determined by Grantor and Grantee.

4.5 Grantee shall have an additional period of five years from the date of closing for the purchase of the Bluff Property or the Meadows Property to exercise its Option to purchase the remaining property, but not longer than seven years from the time this Option is dated. The right to purchase the remaining parcel of property is contingent upon substantial development commencing on initial parcel purchased. Substantial development shall be completion of road and utilities within the site, preliminary platting and obtaining initial building permits.

5 Deed Restrictions:

5.1 Grantee agrees, with respect to any residential development constructed on property purchased from City and County hereto, or purchased from Circle T Enterprises or Columbia Hills RV, Inc., that Grantee will record deed restrictions and covenants, conditions and restrictions (“CC&Rs”), for approval by Grantors, which approval shall not be unreasonably withheld.

5.2 The deed restrictions and CC&Rs required by Section 5.1 shall provide: (a) for Grantee’s waiver of any objections to activities that may occur on Airport property; (b) Grantee’s agreement that future lots created on either the Bluff or Meadows Property will be managed consistent with recommendations from USDA Wildlife Services, dated _____ for measures preventing conditions attractive to wildlife causing potential hazards to Airport traffic; and (c) that residential dwelling units on the property be designed and constructed with building components to mitigate the impact of aircraft noise, and in compliance with FAA requirements in effect at the time of the signing of this agreement. A copy of the FAA requirements shall be provided to the Grantee prior to the signing of this agreement.

6 Use Restriction

6.1 Use of either the Bluff Property or the Meadows Property, or both, shall be governed by CC&Rs, filed as deed restrictions that will run with the property in perpetuity and apply to all parcels and separate units created within property.

6.2 The CC&Rs shall require and provide guidelines for short-term rentals and/or fractional ownership of all residential lodging structures built on all new parcels created within either the Bluff or Meadows Property, or both.

7 Failure to Exercise Option

If the Grantee fails to exercise this Option in the manner set forth below, during the initial option period for the first parcel as described in Section 4.2 or the additional five year period for the second parcel as described in Section 4.5, Grantee shall have no further claim against or interest in either the Bluff or Meadows Property.

8 Exercise and Scope of Option

8.1 This Option shall be exercised if at all by written notice by Grantee to Grantors at any time during the initial option period for the first parcel as described in Section 4.2, or the additional period for the second parcel as described in Section 4.5, which notice shall specify that Grantee has elected to exercise this Option as it applies to either the Bluff or Meadows Property.

8.2 This Option may be exercised only with respect to the entirety of either of the Bluff Property or the Meadows Property.

8.3 Upon exercise of this Option, Grantee shall be obligated to purchase the designated property from Grantors, and Grantors shall be obligated to sell the property to Grantee, for the price and in the manner hereinafter set forth in Section 10.

9 Rights for Duration of Option

9.1 During the period of this Option, Grantee shall be entitled to go upon either the Bluff Property or the Meadows Property for the purpose of making or conducting any inspection, investigation, test or survey reasonably relative to Grantee's decision to purchase either property or to Grantee's prospective use thereof, provided only that all such activities shall be without expense to Grantors.

9.2 Grantee shall protect, defend, and hold harmless Grantors from any loss, liability or damage to persons or property arising out of or related to Grantees' activities on either the Bluff Property or the Meadows Property.

9.3 Should Grantee fail to exercise this Option and fail to purchase either the Bluff Property or the Meadows Property, Grantee shall leave the property in the same or better condition than it was at the time this Option is dated, free from any lien or encumbrance.

9.4 Should Grantors determine that Grantee has not complied with the terms of Section 9.3, Grantee shall fully compensate Grantors for any physical damage to the property or any lien, encumbrance or charge thereon attributable to Grantee's activities with respect thereto.

10 Purchase Price Payment

10.1 The purchase price for the first of the two properties that is purchased will be calculated based upon the per acre value of either \$30,000 per acre for Bluff Property or \$25,000 per acre for the Meadows Property, based on the November____, 2007 PGP Land Appraisal. If closing on the first property occurs more than two years after the date of this Option, a CPI increase shall be added from the date of this Option to the date of closing in the same form as in 10.2.

10.2 The purchase price of the second remaining property will be based on the price per acre established in Section 10.1, with an adjustment starting from the date this Option to the date of the second closing. The adjustment shall be a cumulative adjustment based upon an increase in the Consumer Price Index for each of the years and fractional part of a year between the date of this Option to the first closing and the date of the second closing. For each year that is calculated, the amount of the increase shall be measured by the Consumer Price Index for the West Coast (Report Number 9215), or successor index, for the most recent twelve month period which preceded the month in which the first closing occurred.

11 Closing

11.1 The purchase of either the Bluff Property or the Meadows Property or both shall be closed in escrow at _____ Title Company, and the costs of escrow shall be shared equally by the parties.

11.2 Closing shall occur within ninety (90) days of Grantee's exercise of the Option to purchase either the Bluff Property or the Meadows Property.

11.3 At the closing for either the Bluff Property or the Meadows Property, Grantors shall deliver to Grantee a duly executed and acknowledged warranty deed conveying the respective parcel of property to Grantee free and clear of all liens and encumbrances, excepting only such matters as may be specifically referred to in Section 5.

11.4 At the closing for either the Bluff Property or the Meadows Property, Grantee shall pay to Grantors in cash or other terms acceptable to Grantor the entire amount of the purchase price, and shall pay such additional amounts as may be required for recording fees and Grantee's pro rata share of items required to be prorated under Section 11.6 below.

11.5 At or prior to closing, Grantors shall pay the unpaid principal and accrued interest of any liens and encumbrances on either the Bluff Property or the Meadows Property necessary to be paid in order to permit issuance of the title insurance policy referred to below, and Grantee understands that any such payment may be made out of the funds paid by it to Grantors at closing.

11.6 Taxes, utilities, rents, if any, premiums for any existing policies of insurance assumed by Grantee, and the current portion of assessments for governmental or quasi-governmental improvements, if any, shall be prorated between the parties as of the date of closing.

11.7 The transaction shall be closed for the respective parcel of property when _____ Title Company is in a position to insure title to the respective parcel of property. It shall be Grantors' responsibility to arrange for issuance of such title insurance, which shall be at Grantors' expense.

11.8 Grantee shall be entitled to receive a standard owner's policy of title insurance insuring title in Grantee subject to standard printed exceptions in the title policy of the title company named in Section 11.7.

11.9 Promptly following exercise of this option for either parcel of property, Grantors shall obtain a preliminary title report for the respective parcel of property, and shall take steps to remove any exceptions in order to permit issuance of a title insurance policy in the form required by Section 11.8 above.

12 Notices

Any notice given with respect hereto, whether or not required to be given shall be deemed given when actually delivered or when deposited in the United States registered or certified mails, return receipt requested, in an envelope addressed as set forth in this Section or to such other address as either party may specify by notice to the other. The address for the parties is as follows:

GRANTORS

City of The Dalles
313 Court Street
The Dalles, OR 97058

Klickitat County
127 West Court Street, MS-CH-26
Goldendale, WA 98620

GRANTEE

Roseland Property Group, LLC
1608 Arran Court
West Linn, OR 97068

13 Memorandum

A memorandum of this Option shall be executed by the parties, and may be recorded by Grantee, but the Option itself shall not be recorded.

14 Default

If either party shall fail or refuse to carry out any provision hereof, the other party shall be entitled to such remedy or remedies for breach of contract as may be available under applicable law, including without limitation the remedy of specific performance, if such other party has fully performed all of its obligations hereunder. Time is of the essence hereof.

15 Governing Law and Forum

This Option shall be construed in accordance with the laws of the State of Washington, and any litigation arising from the Option shall be filed in either Klickitat County Superior Court or Skamania County Superior Court.

16 Attorney Fees

In any suit or action brought upon or arising out of this agreement, and upon any appeal thereof, the losing party agrees to pay the prevailing party's reasonable attorney fees to be fixed by the trial and appellate courts respectively.

IN WITNESS WHEREOF, the parties have executed this instrument on or as of the day and year first written above.

GRANTORS

City of The Dalles

Approved as to Form

By: _____
Nolan K. Young, City Manager

Gene Parker, City Attorney

Attest:

Julie Krueger, MMC
City Clerk

Klickitat County

Approved as to Form

By: _____

Chair of Board of Commissioners

Prosecuting Attorney

Commissioner

GRANTEE

By: _____

Commissioner

Title: _____

Attest:

Clerk of the County Board

GOLF COURSE LEASE AGREEMENT

1. Parties

This Golf Course Lease Agreement is entered into between City of The Dalles, a municipal corporation of the State of Oregon, Klickitat County, a political subdivision of the State of Washington ("Lessors") and Roseland Property Group, LLC, an Oregon limited liability company ("Lessee").

2. Findings

2.1 The City of The Dalles entered into a Joint Operating Agreement with Klickitat County effective as of November 1, 2002, for the operation of the Columbia Gorge Regional Airport ("Airport"); and

2.2 Lessors seek to provide for the construction and operation of a destination, public golf course on part of the Airport for the purpose of enhancing the development of the Airport.

3. Premises Leased

3.1 Lessors lease to Lessee, for the purpose of constructing and operating a destination, public golf course upon said Premises, located in Klickitat County, Washington, which Premises are identified on the map attached hereto as Exhibit "A".

3.2 The Premises will be more particularly described with a legal description and revised map in an Exhibit "B" to be attached hereto upon completion of a survey of the leased premises, and upon approval by both parties and the completion of the legal description of the adjacent property set forth in Exhibit C. When Exhibit B is complete and agreed to by both parties, it will supersede Exhibits A and C and be the legal description of the leased Premises.

3.3 As used in this agreement ("Agreement"), the term "Premises" refers to the real property above described in Exhibit A, and in Exhibit C, later to be superseded by Exhibit B, and to any improvements located thereon from time to time during the term of this Agreement, or any extension thereof.

4. Adjacent Golf Course Property

4.1 In order to construct a destination, public golf course, Lessees have executed a memorandum of agreement which has been recorded (a copy of which is attached as Exhibit D) to acquire ownership in fee simple for identified property adjacent to the current Airport property in a time frame consistent with Section 4.3 (as shown in Exhibit A), the legal description of which is set forth in Exhibit C (to include all golf course play areas and course access to those areas on adjacent property).

4.2 The Lessee shall acquire approval of a lot line adjustment to allow for the transfer of ownership of the adjacent property in a time frame consistent with Section 4.3.

4.3 Within one hundred and twenty 120 days of the Commencement Date of this Agreement, Lessee shall transfer ownership of the adjacent properties including the holding pond site described in Section 4.8 identified in Exhibit C to Lessors. If Lessee fails to transfer ownership of properties identified in Exhibit C within 120 days of the commencement date of this

agreement, the agreement shall be null and void and neither party shall have any further liability or obligation.

4.4 Consideration to Lessee for transfer of the adjacent property to Lessors will be incorporated as an offset to the first annual rent payment as set forth in Section 6.3 below.

4.5 When the adjacent property identified in Exhibit C are transferred to Lessors, that property shall be added to the Lessors' Airport property and become part of the leased Premises then fully described in Exhibit B.

4.6 The Lessee will also transfer water rights to Lessor sufficient to irrigate the golf course, and water pipe easements to allow for irrigation of the golf course within 120 days of commencement date of this agreement subject to any additional time required to comply with state procedures for transferring the water rights. If Lessee fails to transfer the water rights and water pipe easement to Lessor within the time period specified in this section, the agreement shall be null and void and neither party shall have any further liability or obligation. The legal description for the water rights and the water pipe easement is set forth in Exhibit E, which shall include an estimate of acre feet needed to irrigate the golf course. Copies of the water pipe easement shall be recorded in the Klickitat County deed records.

4.7 All before mentioned items in Exhibit E will be transferred to the Lessor without financial liability being incurred by Lessor for 50 years from the commencement date of the lease as long as the premises are owned by Lessor and are operated as a public golf course. At the end of the 50 year period the Lessor has the option to purchase the water rights and the water pipe easements as set forth in Exhibit E for a price fixed through a professional appraisal process agreed to by both parties.

4.8 Lessor shall provide a perpetual easement for a holding pond on the property identified in Exhibit C, the legal description of which is identified in Exhibit F, to Lessees. This perpetual easement shall be granted by Lessors to Lessees for the design, construction and maintenance of the holding pond. The perpetual easement shall authorize Lessee to deposit and withdraw a quantity of water sufficient to irrigate the golf course and provide irrigation water services to Sundoon Development. The quantity of water which is authorized to be deposited and withdrawn from the holding pond shall be set forth in the perpetual easement, a copy of which shall be attached as Exhibit G. Lessor shall assume no liability for the design, construction or maintenance of the holding pond or the related well, equipment or pipes. The Lessor shall retain the right to deposit and withdraw a quantity of water sufficient to the golf course and vacant portions of Airport land described in Exhibit B. Copies of the perpetual easement shall be recorded in the Klickitat County deed records.

5 Term

5.1 Commencement Date The initial term of this Agreement shall commence on the date the Agreement is signed by the parties.

5.2 30-Year Term The Agreement shall end thirty (30) years following the Commencement Date, unless renewed.

5.3 Renewal This Agreement may be renewed at the option of the Lessee for two additional terms of ten (10) years each, provided Lessee gives notice of its desire to renew in writing to

Lessors by no later than three hundred sixty-five (365) days prior to expiration of the initial 30 year term, and by no later than three hundred sixty-five (365) days prior to the expiration of the first additional ten year term.

6 Rent

6.1 Rent Waiver Period For the period from the earlier of (a) the Commencement Date to the opening day of the golf course, or (b) two years from the Commencement Date, Lessee shall pay no rent to Lessors .

If construction of the golf course is not completed within four years from the date of execution of the agreement by the parties Lessee shall forfeit the rent waiver from the second year.

6.2 First Annual Rent Payment Lessee's original purchase price of \$7,000 per acre for having acquired the adjacent property described in Exhibit C shall be recognized as an offset to the first annual rent payment Accordingly, the first rent payment due at the end of the Rent Waiver Period shall be \$70,000 minus the purchase price of the adjacent property. If the purchase price for Exhibit C exceeds \$70,000 the excess price above \$70,000 will be subtracted from the next future annual lease payment under the same terms as the initial \$70,000 purchase price.

6.3 Subsequent Annual Rent Payments Annual rent payments of \$70,000.00 shall then commence one year from the end of the Rent Waiver Period and continue until the end of the fifth year from the end of the Rent Waiver Period. Lessee shall pay annual rent in the amount of \$70,000.00 to Lessors at the end of each anniversary of the Rent Waiver Period for those lands leased for the golf course, as shown in Exhibits A and C, to be superseded by Exhibit B. The total land for golf course operation on the Airport will be shown on Exhibit B.

6.4 Monthly Rent :Payments On the fifth anniversary of the end of the Rent Waiver Period, the annual rent shall be converted to a monthly rent, to be paid in twelve equal installments each year. Through the 30th year of the Agreement the amount will be adjusted annually on the 1st day of the month in which the anniversary date of Rent Waiver Period falls by the amount of increase in the Consumer Price Index for the West Coast (Report Number 9215), or successor index, for the most recent twelve month period. The monthly rent shall be paid on the 20th day of the month in each month of the year.

6.5 Monthly Rent Payments in the Renewal Periods If the Agreement is renewed for one or both ten-year renewal periods, the monthly rent shall continue to be adjusted annually on the 1st day of the month in which the anniversary date of the Rent Waiver Period falls by the amount of increase in the Consumer Price Index for the West Coast (Report Number 9215), or successor index, for the most recent twelve month period.

7 Warranties of Title and Quiet Possession – Except For Airport Operations

7.1 Lessors covenant that they are owners of the Premises in fee simple and have full right to make this lease Agreement, and that Lessee shall have quiet and peaceable possession of the Premises for the purpose of constructing and operating a golf course during the term hereof, subject to continued unrestricted airport operations and subject to avigation rights associated with airport operations..

7.2 Lessee covenants that they have entered into an memorandum of agreement which has been recorded (attached as Exhibit D) to become the owner in fee simple of the adjacent property and they will acquire the transferable easements and water rights necessary to irrigate the golf course described in Exhibit E and Section 4.7 within 120 days from the Commencement Date of this Agreement subject to any additional time required to comply with state procedures for transferring the water rights and that Lessee has full right to make this lease Agreement, and that Lessee shall have quiet and peaceable possession of the adjacent properties described in Exhibit C for the purpose of constructing and operating a golf course during the term hereof, subject to the continued unrestricted airport operations and subject to aviation rights associated with airport operations.

8 Use of Premises

8.1 Lessee shall not use, or permit the Premises, or any part thereof, to be used for any purpose other than for the construction, operation, and activities typically occurring upon a public golf course, without the written permission of Lessors.

8.2 Control of development upon those vacant portions of land owned by Lessors adjacent to the boundaries of the Premises described in Exhibit B, which are not needed for improvements associated with construction of the golf course, shall remain under the control of Lessors who may use it for any aviation purposes without limitation and for any other non-aviation purposes that generates revenue for the maintenance and operation of the airport. If Lessee has good cause to believe that any proposed non aviation activity may be in conflict with the operation of the golf course the Lessee may propose, with in 90 days notice from the Airport of a proposed use, an alternative activity not in conflict with the operation of the golf course that will generate at least an equivalent amount of revenue for the maintenance and operation of the airport and similar benefit for the airport. The final determination of the type of non-aviation purpose that may occur upon the vacant portions of property described in this Section shall remain with the Lessors.

8.3 Lessors agree to approve cut and fill activity to occur upon the portion of the leased premises shown in the cut and fill plans dated November 6, 2007 which Lessors have reviewed. It is understood by Lessors that during construction of the golf course, Lessee may request some additional cut and fill activity may take place on the vacant portion of the Lessors' property. No additional cut and fill activity shall occur without the Lessors' prior written approval of such activity.

8.4 Lessee shall operate and manage the golf course and in such a manner as to not interfere with the operation and activities occurring upon the Lessors' Airport.

9. Compliance with Law

9.1 Lessee shall comply with all laws, rules, orders, ordinances, directions, regulations and requirements of federal, state, county, and municipal authorities pertaining to Lessee's use of the Premises and with all recorded covenants, conditions, and restrictions. These include, without limitation, any laws requiring alteration of the Premises because of Lessee's specific use, and all applicable federal, state, and local laws, regulations, or ordinances pertaining to air and water quality, Hazardous Materials (as hereinafter defined), waste disposal, air emissions, and other environmental matters, all zoning and other land use matters, and utility availability, and with any direction of any public officer or officers, pursuant to law, which shall impose any

duty upon Lessors or Lessee with respect to the use or occupation of the Premises. This also includes all current and future FAA Grant Assurances that are part of any FAA Grant agreement signed by the Airport's sponsors including compliance with all applicable Federal Laws, regulations and executive orders, policies, guidelines and requirements as it relates to the operation and maintenance of the Airport and its Federal Fund improvements.

9.2 This Agreement may be subject to modification to address potential impacts to Lessee resulting from changes in such laws, regulations, or ordinances. Any such modification may provide equitable consideration to both parties for such impacts.

9.3 Lessee shall not commit, or suffer to be committed, any waste on the Premises, or any nuisance.

9.4 In the furtherance of, and not in limitation of, Lessee's obligations under the foregoing section, throughout the term of the Agreement, Lessee shall do or cause to be done all things necessary to preserve and keep in full force and effect permits required for the conduct of its business and operations from the time of the Commencement Date of the Agreement until its expiration or termination.

10 Hazardous Material

10.1 As used herein, the term "Hazardous Materials" means any hazardous or toxic substance, material, or waste, including but not limited to, those substances, materials, and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 C.F.R. 172.101) or by the United States Environmental Protection Agency as hazardous substances (40 C.F.R. Part 302) and amendments thereto, petroleum products, or such other substances, materials, and wastes that are or become regulated under any applicable local, state, or federal law.

10.2 Lessee shall not cause or permit any Hazardous Materials to be brought upon, kept or used in or about the Premises by Lessee, its agents, employees, contractors, or invitees without the prior written consent of Lessors, which shall not be unreasonably withheld as long as Lessee demonstrates to Lessors' reasonable satisfaction that such Hazardous Material is necessary to Lessee's business and will be used, kept, and stored in a manner that complies with all laws regulating any such Hazardous Material so brought upon or used or kept in or about the Premises.

10.3 Lessee shall indemnify, defend, and hold Lessors harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses (including, without limitation, diminution in value of the Premises, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises, and sums paid in settlement of claims, attorney fees, consultant fees, and expert fees) which arise during or after the lease term as a result of contamination by Hazardous Materials as a result of Lessee's use or activities, or of Lessee's agents or contractors. This indemnification of Lessors by Lessee includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal, or restoration work required by any federal, state, or local governmental agency or political subdivision because of Hazardous Materials introduced in the soil or ground water on or under the Premises by Lessee or Lessee's agent or contractor during the term of this lease.

10.4 Without limiting the foregoing, if the presence of any Hazardous Material on the Premises caused or permitted by Lessee or its agents or contractors results in any contamination of the

Premises, Lessee shall promptly take all actions at its sole expense as are necessary to return the Premises to the condition existing prior to the release of any such Hazardous Material to the Premises, provided that Lessors' approval of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Premises. The foregoing indemnity shall survive the expiration or earlier termination of this Agreement.

10.5 At the Commencement Date of this Agreement, and on January 1 of each year thereafter (each such date being hereafter called "Disclosure Dates"), including January 1 of the year after the termination of this Lease, both parties shall disclose to the other the names and amounts of all Hazardous Materials, or any combination thereof, which were stored, used, released, or disposed of on the Premises, or adjacent airport property which may impact premises or which Lessee intends to store, use, release, or dispose of on the Premises or adjacent airport property which may impact premises.

10.6 In the event Lessors shall for any reason cause or permit any Hazardous Materials to be brought upon, kept or used in or about any of the leased premises, the Lessors, jointly and severally, shall be liable for, and indemnify, defend, and hold Lessee harmless from, any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses (including, without limitation, diminution in value of Lessee's leasehold interest under the Agreement and/ or the leased Premises and improvements, any sums paid in settlement of claims, attorney fees, consultant fees, and expert fees) which arise during or after the term of this Agreement as a result of contamination by Hazardous Materials from Lessors' use or activities, or those of Lessors' agents or contractors. This indemnification includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state, or local governmental agency or political subdivision because of Hazardous Materials present or introduced in the soil or ground water on or under the leased premises by Lessors or Lessors agents or contractors. Without limiting the foregoing, if the presence of any Hazardous material on any portion of the leased premises caused or permitted by Lessors or its agents or contractors results in any damage to Lessee, Lessors shall promptly take all actions at its sole expense as are necessary to return any such portion of the leased premises to the condition existing prior to the release of any such Hazardous Material. This indemnity shall survive the expiration or earlier termination of this Agreement.

10.7 Any default under this section of the Agreement shall be a material default enabling Lessors to exercise any of the remedies set forth in this Agreement.

11 Abandonment of Premises

11.1 Lessee shall not vacate or abandon the Premises at any time during the term hereof.

11.2 Should Lessee abandon, vacate or surrender the Premises, or be dispossessed by process of law, or otherwise, any personal property belonging to Lessee and left on the Premises shall be deemed to be abandoned, at the option of Lessors.

12 Lessors' Right of Entry

12.1 Lessee shall permit Lessors and their agents and employees to enter into and upon the Premises at all reasonable times for the purpose of inspecting the same, or for the purpose of posting notices of non-responsibility for alterations, additions, or repairs, without any rebate of rent and without any liability to Lessee for any loss of occupation or quiet enjoyment of the Premises thereby occasioned.

12.2 This right is in addition to such rights as may be held by Lessors in their governmental capacity.

13 Subleases and Assignment

13.1 Lessee shall be responsible for operating and maintaining the golf course during the term of this Agreement. Lessors and Lessee understand and agree that Lessee will be entering into loan agreements seeking financing for construction of the golf course and Lessors agree to allow construction lender to assume this lease subject to approval of the form of the loan documents entered into by Lessee, which approval shall not be unreasonably withheld.

13.2 Lessee may enter into a sublease agreement for the operation and maintenance of the golf course, clubhouse, and/or food service, with the prior written consent of Lessors, which consent shall not be unreasonably withheld.

13.3 Any voluntary assignment, sale, or transfer of Lessee's interest in this Agreement shall not occur without first obtaining the prior written consent of Lessors, which consent shall not be unreasonably withheld. By executing this Agreement, Lessors consent to an assignment of Lessee's interest in this agreement to Gorge Golf Associates, which shall consist of members of the John Fought family, or an entity owned by them, who shall have a controlling interest; Steve Tessmer, or an entity owned by him, who may acquire a minority interest; and Roy and Linda Rose or an entity owned by them. Gorge Golf Associates shall then assume the obligations of Lessee under this Agreement and Lessee will be released from the liabilities of this agreement. Any change in the members who make up Gorge Golf Associates shall require the prior written consent of Lessors, which consent shall not be unreasonably withheld.

13.4 In the event Lessee enters into a sublease agreement with any sub lessee approved by Lessors as required hereunder, Lessors shall not exercise any remedies for default under Section 24 hereof or right of surrender under Section 26, without first giving such sub lessee the same ninety (90) day notice of default and opportunity to cure given Lessee pursuant to Section 23 hereof.

13.5 Similarly, in the event Lessee fails to give Lessors timely notice of intention to renew this Agreement under Section 5.3, Lessors shall provide notice to sub lessee of such failure and an additional sixty (60) days from such notice within which to make the election to renew.

14 Taxes and Assessments

14.1 Lessee shall pay and discharge as they become due, promptly and before delinquency, all taxes, assessments, charges, license fees, municipal liens, or levies, of whatever kind or nature, including leasehold excise tax, which may be levied, charged, or imposed upon the Premises, or upon any improvements constructed upon the Premises.

14.2 All rebates on account of any such tax, levies, assessments, or charges required to be paid and actually paid by Lessee shall belong to Lessee, and Lessors will, upon Lessee's request, execute any documents that may be necessary to allow the recovery of any such rebates, and pay over to Lessee any such rebates that may be received by Lessors.

14.3 Lessee's obligation to pay taxes assessed upon the golf course property shall begin on the Commencement Date and continue thereafter while the Agreement remains in effect.

14.4 Taxes for the first year in which the obligation to pay taxes becomes due shall be prorated, should there be any taxes to which Lessors are subject.

15 Development of Golf Course

15.1 Lessee shall be responsible for development and construction of a public golf course upon the Premises and on adjacent property either owned or leased by Lessee.

15.2 The golf course constructed and operated by Lessee shall be a championship caliber, destination golf course, with 18 separate holes of not less than par 70 for men. Unless alterations are required to course layout for aviation improvements.

15.3 The design of the golf course shall be created by John Fought, unless Lessors agree otherwise.

15.4 With the exception of all FAA approvals to construct and operate a golf course on the Premises, which Lessor shall make a good faith effort to obtain, Lessee shall be responsible for obtaining necessary permits, and establishing an adequate supply of irrigation water, and shall cooperate with Lessors in developing the utilities, access, and other elements necessary for the construction of the golf course facility.

15.5 Construction shall be commenced on or before June 30, 2013, and completed no later than June 30, 2015.

15.6 A reasonably adequate extension of time to commence construction of the golf course will be granted to Lessee if all necessary government appraisals, permits and licenses, etc. for the golf course construction have not been obtained by June 30, 2012.

15.7 As part of the golf course improvements on the Premises, Lessee shall design and construct a pro shop, cart storage structure, maintenance building and turf care center. The provisional locations thereof, as approved by the Regional Airport Board is identified on Exhibit A. The Lessee is also granted, subject to site approval by the Regional Airport Board, permission to locate a temporary pro shop at another location on the premises during construction, where utilities are readily available.

15.8 Lessee shall be responsible for preparation of plans and specifications for development and construction of the proposed public golf course, and related structures, which plans and specifications shall be submitted to Lessors for their written approval, prior to construction, which approval shall not be unreasonably withheld.

15.9 Lessee shall have the right to make alterations and improvements to the golf course and related structures which are constructed, provided Lessee has obtained Lessors' prior written approval, which approval shall not be unreasonably withheld.

16. Coordination with Airport Operations

16.1 Lessors and Lessee shall coordinate efforts when a new terminal building is constructed at the airport to consider an appropriate interface with the golf course.

16.2 Lessee will manage any wetland or habitat on the golf course consistent with recommendations from the USDA Wildlife Service, and FAA so as not to create a safety hazard for aircraft using the Airport; and that Lessee's actions will support activities at the Airport.

16.3 Lessee shall prevent any person or entity using or occupying the Premises and the adjacent property on which the golf course is constructed and adjacent recreational residential and lodging property from interfering with or objecting to any of the legal activities conducted on the Airport property.

16.4 Lessee understands and acknowledges that no structures or improvements shall be built upon the premises which would interfere with Lessors' requirements for unrestricted development of the remaining municipal airport property.

16.5 Except as provided for by 16.6, if at any time during the term of the Agreement Lessors require that any facility, improvement, or structure placed on the Premises with Lessors' approval be relocated to another portion of the Premises, the costs of relocation shall be paid by Lessors.

16.6 Lessees acknowledge that in the event an improvement for aviation in the existing, amended or future approved Airport Layout Plan (ALP), such as a runway extension at the airport alters a portion of the golf course, the Lessee shall be responsible for the costs to alter the golf course on land provided by Lessor from existing airport land. However, Lessee may deduct a portion of future rent payments for any documented reduction in the Golf Course net operating (does not include construction costs for any relocation) revenue from the prior two year average, for the same corresponding calendar period caused by the required relocation. The adjustment shall be applied as a dollar-for-dollar amount to reduce rent during the reasonable period the alteration to the golf course is made. For example if it takes the months of May, June and July to move a tee location and fairway, and there is a 30% drop in net operating revenue in these three months from the prior two years during May, June and July the Lessee will receive an after the fact rent credit in an amount equal to the net operating revenue loss for those three months. Such rent credits shall be applied and taken immediately upon Lessee providing documentation to support the claim. The amount of the rent credit which Lessee shall be entitled to receive shall be limited to either: 1) the period of time which is required for completion of the improvements required for relocation of a portion of the golf course, or 2) a two year period, whichever is less.

Lessors agree that prior to approving any amendment to the ALP that requires alteration to the leased premises, that they will (1) first consider any other available option(s) to achieve the same objectives sought to be achieved by the proposed amendment, and pursue the option(s), provided the option(s) is or are not more expensive and provided the option(s) does or do not violates any current or future FAA Grant assurances, federal law and regulations and provided

the option(s) is or are not less effective in achieving the aviation objectives sought by the proposed amendment; and (2) hold a public hearing on the proposed amendment with notice to the Lessee. The final determination as to whether to proceed with the proposed amendment to the ALP, or with an alternative option, shall rest with the Lessor.

17. Repairs and Destruction of Improvements

17.1 Lessee shall, throughout the term of this lease, at its own cost, and without any expense to Lessors, keep and maintain the Premises, including all buildings and improvements of every kind which may be a part thereof, in good, sanitary, and neat order, condition and repair, and, except as specifically provided herein, restore and rehabilitate any improvements of any kind which may be destroyed or damaged by fire, casualty, or any other cause whatsoever.

17.2 Lessors shall not be obligated to make any repairs, replacements, or renewals of any kind, nature, or description, whatsoever to the Premises or any buildings or improvements thereon

17.3 With the exception of any building owned by Lessors the damage, destruction, or partial destruction of any building or other improvement which is a part of the Premises shall not release Lessee from any obligation hereunder, except as hereinafter expressly provided, and in case of damage to or destruction of any such building or improvement, except for any building owned by Lessors, Lessee shall at its own expense promptly repair and restore the same to a condition as good or better than that which existed prior to such damage or destruction.

17.4 Without limiting such obligations of Lessee, it is agreed that the proceeds of any insurance covering such damage or destruction shall be made available to Lessee for such repair or replacement.

18 Utilities

18.1 Lessee shall fully and promptly pay for all water, gas, heat, light, power, telephone service fees, and other public utility service fees of every kind furnished to the Premises throughout the term hereof, and all other recurring costs and expenses of every kind whatsoever of or in connection with the use, operation, and maintenance of the Premises and all activities conducted thereon, and Lessors shall have no responsibility of any kind for any thereof.

Lessor and Lessee agree to work together toward a development agreement for the installation of public utilities, public roads and other infrastructure that provides public benefit. Said agreement shall include terms under which Lessee can receive reimbursement for costs that they paid that proportionally benefit other developments. Such reimbursements shall be made when the other development is completed and connected to the improvement.

19 Materialmans Liens

19.1 Lessee shall keep all of the Premises and every part thereof and all buildings and other improvements at any time located thereon free and clear of any and all mechanic's, materialman's, suppliers' and other liens for or arising out of or in connection with work or labor done, services performed, or materials or appliances used or furnished for or in connection with any operations of Lessee, any alteration, improvement, or repairs or additions which Lessee may make or permit or cause to be made, or any work or construction, by, for, or permitted by Lessee.

19.2 Lessee shall at all times promptly and fully pay and discharge any and all claims on which any such lien may or could be based, and to indemnify Lessors and all of the premises and all buildings and improvements thereon against all such liens and claims of liens and suits or other proceedings pertaining thereto.

20. Indemnification

20.1 Lessors shall not be liable for any loss, injury, death, or damage to persons or property which at any time may be suffered or sustained by Lessee or by any person whosoever may at any time be using or occupying or visiting the Premises or be in, on, or about the same, whether such loss, injury, death, or damage shall be caused by or in any way result from or arise out of any act, omission, or negligence of Lessee or of any occupant, subtenant, visitor, or user of any portion of the Premises, or shall result from or be caused by any other matter or thing whether of the same kind as or of a different kind than the matters or things above set forth.

20.2 Lessee indemnifies, defends and holds harmless Lessors against all claims, liability, loss, or damage whatsoever on account of any such loss, injury, death, or damage.

20.3 Lessee hereby waives all claims against Lessors for damages to any buildings and other improvements that are now on or hereafter placed or built on the Premises and to the property of Lessee in, on, or about the Premises, and for injuries to persons or property in or about the Premises, from any cause arising at any time.

20.4 Sections 20.2 and 20.3, however, shall not apply to loss, injury, death, or damage arising by reason of the negligence, intentional acts, or misconduct of Lessors, their agents, or employees.

20.5 Lessors shall indemnify, defend, and hold Lessee harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses (including, without limitation, diminution in value of the Premises, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises, and sums paid in settlement of claims, attorney fees, consultant fees, and expert fees) which arise during the lease term as a result of negligent, or illegal activities by Lessors.

21. Insurance

21.1 Lessee shall, at all times during the term of this Agreement and at Lessee's sole expense, keep all improvements which are now or hereafter a part of the Premises insured against loss or damage by fire and the extended coverage hazards for one-hundred percent (100%) of the full replacement value of such improvements, with loss payable to Lessors and Lessee as their interests may appear. "Full replacement value" of improvements as used herein, shall mean the actual replacement cost thereof from time to time less exclusions provided in a normal fire insurance policy.

21.2 Lessee shall maintain public liability and property damage insurance in force, with an insurer acceptable to Lessors, naming Lessors as an additional named insured's, with \$5,000,000.00 combined single limit coverage per occurrence including bodily injury and property damage. Prior to commencing operations on the Premises, Lessee shall provide

Lessors with a certificate of insurance, and thereafter provide written proof of insurance on an annual basis. Such policy shall be without right of subrogation against Lessors or its insurers.

21.3 Every five years on the anniversary date of the Commencement Date, during which the term of the Lease remains in effect, Lessors and Lessee shall review the amount of coverage for public liability and property damage insurance to be maintained by Lessee, to ensure the amount of coverage is equivalent in value to \$5,000,000 measured in 2007 dollars. At any time during any of these five-year review periods, if Lessee fails to provide proof of increased coverage in an amount which Lessors and Lessee have mutually agreed is necessary, Lessors shall have the option to initiate proceedings to terminate this Lease under the provisions of Sections 23 and 24.

21.4 Lessee shall also obtain and maintain an insurance policy, providing coverage for occurrences during the term of the Agreement and not a claims-made policy, covering the release of Hazardous Materials on or below the surface of the Premises, if such insurance is reasonably available. Lessors shall be named as an additional insured on that policy.

21.5 No use shall be made or permitted to be made of the Premises, or acts done, which will cause a cancellation of any insurance policy covering the buildings located on the Premises, or any part thereof, nor shall Lessee sell, or permit to be kept, used, or sold, in or about the Premises, any article which may be prohibited by the standard form of fire insurance policies.

21.6 Lessee shall, at its sole cost, comply with all requirements, pertaining to the Premises, of any insurance organization or company, necessary for the maintenance of insurance, as herein provided, covering any building and appurtenances at any time located on the Premises.

22 Prohibition of Involuntary Assignment; Effect of Bankruptcy or Insolvency

22.1 Neither this Agreement nor the leasehold estate of Lessee nor any interest of Lessee hereunder in the Premises or in any buildings or other improvements thereon shall be subject to involuntary assignment, transfer, or sale, or to assignment, transfer, or sale by operation of law in any manner whatsoever (except through statutory merger or consolidation, or devise, or intestate succession) and any such attempt at involuntary assignment, transfer, or sale shall be void and of no effect.

22.2 Without limiting the generality of the provisions of Section 22.1, Lessee agrees that in the event any proceedings under the Bankruptcy Act or any amendment thereto be commenced by or against Lessee, and, if against Lessee, such proceedings shall not be dismissed before either an adjudication in bankruptcy or the confirmation of a composition, arrangement, or plan of reorganization, or in the event Lessee is adjudged insolvent or makes an assignment for the benefit of its creditors, or if a receiver is appointed in any proceeding or action to which Lessee is a party, with authority to take possession or control of the demised premises or the business conducted thereon by Lessee, and such receiver is not discharged within a period of sixty (60) days after his appointment, any such event or any involuntary assignment prohibited by the provisions of Sections 22.1 shall be deemed to constitute a breach of this lease by Lessee and shall, at the election of Lessors, but not otherwise, without notice or entry of other action of Lessors terminate this Agreement and also all rights of Lessee under this lease and in and to the Premises and also all rights of any and all persons claiming under Lessee.

23 Notice of Default

23.1 Lessee shall not be deemed to be in default hereunder unless Lessors shall first give to Lessee ninety (90) days written notice of such default, or if the default is of such a nature that it cannot be cured within ninety (90) days, Lessee fails to commence to cure such default within a period of ninety (90) days or fails thereafter to proceed to the curing of such default with reasonable diligence.

23.2 In the event that the original Lessee has assigned the rights and obligations hereunder to subsequent lessee(s), copies of all such written notices of default shall also be sent to the original Lessee and any other such subsequent assignees, provided that Lessors have been provided accurate addresses of the original Lessee and subsequent assignees.

23.3 All such written notices of default shall also be sent to the Sundoon Home Owners Association at the address provided by the Lessee.

23.4 The original Lessee and subsequent Lessee(s) and subsequent assignees including the construction lender referred to in 13.1 hereof, and the Sundoon Homeowners Association shall not be required to remedy such default but shall retain the option to remedy such default in the event the current Lessee fails to do so. This provision shall not limit any rights to litigate a dispute with Lessors, but is intended to allow the original Lessee and any subsequent lessees, assigns, lenders or Sundoon Homeowners Association the opportunity to maintain the continuous operation of the golf course.

24 Default

24.1 In the event of any default by Lessee, Lessors, in addition to the other rights or remedies it may have, shall have the immediate right of re-entry and may remove all persons and property from the Premises. In the event of a default, this Agreement shall be terminated, and Lessee shall surrender possession of the Premises to Lessors, including the adjacent property identified in Exhibit C.

25 Effect of Eminent Domain

25.1 If all the leased Premises are taken or condemned, by right of eminent domain or by purchase in lieu of condemnation, or if such portion of the Premises shall be so taken or condemned that the portion remaining is not sufficient and suitable, in Lessee's sole judgment, to permit the continued profitable operation of the golf course, then this Agreement, at Lessee's option, shall cease and terminate as of the date on which the condemning authority takes possession (any taking or condemnation of the land described in this section being called a "Total Taking"), and the rent shall be apportioned and paid to the date of such Total Taking.

25.2 If this Agreement expires and terminates as a result of a Total Taking, the rights and interests of the parties shall be determined as follows.

25.2.1 The total award or awards for the Total Taking shall be apportioned and paid in the following priority:

25.2.1.1 Lessors shall have the right to and shall be entitled to receive directly from the condemning authority, in its entirety, that portion of the award which is defined and referred to as the "Land Award," and Lessee shall not be entitled to receive any part of the Land Award. The term Land Award shall mean that portion of the award that represents the fair market value of the premises, considered as vacant, unimproved but encumbered by this Lease, the consequential damage to any part of the Premises that may not be taken, the diminution of the value of the Premises not so taken and all other elements and factors of damage to the leased premises; but in all events such damage or valuation shall take into consideration that the Premises is encumbered by this Agreement;

25.2.1.2 Lessee shall have the right to and shall be entitled to receive directly from the condemning authority, that portion of the award referred to as the "Leasehold Award." The term Leasehold Award shall mean that portion of the award in condemnation proceedings that represents the fair market value of Lessee's interest in the improvements and the fair market value of Lessee's leasehold estate as so taken and, provided this Agreement is not terminated as a result of such condemnation or taking, the consequential damage to any part of the improvements.

25.2.1.3 It is the intent of the parties that the Land Award and Leasehold Award will equal the total amount of the awards respecting a Total Taking.

25.3 If there is a taking or condemnation of the leased Premises that is not a Total Taking, this Agreement shall not cease or terminate but shall remain in full force and effect with respect to the portion of the leased premises not taken or condemned, and in such event,

25.3.1 The total award or awards for the taking shall be apportioned and paid in the following order of priority:

25.3.1.1 Lessors shall have the right to and shall be entitled to receive directly from the condemning authority, in its entirety, that portion of the award that equals the Land Award, and Lessee shall not be entitled to receive any part of the award; and

25.3.1.2 Lessee shall have the right to receive directly from the condemning authority the balance of the award.

26 Surrender of Lease

26.1 The voluntary or other surrender of this Agreement by Lessee, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of the Lessors, terminate all or any existing subleases or sub tenancies, or may, at the option of Lessors, operate as an assignment to it of any or all such subleases or sub tenancies.

27 Waiver

27.1 The waiver by Lessors of or the failure of Lessors to take action with respect to any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such

term, covenant, or condition, or subsequent breach of the same, or any other term, covenant, or condition therein contained.

27.2 The subsequent acceptance of rent hereunder by Lessors shall not be deemed to be a waiver of any preceding breach by Lessee of any term, covenant, or condition of this Agreement, other than the failure of Lessee to pay the particular rental so accepted, regardless of Lessors' knowledge of such preceding breach at the time of acceptance of such rent.

28 Attorney Fees

If any action at law or in equity shall be brought to recover any rent under this Agreement or for or on account of any breach of, or to enforce or interpret any of the covenants, terms, or conditions of this Agreement, or for the recovery of the possession of the Premises, the prevailing party shall be entitled to recover from the other party as part of the prevailing party's costs, reasonable attorney fees, as fixed by the court, including those on appeal.

29 Notices

29.1 All notices, demands, or other writings in this lease provided to be given or made or sent, or which may be given or made or sent, by either party hereto to the other, shall be deemed to have been fully given or made or sent when made in writing and deposited in the United States mail, registered and postage prepaid, and addressed as follows:

To Lessors: City of The Dalles
City Manager
313 Court Street
The Dalles, Oregon 97058

Klickitat County
127 West Court Street, MS-CH-26
Goldendale, WA 98620

To Lessee: Linda Rose, Manager
Roseland Property Group, LLC
1608 Arran Court
West Linn, OR 97068

And

Steve Tessmer
PO Box 887
Hood River, OR 97031

And

John Fought
5010 E. Shea Blvd., Ste A-217
Scottsdale, AZ 85254

29.2 The address to which any notice, demand, or other writing may be given or made or sent to any party as above provided may be changed only by written notice given to such party as above provided.

29.3 Failure to provide notice of changes in addresses or recipients shall not absolve any party from its obligations under this Agreement, nor excuse any party from its obligations to respond to any notice sent to the most recently listed recipient and address.

30 Parties Bound

The covenants and conditions herein contained shall, subject to the provisions as to assignment, transfer, and subletting, apply to and bind the heirs, successors, executors, administrators, and assigns of all of the parties hereto; and all of the parties hereto shall be jointly and severally liable hereunder.

31 Time of the Essence

Time is of the essence of this Agreement, and of each and every covenant, term, condition, and provision hereof.

32 Section Captions

The captions appearing under the section number designations of this Agreement are for convenience only and are not a part of this Agreement and do not in any way limit or amplify the terms and provisions of this Agreement.

33 Governing Law

This Ground Lease shall be construed in accordance with the laws of the State of Washington, and any litigation arising from the Agreement shall be filed in either Klickitat County Superior Court or Skamania County Superior Court.

34 Severability

In the event that any clause or portion hereof shall become invalid by reason of subsequent legislation or the decision of any court or tribunal, the remaining parts of this Agreement shall remain in full force and effect.

35 Disposition of Improvements in Case of Termination

35.1 In the event of termination of this Agreement, either as a result of expiration of the term thereof, or a termination as a result of Lessee's default, possession of the Premises and all improvements which have become attached or affixed to the real property shall revert to the Lessors.

35.2 Any personal property of Lessee shall remain the property of the Lessee, subject to negotiations between Lessors and Lessee that would allow for acquisition of the property by Lessors.

36 Right of First Refusal

36.1 In the event the term of this Agreement, including any renewals, has expired, and Lessors desire to continue to use the services of a third party to operate the golf course, Lessors agree not to enter into such an agreement with a third party without first making a written offer to Lessee to enter into a new contract to provide services to operate the golf course upon the same terms and conditions submitted to the third party.

36.2 Lessee shall have a period of thirty (30) days, following the giving of Lessors' right of first refusal notice, within which to accept the Lessors' offer by giving Lessors written notice of acceptance.

LESSORS

CITY OF THE DALLES, a municipal
corporation of the State of Oregon

By: _____
Nolan Young, City Manager

Attest: _____
Julie Krueger, MMC, City Clerk,

Approved as to form:

Gene E. Parker, City Attorney

KLICKITAT COUNTY
BOARD OF COMMISSIONERS

Commissioner

Commissioner

Commissioner

Attest:

Clerk of the County Board

LESSEE

ROSELAND PROPERTY GROUP, LLC

By: _____

Title: _____

Approved as to form:

Prosecuting Attorney



AGENDA STAFF REPORT CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
July 25, 2011	Action Items 13, B	11-076

TO: Honorable Mayor and City Council

FROM: AMI, Airport Managers

THRU: Nolan K. Young, City Manager *ny*

DATE: July 13, 2011

ISSUE: Water Agreement with Dallesport Water District.

BACKGROUND: One of the continuing projects at the airport is the development of an industrial park. As part of the project a well was drilled and work has been completed to secure the airport's water right. The airport now needs to develop a water system in order to complete the industrial site. The airport board determined that the Dallesport Water District (DWD) was better qualified to develop and operate a water system. As a result an agreement has been reached with DWD and is being presented for Council approval (copy attached). The Airport Board supports approval of this agreement.

BUDGET IMPLICATIONS: None

ALTERNATIVES:

- A. **Staff Recommendation:** *Move to approve Water Supply Agreement with Dallesport Water District contingent on approval by the Klickitat County Commission.*

WATER SUPPLY AGREEMENT

This Water Supply Agreement (“Agreement”) is entered into on the ____ day of _____, 2011, between the City of The Dalles, a municipal corporation of the State of Oregon (“City”), Klickitat County, a municipal corporation of the State of Washington (“County”), and the Dallesport Water “District”, a State of Washington municipal corporation organized and existing under RCW Title 57.

RECITALS

WHEREAS, the City and County are joint owners of the Columbia Gorge Regional Airport (“Airport”); and

WHEREAS, ORS 192.420 provides that any power or powers, privileges or authority exercised or capable of exercise by a public agency of the State of Oregon may be exercised and enjoyed jointly with any public agency in another state to the extent the laws of the other state permit such joint exercise or enjoyment, and that public agencies in Oregon and in another state may enter into agreements with one another for joint or cooperative action; and

WHEREAS, RCW 39.34.030 provides that any power or powers, privileges or authority exercised or capable of exercise by a public agency of the State of Washington may be exercised and enjoyed jointly with any public agency of Washington having the power or powers, privilege or authority, and jointly with any public agency of any other state, and any two or more public agencies may enter into agreements with one another for joint or cooperative action; and

WHEREAS, pursuant to the provisions of ORS 192.420 and RCW 39.34.030, the City and County entered into a Joint Operation Agreement for the ownership and operation of the Airport on November 1, 2002; and

WHEREAS, the Airport holds ground water right Certificate No. 02105-A (“Water Right”). The Water Right authorizes the withdrawal of groundwater for 615 gallons per minute (“gpm”) and 750 acre feet per year (“afy”); and

WHEREAS, the City and the County have drilled a new well on Airport land authorized under the Water Right (“Well”); and

WHEREAS, the Airport has requested and the District has agreed that the District operate the water system for the Airport and deliver water to the Airport, including all current and future water users at the Airport properties; and

WHEREAS, the Airport needs to have sufficient and available water supply serving the Airport Properties including but not limited to safe and reliable potable supply for domestic use and adequate fire flow to provide proper fire protection to the Airport Properties; and

WHEREAS, the City, County, and District mutually believe that the use of the Airport Water Right as part of the District's water system would be beneficial to all of the parties and to the customers receiving services from the three parties;

NOW, THEREFORE, in consideration of the foregoing Recitals, incorporated herein, and mutual promises and covenants contained herein, the parties agree as follows:

1. **Term.** The term of this Agreement will continue in effect for ninety-nine (99) years from the date hereof, subject to the Agreement being mutually modified, or terminated by mutual written agreement by all parties on such terms as they determine are appropriate, except as may otherwise be provided in this Agreement.

2. **Airport Responsibilities.** The City and the County jointly and severally agree to perform the following tasks and responsibilities:

a. Transfer ownership of the Well, all water mains on the Airport Properties and Water Right to the District and provide the District with all necessary easements and covenants to access and use the Well as a public water supply source and mains to serve the Airport Properties and all other properties that may otherwise be authorized under the Water Right in conformance with State law. All conveyance and easement documents shall be subject to District's review and approval. To the extent that any such transfers are subject to the approval of the Federal Aviation Administration ("FAA"), City and County will use their best efforts to obtain such approval.

b. Procure all of its water supply from District and pay the District for the sale and delivery of water for the Airport purposes at rates that shall not exceed the monthly rates paid by other customers within the same category of use unless otherwise provided for elsewhere in this Agreement, provided, however:

- (i) The District shall not charge the Airport Properties any System Development or hookup fees ("SDC's") for existing connections on the Airport Properties, and
- (ii) The District shall charge the Airport Properties with SDC's based upon rates in effect at the time of connection for all connections, growth, expansions or development occurring after the date hereof, and remit to the City and County the amount thereof, upon receipt, for such SDC's actually collected by District with respect thereto for up to thirty (30) equivalent residential units ("ERU's) or the sum of \$500,000, whichever amount is collected first. Upon remittance of the appropriate amount, whether calculated in ERU's or in cash, this obligation shall expire and be of no further force and effect. The District agrees to calculate the SDC's applicable to the Airport properties at a rate that is reasonably comparable to the District's SDC's applicable to residences as adjusted for appropriate meter size until such time as this quota is reached. No interest shall accrue on any amounts due hereunder to the City and

County. All such amounts shall be considered to be a reimbursement of the City's and County's costs in developing the Well and Water Right, which costs are hereby determined to be reimbursable under RCW 57.22.010 et. seq. The Airport Properties shall be the reimbursement area. In the event the District has not completely made reimbursement to the City and County in accordance with the provisions of this section within 15 years from the date hereof, the District agrees that the term of the reimbursement shall be extended for a period of ____ years in accordance with the provisions of RCW 57.22.020.(2)(a).

- (iii) The District may require that all new development within the Airport Properties be separately metered and District may relocate or remove the existing three inch master meter at any time in its discretion after transfer of the Well, mains and Water Right. Meter placement or service installation necessary for providing individual lots within the Airport properties with service shall be placed by the District and charged at District's material and labor costs plus 15%.

c. Assign to District all manufacturers' and contractor warranties applicable to any facilities and equipment transferred to District hereunder.

d. Keep District reasonably apprised of all development plans for the Airport Properties which could affect water supply needs and pay all costs of water system improvements necessary to serve such development. City, County and District may enter into a joint construction project under a separate project agreement for the purpose of providing increased storage capacity and industrial fireflow within both the District and the Airport Properties; provided the District shall first provide the Airport with a description and cost estimate for the necessary improvements. If the costs are acceptable and the parties otherwise agree to cost share, the District shall be responsible for administering public works contracts to complete the improvements. Such separate project agreement will provide specifics for costs, reimbursements, scheduling, and all other pertinent matters.

e. Pay the costs associated with a connection to the District's water system as described in Exhibit B (DWD/CGRA Airport System Connection Plan) and shown on Exhibit C (Airport Industrial Park Distribution Plans), which exhibits are incorporated herein by this reference and made a part of this Agreement. Detailed plans for these projects shall be developed jointly with the District, and the District shall be responsible for reviewing and, if satisfactory, approving the plans, inspecting the work and accepting the improvements. The parties may enter into a separate project agreement with respect to such work containing mutually satisfactory terms and conditions.

f. Transfer to the District the ownership of all water systems improvements and any warranties when completed by the Airport.

g. Not protest the annexation of the Airport Properties into the District and to execute a petition for annexation into the District upon request from District.

h. Not protest the formation of a utility local improvement district ("ULID") pursuant to RCW Ch. 57.16 and to execute a petition for formation of a ULID upon request from District; provided that, this provision shall not be deemed to reduce or eliminate City and County's right to appeal a ULID assessment.

i. Abide by District's rules, regulations and rates duly adopted by the District's Board of Commissioners with respect to any facilities owned by City or County within the Airport Properties which are served or may be served by District.

3. District Responsibilities. The District shall perform the following tasks and responsibilities:

a. Submit to the Washington Department of Health and County Health Department, if required, an amendment to the District's water plan and include the Airport Property in the District's service area boundary.

b. Upon completion of any improvements provided in section 2.c. above and conveyance of the Well, mains and Water Rights to the District, own, maintain and operate the Well and the associated distribution lines as part of the maintenance and operation of the District's water system. Subject to existing rights, District and its agents, employees and contractors are hereby granted a license over the Airport Properties to access all water system facilities transferred to District hereunder or hereafter constructed by District on the Airport Properties.

4. Water Delivery

a. Following transfer of the Well, Water Rights and the water system as described in Paragraph 2 above, execution of all necessary assignments, conveyances, easements and covenants, and completion of the improvement described in Section 2.c above, the District will provide water to the Airport Properties.

b. The District will supply water from the Well or other sources as it may determine through the District's facilities to the Airport facilities that the Airport so designates, and to other customers under the following provisions:

- (i) A quantity of water shall be provided and reserved for the Airport Properties ("Water Reservation") from the Water Right for an amount equivalent to 408 acre feet per year or 54% of the legally available Water Right, whichever is less. This calculation is based on 869 ERUs at 419.8 gallons per day per ERU which amount is determined necessary for planned Airport Property use or Airport supported Developments.

- (ii) The Water Reservation will be reviewed 10 years after the execution of this Agreement, or whenever mutually requested by all parties based on a determination that revisions need to be made to the total amount. Any revision to the Water Reservation must be agreed to in writing.

c. The District will supply water that meets federal and State of Washington drinking water quality standards. During the term of this agreement the District shall charge water users on the Airport Property the same rate as the District charges for government users.

d. The District shall comply with all state and local laws regarding delivery of potable water including, but not limited to, metering and reporting requirements of the Washington Departments of Health and Ecology.

e. The District's water system will be operated and maintained by the District in a manner consistent with public water system standards and legal requirements in order to provide reliability of service to the Airport Properties; provided, however, the City and County understand and agree that the District makes no warranty or guarantee as to pressure, quantity, and continuity of service, or otherwise, such that the District shall not be liable for losses or damages from a deficiency or failure to supply water due to changes in law, uncontrollable forces, or unforeseen or unavoidable events, which include but are not limited to accidents, system or equipment malfunctions or failures, acts of God, fire, flood, earthquake, other natural disaster, acts of war, physical unavailability of groundwater, litigation preventing performance, or an order of a governmental authority, regulatory agency, or court of competent jurisdiction preventing performance and for fire flow requirements in excess of that provided by existing District water storage facilities. In the event of an emergency or other necessity that may disrupt supply to the Airport, the District shall immediately notify Airport personnel and shall restore water supply as soon as it can reasonably do so. In the event of regular maintenance or water system construction activities, the District shall provide reasonable notice to Airport personnel, and the parties will coordinate in order to schedule such work to minimize potential disruption to the Airport.

5. **Condition.** If at any time the Water Right is determined by the Washington State Department of Ecology or any court of competent jurisdiction to be legally valid for less than 300 afy and 400 gpm of continuous, year-around water rights for municipal purposes, then District shall have the right and option, within one year from the date of such determination to declare this Agreement to be null and void in which case, District shall quit claim the Well, all appurtenances and water mains acquired from City and County hereunder and any additions thereto within the Airport Properties to City and County. City and County shall together bear all costs associated with proving the legal validity and extent of the Water Right, including but not limited to the cost of competent experts and counsel. Any party hereto shall have the right to appeal such determination regarding the validity or extent of the Water Right to the appropriate administrative or appellate court, provided that City and County shall together bear all costs of prosecuting the appeal and subsequent appeals and they shall have the right to participate in all appeal proceedings. In the event of a timely appeal, District's right and option to declare this Agreement to be null and void shall be extended to the date of a final resolution of any

applicable administrative or appellate decision. This provision shall be construed to allow multiple appeals until all rights of appeal have been exhausted.

6. **Notice.** All notices to be given by either party to the other pursuant to this Agreement shall be in writing and shall be deemed to have been duly given if delivered personally, sent by nationally recognized overnight delivery service, or made by fax during regular business hours and by first class US mail to the following contacts. The date of actual receipt of notice by a party shall be deemed to be the date of delivery. A party's contact may be changed with written notice to the other party.

CITY/COUNTY/AIRPORT:

Columbia Gorge Regional Airport

_____, WA _____
Fax: (509) ____ - ____

DISTRICT:

Dallesport Water "District"

_____, WA _____
Fax: (509) ____ - ____

With a copy to:

Attn: _____
_____, WA _____
Fax: (509) ____ - ____

With a copy to:

Attn: _____
_____, WA _____
Fax: (509) ____ - ____

7. **Waiver of Claims.** Each party waives all claims against the other party for compensation for any loss, damage, personal injury, or death occurring to personnel as a consequence of the performance of this Agreement, including any insurance deductible.

8. **Workers Compensation Insurance.** Each party shall protect its personnel by workers compensation insurance which meets the requirements of the law of its state.

9. **Liability Insurance.** Each party shall maintain in full force and effect adequate public liability and property damage insurance or self-insurance to cover any reasonably insurable claims, which may arise by virtue of providing assistance under this Agreement. Each party agrees to waive any right of subrogation against the other parties for claims under their respective public liability and property damage insurance policies. Any party may satisfy its insurance requirements by participating in a risk management pool organized under the laws of the state in which the party is situate and with respect to which only governmental bodies may participate.

10. **Indemnification.** To the extent permitted by Article XI, sections 5, 7, and 10 of the Oregon Constitution and by the Oregon Tort Claims Act, and the Constitution and laws of the State of Washington pertaining to debt limitations and/or limits on liability, each party assumes sole responsibility for the torts of its own personnel and agrees to indemnify, defend and hold each other party to this Agreement harmless from liability including attorneys' fees arising

from the tortious acts or omissions of its employees, agents, contractors and subcontractors committed in the performance of this Agreement.

11. Governance. This Agreement is entered into pursuant to and under the authority granted by laws of the State of Washington and any applicable federal laws, and shall be construed to conform to those laws. In the event of inconsistency in the terms of this Agreement or between its terms and any applicable statute or rule, any inconsistency shall be resolved by giving precedence first to applicable federal and state statutes and rules and then to the contract terms and conditions.

12. Choice of Law/Forum. This Agreement will be governed and construed in accordance with the laws of the State of Washington, recognizing that the City can only take such actions as authorized by the State of Oregon. The venue for any legal proceedings, including arbitration or mediation, will be in either Wasco County, Oregon, or Klickitat County, Washington.

13. Final Agreement/Authority/Assignment. This written Agreement between the parties is the complete understanding of the parties and may not be supplemented by any previous writings or parole evidence and cannot be amended absent a written agreement signed by all parties. Each party represents to the others that the person executing this Agreement has been duly authorized by the party's governing body to do so and each party has been duly authorized to enter into and perform its obligations to this Agreement. No party may assign its rights or obligations under this Agreement without the prior written consent of the other parties hereto.

14. Dispute Resolution. In the event a dispute arises concerning implementation or enforcement of any provision of this Agreement, the parties agree to meet and confer regarding the dispute within thirty (30) days. The parties shall engage in a good faith effort to resolve the disputed issue or issues.

In the event the dispute is not resolved by negotiation within thirty (30) days after the initial meeting, any party to this Agreement may refer the dispute to arbitration, by providing a copy of a request to arbitrate in writing to the other parties. The request for arbitration shall be referred to the American Arbitration Association (AAA) or its successor in function, for the selection of an arbitrator pursuant to the voluntary contract arbitration rules of the AAA. The arbitrator's fees and expenses shall be shared equally by all three parties.

The arbitrator's decision shall be final. Judgment may be entered upon it in any court having jurisdiction thereof, and the decision will not be subject to modification or appeal, subject to the provisions of the applicable controlling law relating to vacation or modification of an arbitrator's decision.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

CITY OF THE DALLES

**BOARD OF COUNTY
COMMISSIONERS
Klickitat County, Washington**

Nolan K. Young, City Manager

Chairman

Commissioner

Commissioner

ATTEST:

ATTEST:

Julie Krueger, MMC, City Clerk

Clerk of the Board

Approved as to form:

Approved as to form:

Gene E. Parker, City Attorney

Lori Lynn Hocht, Prosecuting Attorney

Dallesport Water District

Chairman/Commissioner

Secretary/Commissioner

Commissioner

Approved as to form:

ATTEST:

Richard Jonson, DWD Attorney

DWD Clerk

EXHIBIT A

[Airport Properties]

EXHIBIT B

EXHIBIT C

**CITY of THE DALLES**313 COURT STREET
THE DALLES, OREGON 97058(541) 296-5481 ext. 1122
FAX: (541) 296-6906

AGENDA STAFF REPORT

CITY OF THE DALLES

MEETING DATE:	AGENDA LOCATION:	AGENDA REPORT #
July 25, 2011	Action Items 13, C	11-077

TO: Honorable Mayor and City Council**FROM:** Gene E. Parker, City Attorney**THRU:** Nolan K. Young, City Manager **DATE:** July 14, 2011

ISSUE: Adoption of Special Ordinance No. 11-542, vacating a portion of Terrace Drive and East Terrace Drive located adjacent to the Mayfield Property at 513 East Terrace Drive.

RELATED CITY COUNCIL GOAL: None

PREVIOUS AGENDA REPORT NUMBERS: #11-011 and #11-049

BACKGROUND: On June 13, 2011, following a public hearing, the City Council voted to approve a proposed partial street vacation of a portion of Terrace Drive and East Terrace Drive located adjacent to property at 513 East Terrace Drive. At the time the street vacation proceeding was initiated, the property was owned by Stan Mayfield. Mr. Mayfield and City staff negotiated an agreement whereby the City would agree to initiate the street vacation proceeding, in exchange for Mr. Mayfield's agreement to dedicate certain property to the City for public right-of-way. Mr. Mayfield passed away before the street vacation and dedication proceedings could be completed. Prior to his death, he executed a Deed of Dedication for the property to be dedicated, and that Deed of Dedication will be accepted by the Council by adoption of Resolution No. 11-025, which is the subject of a separate agenda item.

Enclosed with this staff report is Special Ordinance No. 11-542, which will formalize the proposed street vacation. Notice of adoption of the ordinance has been posted in accordance with the City Charter, and the ordinance can be adopted by title only.

BUDGET IMPLICATIONS: As part of the negotiations with Mr. Mayfield, the City agreed to pay for the costs of the field survey work associated with the proposed street vacation and dedication; the City and Mr. Mayfield agreed to equally share the costs of having the legal descriptions for the street vacation and dedication prepared, and the costs of any mapping fee imposed by Wasco County; and Mr. Mayfield agreed to pay for the costs of recording the ordinance approving the street vacation. The total estimated costs associated with the survey field work, the cost of preparing the legal descriptions, and the costs of preparing the final survey map and filing the map with the County Assessor, is estimated to total \$1,300. It is anticipated there will be only one mapping fee charged by Wasco County, and that fee is \$250.00

ALTERNATIVES:

- A. Staff Recommendation. *Move to adopt Special Ordinance No. 11-542 by title only.*

SPECIAL ORDINANCE NO. 11-542

AN ORDINANCE VACATING A PORTION OF TERRACE DRIVE AND EAST TERRACE DRIVE LOCATED ADJACENT TO THE MAYFIELD PROPERTY AT 513 EAST TERRACE DRIVE

WHEREAS, the City Council has announced its intention to vacate a portion of Terrace Drive (aka Jefferson Street), and a portion of East Terrace Drive, which portions are both adjacent to the property referred to as the Stan Mayfield property at 513 East Terrace Drive, and are described as follows:

A tract of land lying in the Terrace Drive (aka Jefferson Street) and East Terrace Drive rights-of-way as per the Plat of Sunrise Addition, in the Southwest ¼ of the Southwest ¼ of Section 3, Township 1 North, Range 13 East, Willamette Meridian, City of The Dalles, Wasco County, Oregon, being more particularly described as follows:

Beginning at the Southeasterly corner of the Westerly 5 feet of Lot 12 of said Plat of Sunrise Addition, said point being a 5/8" x 30" rebar with yellow plastic cap inscribed "Huffman PLS 2786" as set in County Survey #16-046; thence at a right angle to the South line of said Lot 12, South 17°38'27" West 15.00 feet; thence parallel with and 15.00 feet distant from the Southerly line of Lot 12 and Lot 13 of said Plat of Sunrise Addition, North 72°21'33" West 97.29 feet; thence leaving said parallel line, North 06°14'03" East 100.85 feet; thence on a 35.50 foot radius curve to the right, through a central angle of 51°32'07" a distance of 31.93 feet (the long chord of which bears North 32°00'06" East 30.87 feet) to the intersection with the Westerly line of said Lot 13; thence along said Westerly line, and Southerly lines of said Lots 12 and 13, South 07°33'44" West 105.49 feet; thence on a 12.00 foot radius curve to the left, through a central angle of 79°55'17" a distance of 16.74 feet (the long chord of which bears South 32°23'55" East 15.41 feet); thence South 72°21'33" East 79.30 feet to the point of beginning.

Contains 2,773 square feet.

WHEREAS, the City has published notices and conducted a public hearing on June 13, 2011, all as provided for in General Ordinance No. 99-1230; and

WHEREAS, after careful consideration of the staff report presented and all the testimony given, the City Council adopts the following findings of fact and conclusions of law:

- 1) No objections to the partial street vacation were received.
- 2) All proper notices required by General Ordinance No. 99-1230 were provided. The area to be vacated was posted on May 23, 2011, and notices were published in The Dalles Chronicle on May 22 and May 29, 2011. Individual notices to affected property owners were mailed on May 23, 2011.
- 3) The proposed vacation does not conflict with the City's Comprehensive Plan or any other City ordinance. Goal 10 - Housing: This partial street vacation will not reduce the amount of vacant and buildable residential land supply. Existing and

potential access to adjoining properties will not be affected. Goal 11 – Public Facilities and Services: The timely, orderly, and efficient arrangement of public utilities will not be affected. The proposed vacation area is located adjacent to the existing property and no utilities are affected. Goal 12 – Transportation: The remaining portions of Terrace Drive and East Terrace Drive rights-of-way are adequate to handle the travel in this area.

4) The public interest will not be prejudiced by the vacation of public way. The primary public interests in this area are the preservation of sufficient street right-of-way, and access to existing and future lots. These interests will not be affected by the proposed partial street vacations.

5) This was a City initiated vacation process to allow for an exchange of the proposed areas to be vacated for an area that is necessary for safe travel on Terrace Drive. The evidence shows the vacation will not substantially diminish the market value of the abutting owner's property. The area being vacated will become a part of the abutting property owner's yard. There will be no effect on adjacent property values as the remaining rights-of-way are sufficient to accommodate any future street construction, and the proposed vacation does not change any existing or potential lot access.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF THE DALLES
ORDAINS AS FOLLOWS:**

Section 1. Portion of Right-of-Way Vacated. The following portion of public right-of-way is hereby vacated:

A tract of land lying in the Terrace Drive (aka Jefferson Street) and East Terrace Drive rights-of-way as per the Plat of Sunrise Addition, in the Southwest ¼ of the Southwest ¼ of Section 3, Township 1 North, Range 13 East, Willamette Meridian, City of The Dalles, Wasco County, Oregon, being more particularly described as follows:

Beginning at the Southeasterly corner of the Westerly 5 feet of Lot 12 of said Plat of Sunrise Addition, said point being a 5/8" x 30" rebar with yellow plastic cap inscribed "Huffman PLS 2786" as set in County Survey #16-046; thence at a right angle to the South line of said Lot 12, South 17°38'27" West 15.00 feet; thence parallel with and 15.00 feet distant from the Southerly line of Lot 12 and Lot 13 of said Plat of Sunrise Addition, North 72°21'33" West 97.29 feet; thence leaving said parallel line, North 06°14'03" East 100.85 feet; thence on a 35.50 foot radius curve to the right, through a central angle of 51°32'07" a distance of 31.93 feet (the long chord of which bears North 32°00'06" East 30.87 feet) to the intersection with the Westerly line of said Lot 13; thence along said Westerly line, and Southerly lines of said Lots 12 and 13, South 07°33'44" West 105.49 feet; thence on a 12.00 foot radius curve to the left, through a central angle of 79°55'17" a distance of 16.74 feet (the long chord of which bears South 32°23'55" East 15.41 feet); thence South 72°21'33" East 79.30 feet to the point of beginning.

Contains 2,773 square feet.

The portion of the right-of-way proposed to be vacated is shown in the shaded area on the attached map marked as Exhibit "A".

Section 2. Title to Vacated Area. Title to the vacated area shall vest in the owner of the adjacent property. At the time this vacation proceeding was initiated, Stanley G. Mayfield was the owner of the property. Mr. Mayfield is deceased, so title to the vacated area shall vest in the heirs of Mr. Mayfield.

Section 3. Compensation. The City Council determines that the value of the abutting properties will not be adversely affected by the proposed vacation. No compensation will be given to the owners of the abutting properties.

Section 4. Ordinance to be Filed. The City Clerk is authorized to file a copy of this ordinance with the Wasco County Clerk. The City of The Dalles and Mr. Mayfield's heirs shall equally share the costs for paying any recording and mapping fees imposed by Wasco County to record and file the ordinance and map. The City of The Dalles and Mr. Mayfield's heirs shall equally share any costs associated with preparing the final vacation map for filing. As set forth in ORS 271.150, upon completing of the vacation process, a certified copy of the filed ordinance shall be provided to the Wasco County Assessor and the Wasco County Surveyor.

In accordance with ORS 271.210, this ordinance shall be considered final and effective 30 days after its passage and approval.

PASSED AND ADOPTED THIS 25th DAY OF JULY 2011

Voting Yes, Councilors: _____
Voting No, Councilors: _____
Absent, Councilors: _____
Abstaining, Councilors: _____

AND APPROVED BY THE MAYOR THIS 25th DAY OF JULY 2011

SIGNED:

James L. Wilcox, Mayor

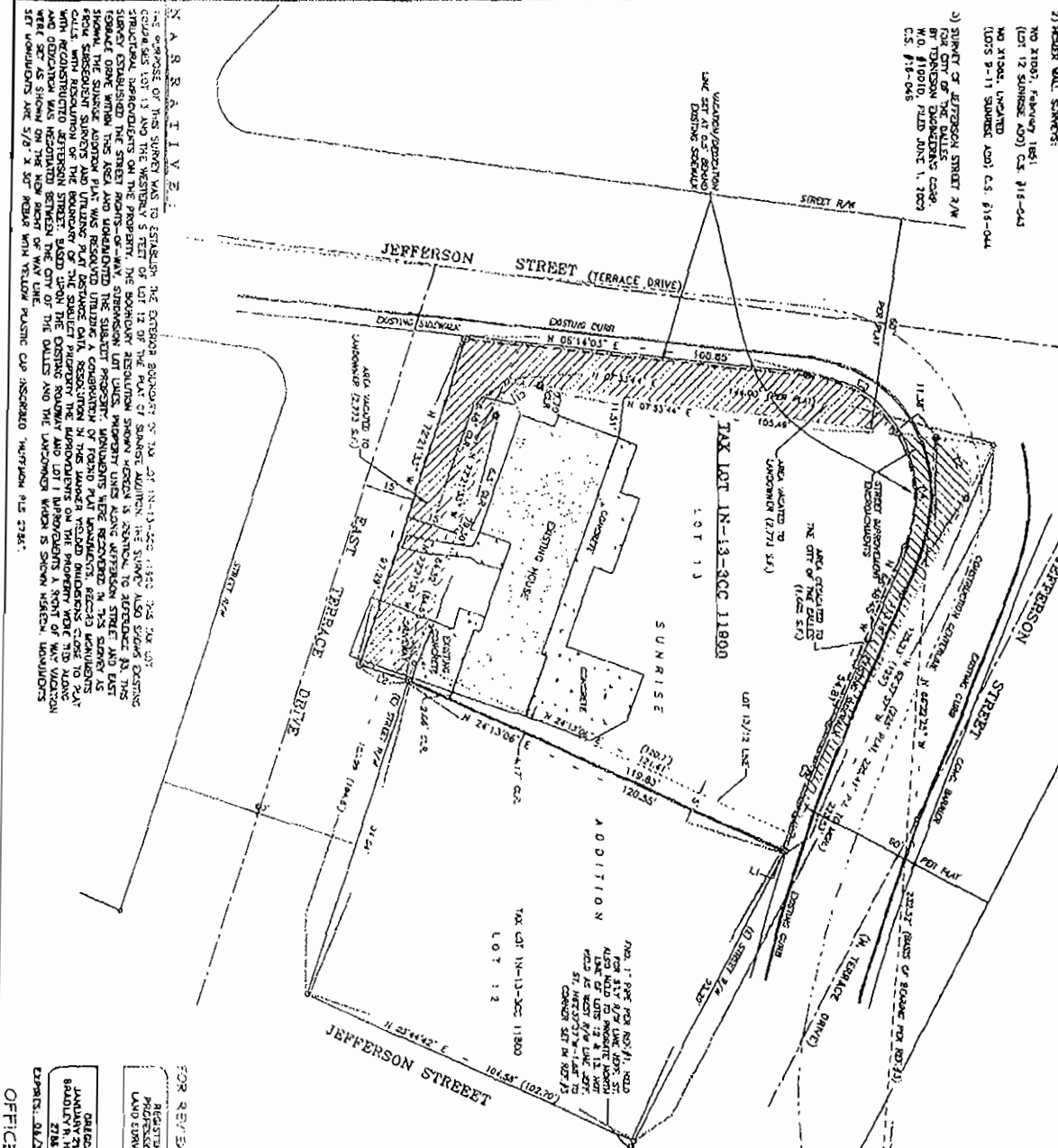
ATTEST:

Julie Krueger, MMC City Clerk

REFERENCES:

- 1) PLAT OF SURVEY ADDITION BY ROGER VALUABLE RECORDED OCTOBER 2, 1946, BOOK 1-C-42
- 2) HENDERSON WALL, SURVEY: NO 21902, FEBRUARY 1961 (LOT 12, SUNRISE ADD) C.S. 815-044 NO 21902, UNDATED (LOTS 9-11, SUNRISE ADD) C.S. 815-044
- 3) SURVEY OF JEFFERSON STREET 3/4" FOR CITY OF THE DALLAS COUNTY ENGINEERING DEPT. NO 10020, FIELD DONE 11, 1959 C.S. 815-045

CURVE	DATA	RADIUS	ARC LENGTH	TANGENT	CHORD BEARING	CHORD LENGTH
C1	29°35'17"	12.05'	16.74'	10.56'	N 27°23'52" W	15.47'
C2	17°05'17"	12.05'	16.74'	10.56'	N 27°23'52" W	15.47'
C3	41°45'37"	12.05'	16.74'	10.56'	N 27°23'52" W	15.47'
C4	21°42'07"	12.05'	16.74'	10.56'	N 27°23'52" W	15.47'
C5	05°28'59"	12.05'	16.74'	10.56'	N 27°23'52" W	15.47'



LEGEND:

- DISTINGUISHING FENCE LINE
- ADJUSTED PROPERTY LINE
- ORIGINAL PROPERTY LINE
- PROPERTY LINE

NOTES:

1) BASES OF BEARING: BEARINGS BASED ON REFERENCE AS BETWEEN POINTS INDICATED AS SHOWN.

2) MONUMENT SET ON --- 2016.

FOR REVIEW ONLY:

RECEIVED
JANUARY 21, 1967
BUREAU OF REVENUE
2785

OFFICE COPY

DECEMBER 21, 1967
BUREAU OF REVENUE
2785

REVISIONS:

NO.	DATE	DESCRIPTION
1	12/21/67	ORIGINAL
2	1/21/68	REVISION

Exhibit "A"



AGENDA STAFF REPORT

CITY OF THE DALLES

MEETING DATE:	AGENDA LOCATION:	AGENDA REPORT #
July 25, 2011	Action Items 13, D	11-078

TO: Honorable Mayor and City Council

FROM: Gene E. Parker, City Attorney

THRU: Nolan K. Young, City Manager

DATE: July 14, 2011

ISSUE: Adoption of Resolution No. 11-025, accepting a Deed of Dedication from Stanley G. Mayfield.

RELATED CITY COUNCIL GOAL: None

PREVIOUS AGENDA REPORT NUMBERS: #11-011 & #11-049

BACKGROUND: The City Council approved a partial street vacation for a portion of Terrace Drive and East Terrace Drive located adjacent to property formerly owned by Stanley G. Mayfield, located at 513 East Terrace Drive. As part of the street vacation proceeding, Mr. Mayfield agreed to dedication certain property to the City for public right-of-way. Prior to his death, Mr. Mayfield executed a Deed of Dedication. A copy of the Deed of Dedication is included with Resolution No. 11-025. In order to record this deed, the City Council needs to adopt a Resolution accepting the dedication.

BUDGET IMPLICATIONS: The City and Mr. Mayfield negotiated an agreement whereby they agreed to equally share the costs of preparing a legal description for the dedication documents. The City and Mr. Mayfield also agreed to share the costs of any mapping fee associated with the dedication. The City anticipates there will only be one mapping fee of \$250 charged by Wasco County, associated with the street vacation and the dedication. The City and Mr. Mayfield will also share the costs of recording the Deed of Dedication.

ALTERNATIVES:

- A. Staff Recommendation. *Move to adopt Resolution No. 11-025.*

RESOLUTION NO. 11-025

**A RESOLUTION ACCEPTING A DEDICATION OF
PROPERTY FOR PUBLIC STREET PURPOSES FROM
STANLEY G. MAYFIELD**

WHEREAS, City staff and Stanley G. Mayfield negotiated an agreement whereby the City agreed to initiate a street vacation proceeding for a portion of Terrace Drive and East Terrace Drive located adjacent to Mr. Mayfield's property at 513 East Terrace Drive, in exchange for Mr. Mayfield's agreement to dedicate certain property to the City for public right-of-way; and

WHEREAS, the City Council concurs that dedication of the property for public street purposed is in the public interest;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF THE DALLES
RESOLVES AS FOLLOWS:**

Section 1. Dedication Accepted. The dedication for public street purposes set forth in the Deed of Dedication from Stanley G. Mayfield, a copy of which is attached hereto, is hereby accepted. The City Manager and City Clerk are authorized to execute the acceptance of the dedication and to take other necessary action to record the Deed of Dedication.

PASSED AND ADOPTED THIS 25TH DAY OF JULY, 2011

Voting Yes, Councilor: _____
Voting No, Councilor: _____
Absent, Councilor: _____
Abstaining, Councilor: _____

AND APPROVED BY THE MAYOR THIS 25TH DAY OF JULY, 2011

SIGNED:

James L. Wilcox, Mayor

ATTEST:

Julie Krueger, MMC, City Clerk

Stanley G. Mayfield
513 Terrace Drive
The Dalles, OR 97058

GRANTOR

City of The Dalles
313 Court Street
The Dalles, OR 97058

GRANTEE

After recording return to:
City Clerk
313 Court Street
The Dalles, OR 97058

DEED OF DEDICATION

KNOW ALL MEN BY THESE PRESENTS that STANLEY G. MAYFIELD, hereby dedicates to the CITY OF THE DALLES, for the public use, for a public street, the following described real property:

A tract of land lying in Lots 12 and 13 of the Plat of Sunrise Addition, in the Southwest 1/4 of the Southwest 1/4 of Section 3, Township 1 North, Range 13 East, Willamette Meridian, City of The Dalles, Wasco County, Oregon, being more particularly described as follows:

Beginning at the Northeasterly corner of the Westerly 5 feet of said Lot 12, said point being a 5/8" x 30" rebar with yellow plastic cap inscribed "Huffman PLS 2786" as set in County Survey #16-046; thence along the Easterly line of said Westerly 5 feet, South 24 degrees 13'06" West 0.72 feet; thence leaving said Easterly line, on a 399.50 foot radius curve to the right, a radial line to which bears North 17 degrees 42'12" East, through a central angle of 05 degrees 28'59" a distance of 38.23 feet (the long chord of which bears North 69 degrees 33'18" West 38.22 feet); thence North 66 degrees 48'45" West 54.18 feet; thence on a 35.50 foot radius curve to the left, through a central angle of 55 degrees 25'06" a distance of 34.34 feet (the long chord of which bears South 85 degrees 28'43" West 33.01 feet) to the intersection with the Westerly line of said Lot 13; thence along the Westerly line of said Lot 13 and Northerly lines of said Lots 12 and 13, North 07 degrees 33'44" East 11.38 feet; thence on a 12.00 foot radius curve to the right, through a central angle of 109 degrees 48'39" a distance of 23.00 feet (the long chord of which bears North 62 degrees 28'04" East 19.64 feet); thence South 62 degrees 37'37" East 113.16 feet to the point of beginning.

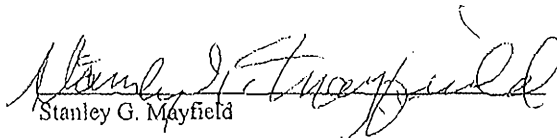
Contains 1,005 square feet.

The City of The Dalles shall have the right to open, construct, improve, and maintain roads and streets of its design upon such lands and, in addition thereto, shall have the right to place or to permit others to place sidewalks, sewers, utilities, cables, pipes, electrical transmission wires, communications equipment, and such other improvements as the City shall deem necessary and convenient upon, above, or below the surface of the dedicated area.

The consideration for this transfer is \$0.00. The property is to be used for public street purposes only.

Dated this 1 day of APRIL, 2011.

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009. THIS INSTRUMENT DOES NOT ALLOW USE


Stanley G. Mayfield

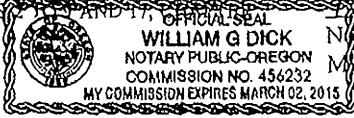
OF THE PROPERTY DESCRIBED IN HIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, AND SECTIONS 855, OREGON LAWS 2009.

STATE OF OREGON)
) ss.
County of Wasco)

APRIL 1, 2011

Personally appeared the above named **Stanley G. Mayfield**, and acknowledged the foregoing instrument to be his voluntary act and deed.

Before me:

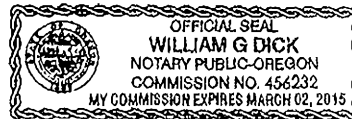


William G. Dick II
Notary Public for Oregon
My commission expires 3-2-2015

This dedication is accepted by the City of The Dalles pursuant to the provisions of Resolution No. 2011, adopted on _____, 2011.

Nolan Young, City Manager

Attest: _____
Julie Krueger, MMC, City Clerk



**CITY of THE DALLES**313 COURT STREET
THE DALLES, OREGON 97058(541) 296-5481 ext. 1122
FAX: (541) 296-6906

AGENDA STAFF REPORT

CITY OF THE DALLES

MEETING DATE:	AGENDA LOCATION:	AGENDA REPORT #
July 25, 2011	Action Items 13, E	11-079

TO: Honorable Mayor and City Council**FROM:** Gene E. Parker, City Attorney**THRU:** Nolan K. Young, City Manager *ny***DATE:** July 14, 2011**ISSUE:** Adoption of Ordinance No. 11-1313 Amending the Land Use and Development Ordinance.**RELATED CITY COUNCIL GOAL:** N/A**PREVIOUS AGENDA REPORT NUMBERS:** #11-069, July 11, 2011

BACKGROUND: The City Council held a public hearing on the proposed amendments to the Land Use and Development Ordinance (LUDO) on July 11, 2011. After the hearing, the Council deleted one proposed amendment, approved the others, and directed staff to return with an ordinance. The attached ordinance includes the language as approved by the Council.

PROCESS: Notice for the public hearing for the proposed ordinance was published in The Dalles Chronicle, which included the original Section 29 relating to signs in the right of way. That provision was deleted by the Council after the hearing on July 11. The attached ordinance has been corrected to delete the original Section 29. Notice of adoption of the ordinance has been posted in accordance with the provisions of the City Charter, and the ordinance can be adopted by title only.

RECOMMENDATION: Staff recommends that the City Council adopt Ordinance No. 11-1313 by title only, amending the Land Use and Development Ordinance, Ordinance No. 98-1222.

MOTIONS:

1. Recommended Motion: *Move to adopt General Ordinance No. 11-1313 by title only.*

GENERAL ORDINANCE NO. 11-1313

**AN ORDINANCE AMENDING LAND USE DEVELOPMENT
ORDINANCE NO. 11-1313**

WHEREAS, the City of The Dalles adopted a Land Use and Development Ordinance known as General Ordinance No. 98-1222 on May 11, 1998; and

WHEREAS, the City Planning Commission conducted a work session on September 16, 2010 and held a public hearing on December 2, 2010 to take public testimony on General Ordinance Amendment No. 11-1313, and following the close of the public hearing on December 2, 2010, the Planning Commission moved to recommend the City Council adopt proposed amendments to the City's Land Use and Development Ordinance; and

WHEREAS, the City Planning Commission held a second public hearing on April 21, 2011 to take additional testimony, and following the close of the public hearing on April 21, 2011 the Planning Commission altered the proposed LUDO amendments, and moved to recommend the City Council adopt the proposed amendments to the City's Land Use and Development Ordinance; and

WHEREAS, on July 11, 2011 the City Council conducted a public hearing to consider General Ordinance Amendment No. 11-1313, and

WHEREAS, on July 11, 2011, the City Council adopted a motion approving the proposed amendment, with the exception of Section 29 as proposed by the Planning Commission concerning regulation of signs in the public right-of-way.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF THE DALLES
ORDAINS AS FOLLOWS:**

Section 1. Amend Section 1.120 by adding the following language: The City Council, upon written request, may waive all or part of any filing fee required by this ordinance.

Section 2. Amend Section 2.030 Meaning of Specific Words and Terms by adding a new definition: Laydown Yard: A temporary off-site storage area for equipment and useable materials to be used for maintenance or construction.

Section 3. Amend Section 2.030 Meaning of Specific Words and Terms by adding a new definition: Tourist Oriented Destination: A business that is a cultural, historical, recreational, educational, or entertaining activity, or unique commercial activity whose major portion of income or visitors is derived from visitors not residing in The Dalles.

Section 4. Amend Section 3.020.030 B. Decision Types by adding the following new paragraphs: 10. Proposed Change of Use (Section 6.150.020); 11. LUDO Review of Building Permit Application.

Section 5. Amend Section 3.020.050 C by adding a new paragraph 7 as follows: Prior to the public hearing the applicant is recommended, but not required, to conduct an outreach meeting with nearby residents and others who may be affected by the development.

Section 6. Amend Section 3.050.040 B by deleting the words “~~applicable policies of the Comprehensive Plan~~” in line 4.

Section 7. Amend Section 5.030.020 A. 2. By deleting a) ~~Mobile Home~~ and b) ~~Mobile Home (Zero Lot Line)~~ and renumbering.

Section 8. Amend Section 5.050.030 A 19 a) to read as follows: All dwellings, as defined by this ordinance, so long as the ground floor is a permitted commercial use.

Section 9. Amend Section 5.060.020 A 20 to read as follows: All dwellings, as defined by this ordinance, so long as the ground floor is a permitted commercial use.

Section 10. Amend Section 5.080.020 A 6 to read as follows: All dwellings, as defined by this ordinance, so long as the ground floor is a permitted commercial use.

Section 11. Amend Section 5.090.020 by adding a new provision and renumbering: A. 1. Auto body shops, auto painting, and machine shops.

Section 12. Amend Section 6.150.020 Changes In Use to read as follows: Unless this ordinance provides for an exemption for any specific requirement, the following shall apply to all proposed changes in use of structures, land, or other development:

A. Use Determination. The owner or developer shall complete and submit a Proposed Change of Use Application. The approving authority shall determine intensity, similarity, or difference of a proposed use based on the following criteria:

1. Use type.
2. Size and/or type of products or services.
3. Parking and loading needs.
4. Off-site impacts and nuisance conditions.
5. Traffic generation

Section 13. Amend Section 6.160 by adding a new section 6.160.030 as follows: Laydown Yard.

1. Purpose. A laydown yard is intended for construction equipment and material only. It is different from a contractor storage yard in that all items are in active use on off-site projects. An off-site laydown yard, in addition to those on or adjacent to a construction site, is allowed in the I-Industrial and CLI-Commercial/Light Industrial zones without obtaining land use approval, so long as criteria 2 through 7 are continually met.

2. A proposed laydown yard shall be associated with one or more specific projects with an approved building permit issued for grading, construction, remodel or demolition, an approved land use decision, or pending application for a building permit or land use decision.

3. A laydown yard is not a substitute for a contractor storage yard. At any time the property owner may convert the laydown yard to a contractor storage yard by obtaining a Site Plan Review decision and completing the conditions of approval. If items are kept on site continuously for more than 8 months, the City may determine that a laydown yard no longer exists.

4. Laydown yards shall be supervised by the property owner who will be responsible for enforcing compliance with these standards.

5. Where curbs exist, the contractor shall be required to provide curb cuts for all egress or ingress areas onto a paved street. To prevent mud or dirt from transferring from vehicles and equipment onto the paved street the contractor shall install pavement or other surface treatment approved by the City Engineer at all egress and ingress points from the yard for a minimum of 50 feet to the street access. Dust and erosion control shall be in place to confine these materials to the subject property. Noise, vibration, dust, and odors cannot exceed local, state, or federal regulations.

6. The owner of the property shall complete and file at the Community Development Department Office in City Hall a Laydown Yard Report, on a form provided by the City, at the time of the start of the laydown yard, and on April 30, August 31, and December 31 of each year so long as the laydown yard continues.

7. Notwithstanding the provisions of the Ordinance adopting the Transportation System Development Charges (SDC), for this use only, the property owner shall pay annual Transportation SDC fees, at 5% of the full rate.

Section 14. Amend Section 7.060 by deleting the category designation of ~~Elderly Housing~~ and changing the designation to "Senior Housing", and add new language under the new category of Senior Housing as follows: Dwelling units designated as Independent Living Units shall have one parking space per dwelling.

Section 15. Amend Section 7.060 by adding under the category of Residential the following language: In multifamily units, one parking space will be required for every two bedrooms, but not less than one parking space per dwelling unit.

Section 16. Amend Section 8.040 to read as follows:

8.040.010 Purpose

This Section describes the permit requirements for lands proposed to be developed within the areas designated zones 1 to 6 on the maps and in the 2010 Geologic Hazards Study prepared by Mark Yinger, R.G., Hydrogeologist. Land within zones 1 and 4, land within zones 2, 3, or 5 that exceed a slope of 30%, or land in zone 3 which is located in areas of groundwater discharge, have been determined to be within a geographic area that has characteristics which make the ground potentially unstable. Any cut, fill, or construction on these sites may add to this potential instability. The requirements of this Section are intended to reduce as much as possible the

adverse effects of development for the owner and for other properties which may be affected by a ground movement.

8.040.020 Applicability

The requirements of this Section shall apply to all new development including, but not limited to streets, driveways, parking areas, sidewalks, retaining walls, drainage structures, buildings and other structures, and to additions and modifications to existing development which increase the footprint. Detached buildings of 200 square feet or less are exempt from the requirements of this Section.

8.040.030 Permit Requirements

A Physical Constraints Permit shall be required for new development and additions as described in Section 8.040.020 for all proposed development activities located within hazard areas in zones 1 through 6, per the requirements of Section 8.020: Review Procedures. The following shall also be required as part of the Physical Constraints Permit:

A. Geologic Impact Statement. A site-specific geologic impact statement prepared by a qualified geotechnical engineer or an engineering geologist. If the size of a proposed development is increased, or the location of a proposed development is changed, a new impact statement is required.

B. Certification of Plans. A statement prepared by a qualified geotechnical engineer or an engineering geologist certifying that the development plans and specifications comply with the limitations imposed by the geologic impact statement, and that the proposed construction will not adversely affect the site and adjacent properties.

8.040.040. As-Built Certification.

Within 30 days after the completion of the project, and before final acceptance of public improvements by the City Engineer, the applicant shall submit to the Director a statement prepared by a qualified geotechnical engineer or an engineering geologist certifying that the construction was completed in accordance with the plans and specifications as they relate to mitigation of the geologic impacts to the site and adjacent properties.

Section 17. Amend the second sentence of Section 9.020.030 F to read: “~~The access easement, Land required for future right of way or proposed for a future public street, or private access drive or access way~~ shall not count toward the minimum lot area”.

Section 18. Amend Section 9.030.040 to read as follows: C. Period of Approval. Approval of a partition application shall be valid for a period of one year from the effective approval date. Upon written request, filed with the Director prior to the expiration date, approvals may be extended annually four times provided the relevant provisions of this ordinance have not changed. If extended, any fees or charges, including the pay into the fund option, will be assessed at the rate in existence at the time they are paid, not the rate in existence at the time of the original approval. If no final partition plat is submitted within one year, or within any timely extension, the partition application shall become void and a new application required.

Section 19. Amend Section 9.030.050 C. 1. by adding after the words “agreed to install” in line one the words “for nonresidential development”.

Section 20. Amend Section 10.060 I. Private Streets by adding a new paragraph 5 as follows: 5. In addition to the name of the street, all private street signs shall also contain the words “Private Street” in letters of the same size as the name of the street.

Section 21. Amend Section 13.030.020 C. to read as follows: Commercial and Promotional signs may be used only on private property and subject to the following:

1. A permit is required for all temporary signs.
2. Temporary signs may be erected for a period not to exceed 30 days.
3. Temporary signs are limited to 32 square feet in area.
4. Temporary signs are limited to one per street frontage.

Section 22. Amend Section 13.030.010 by adding a new category A and renumbering: A. ATM Sign. Unless otherwise allowed additional signage, each ATM shall be allowed one sign not to exceed four square feet.

Section 23. Amend Section 13.030.010 Exempt Signs by adding a new paragraph as follows: V. Tourist Oriented Destination (TOD) Signs. It is the purpose of this Section to allow signs for TODs not readily visible from public roads under the following set of criteria:

1. Signs generally will be allowed at intersections only.
2. Businesses must have permanent restroom facilities, a business telephone, drinking water, and adequate on-site parking.
3. If the business is not open during normal business hours, the sign must indicate the hours it is open.
4. Except as provided for in #3, only the business name, a directional arrow, and the distance to the site is allowed on the sign.
5. If the business is seasonal, the sign may be covered during the off season.
6. The number of signs is limited to the minimum necessary to adequately direct visitors.
7. An application with fee is required.
8. The business will be responsible for costs of installation, maintenance, and sign replacement, plus an annual fee.
9. If businesses need multi-jurisdictional approvals for adequate signage, City approval is contingent on all approvals being granted.
10. The sign may be up to 3 feet by 3 feet in size, and the design will be similar to that allowed by Wasco County for similar purposes.

Section 24. Amend Section 13.030.010 E by adding a new paragraph and renumbering: Construction Signs of 32 square feet for nonresidential construction, and 16 square feet for residential construction, during construction from the time a building permit is issued to completion.

Section 25. Amend Section 13.030.010 L by adding a new sentence at the end as follows: Up to one quarter of the maximum of 8 square feet may be a logo or company name.

Section 26. Amend 13.030.010 S to read as follows: Political campaign signs shall be erected only on private property. Signs shall comply with the vision clearance provisions in Section 6.100. Signs may be erected during the campaign for a period of 60 days prior to the election in which candidates or issues are to be voted upon. Signs shall be removed not later than the fifth day following the election.

Section 27. Amend Section 13.050.100 to read: "Signs in addition to principal and secondary signs for a restaurant with a drive-through window are allowed; no more than two (2) menu boards not to exceed ~~32~~ a total of 64 square feet ~~each~~, with a maximum height of 8 feet".

Section 28. Amend Section 13.050 by adding a new section as follows: 13.050.170 Sandwich Boards and A Frames.

1. No more than one "sandwich board" or "A Frame" of a maximum of 5 feet above ground level shall be allowed for each premise.
2. Signs shall be located only on private property.
3. This sign allowance is for areas zoned Commercial *or Industrial* and outside the Central Business Commercial zone. See Section 13.050.160 for Sidewalk Signboards allowed in the Central Business Commercial zone.
4. The permit fee for sandwich boards and A Frames shall be the same as for Sidewalk Signboards.

Section 29. Amend Section 14.010.030 by adding a new paragraph C as follows: Notice of Hearing. At least 10 days before a scheduled annexation hearing, notice of the hearing shall be mailed to the owner, as shown on the most recent property tax assessment roll, of each property proposed to be annexed.

PASSED AND ADOPTED THIS 25th DAY OF JULY, 2011

Voting Yes, Councilors: _____
Voting No, Councilors: _____
Absent, Councilors: _____
Abstaining, Councilors: _____

AND APPROVED BY THE MAYOR THIS 25th DAY OF JULY, 2011

SIGNED: _____
James L. Wilcox, Mayor

ATTEST: _____
Julie Krueger, MMC City Clerk



CITY of THE DALLES

313 COURT STREET
THE DALLES, OREGON 97058

(541) 296-5481
FAX (541) 296-6906

AGENDA STAFF REPORT CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
July 25, 2011	Discussion Items 14,A	11-080

TO: Honorable Mayor and City Council

FROM: Will F. Norris, Administrative Intern

THRU: Nolan K. Young, City Manager

DATE: July 13, 2011

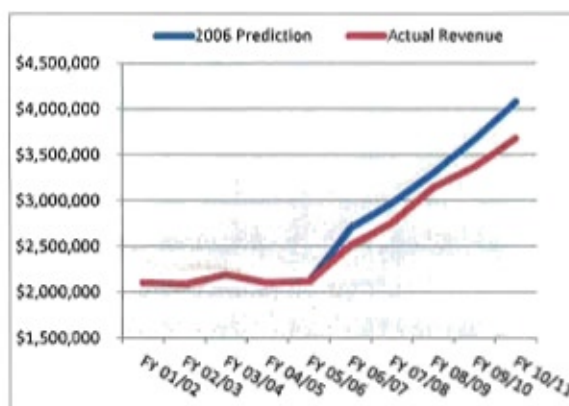
ISSUE: In 2006 the City Council adopted a ten-year water master plan and accompanying schedule of water rate increases to finance it. This involved creating revenue forecasts and cost estimates. Now at the half-way point through the master plan, the City has an opportunity to review how close these projections were to actuals, assess the health of the water utility funds, and reevaluate the capital improvement schedule considering the required water rates to support it.

BACKGROUND: The engineering firm CH2M Hill was hired to create the City of The Dalles' Water Master Plan. This plan included demand forecasts which drove capacity enhancing projects. However, many of the identified capital improvements were maintenance for aging infrastructure or needed to meet regulatory requirements. To support this plan the consulting firm recommended increasing rates 18.5% in 2006/07 and in 2007/08, 12% in 2008/09, and two years of 9.75% increases in 2009/10 and 2010/11. The council adopted the water master plan and chose rate increases of 10% through 2010/11, 6% in 2011/12 and then four more years of 4% increases. City staff projected revenue using the revised rate increases based on the per capita consumption and population growth estimates identified by the consulting firm as well as development expectations not available to CH2M Hill. A more detailed description of the water utility financial history and current situation is in Appendix E (p. 14).

These estimates have not been met. Systems Development Charges and population growth estimates were likely inaccurate due to the unexpected depth of the recession. The estimates were also based on stable per capita consumption. Despite the addition of a new large industrial water user and some population growth, system-wide consumption has remained flat. Graphs of the last decade of metered consumption

and water production are in Appendix A (p. 8). This could be a reaction to the higher price of water coupled with purchases of water efficient appliances. The cumulative difference between the predicted and actual revenue over the past five years has been \$1.3 million.

Despite this reduction in expected revenue, the city will still need to make necessary capital improvements to maintain the quantity and quality of The Dalles' water supply. Scheduled projects over the next ten years total over \$22 million. The largest projects are replacing the Dog River line (\$6,800,000) and replacing the finished water pipeline from Wicks WTP to the city (\$10,500,000). These two projects are needed to insure a safe and adequate supply of water. A full list of future projects and their costs is located in Appendix B (p. 9). Of the ten projects planned for the next decade, only one (Lone Pine well enhancement) is primarily for capacity enhancement. The rest are all maintenance related or needed to meet State and Federal regulations.



The two water funds also have increasing debt obligations. In fiscal year 2010/11, the fund began payments on the 2009 Full Faith and Credit bond (W. 1st Local Improvement District) and added principle payments on the 2007 Water Revenue bond (Wicks Clear Well, Dam permitting, Lone Pine Well etc.) where only interest payments were paid previously. In this fiscal year, the water funds will start repaying an American Recovery and Reinvestment Act loan (Vista Reservoir). These commitments added with the existing fund liabilities will require \$850,000 in total annual debt payments this year.

The lower than expected revenue and increased debt obligations combined with the necessary future capital improvements has prompted a reevaluation of City's water rates and project timing. Three capital improvement schedules with their required rate increases were created for the Council's review. A full list of the financial models assumptions are listed in Appendix D (p. 12). The combined balance of both water funds should never be allowed to go below \$700,000 as this would risk liquidity issues and possibly violating existing bond covenants. Therefore, this amount is set aside as unavailable in this analysis. Each option uses all available fund balances at some point in order to ease pressure on rate increases.

The primary variable used to vary rate increases is staggering the timing of capital projects. Option #1 can be thought of as a "comfortable" capital improvement schedule. It performs all necessary maintenance, rehabilitation and replacements as soon as they are needed. Option #2 is an uncomfortable scenario. It delays each project as far as is feasible without undue risks of failure and without losing the sunk costs already incurred in permitting of planned capital investments. Option #3 is an emergency scenario in which each project is delayed to its furthest extent.

Capital investment options #2 and #3 both have two possible rate schedules to choose from. The first rate schedule prioritizes using reserves before raising rates. This makes the eventual rate increases more volatile as they jump when the money is needed for a project. The second schedule prioritizes rate stability, which leads to earlier rate increases in order to build reserves for upcoming projects. A detailed financial report for each option is located in Appendixes G, H, I J and K (beginning on p.16). Appendixes L shows the rate impact of each option.

It is important to note that each model assumes a 10% rate increase this September, rather than the scheduled 6%. It is not likely feasible to make this increase until November. However, the statistical model chosen only predicts revenue on an annual basis. Detail about the statistical models is in Appendix

C (p. 10-11). Delaying a rate increase by two months will likely forgo roughly \$21,000 in revenue. This figure is within the margin of error of the model and didn't warrant a full reformulation of the analysis.

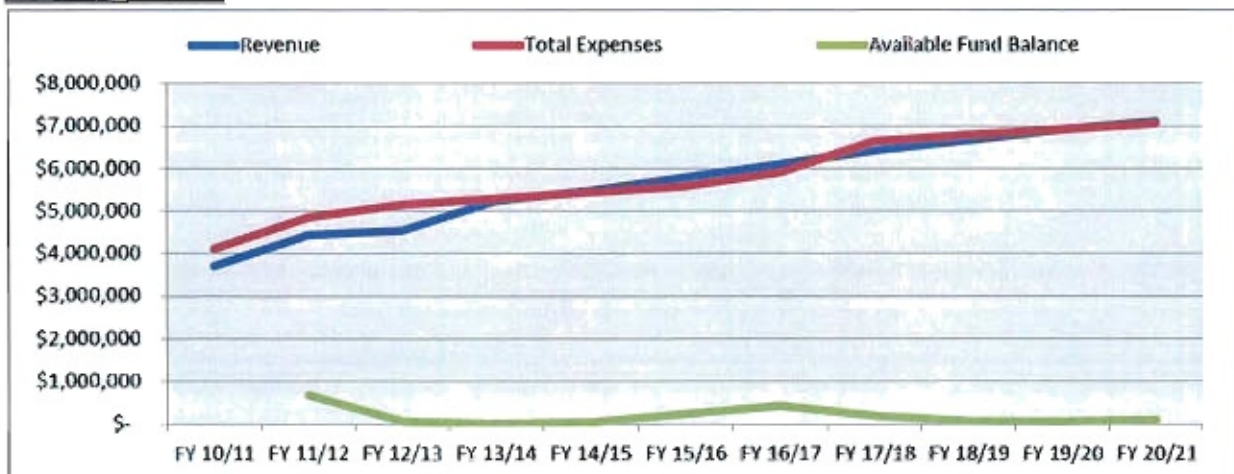
Option #1:

This option allows the City to stay on schedule with the water master plan as well other projects like the 3rd St. Streetscape. It requires a large upfront rate increase followed by a gradual lessening of rate increases through the next decade. Even with these early increases, the *available* balance of both the Water Fund and Water Reserve Fund will nearly be exhausted in the next two years. This is required to support bonding in FY 2011/12 in order to begin construction for the seven capital projects scheduled to start in the next three years.

Eventually, the balance of the water funds is grown to a peak in FY 15/16 to accommodate deficit spending the next year when a large bond will be issued for the last projects, including the finished pipeline from Wicks WTP. This option requires the largest increases in rates, but insures that each project is completed within its ideal time frame, which reduces risks of infrastructure failure and lowers potential maintenance expenses.

Payment =		Bond Issuance and Payment Schedules: Option #1									
Proceed =		11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21
Thompson/19th St		\$ 653,564	\$ 45,908	\$ 45,908	\$ 45,908	\$ 45,908	\$ 45,908	\$ 45,908	\$ 45,908	\$ 45,908	\$ 45,908
DEQ Temp Mitigation		\$ 1,200,000	\$ 84,292	\$ 84,292	\$ 84,292	\$ 84,292	\$ 84,292	\$ 84,292	\$ 84,292	\$ 84,292	\$ 84,292
Soros Reservoir		\$ 671,346	\$ 47,157	\$ 47,157	\$ 47,157	\$ 47,157	\$ 47,157	\$ 47,157	\$ 47,157	\$ 47,157	\$ 47,157
Columbia View Reservoir		\$ 300,000	\$ 21,073	\$ 21,073	\$ 21,073	\$ 21,073	\$ 21,073	\$ 21,073	\$ 21,073	\$ 21,073	\$ 21,073
Port Pipeline Development		\$ 950,000	\$ 66,731	\$ 66,731	\$ 66,731	\$ 66,731	\$ 66,731	\$ 66,731	\$ 66,731	\$ 66,731	\$ 66,731
Dog River Line Replacement		\$ 6,800,000	\$ 477,652	\$ 477,652	\$ 477,652	\$ 477,652	\$ 477,652	\$ 477,652	\$ 477,652	\$ 477,652	\$ 477,652
3rd St Streetscape							\$ 697,040	\$ 48,962	\$ 48,962	\$ 48,962	\$ 48,962
Lone Pine Well Enhancement							\$ 1,159,274	\$ 81,431	\$ 81,431	\$ 81,431	\$ 81,431
Finished Water Pipeline							\$ 9,197,174	\$ 646,037	\$ 646,037	\$ 646,037	\$ 646,037
Bond Issuance Cost		\$ 158,624					\$ 168,571				
FY 11/12 Bond		\$10,733,534	\$ 742,813	\$ 742,813	\$ 742,813	\$ 742,813	\$ 742,813	\$ 742,813	\$ 742,813	\$ 742,813	\$ 742,813
FY 16/17 Bond							\$11,242,059	\$ 776,430	\$ 776,430	\$ 776,430	\$ 776,430
2008 & 2009 FFC, ARRA Loan		\$ 854,689	\$ 861,459	\$ 856,533	\$ 855,016	\$ 859,216	\$ 858,710	\$ 857,680	\$ 859,039	\$ 856,820	\$ 857,249
Total Payments		\$ 854,689	\$1,604,273	\$1,599,347	\$1,597,830	\$1,602,030	\$1,601,524	\$2,376,924	\$2,378,279	\$2,375,084	\$2,376,493

FY	Rate	Sample Charges in FY 15/16 (nominal)		Sample Charges in FY 20/21 (nominal)	
		Residential 3/4 in. Meter		Residential 3/4 in. Meter	
		Base	Rate per 1,000 gallons	Base	Rate per 1,000 gallons
FY 11/12	10%				
FY 12/13	16%				
FY 13/14	16%				
FY 14/15	14%	\$ 85.86	\$ 1.78	\$ 128.45	\$ 2.67
FY 15/16	10%	Charge at 15k gal	\$ 94.77	Charge at 15k gal	\$ 141.78
FY 16/17	10%	Commercial 3/4 in. Meter		Commercial 3/4 in. Meter	
FY 17/18	10%	Base	Rate per 1,000 gallons	Base	Rate per 1,000 gallons
FY 18/19	8%	\$ 59.06	\$ 4.77	\$ 88.36	\$ 7.14
FY 19/20	8%	Charge at 15k gal	\$ 106.76	Charge at 15k gal	\$ 159.72
FY 20/21	6%				



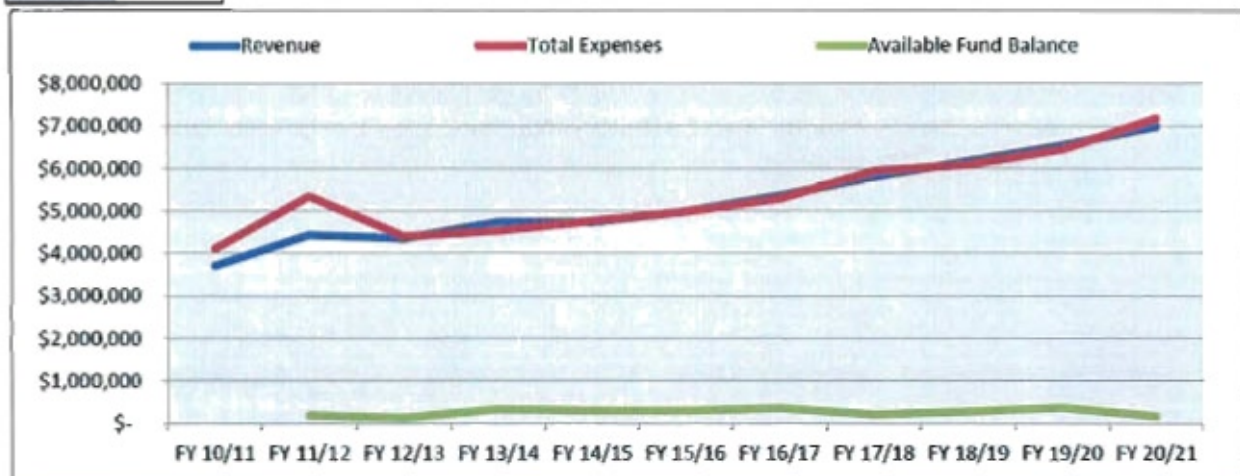
Option #2 A

The second alternative delays most of the capital projects by several years. Option #2 is unique in that it has three bond issues, rather than two in the other options. This incurs additional bond issuance fees. Along with delaying the capital projects, the largest rate increases are also delayed. However, the City will need substantial rate increases beginning in FY 16/17 in order to not deplete all available reserves as projects gradual begin.

In both Options #2 and #3 the Thompson/19th street project is paid out right, rather than bonded. This allows bonding of the DEQ Temperature Mitigation project, Sorosis Rehabilitation and the painting of the Columbia View reservoir projects to be delayed to FY 2014/15. Paying cash for the project does significantly reduced reserves. However this is still preferable because the issuance fees of bonding the Thompson / 19th street project by itself in FY 2011/12 would add 15% to its cost.

Payment = Proceed = 		Bond Issuance and Payment Schedules: Option #2									
		11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21
Thompson/19th St											
DEQ Temp Mitigation					\$1,311,272	\$ 92,108	\$ 92,108	\$ 92,108	\$ 92,108	\$ 92,108	\$ 92,108
Sorosis Reservoir					\$ 733,598	\$ 51,530	\$ 51,530	\$ 51,530	\$ 51,530	\$ 51,530	\$ 51,530
Columbia View Reservoir					\$ 327,818	\$ 23,027	\$ 23,027	\$ 23,027	\$ 23,027	\$ 23,027	\$ 23,027
Port Pipeline Development							\$1,101,310	\$ 77,359	\$ 77,359	\$ 77,359	\$ 77,359
Dog River Line Replacement							\$7,883,064	\$ 553,730	\$ 553,730	\$ 553,730	\$ 553,730
3rd St Streetscape							\$ 697,040	\$ 48,962	\$ 48,962	\$ 48,962	\$ 48,962
Lone Pine Well Enhancement										\$ 1,266,770	\$ 88,982
Finished Water Pipeline										\$10,050,000	\$ 705,942
Bond Issuance Cost					\$ 100,000		\$ 168,351			\$ 215,036	
FY 14/15 Bond					\$2,472,688	\$ 166,665	\$ 166,665	\$ 166,665	\$ 166,665	\$ 166,665	\$ 166,665
FY 16/17 Bond							\$9,849,765	\$ 680,052	\$ 680,052	\$ 680,052	\$ 680,052
FY 19/20 Bond									\$11,531,806	\$ 794,924	
2008 & 2009 FFC, ARRA Loan		\$854,689	\$861,459	\$856,533	\$ 855,016	\$ 859,216	\$ 858,710	\$ 857,680	\$ 859,035	\$ 855,820	\$ 857,249
Total Payments		\$854,689	\$861,459	\$856,533	\$3,327,705	\$1,025,881	\$1,025,375	\$1,704,397	\$1,705,752	\$1,702,537	\$2,498,890

FY 11/12	10%	Sample Charges in FY 15/16 (nominal)				Sample Charges in FY 20/21 (nominal)			
FY 12/13	10%	Residential 3/4 in. Meter				Residential 3/4 in. Meter			
FY 13/14	6%	Base Rate per 1,000 gallons				Base Rate per 1,000 gallons			
FY 14/15	6%	\$ 67.92	\$ 1.41			\$ 124.02	\$ 2.57		
FY 15/16	8%	Charge at 15k gal \$ 74.97				Charge at 15k gal \$ 136.89			
FY 16/17	12%	Commercial 3/4 in. Meter				Commercial 3/4 in. Meter			
FY 17/18	14%	Base Rate per 1,000 gallons				Base Rate per 1,000 gallons			
FY 18/19	12%	\$ 46.72	\$ 3.77			\$ 85.31	\$ 6.89		
FY 19/20	12%	Charge at 15k gal \$ 84.46				Charge at 15k gal \$ 154.21			
FY 20/21	14%								



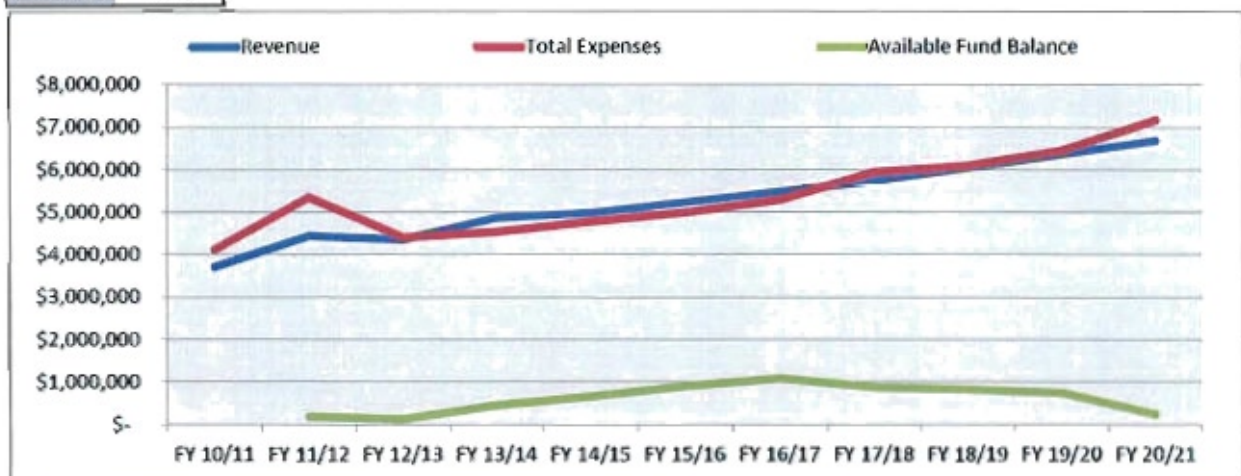
Option #2B

Option #2B differs from #2A only in that it places an emphasis on stabilizing rate increases. The timing of capital projects and bonding are unchanged. This requires rates to be increased earlier, but end lower. For a ¾ in residential meter, the option #2B would cost a residential user \$6 more per month in five years and \$6 per month less in ten over option #2A. It should be noted that all figures are actuals (nominal) instead of inflation adjusted. A longer discussion on how inflation is treated in this model is in Appendix C (p. 10).

In this alternative reserves are built up to just over \$1 million in FY 2016/17 in anticipation of future capital projects. Without the need to quickly raise rates just before the beginning of a project, rates can be nearly uniform over the next decade. Additionally, building reserves instead relying on just-in-time rate increases allows for more year to year revenue variability without risking contingency funds.

Payment = Proceed = 		Bond Issuance and Payment Schedules: Option #2									
		11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21
Thompson/19th St											
DEQ Temp Mitigation					\$1,311,272	\$ 92,108	\$ 92,108	\$ 92,108	\$ 92,108	\$ 92,108	\$ 92,108
Sorosis Reservoir					\$ 733,588	\$ 51,530	\$ 51,530	\$ 51,530	\$ 51,530	\$ 51,530	\$ 51,530
Columbia View Reservoir					\$ 327,818	\$ 23,027	\$ 23,027	\$ 23,027	\$ 23,027	\$ 23,027	\$ 23,027
Port Pipeline Development							\$1,101,310	\$ 77,359	\$ 77,359	\$ 77,359	\$ 77,359
Dog River Line Replacement							\$7,883,084	\$ 553,730	\$ 553,730	\$ 553,730	\$ 553,730
3rd St Streetscape							\$ 697,040	\$ 48,962	\$ 48,962	\$ 48,962	\$ 48,962
Lone Pine Well Enhancement										\$ 1,266,770	\$ 88,082
Finished Water Pipeline										\$10,050,000	\$ 705,942
Bond Issuance Cost					\$ 100,000		\$ 168,351			\$ 215,036	
FY 14/15 Bond					\$2,472,888	\$ 166,665	\$ 166,665	\$ 166,665	\$ 166,665	\$ 166,665	\$ 166,665
FY 16/17 Bond							\$9,849,765	\$ 680,052	\$ 680,052	\$ 680,052	\$ 680,052
FY 19/20 Bond										\$11,531,806	\$ 704,924
2008 & 2009 PFC, ARRA Loan		\$854,689	\$861,459	\$856,533	\$ 855,016	\$ 859,216	\$ 858,710	\$ 857,680	\$ 859,035	\$ 855,820	\$ 857,249
Total Payments		\$854,689	\$861,459	\$856,533	\$3,327,705	\$1,025,881	\$1,025,375	\$1,704,397	\$1,705,752	\$1,702,537	\$2,498,890

FY	Rate	Sample Charges in FY 15/16 (nominal)			Sample Charges in FY 20/21 (nominal)		
FY 11/12	10%	Residential ¾ in. Meter			Residential ¾ in. Meter		
FY 12/13	10%	Base	Rate per 1,000 gallons		Base	Rate per 1,000 gallons	
FY 13/14	10%	\$ 73.15	\$ 1.52		\$ 113.56	\$ 2.36	
FY 14/15	10%	Charge at 15k gal	\$ 80.74		Charge at 15k gal	\$ 125.34	
FY 15/16	8%	Commercial ¾ in. Meter			Commercial ¾ in. Meter		
FY 16/17	8%	Base	Rate per 1,000 gallons		Base	Rate per 1,000 gallons	
FY 17/18	8%	\$ 50.31	\$ 4.06		\$ 78.11	\$ 6.31	
FY 18/19	10%	Charge at 15k gal	\$ 90.95		Charge at 15k gal	\$ 141.20	
FY 19/20	10%						
FY 20/21	10%						



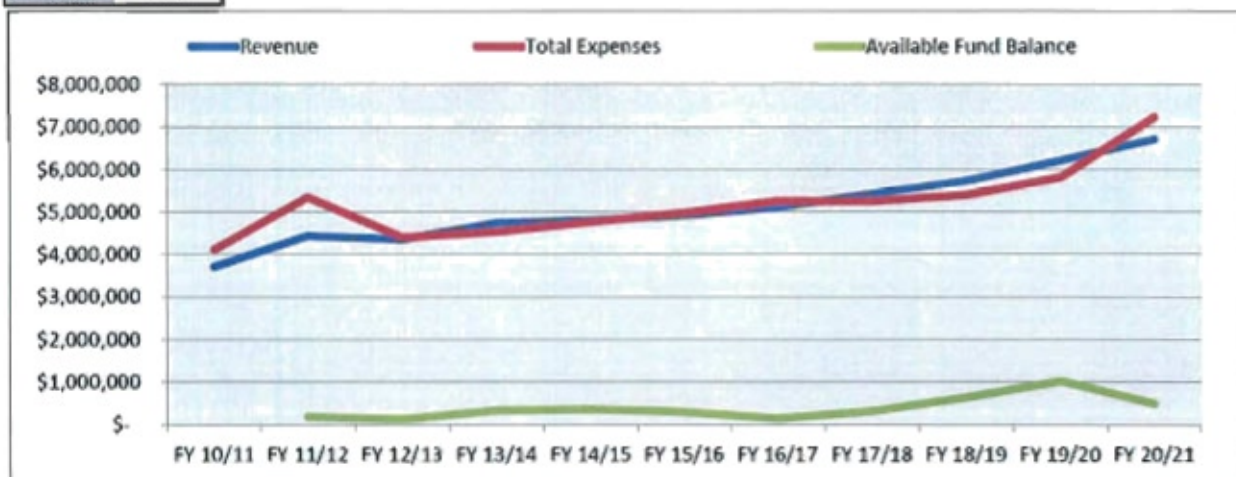
Option #3 A

The final option pushes each project to its very latest start dates. By doing so, it will allow the NEPA permitting for the Dog River line to lapse, losing the roughly \$125,000 already expended for this process. The City will then need to restart the permitting process and incur those costs again in FY 15/16 in order to replace the line in FY 19/20.

This option allows for significant easing of rate increases in the near term, but requires a new set of double digit increases beginning in FY 18/19. Corresponding with the delaying of costs, the water fund balances remain fairly capitalized until all the available funds are utilized for the surge of projects beginning in FY 19/20.

Additionally, as costs and revenues are pushed farther into the future the predictive ability of the statistical models is reduced, either in a positive or negative direction. This uncertainty adds further risk to Option #3.

		Bond Issuance and Payment Schedules: Option #3									
		11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21
Thompson/19th St											
DEQ Temp Mitigation					\$1,311,272	\$ 92,108	\$ 92,108	\$ 92,108	\$ 92,108	\$ 92,108	\$ 92,108
Sorosis Reservoir					\$ 733,598	\$ 51,530	\$ 51,530	\$ 51,530	\$ 51,530	\$ 51,530	\$ 51,530
Columbia View Reservoir					\$ 327,818	\$ 23,027	\$ 23,027	\$ 23,027	\$ 23,027	\$ 23,027	\$ 23,027
Port Pipeline Development									\$ 1,203,432	\$ 84,533	
Dog River Line Replacement									\$ 8,614,037	\$ 605,076	
3rd St Streetscape									\$ 761,675	\$ 53,502	
Lone Pine Well Enhancement									\$ 1,266,770	\$ 88,982	
Finished Water Pipeline									\$10,050,000	\$ 705,942	
Bond Issuance Cost					\$ 100,000					\$ 277,371	
FY 14/15 Bond					\$2,472,688	\$ 166,665	\$ 166,665	\$ 166,665	\$ 166,665	\$ 166,665	\$ 166,665
FY 19/20 Bond									\$22,173,284	\$ 1,538,035	
2006 & 2009 FFC, ARRA Loan		\$854,689	\$861,459	\$856,533	\$ 855,016	\$ 859,216	\$ 856,710	\$ 857,680	\$ 859,035	\$ 855,820	\$ 857,249
Total Payments		\$854,689	\$861,459	\$856,533	\$ 855,016	\$1,025,881	\$1,025,375	\$1,024,345	\$1,025,700	\$1,022,485	\$2,561,949
FY 11/12	10%	Sample Charges in FY 15/16 (nominal)				Sample Charges in FY 20/21 (nominal)					
FY 12/13	10%	Residential 3/4 in. Meter				Residential 3/4 in. Meter					
FY 13/14	6%	Base				Base					
FY 14/15	8%	Rate per 1,000 gallons				Rate per 1,000 gallons					
FY 15/16	4%	\$ 66.64				\$ 114.03					
FY 16/17	6%	Charge at 15k gal \$ 73.56				Charge at 15k gal \$ 125.86					
FY 17/18	10%	Commercial 3/4 in. Meter				Commercial 3/4 in. Meter					
FY 18/19	10%	Base				Base					
FY 19/20	15%	Rate per 1,000 gallons				Rate per 1,000 gallons					
FY 20/21	16%	\$ 45.84				\$ 78.43					
		Charge at 15k gal \$ 82.86				Charge at 15k gal \$ 141.78					

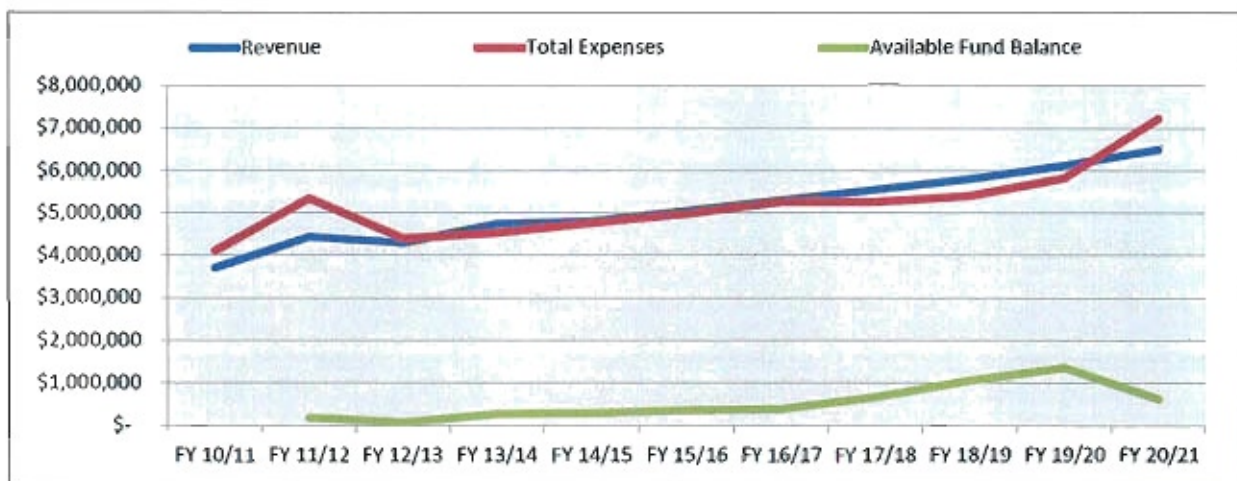


Option #3 B:

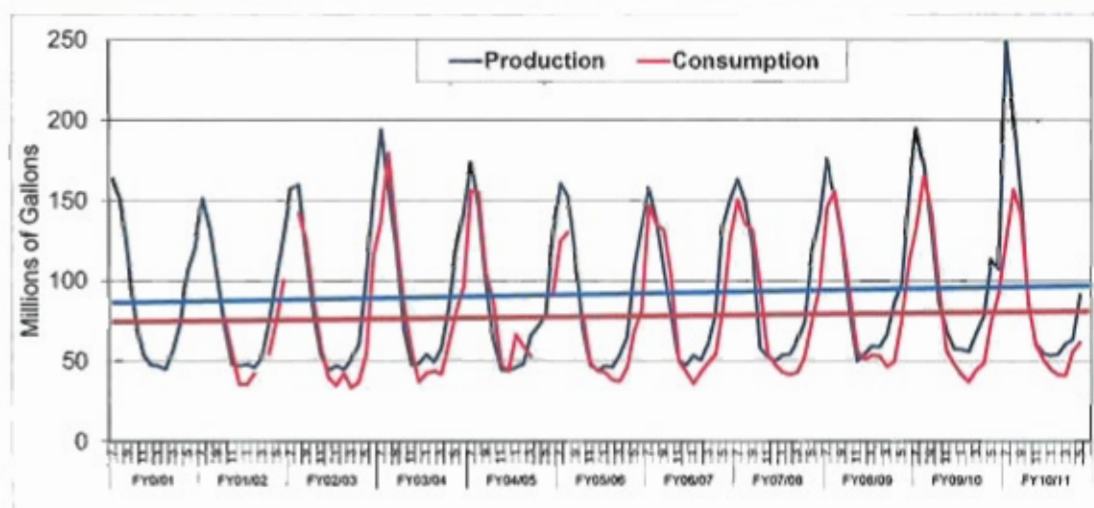
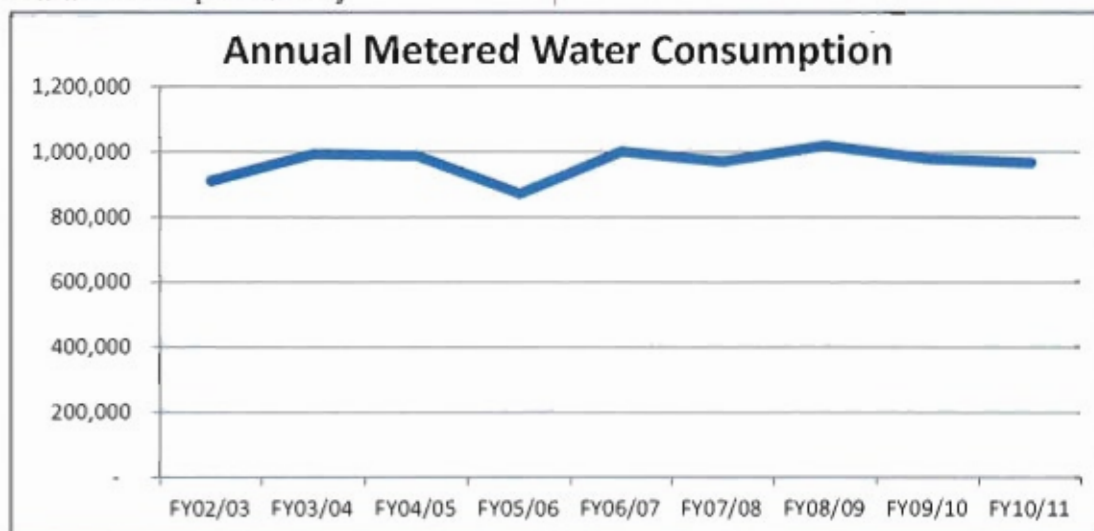
Option #3B keeps the same capital investment and bond schedule as Option #3A, but chooses more stable rate increases. Even in this most delayed capital investment schedule, there is still a need for double digit rate increases by fiscal year 2019/20. This results from pushing back the city's two largest projects (Dog River line and the Finished Pipeline replacements) as far as possible. This would then require that they are both started at the same time, incurring a large increase in bond payments.

Bond Issuance and Payment Schedules: Option #3										
	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21
Thompson/19th St										
OEQ Temp Mitigation				\$1,311,272	\$ 92,108	\$ 92,108	\$ 92,108	\$ 92,108	\$ 92,108	\$ 92,108
Sorosis Reservoir				\$ 733,598	\$ 51,530	\$ 51,530	\$ 51,530	\$ 51,530	\$ 51,530	\$ 51,530
Columbia View Reservoir				\$ 327,818	\$ 23,027	\$ 23,027	\$ 23,027	\$ 23,027	\$ 23,027	\$ 23,027
Port Pipeline Development									\$ 1,203,432	\$ 84,533
Dog River Line Replacement									\$ 8,614,037	\$ 605,076
3rd St Streetscape									\$ 761,675	\$ 53,802
Lone Pine Well Enhancement									\$ 1,266,770	\$ 88,982
Payments Passed W/ Proceeds				\$ 100,000					\$10,050,000	\$ 705,942
									\$ 277,371	
FY 14/15 Bond				\$2,472,688	\$ 166,665	\$ 166,665	\$ 166,665	\$ 166,665	\$ 166,665	\$ 166,665
FY 19/20 Bond									\$22,173,284	\$1,538,035
2008 & 2009 FFC, ARRA Loan	\$854,689	\$861,459	\$856,533	\$ 855,016	\$ 859,216	\$ 858,710	\$ 857,680	\$ 859,035	\$ 855,820	\$ 857,249
Total Payments	\$854,689	\$861,459	\$856,533	\$ 855,016	\$1,025,881	\$1,025,375	\$1,024,345	\$1,025,700	\$1,022,485	\$2,561,949

FY 11/12	10%	Sample Charges in FY 15/16 (nominal)		Sample Charges in FY 20/21 (nominal)	
FY 12/13	8%	Residential 3/4 in. Meter		Residential 3/4 in. Meter	
FY 13/14	8%	Base	Rate per 1,000 gallons	Base	Rate per 1,000 gallons
FY 14/15	8%	\$ 89.23	\$ 1.44	\$ 107.44	\$ 2.23
FY 15/16	8%	Charge at 15k gal	\$ 76.41	Charge at 15k gal	\$ 118.59
FY 16/17	8%	Commercial 3/4 in. Meter		Commercial 3/4 in. Meter	
FY 17/18	8%	Base	Rate per 1,000 gallons	Base	Rate per 1,000 gallons
FY 18/19	8%	\$ 47.62	\$ 3.85	\$ 73.90	\$ 5.97
FY 19/20	10%	Charge at 15k gal	\$ 86.08	Charge at 15k gal	\$ 133.59
FY 20/21	12%				



Appendix A: Consumption History



Trends: Both the metered consumption and production of water in The Dalles has been essentially flat over the past decade. This is even as the population has grown and a large industrial user has opened. While both the consumption and production trend lines do have a slight upward trend, the slope is so minimal as to not be significantly different than zero. Although average usage is not changing, the data can't be used to observe max daily demands. If spikes in usage are growing, this would require an increase in system capacity. Because consumer meters do not register daily use data, max daily usage would need to be estimated by examining production data. This analysis did not perform this more detailed examination.

Unaccounted for Water: The Dalles has a strong record for low volumes of "unaccounted for" water. The average difference between water produced and water metered over the last ten years has been 14%. This is calculated by subtracting the area underneath the metered consumption trend line from the area underneath the production trend line and then dividing by the total. Given that metered consumption does not include schedule system flushes, fire department use and there were several years without hydrant sales data, system leakage is likely well below 14%. Unaccounted for water was 10% for the fiscal year 2006/07 (which was the first year w/ complete hydrant sales data and before recent years which have required some large systems flushes). This further reinforces that the true leakage is likely less than 10% overall. This meets the industry standard for a well-run water utility.

Appendix B: Capital Projects

Completed Capital Improvements	Amount
Dog River and Crow Creek NEPA and Land Purchase for Crow Creek	\$ 205,256
Wicks Clear Well	\$ 4,149,776
Lone Pine Well and Pipe Line Phases I and II	\$ 986,446
Wicks Near Term Improvements	\$ 456,404
Vista Reservoir	\$ 1,025,539
Issuance Costs	\$ 160,000
TOTAL	\$ 6,983,421

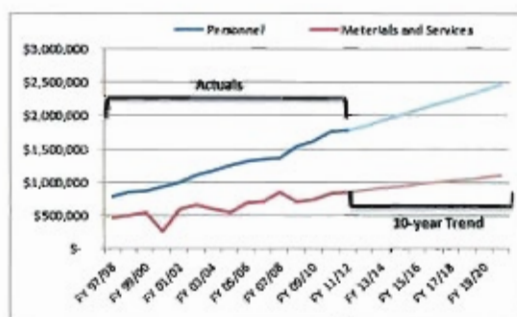
Future Capital Improvements	Amount	Bond Issue for Each Option		
		# 1	# 2	# 3
Thompson / 19 th Street	\$ 650,000	11/12	-	-
Clean Garrison Reservoir	\$15,000	-	-	-
DEQ Temperature Mitigation	\$1,200,000	11/12	14/15	14/15
Sorosis Reservoir Rehabilitation	\$670,000	11/12	14/15	14/15
Painting Columbia View Reservoir	\$300,000	11/12	14/15	14/15
Dog River Line Replacement	\$6,800,000	11/12	16/17	19/20
Port Pipeline Extension	\$950,000	11/12	16/17	19/20
3 rd St. Streetscape	\$600,000	16/17	16/17	19/20
Lone Pine Well Enhancement	\$1,000,000	16/17	19/20	19/20
Finished Pipeline Replacement	\$10,050,000	16/17	19/20	19/20
TOTAL	\$22,235,000			

2011 Dollars, except the Finished Pipeline is an actual
 Garrison Reservoir occurs this fiscal year and is paid out of reserve funds
 Thompson/19th Street occurs this fiscal year and is paid out of reserve funds in Options #2 and #3

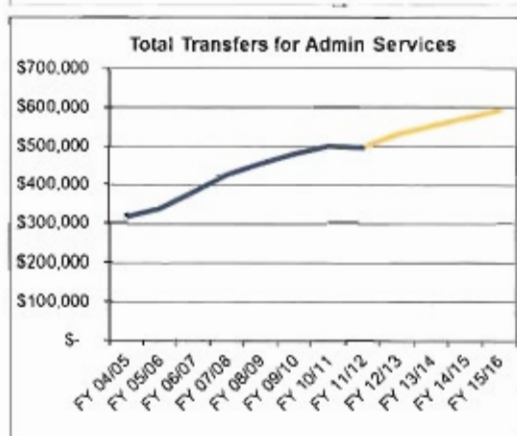
Appendix C: Forecasting Methods

Inflation: All the statistical models in this analysis are based on actual figures, as opposed to inflation adjusted ones. The rationale is that introducing inflation into the model assumes that future inflation can be predicted. If a model requires that you predict future inflation rates, then it is introducing a new opportunity for error. Adding an inflation factor compounds upon itself, producing an exponential curve which was not reflective of the data, in this case. Instead I chose to extend what has actually been observed (Administrative expenses, billing revenue, materials etc.) and extend it into the future with the understanding that the products will be actuals and not inflation adjusted.

Personnel and Materials Expenses: The operating expenses of the water utility are based on a ten-year simple trend line of historical costs. While salaries are a negotiated sum, other factors like health costs, material and energy prices are not under the control of the City. Due to this uncertainty, a simple trend line of historical costs were used to project forward.



Transfers for Administrative Expenses: The water utility is expected to pay for the services it receives from the City Government. It is assessed a portion of the cost for the City Council, City Manager, City Attorney, the Utility Billing portion of the Finance department, watershed patrol by the police, etc. The percentage costs for these services attributable to the Water Fund were reevaluated and reduced in the fiscal year 2010/11.

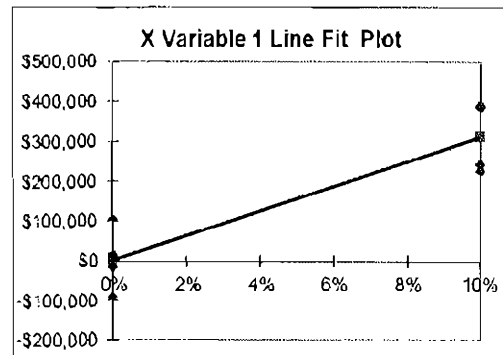
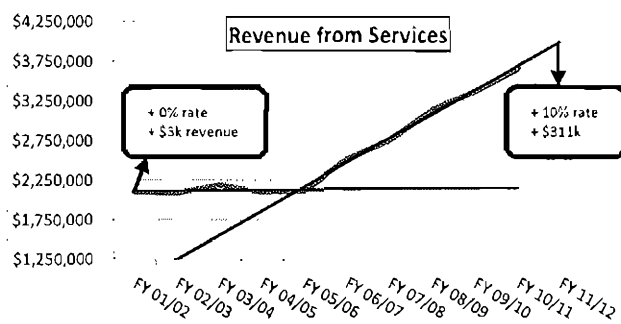


Charges for Services: The challenge when forecasting revenue was predicting rate increase increments that haven't occurred in the past. In other words, we can observe what revenue was generated when rates were flat and when rates were increased at 10% per year, but there isn't information on what happens when rates are increased at 5%, 15% or even reduced.

Using the information that revenue was nearly flat when rates were flat and that revenue on average increased \$311,000 each time rates were increased by 10%, a regression analysis that uses percentage rate increases to predict the change in revenue produces a model which suggests that every 1% increase in rates produces about \$31,000 in additional revenue. Using this model, any combination of future rate changes can be used to approximate revenue generation.

Previous revenue predictions used formulas based on unchanging per capita consumption and population growth projections and then calculated hypothetical billing with chosen rates. This method is more precise if the underlying assumptions do not change. However, it relies on predicting several unknowns in order to calculate an unknown. The model used in this analysis more simply observes how rates and revenue correlated with each other and then continues this relationship forward. Revenue created by changes in the structure of the rates would not be able to be predicted in this model.

$$(\$) \text{ Change in Revenue} = 3,709 + [3,082,427 \times (\%) \text{ Change in Rates}]$$



Regression Statistics								
Multiple R	0.902273901							
R Square	0.814098192							
Adjusted R Square	0.783114558							
Standard Error	85042.42871							
Observations	8							
ANOVA								
	df	SS	MS	F	Significance F			
Regression	1	1.90027E+11	1.90027E+11	26.27510303	0.00216563			
Residual	6	43393288089	7232214681					
Total	7	2.3342E+11						
	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	3709.25	42521.21436	0.087232927	0.933324832	-100336.4131	107754.9131	-100336.4131	107754.9131
X Variable 1	3082427.5	601340.7803	5.125924602	0.00216563	1610999.621	4553855.379	1610999.621	4553855.379

Several key figures in the regression models statistics are the Adjusted R Square and the Standard Error. An Adjusted R Square value of .78 can be interpreted to mean that 78% percent of the changes in revenue can be explained by the change in rates. Generally, .78 is considerate a moderately predictive model. The Standard Error more specifically states that there is a 68% chance that revenue predicted by the model will be within plus or minus \$60,134 and a 95.4% chance that revenue will be within plus or minus \$120,268. Adding more years of revenue figures will likely increase the quality of the model.

Discussion of Model Accuracy: This model was created using figures from the City of The Dalles CAFRs. This meant that FY 10/11 data was not available. The ending of the fiscal year on June 30th provided an opportunity to check the accuracy of this model. The predicted charges for services in FY 10/11 were \$3,679,458. This was \$36,819 or 1% off from the actual figure. This level of precision lends credibility to the model. However, its long-term predictive value is better described by the its regression statistics, rather than this single year of accuracy.

As rates have historically been changed in September, the model is more likely to underestimate revenue when rate increases are less than 10%. This is because each year will contain two months of the higher rate increases. Conversely, the model may tend towards over estimating revenue if rates are increased more than 10%.

As in any statistical model, this analysis relies on the assumption that the past can predict the future. This assumption is increasing invalid the further into the future it is used to forecast. For this reason, the model should be updated and recalculated regularly with current data. A yearly reevaluation of each model's predictions is a good interval to account for seasonality.

Appendix D: Additional Project Assumptions

FINANCING

Interest Rate: 4.9%

Yield on AA municipal bonds as of 6/11

Issuance Fees: \$100,000 for bonds under \$5 million

2% for bonds \$5 million – \$10 million

1.5% for bonds \$10 million - \$15 million

1% for bonds in excess of \$15 million

Created with guidance from Mary Macpherson, Assistant Vice President at SNW – Public Finance

These may be conservative estimates as the City's most recent issue of a \$9 million bond required \$160,000 in fees.

OTHER REVENUE

Units of Development per year: 15**Rental Income: \$4,080**

The current rent for a property on Wick's WTP land is not expected to change

Interest on Investments: 0.5%

This is the current yield on the Oregon State Treasury's Short-Term fund. This is where the City of The Dalles deposits its excess fund balances. If the interest on this fund increases the benefits will likely be offset by increased inflation.

Miscellaneous: \$5,000 and adjusted upward for inflation

Sale of metals usually constitutes the majority of this figure. \$5,000 is a plug value as the true revenue is unpredictable.

INFLATION

General Inflation: 3%

A conservative and rough estimate based on historical averages

Capital Outlay Inflation: 4%

Under the current 2007 Water Revenue bond the rate of 4% was used to estimate the increase in capital costs.

INTER-FUND TRANSFERS

Street Fund: 3% of Charges for Services**Unemployment: 0.25% of water utility personnel costs**

The City self-insures for unemployment insurance. Before the recession, this fund was fully capitalized. As it has been drawn upon over the past several years, it will again need to receive transfers from the Water Fund.

Public Works Reserve: Set at \$40,000 and then adjusted for Capital Outlay Inflation

This fund purchases vehicles and other equipment for joint use by the wastewater and water utilities. Optimally, each fund would contribute equally. The water fund has been unable to transfer its share and has been subsidized by the Wastewater Fund. This inequality will likely continue for the next decade.

UNAVAILABLE FUND BALANCES

Bond Covenant Reserves: \$400,000

Previously issued bonds require that at least \$400,000 is always kept in fund balances

Minimum Starting Balance: \$170,000 and then adjusted for inflation

The Water Fund requires a minimum beginning balance for liquidity reasons

Contingency: 3% of operating costs

The financial management guidelines passed by the Council state that, “The City will strive to maintain at least a 1% to 5% contingency in each of the utility funds. This sum is treated as unavailable funds instead of as an expense because the Water Fund has never needed to access its budgeted contingency.

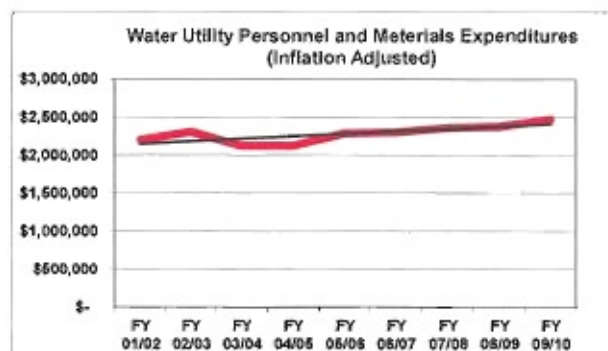
Working Capital: Set at FY 2010/11 levels and then adjusted for inflation

The Water Fund always has some amount of capital tied up in current inventory (sand, pipes etc.). These items are not expensed until they are used and remain as part of the department’s fund balance. However, they are not liquid assets. Therefore an allowance needs to be made for these current assets to insure that the fund is not overdrawn.

Appendix E: Water Utility Financial History

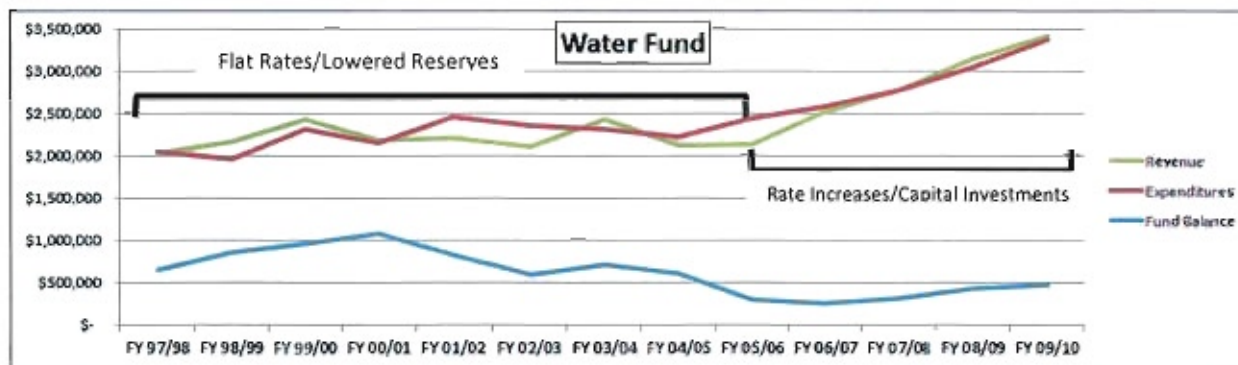
Before the set of rate increases beginning in 2006 and except for a 5% commercial rate increase in 1999, water rates had remained flat since 1994. The Water Fund ran a deficit in six of the ten years beginning in FY 97/98 and ending in FY 06/07. At the end of that decade, the fund's balance ended at a low of \$263,000. This is the year that a set of 10% rate increases were instituted, along with an accompanying set of capital projects. For the next three years the water fund ran a slight surplus and rebuilt its fund balance to \$475,000 in the fiscal year ending in 2010.

As the population of The Dalles increased an average of 1.2% per year, the water utility personnel and material & services costs have averaged an annual increase of 1.6% once adjusted for inflation. It managed these modest increases even through periods which experienced large spikes in energy and metals prices. The primary driver of increased expenses in the water utility has been capital investments, rather than increasing operating costs.

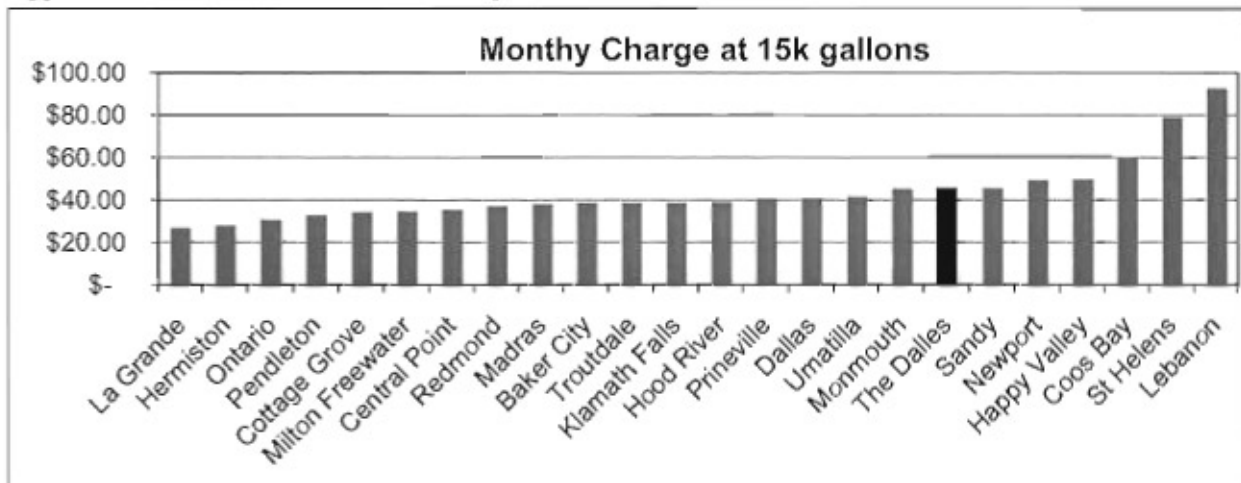


During FY 10/11, the Water Fund added debt service on the City's 2009 FFC bond and began paying principal on the Water Revenue Bond, where it was previously only making interest payments. These added expenses meant that the combined water and Water Reserve Fund balances dropped by \$400,000 over the last fiscal year. Along with these debt obligations, the Water Fund will begin repaying an American Recovery and Reinvestment Act (ARRA) loan in annual amounts of \$200,000 next year. In sum, both water funds are responsible for \$850,000 of debt payments in FY 11/12. Each of these liabilities has payment schedules that last over the next decade or further.

There are also several more capital projects that need to be started over the next ten years. The two most expensive are the Dog River line replacement (\$6,800,000) and a replacement of the finished water pipeline from Wicks WTP (\$10,050,000). The Dog River line is over one hundred years old and in urgent need of replacement. This line diverts water into the Crow Creek reservoir, which makes up the vast majority of The Dalles water supply. The two current pipelines which deliver 90% of the city's water are significantly deteriorated and experiencing increasing leakage. The Finished Pipeline project will replace these two lines with a single 24 inch line. This will reduce maintenance costs, leakage costs and eliminate the possibility of catastrophic failure. In addition to these large projects there are eight other of smaller projects which need to be completed over the next decade.



Appendix F: The Dalles Water Rate Comparison



The Dalles' water rates are just within the highest one-third of cities of similar size at a 15,000 gallon per month usage rate. The City's higher costs are likely due to its water source. The Dalles is primarily supplied by surface water. Many of the other cities east of the Cascades rely on ground water which requires less treatment. The Dalles is generally in the range of the majority of similar sized cities. The city is within +/- \$10 from the majority (56%) of the cities researched, at a 15,000 gallon monthly usage level.

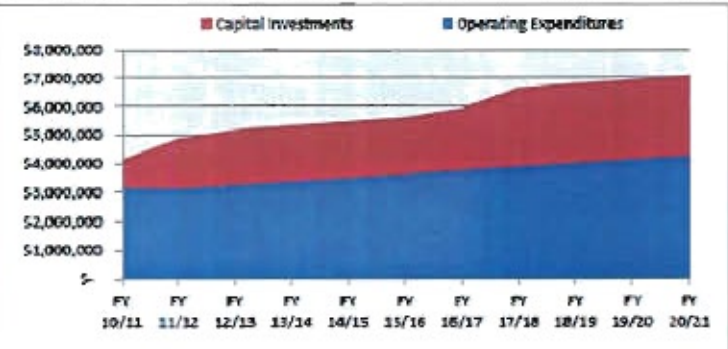
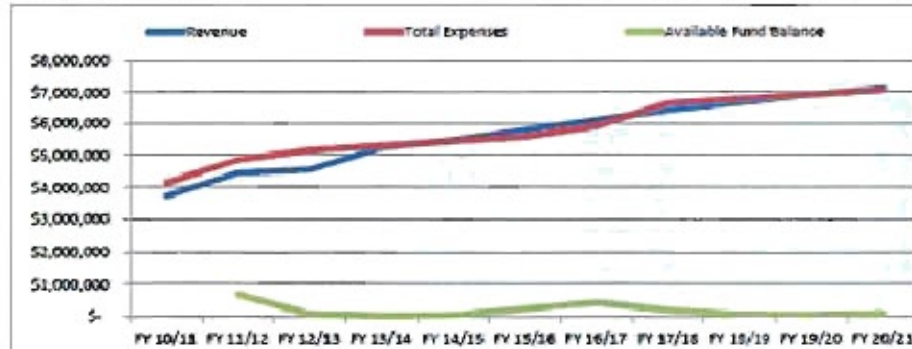
Of the twenty-three other cities surveyed, none provided as much base volume of water with their initial charge. The City of The Dalles provides 10,000 gallons of water at a fixed base price. The next largest base volumes were provided by Milton-Freewater and Hood River at 5,000 gallons. Fourteen (60%) of cities researched did not provide any volume of water with their base charge.

The Dalles larger base charge and lower variable cost generally favors a large user. In FY 2009/10, the average cost per 1,000 gallons of water in The Dalles was \$3.34 (total charges for services / total metered consumption). In the same year, the average cost for commercial use was \$2.93 and the average residential cost was \$3.95.

City	Water Base		Water				
	Charge	Volume	"=" to The Dalles" (to the closest 1,000 gal)	15,000 (gal)			Difference to The Dalles
				Rate (per gal)	(%) Difference from The Dalles	Charge	
Baker City	\$ 28.05	2,244	Always Lower	\$ 0.79	-17%	\$ 38.16	-15%
Central Point	\$ 10.00	0	20	\$ 2.07	116%	\$ 35.08	-22%
Coos Bay	\$ 17.74	2,244	9	\$ 3.30	243%	\$ 59.77	33%
Cottage Grove	\$ 14.40	0	30	\$ 1.65	72%	\$ 33.90	-25%
Dallas	\$ 15.28	2,244	19	\$ 2.00	108%	\$ 40.47	-10%
Happy Valley	\$ 4.75	0	13	\$ 3.38	252%	\$ 49.46	10%
Hermiston	\$ 14.65	3,000	Always Lower	\$ 0.92	-4%	\$ 27.59	-39%
Hood River	\$ 23.81	5,000	27	\$ 1.48	54%	\$ 38.61	-14%
Klamath Falls	\$ 1.30	0	20	\$ 2.38	148%	\$ 38.29	-15%
La Grande	\$ 14.09	4,990	84	\$ 1.23	28%	\$ 26.40	-41%
Lebanon	\$ 16.27	0	Always Higher	\$ 5.05	426%	\$ 92.07	104%
Madras	\$ 21.30	3,740	30	\$ 1.44	50%	\$ 37.58	-17%
Milton Freewater	\$ 19.80	5,000	38	\$ 1.44	50%	\$ 34.20	-24%
Monmouth	\$ 12.42	0	15	\$ 2.17	126%	\$ 44.90	0%
Newport	\$ 13.90	1,000	13	\$ 2.50	160%	\$ 48.90	9%
Ontario	\$ 10.00	0	53	\$ 1.35	41%	\$ 30.25	-33%
Pendleton	\$ 14.40	0	54	\$ 1.27	32%	\$ 32.50	-28%
Prineville	\$ 13.06	0	21	\$ 1.82	89%	\$ 40.33	-10%
Redmond	\$ 16.23	0	36	\$ 1.36	42%	\$ 36.68	-19%
Sandy	\$ 5.26	0	15	\$ 2.66	177%	\$ 45.16	0%
St Helens	\$ 7.70	0	7	\$ 4.76	396%	\$ 78.55	74%
The Dalles	\$ 40.26	10,000	-	\$ 0.96	-	\$ 45.06	-
Troutdale	\$ -	0	19	\$ 2.55	166%	\$ 38.25	-15%
Umatilla	\$ 7.70	0	17	\$ 2.92	204%	\$ 41.06	-9%

THE DALLES WATER RATES: Option #1

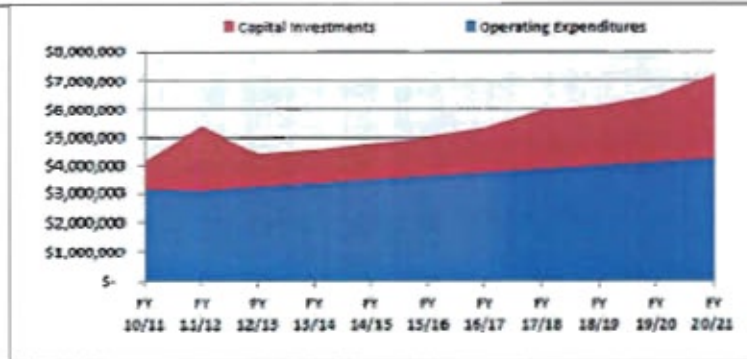
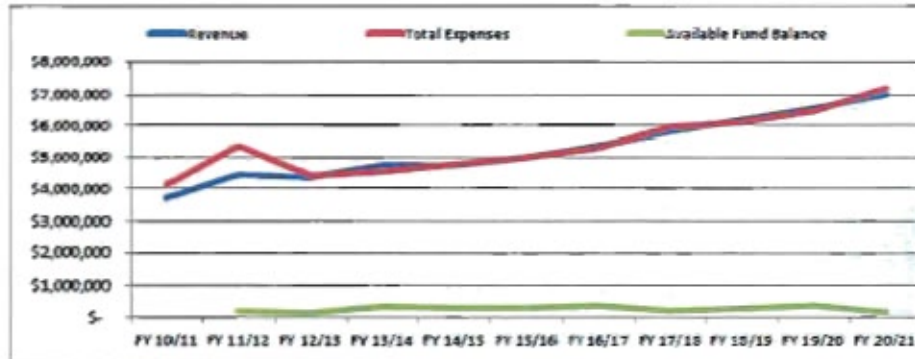
	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21
REVENUES											
SOC Fees	\$ 33,958	\$ 34,755	\$ 34,755	\$ 34,755	\$ 34,755	\$ 34,755	\$ 34,755	\$ 34,755	\$ 34,755	\$ 34,755	\$ 34,755
Other revenue	\$ 35,958	\$ 412,783	\$ 20,861	\$ 218,204	\$ 18,316	\$ 18,893	\$ 20,311	\$ 21,654	\$ 20,925	\$ 20,742	\$ 21,130
User Fees	\$ 3,330,687	\$ 3,679,458	\$ 3,991,410	\$ 4,488,308	\$ 4,985,205	\$ 5,420,454	\$ 5,732,408	\$ 6,044,358	\$ 6,356,310	\$ 6,668,614	\$ 6,858,917
Rate Increase	10%	10%	16%	16%	14%	10%	10%	10%	8%	8%	6%
Revenue from Rate Increase	\$ 311,052	\$ 311,052	\$ 406,898	\$ 406,898	\$ 436,249	\$ 311,052	\$ 311,052	\$ 311,052	\$ 250,303	\$ 250,303	\$ 188,855
Sub-total	\$ 3,712,453	\$ 4,438,928	\$ 4,543,924	\$ 5,238,164	\$ 5,473,525	\$ 5,788,055	\$ 6,099,425	\$ 6,412,719	\$ 6,682,294	\$ 6,912,414	\$ 7,101,457
EXPENDITURES											
Maintenance and Operation	\$ (2,647,538)	\$ (2,629,499)	\$ (2,734,913)	\$ (2,840,326)	\$ (2,946,740)	\$ (3,051,153)	\$ (3,156,567)	\$ (3,261,980)	\$ (3,367,394)	\$ (3,472,807)	\$ (3,578,221)
Administrative Services	\$ (499,228)	\$ (497,253)	\$ (530,901)	\$ (551,214)	\$ (571,528)	\$ (591,838)	\$ (612,150)	\$ (632,463)	\$ (652,775)	\$ (673,087)	\$ (693,399)
Contingency	\$ (20,488)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sub-total	\$ (3,167,234)	\$ (3,126,752)	\$ (3,265,814)	\$ (3,391,540)	\$ (3,517,268)	\$ (3,642,992)	\$ (3,768,717)	\$ (3,894,443)	\$ (4,020,169)	\$ (4,145,894)	\$ (4,271,620)
Operating Surplus/Deficit	\$ 545,219	\$ 1,312,176	\$ 1,278,110	\$ 1,846,624	\$ 1,956,257	\$ 2,145,063	\$ 2,330,708	\$ 2,518,276	\$ 2,662,125	\$ 2,766,520	\$ 2,829,837
OTHER FINANCING SOURCES (USES)											
Capital Improvements	\$ (283,152)	\$ (709,248)	\$ (276,249)	\$ (206,820)	\$ (315,768)	\$ (331,253)	\$ (346,983)	\$ (362,867)	\$ (377,368)	\$ (392,043)	\$ (405,157)
Debt Service	\$ (658,947)	\$ (1,013,313)	\$ (1,804,273)	\$ (1,599,347)	\$ (1,597,830)	\$ (1,602,030)	\$ (1,790,095)	\$ (2,376,924)	\$ (2,378,279)	\$ (2,375,064)	\$ (2,376,493)
Sub-Total	\$ (942,099)	\$ (1,722,561)	\$ (2,080,522)	\$ (1,806,167)	\$ (1,913,598)	\$ (1,933,283)	\$ (2,137,078)	\$ (2,739,891)	\$ (2,755,647)	\$ (2,767,107)	\$ (2,781,650)
Surplus (Deficit) Revenue	\$ (394,880)	\$ (410,385)	\$ (802,412)	\$ (49,543)	\$ 42,661	\$ 209,781	\$ 193,630	\$ (221,615)	\$ (103,521)	\$ (587)	\$ 48,187
COMBINED Reserve and Water Funds	\$ 1,736,672	\$ 1,326,287	\$ 723,875	\$ 674,332	\$ 716,994	\$ 926,774	\$ 1,120,404	\$ 898,789	\$ 785,268	\$ 784,680	\$ 832,868
Less Unavailable Capital	\$ (553,143)	\$ (661,400)	\$ (661,400)	\$ (669,810)	\$ (678,377)	\$ (687,106)	\$ (696,003)	\$ (705,072)	\$ (714,318)	\$ (723,747)	\$ (733,364)
AVAILABLE FUND BALANCE	\$ 673,144	\$ 664,887	\$ 62,475	\$ 4,523	\$ 38,617	\$ 239,668	\$ 424,401	\$ 193,717	\$ 70,950	\$ 60,933	\$ 99,503



THE DALLES WATER RATES: Option #2A

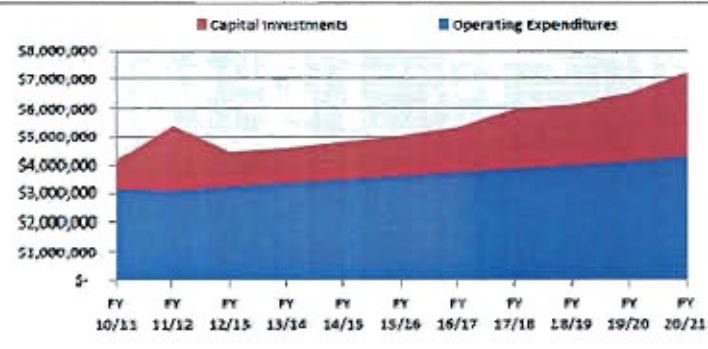
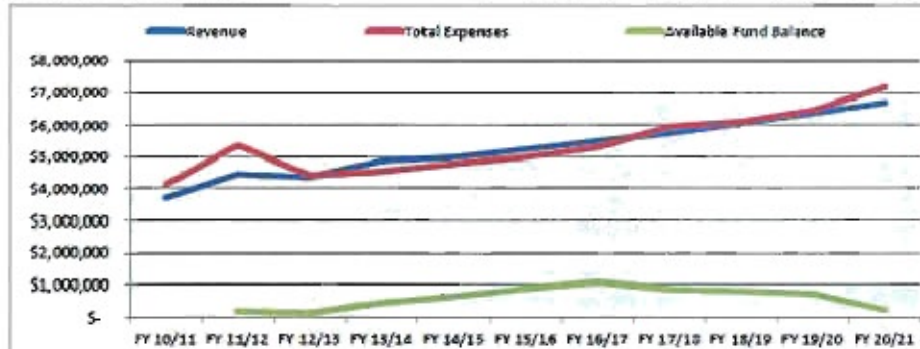
Page 17 of 20

	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21
REVENUES											
SOC Fees	\$ 33,856	\$ 34,755	\$ 34,755	\$ 34,755	\$ 34,755	\$ 34,755	\$ 34,755	\$ 34,755	\$ 34,755	\$ 34,755	\$ 34,755
Other revenue	\$ 35,958	\$ 412,763	\$ 18,387	\$ 218,534	\$ 19,970	\$ 20,182	\$ 20,600	\$ 21,338	\$ 20,960	\$ 21,768	\$ 22,654
User Fees	\$ 3,330,667	\$ 3,679,458	\$ 3,991,410	\$ 4,303,362	\$ 4,492,017	\$ 4,680,672	\$ 4,930,975	\$ 5,304,576	\$ 5,739,825	\$ 6,113,425	\$ 6,487,026
Rate Increase	10%	10%	10%	6%	6%	8%	12%	14%	12%	12%	14%
Revenue from Rate Increase	\$ 311,952	\$ 311,952	\$ 311,952	\$ 188,655	\$ 188,655	\$ 250,303	\$ 373,601	\$ 435,249	\$ 373,601	\$ 373,601	\$ 435,249
Sub-total	\$ 3,712,453	\$ 4,438,928	\$ 4,366,504	\$ 4,745,306	\$ 4,735,396	\$ 4,985,912	\$ 5,359,931	\$ 5,795,918	\$ 6,169,161	\$ 6,543,549	\$ 6,979,685
EXPENDITURES											
Maintenance and Operation	\$ (2,647,538)	\$ (2,629,499)	\$ (2,734,913)	\$ (2,840,326)	\$ (2,945,740)	\$ (3,051,153)	\$ (3,156,567)	\$ (3,261,980)	\$ (3,367,394)	\$ (3,472,807)	\$ (3,578,221)
Administrative Services	\$ (499,228)	\$ (497,253)	\$ (530,901)	\$ (551,214)	\$ (571,526)	\$ (591,838)	\$ (612,150)	\$ (632,463)	\$ (652,775)	\$ (673,087)	\$ (693,399)
Contingency	\$ (20,468)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sub-total	\$ (3,167,234)	\$ (3,126,752)	\$ (3,265,814)	\$ (3,391,540)	\$ (3,517,266)	\$ (3,642,992)	\$ (3,768,717)	\$ (3,894,443)	\$ (4,020,169)	\$ (4,145,894)	\$ (4,271,620)
Operating Surplus/Deficit	\$ 545,219	\$ 1,312,176	\$ 1,099,689	\$ 1,353,766	\$ 1,218,131	\$ 1,342,920	\$ 1,591,213	\$ 1,901,475	\$ 2,148,992	\$ 2,397,655	\$ 2,708,064
OTHER FINANCING SOURCES (USES)											
Capital Improvements	\$ (283,152)	\$ (709,248)	\$ (270,701)	\$ (282,025)	\$ (293,575)	\$ (307,210)	\$ (324,789)	\$ (344,473)	\$ (362,572)	\$ (380,947)	\$ (401,456)
Debt Service	\$ (656,947)	\$ (1,508,253)	\$ (861,459)	\$ (856,533)	\$ (955,016)	\$ (1,025,881)	\$ (1,193,626)	\$ (1,704,397)	\$ (1,705,752)	\$ (1,917,573)	\$ (2,498,890)
Sub-Total	\$ (940,099)	\$ (2,217,502)	\$ (1,132,160)	\$ (1,138,558)	\$ (1,248,591)	\$ (1,333,091)	\$ (1,518,415)	\$ (2,048,870)	\$ (2,068,324)	\$ (2,298,519)	\$ (2,900,347)
Surplus (Deficit) Revenue	\$ (394,880)	\$ (905,326)	\$ (41,471)	\$ 215,208	\$ (30,460)	\$ 9,829	\$ 72,798	\$ (147,395)	\$ 88,668	\$ 99,136	\$ (192,283)
COMBINED Reserve and Water Funds	\$ 1,736,672	\$ 831,347	\$ 789,876	\$ 1,005,084	\$ 974,624	\$ 984,453	\$ 1,057,251	\$ 909,856	\$ 990,524	\$ 1,089,650	\$ 897,377
Less Unavailable Capital	\$ -	\$ (653,143)	\$ (661,400)	\$ (669,810)	\$ (678,377)	\$ (687,106)	\$ (696,003)	\$ (705,072)	\$ (714,318)	\$ (723,747)	\$ (733,364)
AVAILABLE FUND BALANCE	\$ -	\$ 178,203	\$ 128,476	\$ 335,274	\$ 296,247	\$ 297,346	\$ 361,248	\$ 204,784	\$ 276,206	\$ 365,913	\$ 164,013



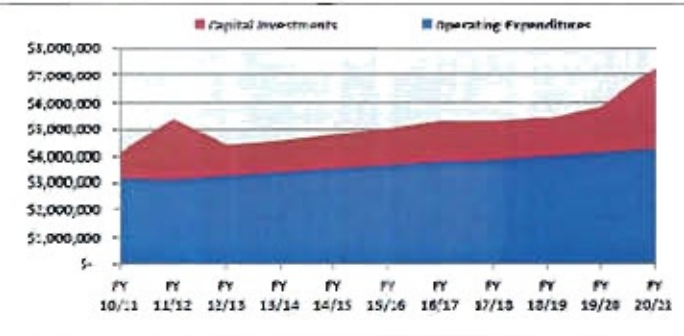
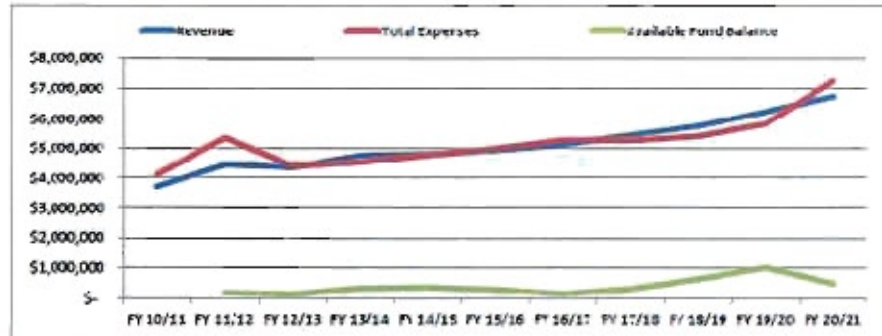
THE DALLAS WATER RATES: Option #2B

	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21
REVENUES											
SDC Fees	\$ 33,856	\$ 34,755	\$ 34,755	\$ 34,755	\$ 34,755	\$ 34,755	\$ 34,755	\$ 34,755	\$ 34,755	\$ 34,755	\$ 34,755
Other revenue	\$ 35,958	\$ 412,763	\$ 18,387	\$ 218,534	\$ 20,568	\$ 21,978	\$ 23,602	\$ 24,953	\$ 24,314	\$ 24,521	\$ 24,524
User Fees	\$ 3,330,687	\$ 3,679,458	\$ 3,991,410	\$ 4,303,362	\$ 4,615,314	\$ 4,927,266	\$ 5,177,589	\$ 5,427,873	\$ 5,678,176	\$ 5,990,128	\$ 6,302,080
Rate Increase	10%	10%	10%	10%	10%	8%	8%	8%	10%	10%	10%
Revenue from Rate Increase	\$ 311,952	\$ 311,952	\$ 311,952	\$ 311,952	\$ 311,952	\$ 250,303	\$ 250,303	\$ 250,303	\$ 311,952	\$ 311,952	\$ 311,952
Sub-total	\$ 3,712,453	\$ 4,438,928	\$ 4,356,504	\$ 4,868,603	\$ 4,982,589	\$ 5,234,303	\$ 5,486,230	\$ 5,737,884	\$ 6,049,198	\$ 6,361,357	\$ 6,673,311
EXPENDITURES											
Maintenance and Operation	\$ (2,647,538)	\$ (2,629,499)	\$ (2,734,913)	\$ (2,840,326)	\$ (2,945,740)	\$ (3,051,153)	\$ (3,156,567)	\$ (3,261,980)	\$ (3,367,394)	\$ (3,472,807)	\$ (3,578,221)
Administrative Services	\$ (499,228)	\$ (497,253)	\$ (530,901)	\$ (551,214)	\$ (571,526)	\$ (591,838)	\$ (612,150)	\$ (632,463)	\$ (652,775)	\$ (673,087)	\$ (693,399)
Contingency	\$ (20,468)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sub-total	\$ (3,167,234)	\$ (3,126,752)	\$ (3,265,814)	\$ (3,391,540)	\$ (3,517,266)	\$ (3,642,992)	\$ (3,768,717)	\$ (3,894,443)	\$ (4,020,169)	\$ (4,145,894)	\$ (4,271,620)
Operating Surplus/Deficit	\$ 545,219	\$ 1,312,176	\$ 1,090,689	\$ 1,477,063	\$ 1,465,323	\$ 1,591,311	\$ 1,717,512	\$ 1,843,441	\$ 2,029,029	\$ 2,215,462	\$ 2,401,691
OTHER FINANCING SOURCES (USES)											
Capital Improvements	\$ (283,152)	\$ (709,248)	\$ (270,701)	\$ (285,723)	\$ (300,973)	\$ (314,608)	\$ (328,488)	\$ (342,623)	\$ (358,873)	\$ (375,396)	\$ (392,210)
Debt Service	\$ (656,947)	\$ (1,508,253)	\$ (861,459)	\$ (856,533)	\$ (955,016)	\$ (1,025,881)	\$ (1,193,626)	\$ (1,704,397)	\$ (1,705,752)	\$ (1,917,573)	\$ (2,498,890)
Sub-Total	\$ (940,099)	\$ (2,217,502)	\$ (1,132,160)	\$ (1,142,257)	\$ (1,255,989)	\$ (1,340,489)	\$ (1,522,114)	\$ (2,047,020)	\$ (2,064,625)	\$ (2,292,971)	\$ (2,891,100)
Surplus (Deficit) Revenue	\$ (394,880)	\$ (905,326)	\$ (41,471)	\$ 334,806	\$ 209,334	\$ 250,822	\$ 195,398	\$ (203,579)	\$ (35,596)	\$ (77,509)	\$ (489,409)
COMBINED Reserve and Water Funds	\$ 1,736,672	\$ 831,347	\$ 789,876	\$ 1,124,682	\$ 1,334,016	\$ 1,584,839	\$ 1,780,237	\$ 1,576,658	\$ 1,541,062	\$ 1,463,563	\$ 974,144
Less Unavailable Capital	\$ -	\$ (653,143)	\$ (661,400)	\$ (669,610)	\$ (676,377)	\$ (687,106)	\$ (696,003)	\$ (705,072)	\$ (714,318)	\$ (723,747)	\$ (733,364)
AVAILABLE FUND BALANCE	\$ 178,203	\$ 178,203	\$ 128,476	\$ 454,873	\$ 655,639	\$ 897,732	\$ 1,084,234	\$ 871,586	\$ 826,744	\$ 739,806	\$ 240,780



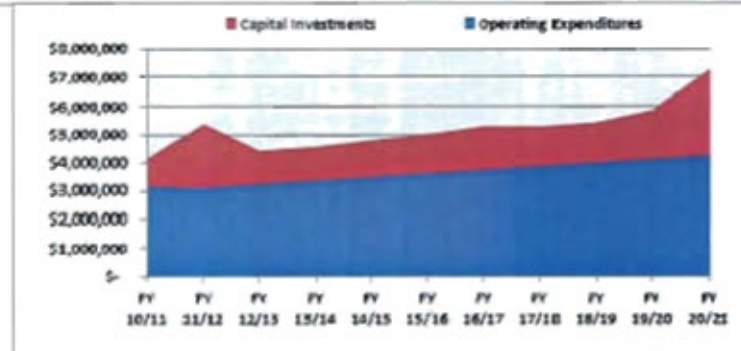
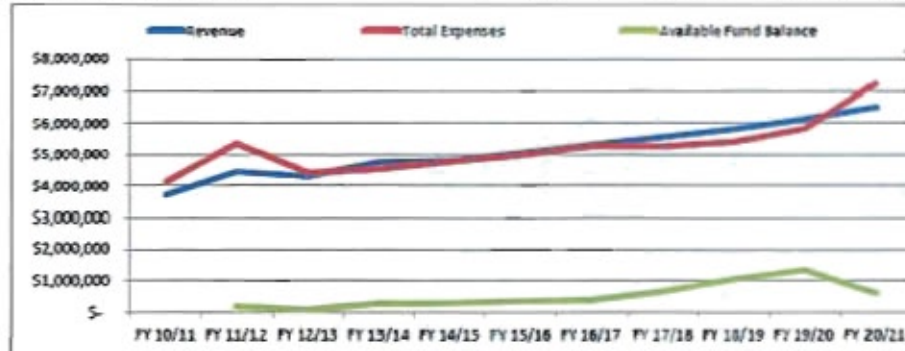
THE DALLAS WATER RATES: Option #3A

	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21
REVENUES											
SDC Fees	\$ 33,356	\$ 34,755	\$ 34,755	\$ 34,755	\$ 34,755	\$ 34,755	\$ 34,755	\$ 34,755	\$ 34,755	\$ 34,755	\$ 34,755
Other revenue	\$ 35,956	\$ 412,163	\$ 15,367	\$ 218,534	\$ 19,910	\$ 20,481	\$ 20,601	\$ 20,260	\$ 21,503	\$ 25,802	\$ 25,941
User Fees	\$ 3,330,887	\$ 3,679,458	\$ 3,991,410	\$ 4,303,362	\$ 4,462,017	\$ 4,742,320	\$ 4,869,327	\$ 5,057,962	\$ 5,389,934	\$ 5,681,886	\$ 6,147,959
Rate Increase	10%	10%	10%	0%	0%	4%	0%	10%	10%	10%	10%
Revenue from Rate Increase	\$ 311,952	\$ 311,952	\$ 311,952	\$ 188,655	\$ 250,303	\$ 127,006	\$ 188,655	\$ 311,952	\$ 311,952	\$ 486,073	\$ 496,898
Sub-total	\$ 3,712,453	\$ 4,438,928	\$ 4,356,504	\$ 4,745,306	\$ 4,757,045	\$ 4,924,562	\$ 5,113,338	\$ 5,424,949	\$ 5,738,144	\$ 6,205,315	\$ 6,705,552
EXPENDITURES											
Maintenance and Operation	\$ (2,647,538)	\$ (2,629,499)	\$ (2,734,913)	\$ (2,840,326)	\$ (2,945,740)	\$ (3,051,153)	\$ (3,156,567)	\$ (3,261,980)	\$ (3,367,394)	\$ (3,472,807)	\$ (3,578,221)
Administrative Services	\$ (499,228)	\$ (497,253)	\$ (530,901)	\$ (551,214)	\$ (571,526)	\$ (591,838)	\$ (612,150)	\$ (632,463)	\$ (652,775)	\$ (673,087)	\$ (693,399)
Contingency	\$ (20,468)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sub-total	\$ (3,167,234)	\$ (3,126,752)	\$ (3,265,814)	\$ (3,391,540)	\$ (3,517,266)	\$ (3,642,992)	\$ (3,768,717)	\$ (3,894,443)	\$ (4,020,169)	\$ (4,145,894)	\$ (4,271,620)
Operating Surplus/Deficit	\$ 545,219	\$ 1,312,176	\$ 1,090,690	\$ 1,353,766	\$ 1,239,779	\$ 1,281,571	\$ 1,344,621	\$ 1,530,506	\$ 1,717,975	\$ 2,059,421	\$ 2,433,932
OTHER FINANCING SOURCES (USES)											
Capital Improvements	\$ (283,152)	\$ (709,248)	\$ (270,701)	\$ (282,025)	\$ (255,424)	\$ (305,361)	\$ (317,391)	\$ (333,376)	\$ (349,626)	\$ (370,775)	\$ (393,135)
Debt Service	\$ (656,947)	\$ (1,508,253)	\$ (861,459)	\$ (856,533)	\$ (955,016)	\$ (1,025,881)	\$ (1,170,284)	\$ (1,024,345)	\$ (1,025,700)	\$ (1,259,856)	\$ (2,561,949)
Sub-Total	\$ (940,099)	\$ (2,217,502)	\$ (1,132,160)	\$ (1,138,558)	\$ (1,210,441)	\$ (1,331,242)	\$ (1,487,676)	\$ (1,357,721)	\$ (1,375,326)	\$ (1,630,631)	\$ (2,955,084)
Surplus (Deficit) Revenue	\$ (394,880)	\$ (905,326)	\$ (41,471)	\$ 215,208	\$ 29,339	\$ (49,671)	\$ (143,055)	\$ 172,785	\$ 342,649	\$ 388,790	\$ (521,152)
COMBINED Reserve and Water Funds	\$ 1,736,572	\$ 831,347	\$ 785,876	\$ 1,005,084	\$ 1,034,423	\$ 984,752	\$ 841,696	\$ 1,014,481	\$ 1,357,131	\$ 1,746,921	\$ 1,225,769
Less Unavailable Capital	\$ -	\$ (653,143)	\$ (661,400)	\$ (669,810)	\$ (678,377)	\$ (687,106)	\$ (696,003)	\$ (705,072)	\$ (714,318)	\$ (723,747)	\$ (733,364)
AVAILABLE FUND BALANCE	\$ 178,203	\$ 178,203	\$ 124,476	\$ 335,274	\$ 356,046	\$ 297,646	\$ 145,693	\$ 309,409	\$ 642,812	\$ 1,023,174	\$ 492,405



THE DALLAS WATER RATES: Option #3B

	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21
REVENUES											
SDC Fees	\$ 33,856	\$ 34,755	\$ 34,755	\$ 34,755	\$ 34,755	\$ 34,755	\$ 34,755	\$ 34,755	\$ 34,755	\$ 34,755	\$ 34,755
Other revenue	\$ 35,958	\$ 412,763	\$ 18,387	\$ 218,235	\$ 19,669	\$ 20,179	\$ 20,896	\$ 21,453	\$ 23,300	\$ 25,706	\$ 27,608
User Fees	\$ 3,330,687	\$ 3,679,458	\$ 3,991,410	\$ 4,241,713	\$ 4,492,017	\$ 4,742,320	\$ 4,992,624	\$ 5,242,927	\$ 5,493,231	\$ 5,743,534	\$ 6,055,486
Rate Increase	10%	10%	8%	8%	8%	8%	8%	8%	8%	10%	12%
Revenue from Rate Increase	\$ 311,952	\$ 311,952	\$ 250,303	\$ 250,303	\$ 250,303	\$ 250,303	\$ 250,303	\$ 250,303	\$ 250,303	\$ 311,952	\$ 373,601
Sub-total	\$ 3,712,453	\$ 4,438,928	\$ 4,294,855	\$ 4,745,007	\$ 4,796,744	\$ 5,047,557	\$ 5,298,578	\$ 5,549,439	\$ 5,801,590	\$ 6,115,948	\$ 6,491,449
EXPENDITURES											
Maintenance and Operation	\$ (2,647,538)	\$ (2,629,499)	\$ (2,734,913)	\$ (2,840,326)	\$ (2,945,740)	\$ (3,051,153)	\$ (3,156,567)	\$ (3,261,980)	\$ (3,367,394)	\$ (3,472,807)	\$ (3,578,221)
Administrative Services	\$ (499,228)	\$ (497,253)	\$ (530,901)	\$ (551,214)	\$ (571,526)	\$ (591,838)	\$ (612,150)	\$ (632,463)	\$ (652,775)	\$ (673,087)	\$ (693,399)
Contingency	\$ (20,468)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sub-total	\$ (3,167,234)	\$ (3,126,752)	\$ (3,265,814)	\$ (3,391,540)	\$ (3,517,266)	\$ (3,642,992)	\$ (3,768,717)	\$ (3,894,443)	\$ (4,020,169)	\$ (4,145,894)	\$ (4,271,620)
Operating Surplus/Deficit	\$ 545,219	\$ 1,312,176	\$ 1,029,041	\$ 1,353,467	\$ 1,279,479	\$ 1,404,565	\$ 1,529,861	\$ 1,654,996	\$ 1,781,421	\$ 1,970,053	\$ 2,219,829
OTHER FINANCING SOURCES (USES)											
Capital Improvements	\$ (283,152)	\$ (709,248)	\$ (268,851)	\$ (282,025)	\$ (285,424)	\$ (309,059)	\$ (322,940)	\$ (337,075)	\$ (351,475)	\$ (368,001)	\$ (386,662)
Debt Service	\$ (656,947)	\$ (1,508,253)	\$ (861,459)	\$ (856,533)	\$ (955,016)	\$ (1,025,881)	\$ (1,170,284)	\$ (1,024,345)	\$ (1,025,700)	\$ (1,299,856)	\$ (2,561,949)
Sub-Total	\$ (940,099)	\$ (2,217,502)	\$ (1,130,311)	\$ (1,138,558)	\$ (1,250,441)	\$ (1,334,941)	\$ (1,493,224)	\$ (1,361,420)	\$ (1,377,175)	\$ (1,667,857)	\$ (2,948,611)
Surplus (Deficit) Revenue	\$ (394,880)	\$ (905,326)	\$ (101,270)	\$ 214,909	\$ 29,038	\$ 69,625	\$ 36,637	\$ 293,576	\$ 404,245	\$ 302,196	\$ (728,782)
COMBINED Reserve and Water Funds	\$ 1,736,672	\$ 831,347	\$ 730,077	\$ 944,986	\$ 974,024	\$ 1,043,649	\$ 1,080,286	\$ 1,373,862	\$ 1,778,107	\$ 2,050,303	\$ 1,351,522
Less Unavailable Capital	\$ -	\$ (653,143)	\$ (661,400)	\$ (669,810)	\$ (678,377)	\$ (687,106)	\$ (696,003)	\$ (705,072)	\$ (714,318)	\$ (723,747)	\$ (733,364)
AVAILABLE FUND BALANCE	\$ 178,263	\$ 178,203	\$ 68,677	\$ 275,176	\$ 295,647	\$ 356,543	\$ 384,283	\$ 668,790	\$ 1,063,789	\$ 1,326,556	\$ 618,158



Appendix L: Water Rates for Option 1

Option #1	% Inc.	Res. Base	Res. Demand	Com. Base	Com. Demand
Current		40.26	0.96	31.82	2.57
FY 11/12	10%	44.29	1.06	35.00	2.83
FY 12/13	16%	51.37	1.22	40.60	3.28
FY 13/14	16%	59.59	1.42	47.10	3.80
FY 14/15	14%	67.93	1.62	53.69	4.34
FY 15/16	10%	74.73	1.78	59.06	4.77
FY 16/17	10%	82.20	1.96	64.97	5.25
FY 17/18	10%	90.42	2.16	71.46	5.77
FY 18/19	8%	97.65	2.33	77.18	6.23
FY 19/20	8%	105.47	2.51	83.36	6.73
FY 20/21	6%	111.79	2.67	88.36	7.14

**Options 2A; 2B; 3A; 3B
on the following page**

Appendixes L: Water Rates for Options 2 and 3

Option #2A	% Inc.	Res. Base	Res. Demand	Com. Base	Com. Demand
Current		40.26	0.96	31.82	2.57
FY 11/12	10%	44.29	1.06	35.00	2.83
FY 12/13	10%	48.71	1.16	38.50	3.11
FY 13/14	6%	51.64	1.23	40.81	3.30
FY 14/15	6%	54.74	1.31	43.26	3.49
FY 15/16	8%	59.11	1.41	46.72	3.77
FY 16/17	12%	66.21	1.58	52.33	4.23
FY 17/18	14%	75.48	1.80	59.65	4.82
FY 18/19	12%	84.53	2.02	66.81	5.40
FY 19/20	12%	94.68	2.26	74.83	6.04
FY 20/21	14%	107.93	2.57	85.31	6.89

Option #2B	% Inc.	Res. Base	Res. Demand	Com. Base	Com. Demand
Current		40.26	0.96	31.82	2.57
FY 11/12	10%	44.29	1.06	35.00	2.83
FY 12/13	10%	48.71	1.16	38.50	3.11
FY 13/14	10%	53.59	1.28	42.35	3.42
FY 14/15	10%	58.94	1.41	46.59	3.76
FY 15/16	8%	63.66	1.52	50.31	4.06
FY 16/17	8%	68.75	1.64	54.34	4.39
FY 17/18	8%	74.25	1.77	58.69	4.74
FY 18/19	10%	81.68	1.95	64.56	5.21
FY 19/20	10%	89.85	2.14	71.01	5.74
FY 20/21	10%	98.83	2.36	78.11	6.31

Option #3A	% Inc.	Res. Base	Res. Demand	Com. Base	Com. Demand
Current		40.26	0.96	31.82	2.57
FY 11/12	10%	44.29	1.06	35.00	2.83
FY 12/13	10%	48.71	1.16	38.50	3.11
FY 13/14	6%	51.64	1.23	40.81	3.30
FY 14/15	8%	55.77	1.33	44.08	3.56
FY 15/16	4%	58.00	1.38	45.84	3.70
FY 16/17	6%	61.48	1.47	48.59	3.92
FY 17/18	10%	67.63	1.61	53.45	4.32
FY 18/19	10%	74.39	1.77	58.79	4.75
FY 19/20	15%	85.55	2.04	67.61	5.46
FY 20/21	16%	99.24	2.37	78.43	6.33

Option #3B	% Inc.	Res. Base	Res. Demand	Com. Base	Com. Demand
Current		40.26	0.96	31.82	2.57
FY 11/12	10%	44.29	1.06	35.00	2.83
FY 12/13	8%	47.83	1.14	37.80	3.05
FY 13/14	8%	51.66	1.23	40.83	3.30
FY 14/15	8%	55.79	1.33	44.09	3.56
FY 15/16	8%	60.25	1.44	47.62	3.85
FY 16/17	8%	65.07	1.55	51.43	4.15
FY 17/18	8%	70.28	1.68	55.54	4.49
FY 18/19	8%	75.90	1.81	59.99	4.84
FY 19/20	10%	83.49	1.99	65.99	5.33
FY 20/21	12%	93.51	2.23	73.90	5.97



CITY of THE DALLES

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AGENDA STAFF REPORT CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
July 25, 2011	Discussion Items 14, B	11-081

TO: Mayor and City Council

FROM: Nolan K. Young, City Manager *ny*

DATE: July 13, 2011

ISSUE: Discussion of Department Manager's Compensation.

BACKGROUND: At the June 13th Council meeting when the Council was considering the compensation package for exempt employees the Council requested that the City Manager provide additional information on the Department Manager's salaries and bring this information back to the Council for discussion. Attached to this report there are three charts:

Chart #1: Salary Survey Comparison for Department Managers, this survey looks at the differences in the 2008 and 2010 surveys as well as identifying from the 2010 survey starting and top salaries and average number of employees supervised.

Chart #2: Department Managers Responsibilities and Comparison, this chart looks at the employees supervised, budgets managers are responsible for and the primary areas of responsibility.

Chart #3: Salary Survey details, this identifies the salaries by city that participated in the survey to determine the average. We have also identified some general observations regarding this information at the bottom of this chart.

BUDGET IMPLICATIONS: If the Council wishes to adjust the salary of one or more of the department managers, the additional cost for each 1% for each non public safety manager is \$1,062, and the public safety manager (one) is \$1,136 (public safety retirement is higher).

COUNCIL ALTERNATIVES:

1. Give the City Manager further direction on this issue.

Chart #1

Salary Survey Comparison

Position	% Difference Top Step 2008	% Difference Top Step 2010	Average Top Salary	The Dalles Top Salary	Survey Average Starting	City Salary Starting	Average # Supervised	The Dalles Supervised
Department Managers								
Public Works Director	-11.2%	-5.2%	\$7,481.78	\$7,248.77	\$5,651.00	\$5,702.00	23.8	41.0
Comm. Devel. Director	-12.0%	-2.1%	\$7,402.17	\$7,248.77	\$5,512.00	\$5,894.00	4.2	4.5
Finance Director	-12.9%	-7.5%	\$7,790.88	\$7,248.77	\$5,889.00	\$5,894.00	5.2	4.0
Police Chief	-12.8%	-10.9%	\$8,037.00	\$7,248.77	\$6,148.00	\$5,894.00	28.2	25.0
City Clerk /Recorder	11.2%	4.6%	\$6,917.83	\$7,248.77	\$4,616.00	\$5,894.00	2.3	3.0
Library Director	8.2%	7.3%	\$6,721.29	\$7,248.77	\$5,097.00	\$5,894.00	10.0	12.0

Observation:

- 1 The drop in the deficit percent for the Public Works Director and Community Development was more a product of the cities who did or did not respond this time than an improvement in salary. (see Chart #3)
- 2 The change in City Clerk is because of an effort to more closely compare to positions that have managerial responsibilities similar to our clerk. See Observations on Chart #3.

Chart #2

Department Manager's Responsibility Comparison

Position	Employees Supervised	Operation Funds	Capital/Debt Funds	Primary Areas of Responsibility
Public Works Director	41	\$ 7,386,166	\$ 8,915,508	Streets, Water Utility, Sanitary SewerUtility, Storm Water
Comm. Devel. Director	4.5	\$ 567,319	\$ 13,317,237	Planning, Urban Renewal, Economic Development
Finance Director	4	\$ 492,062	\$ 2,700,707	Finance, Debt
Police Chief	25	\$ 3,116,166	\$ -	Police
General Services/City Clerk	3	\$ 562,012	\$ 256,221	City Clerk/Recorder, Human Resources, General Buildings, State Office Building
Library Director	12	\$ 950,272	\$ -	County Library System

Chart #3

2010 Salary Survey: Department Managers

(Top Salary)

Position	Canby	Central Point	Coos Bay	Dallas	Gladstone	La Grande	Pendleton	Prineville	The Dalles	Average	\$ Difference	% Difference
Public Works Director	8,366	8,500	8,675	7,749	n/a	6,809	7,340	6,297	7,249	7,623.13	(374.13)	-5.2%
Comm. Devel. Director		8,500	7,064	7,451		6,809	7,340		7,249	7,402.17	(153.17)	-2.1%
Finance Director	8,836	8,500	8,675	7,451		6,809	7,340	7,467	7,249	7,790.88	(541.88)	-7.5%
Police Chief	9,366	8,500	8,675	7,749	8,312	6,809	7,340	8,333	7,249	8,037.00	(788.00)	-10.9%
General Services/City Clerk	8,336	8,000			6,833	5,583	5,506		7,249	6,917.83	331.17	4.6%
Library Director	7,791		7,126	6,441	6,833	6,103	5,506		7,249	6,721.29	527.71	7.3%

Observation:

- 1 City Clerk: When the City Clerk was not the Human Resources Director (HR Director) in a city we used the HR salary because that reflects the management nature of our position, not the clerical emphasis in some cities. (Canby, Central Point, La Grande)
- 2 Police Chief: The Canby salary causes a lot of the gap between other department manager. The Gladstone salary adds to that gap.
- 3 Community Development Director: The average falls a little because of Canby, who is one of the high paying cities, but does not have this position.