

**Minutes of the Molalla City Council Regular Meeting**  
**Molalla Adult Center**  
**315 Kennel Ave. Molalla, OR 97038**  
**Wednesday, July 26, 2017**

**ATTENDANCE:** Mayor Jimmy Thompson, Absent; Councilor Leota Childress, Present; Councilor Glen Boreth, Present; Councilor Elizabeth Klein, Present; Councilor Keith Swigart, Present; Councilor DeLise Palumbo, Present; Councilor Cindy Dragowsky, Absent.

**STAFF IN ATTENDANCE:** Dan Huff, City Manager, Present; Gerald Fisher, Public Works Director, Present; Chaunee Seifired, Present.

**COMMUNICATIONS, PRESENTATIONS & PUBLIC COMMENT**

Minutes – Boreth made the motion to approve the June 28, 2017. Swigart seconded. Motion carried 5-0.

Susan Hansen of Bearcreek Recovery of Molalla read the following vierbetim:

July 26, 2017

I sent new members of this Council detailed background information about Molalla's wastewater violations and the Bear Creek Recovery lawsuit. Councilor Palumbo's response was disturbing: she claimed the Council is committed to working with DEQ and believes that only one fine since 2015 means all is well. Are you Councilors fully informed about ongoing violations and the costs generated for legal representation for facility problems? Have you carefully read the draft DEQ Mutual Agreement and Order, which is a legally enforceable document presented when a city fails to comply and violations mount?

Councilor Palumbo is woefully misinformed about the growing list of penalties. The March draft MAO lists projected fines of \$3,900 for Oct. non-permitted discharge; \$5,150 for exceeding turbidity and bacteria limits in recycled water; \$1,350 for exceeding Total Suspended Solids limits; and \$1,725 for failing to comply with TMDL planning and implementation - for a total Civil Penalty of \$12,125. Those penalties don't reflect the potential fines for 24 days of May/June non-permitted discharge into the Molalla River. If a MAO isn't reached, a DEQ rep noted that Molalla will face "substantial" fines, since DEQ assesses higher penalties as violations multiply.

There are two kinds of lawyers: one quickly works for a mitigated settlement; the other promotes whatever the client wants and gets paid huge fees, win or lose. From the BCR lawsuit and reading endless excuse letters written by Molalla's lawyers, it is clear Molalla is not being guided to swift mitigation.

Molalla's most laughable legal letters claim multiple non-permitted discharges are not violations because of too much rain. The actual reasons for the violations, noted over and over by DEQ and BCR, are: Molalla's failure to remove adequate amounts of biosolids; failure to add storage capacity to match growth; failure to fix leaky pipes that allow infiltration; failure to have adequate discharge sites; and failure to plan, fund and implement facility upgrades in a timely manner. The City has also failed to prove whether or not the lagoons are contaminating groundwater and wells.

Modern wastewater facilities use innovative processes and natural treatment systems. A tour of Wilsonville's recently upgraded wastewater plant showed sewage processed in about 12 hours into water clean and cool enough for year around discharge into the Willamette River; sewage lagoons and chlorine are not needed. Exceptional Class A biosolids are produced via 550 degree ovens and the dry biosolids are immediately trucked away, safe enough for home fertilizer.

Competent and honest officials in Oregon admit facility failures, then plan and fund upgrades. It's complex and expensive; sewer rates in many places have risen to \$70 to over \$100/month. Squandering money on lawyers who claim Molalla is so "special" it needs to violate with no consequences isn't a solution, because responsible cities have upgraded to comply with their permits.

**Minutes of the Molalla City Council Regular Meeting  
Molalla Adult Center  
315 Kennel Ave. Molalla, OR 97038  
Wednesday, July 26, 2017**

If Molalla was not constantly wasting DEQ staff time and abusing water resources, the easy to refute, whiny excuses coming from City staff and lawyers would be funny. Your rate payers won't be laughing when they are faced with financing costly upgrades and realize that you have diverted their public money to lawyers who stall with indefensible excuses. If you are really committed to working with DEQ, why doesn't this Council have a "vision" for your highly paid City Manager and Public Works Director to lead you, with DEQ's technical help, to swift compliance solutions?

Susan Hansen  
Bear Creek Recovery

---

**CONTINUED BUSINESS**

Drive To Zero Letter of Support was reviewed as presented in the packet. Palumbo made the motion to approve the letter and it be sent to the Drive To Zero Program. Swigart seconded. Motion carried 5-0.

**PUBLIC HEARING**

Boreth made the motion to exit out of regular session and enter into a public hearing for the Re-designation of Molalla's Enterprise Zone. Childress seconded. Motion carried 5-0.

President Klein called for testimony for those opposed. Mike Towner board President of the Molalla Rural Fire Protection District #73 stated the MRFD understands the benefits to the city and the community but is opposed to the re-designation because the adverse effect on the Fire District. The implementation of the Urban Renewal District and other service district that are requesting funding the enterprise zone can only add to the problem of an increase of service need without contributing financially to the solution. It is for this reason the Molalla Fire District can not support the formation of any such zone or district.

No testimony was received for infavor or neutral. Boreth made the motion to close the public hearing and enter into regular session. Swigart seconded. Motion carried 5-0.

**NEW BUSINESS**

Re-designation of Molalla's Enterprise Zone – After the public hearing the Council addressed the re-designation. Huff addressed Mr. Towners concerns regarding the MRFD. They are a very large district and anytime a new district is form it does inact them. If someone comes in and applies to build the county could give them a break on taxes which would impact both them and the city for a limited time between 3-5 years. Enterprise Zones are created to boost industry and jobs. Palumbo stated based on the documents it would be a minimal impact. Boreth stated most cities have enterprise zones and some cities offer huge incentives such as Hillsboro. If we don't do this and we don't have an enterprise zone for potential builders to consider they are more likely to go somewhere else. Klein asked that staff confirm the boundries of the enterprise zone map and it corresponds with the current code. Boreth made the

**Minutes of the Molalla City Council Regular Meeting**  
**Molalla Adult Center**  
**315 Kennel Ave. Molalla, OR 97038**  
**Wednesday, July 26, 2017**

motion to reauthorize the City of Molalla Enterprise Zone with confirmation of the zones included on the map. Childress seconded. Motion carried 6-0.

**REPORTS AND ANNOUNCEMENTS**

Seifried reported that the 2016/2017 audit will begin next week and staff is still working on the utility billing audit and we received our first marijuana tax check from the state in the amount of \$16,000. We do not know when the next disbursement will be or how much. It will go into a designated restricted police fund. The city budgeted for \$100 because we did not know how much we would receive. We exceeded that budgeted amount.

Fisher provided the following list of projects to the Council:

**July 26, 2017**

TO: Dan Huff, City Manager

FROM: Gerald Fisher, Public Works Director

**RE: Public and Private Project Update for Public Works**

Dan,

The following is a list of Public and private projects that Public Works is working on at this time:

**Public Capital Projects Underway**

1. 15-02 2017 Waterline Improvements – Design is complete and drafting of contracts and specifications underway. This project will replace the waterlines on Metzler Avenue (Main-7<sup>th</sup>), 4<sup>th</sup> Street (Metzler-Hart), 3<sup>rd</sup> Street (Berkeley-Lola), and Faurie Street (Frances-Miller).
2. 15-06 Water Right Certificate – Water rights for the Molalla River intake are complete and an extension to transfer water rights from Trout Creek to Molalla River has been issued by Oregon Water Resource. Staff will budget for the final phase of this project in FY 18-19.
3. 15-07 City Hall Remodel – Phase 1 internal remodel is complete and storm system in the parking area is operational. Building front improvements to the Police entrance will be completed this summer.
4. 15-11 Lagoon Leak Test – City completed an additional lagoon leak test earlier this week and the consultant is preparing a report on the results. Modifications to the testing process have made this test numbers more accurate than the test performed last year. Additional improvements will be made in the future to automate measurements for better accuracy.
5. 16-01 Molalla Ave – Staff is waiting for a final report from the contractor so the project can be finalized and final payments made.
6. 16-05 Clark Park Partition – Once right of way vacation is completed near Shirley Street staff can move forward with the property line adjustment and property exchange with Molalla Buckaroo.
7. 16-07 Shops Facility Improvements – Consultant is preparing a 30% design and proposal documents for a CM/GC request for proposals. Anticipate construction completion in fall of 2018.
8. 16-08 Lola Ave Water and Sewer Improvements – Design underway for replacement of existing waterline and sewer on Lola Avenue from Main to 5<sup>th</sup> Street. Waterline replacement will take place in FY 17-18 and anticipate sewer replacement in FY 18-19.
9. 16-10 Wastewater Master Plan – Staff is reviewing proposal from consultant and anticipate project kick-off in late August.

**Minutes of the Molalla City Council Regular Meeting**  
**Molalla Adult Center**  
**315 Kennel Ave. Molalla, OR 97038**  
**Wednesday, July 26, 2017**

10. 16-11 Transportation Master Plan – Kickoff meeting held last week and consultant starting preliminary master planning work. Applications for Project Advisory Committee (PAC) to be posted to the website tomorrow and due date for applications on August 15<sup>th</sup>. Anticipate appointments to committee at the August 23<sup>rd</sup> Council meeting.
11. 16-15 I&I Project – Staff preparing a request for proposals to seal sanitary sewer manholes this summer. Review of video inspection reports continuing as time and staffing allows.
12. 17-02 Rate Study – Consultant is finalizing the rate study report. Report will be presented to the Council at the August 9<sup>th</sup> meeting.
13. 17-03 Fenton Ave CDBG – Staff to meet with Clackamas County later this week to proceed with HUD documentation and approval for project design and construction.
14. 17-04 OR 211 (213-Ona) – Project Kick-off meeting held this week and consultant working on surveying and preliminary design for ODOT design acceptance package approvals.
15. 17-05 Pavement Repairs – Repairs completed on Shaver Avenue, Mountain View Land, Cascade Lane, Homestead Place, Meadow Drive, Meadowlawn Place, Thunderbird Street, Toliver Road, Toliver Court, and Corral Court. Staff preparing second round of repairs for this summer.
16. 17-12 Clark Park Sidewalk Improvements – Design underway for sidewalk improvements on the west and south sides of Clark Park, ADA improvements at the intersection of Shirley and Cole, and parking improvements to the south parking area.

**Public Capital Projects Not Started**

17. TMDL Plan – This project will prepare a 5 year review and look ahead plan for DEQ review and approval.
18. WWTP Headworks Screen Rebuild – This project will replace worn equipment on the City's only headworks screen.
19. WWTP New Headworks Screen – This project will install a second screen adding capacity to the headworks.
20. WWTP Headworks Gantry Crane – This project will purchase and install a lift system to raise and lower gates at the headworks.
21. WWTP Transfer Pump – This project will purchase and install a new transfer pump allowing for redundancy and two back up pumps for system.
22. WTP New Trident 2MGD Filtration Plant – This project will design and construct a second 2 MGD plant doubling the City's capacity to produce drinking water.
23. WTP Chemical Feed and Telemetry Upgrades – This project will design and construct improvements to the chemical feed system in conjunction with the new filter system and update the plant telemetry systems.
24. WTP Security Fencing – This project will improve plant security fencing and gate.

**Private Projects Underway**

25. Stoneplace Apartments Phase 3 – Contractor completing last of the punchlist items for City, County, and state to receive project acceptance from Public Works. Anticipate completion this summer.
26. Rondel Court Apartments – Roadway improvements underway. Anticipate completion this summer.

**Minutes of the Molalla City Council Regular Meeting  
Molalla Adult Center  
315 Kennel Ave. Molalla, OR 97038  
Wednesday, July 26, 2017**

27. Bear Creek Subdivision – Construction of onsite and offsite improvements underway. Anticipate completion this fall.
28. Cash Ice Plant (Dixon Avenue) – Contractor completing last of punchlist items for City to receive project acceptance from Public Works. Anticipate completion this summer.
29. Stow Away Storage – Contractor completing last of punchlist items for City to receive project acceptance from Public Works. Anticipate completion this summer.
30. Molalla Redi-Mix Frontage Improvements – Preconstruction meeting scheduled for this week. Anticipate completion this fall.
31. Twin Meadow Subdivision – Preconstruction meeting complete. Anticipate issuing permit for construction this month and completion this winter.
32. W. Main Dental Clinic – Design for Hezzie Lane improvements pending. Anticipate completion this fall.

Staff is also working on several individual home construction project, pre-application projects for new developments, policy and procedure updates, and other improvements to the department. We also advertised this week for an Operations Supervisor position and first round of interviews to take place around the first of September. This position will oversee the operations of the Maintenance and Water Quality Division and assist the Public Works Director with budget and project delivery. Thanks and let me know if you have any questions.

Cc: Sadie Cramer, City Recorder

Transportation Advisory Committee Recruitment – Current recruitment is being done for this committee and it will be posted on the website and newspaper for volunteers. There will be 4 meetings over the year and ideally a committee of 8 to 10 people.

Cramer reported there will be 2 street vacation processes coming before Council in August for initiation by resolution and wanted to let Council know ahead of time. Also, a \$15,000 tourism grant was secured by the city for a new Native American Heritage Walk that will be worked on from now until the end of the year. Grand Ronde will be working with staff for accuracy, artistic input and other components of this project.

Upcoming Meetings with Council Discussion for:

- Council Goal Setting needs to be set. Huff asked each Councilor to send him dates.
- League of Oregon Cities Conference and Registration is Open
- Solar Eclipse Event – Fox Park on August 21, 2017 at 8:30am flyers in the packet.

Palumbo reported she is having discussion with the group trying to bring the Log Cabin back to Molalla and National Night Out is happening August 1<sup>st</sup> at Fox Park. She will be doing face painting at the event and invited everyone to attend.

Boreth asked staff about the upcoming eclipse events that will be taking place and how it will effect small cities. Huff stated we are currently working with the Rotary and Chamber regarding their event application. There are reports from Marion County and they are gearing up heavily. We could get the overflow from larger events and we have been working with them since June and our expectations of the events. There are a number of things to consider. Cramer stated that contact has been made with them and

**Minutes of the Molalla City Council Regular Meeting**  
**Molalla Adult Center**  
**315 Kennel Ave. Molalla, OR 97038**  
**Wednesday, July 26, 2017**

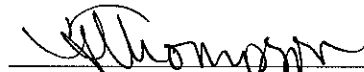
we should have the application by the end of the week. Fisher stated the street lights will come on and go off after the eclipse. The lights are all on photo cells which are out of the city's control.

Childress reported that Klein, Cramer and herself attended a Visioning session at the Ford Family Foundation which was informative. A timeline for our visioning process has been developed and will be given to the Council once it is solidified. It will include listening session, incentives for completing survey's and data collection as we launch to do the area wide survey distribution. Out of the session we attended it was discussed that perhaps we should add another questions to the survey. "What 3 skills are you willing to contribute to the project?" So as we move forward on the visioning we can do a data base as we move along and tap into those resources if we need a carpenter or other type of skill set. This process will go through June of 2018.

**ADJOURNMENT**

Councilor Boreth then motioned, seconded by Councilor Swigart to adjourn the meeting. The motion passed unanimously. The meeting was adjourned at approximately 7:49pm.

  
Sadie Cramer, City Recorder

  
Jimmy Thompson, Mayor

*See Attached*



**Administration – City Records Office**  
117 N Molalla Avenue, PO Box 248, Molalla, Oregon 97038  
Phone: (503) 829-6855 Ext. 291 Fax: (503) 829-3676

---

December 8, 2017

This letter is to explain the attached minutes the minutes were not signed before the previous City Recorder left the employment of City of Molalla or the signed minutes couldn't be located. This was the best way to rectify the situation as the minutes were already approved they just needed signed.

Kelly Richardson, CMC  
City Recorder  
City of Molalla  
[Cityrecorder@CityofMolalla.com](mailto:Cityrecorder@CityofMolalla.com)  
503.829.6855 Ext. 291