

Vernonia City News...

At the January 3, 2011, City Council Meeting:

Council Takes Care of New Business-- City Recorder Joann Glass read the Oath of Office to newly elected Mayor, Josette Mitchell, and newly elected City Councilors, Willow Burch and Marilyn Nicks. Following the Oath of Office, all three new Council members took their seats on the dais and began their terms of office.

City Councilor Kevin Hudson was selected as Council President. The Council President presides over any Council business in the event that the Mayor is unable to perform the duties of her office.

Council also authorized new mayor Mitchell to sign checks for city payroll and accounts payable.

Council Ratifies Professional Services Contract-- Council ratified the Professional Services contract extension with Columbia Pacific Economic Development (ColPac) for the services of Bill Haack as Interim pro tem City Administrator. The previous Council approved the contract extension, but Mayor Mitchell stated that according to city legal council, when a majority of council is replaced, the sitting council cannot bind the new council to a contract. Council ratified the extension, 4-0, with Councilor Marilyn Nicks abstaining.

Council Approves Extension for DAD'S Recycling-- Based on a request from City Planner Carole Connell, Council approved a thirty-day extension, due to extenuating circumstances, for DAD'S Recycling to complete required improvements at their new location on Mist Drive.

Council Approves Liquor License Request-- Council Approved a Liquor License request from Lucky Family, Inc., which is a change of business name by New Hong Kong Restaurant. Interim Police Chief Mike Connor recommended approving the license as he has no record of major incidents or

patterns of incidents under the former business name.

Council Approves Funds for Airport Gravel-- Council approved Resolution 01-11, a transfer of \$240 from the Airport Contingency Fund to the Airport Miscellaneous Fund for gravel to be placed on Airport Road.

The next regularly scheduled City Council Meeting has been moved from January 17th to Tuesday January 18th at 7:00 P.M. in observance of the Martin Luther King Holiday. A Council Work Session is being planned for 6:00 P.M. on January 18th before the Council meeting.

Need For A Water and Sewer Rate Study In Vernonia

The City of Vernonia Public Works Committee, the City Engineer, and the Interim City Administrator have worked together the past few months to look closely at the current utility rates and weigh the need to modify the rate structure in the near future.

Prior to the flood in 2007, the Vernonia City Council and City Administrator Dick Kline formed the Vernonia Public Works Committee. It was anticipated at that time that the Public Works Committee would make regular reports to the public about the City's public works systems and the utility rates that pay for them. It is our hope that these reports can provide you, the public, with some of the complex information we, our engineers and the City Council must digest as we make decisions that impact the utility rates.

From the beginning, the sewer project has been the 800-pound gorilla in the room. For most of the last two decades, Vernonia has been under an enforcement order from Oregon Department of Environmental Quality (DEQ) because our sewer system pollutes the Nehalem River. Two years prior to the flood, the city started a project that included new pump lines and stations and the purchase of the millsite for effluent disposal. We paid for this with Community Development Block Grant (CDBG) grant funds and DEQ loan financing. We currently owe \$6,487,923 on DEQ Loan #R93462 (combined principle and interest). Like so many of the other development activities around Vernonia, the second serious flood in 12 years has forced the city to reconsider its plans.

Over the past four years, the succession of city administrators and turnover in our public works department, with the resulting "churning" of the City's plans for sewer upgrades, caught this essential project in a stranglehold. Recently, as a result of a "pre-pre-engineering" report by the engineering firm Brown and Caldwell, we are getting much closer to understanding the way forward. Earlier this year, members of the City Council, Interim City Administrator Haack and several members of the City of Vernonia Public Works Committee, met with Brown and Caldwell, DEQ and a consulting firm retained by DEQ. The agenda included a review of Brown and Caldwell's report, as well as a brainstorming session to find additional ways to reduce Brown and Caldwell's estimated cost of the project and its impact on utility rates. As we

understand it, the steps between us and a completed sewer project are as follows:

Pre-pre-engineering:

1. Brainstorm different project ideas. The ideas considered so far include: abandoning the lagoons completely and building a treatment plant, a combination of those two models, wetlands treatment systems (inside and outside the lagoons), effluent management systems like poplar farming, etc.
2. Retaining an engineer to advise the city about the feasibility of these options.
3. Settling on the best design idea developed by the public works committee and its engineers, and producing an estimate of the cost to make that idea real.

Pre-Engineering:

4. Using the final idea emerging from Step 4, further improve the resolution of the plans and designs.
5. Provide another estimate based on these refined designs.
6. Reconsider funding opportunities and estimate the impact on utility rates.
7. If indicated, revisit Steps 1 through 6.

Engineering:

8. Prepare full design documents and specifications for the project that emerged from Step 7. These documents need to be so well-designed and written, that they can be publicly bid and limit the opportunity for contractors to find loopholes from which to gain a change order. (It is these change orders that push our fully funded budgets into the red.)
9. Bid and contract the design documents

8. Construct the project.

Vernonia may never see a more opportune time for it to complete the sewer project. The interest and sympathy of the public sector, beginning with the Governor, has left Vernonia with historic levels of state and federal interest in helping us. This includes City problems like the sewer treatment system. It seems unlikely that the city will ever again have the level of outside support available to it right now. At the same time, construction costs in general have taken a dip after the real estate bust of 2008. We will probably never see a cheaper time to build the sewer project that we need to bring us into compliance. Finally, the standards that will govern that projects design may be on the verge of changing. The regulatory agencies are beginning to recognize entirely new categories of "pollutant" that must be eliminated from the waste stream. These are very common compounds which will be hard to remove. They include pharmaceuticals, birth control hormones, caffeine, and even cholesterol. Any new system built after these rules get adopted will need to be much more sophisticated and expensive.

So, what does all this mean for sewer rates? Unfortunately, it means they will go up. At this point, we don't know how much. However, we are currently accruing interest on \$4,341,153 of expended principle and have accrued to date \$2,146,770 on this open DEQ loan. That interest is being added to our balance, accruing additional interest. It's not unlike having a credit card bill and

making no payments. The balance just goes up and up. We need to complete our project as soon as possible to convert this higher-interest rate debt to DEQ into lower-cost, long-term municipal debt. Obviously, this cannot happen for a year or two. In the meantime, the Public Works Committee will recommend that the City Council rededicate the soon-to-expire \$12 per month water payment surcharge as a sewer surcharge to begin paying against the interest accrual on the outstanding DEQ loan amount.

No one in this process, not the engineers, not DEQ, not the Council, let alone the Public Works Committee, has a crystal ball that would let us know exactly the right way to proceed. What we do know is that doing nothing will lead to a DEQ enforcement action, and is likely to be the worst possible alternative.

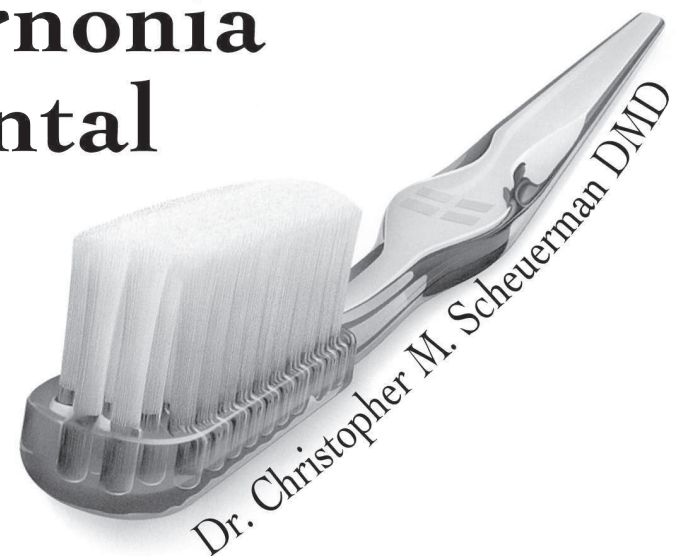
The next article will discuss the alternative wastewater systems that were considered in the process of selecting a desired option to take forward into final engineering. At this time, the city anticipates selecting a project manager, a project engineer, completing a rate study, conducting geotechnical analysis of the soils at the lagoons and upgrading existing pumping stations to protect them from flood damage in a future high-water event. Over the next year, we will provide more information on each of these elements of the wastewater project as they develop.

This article was provided by the City of Vernonia - Public Works Committee. The values used are current as of December 2010.

City Information and Updates Available by Email

Citizens who wish to receive meeting information and updates can request to be placed on an email list at City Hall. If you would like to receive city information by email, please contact Joann Glass at joann@vernonia-or.gov and asked to be placed on the "Citizen Notification List."

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