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# PUBLIC MEETING NOTICE

## AUMSVILLE CITY COUNCIL MEETING

In the Community Center and via Zoom Video Conference

**MONDAY, JULY 24, 2023**

## **A G E N D A**

### **ZOOM MEETING LINK – [CLICK HERE](#)**

**WEBINAR ID** 864 4556 1571

**PASSCODE** 345578

### **1) CALL TO ORDER: 7:00PM**

A. Approve Agenda

### **2) PRESENTATIONS, PROCLAMATIONS, & VISITORS:**

A. **Public Comment:** Public Comment will be accepted from online attendees at this time. Comments are limited to 5 minutes for comments on items other than Public Hearings listed below. There is a public comment period within each hearing. You may also submit comments by emailing City Administrator Ron Harding at [rharding@aumsville.us](mailto:rharding@aumsville.us) by noon on July 24, 2023.

B. **Visitors:** For information about how to attend the meeting online, please call City Hall at 503.749.2030 or email [hbrewster@aumsville.us](mailto:hbrewster@aumsville.us) to request log in instructions. Information will also be posted on our website [City Council Regular Meeting | City of Aumsville Oregon](#)

### **3) CONSENT AGENDA: (Action)**

A. Minutes from the July 10, 2023 Regular Meeting

B. Accounts Payable and Payroll Register

### **4) PUBLIC HEARINGS:**

A. Open USDA Water Revenue Bond Hearing (Ordinance 719, available in full for inspection at Aumsville City Hall)

1) Staff Report – City Administrator, Ron Harding

2) Testimony/Comments/Questions

3) Close Public Hearing

4) Council Deliberations

5) Council Decision

a) First Reading of **Ordinance 719 An Ordinance Authorizing the Issuance of Wastewater Revenue Bonds to Finance Improvements to the Wastewater System** by title only

b) Second Reading and Adoption

**5) OLD BUSINESS:** None.

**6) NEW BUSINESS:** None.

- 7) CITY ADMINISTRATOR REPORT:** (Information)
- 8) MAYOR AND COUNCILORS REPORTS**
- 9) GOOD OF THE ORDER:** Other Business May Come Before the Council at This Time.
- 10) CORRESPONDENCE:** None.
- 11) ADJOURN REGULAR MEETING**
- 12) EXECUTIVE SESSION:** None.

The City of Aumsville does not and shall not; discriminate on the basis of race, color, religion (creed), gender, gender expression, age, national origin (ancestry), disability, marital status, sexual orientation, or military status, in any of its activities or operations. Anyone wishing to speak on an agenda item should ask to be recognized by the Mayor or Chair at the beginning of that agenda item. The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired, or for other accommodations for persons with disabilities must be made at least 48 hours prior to the meeting. Please call (503) 749-2030 and leave a message or Oregon Relay Service for TDD at (800) 735-2900.



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## **AUMSVILLE CITY COUNCIL**

### **July 10, 2023 Meeting Minutes**

Mayor Angelica Ceja called the meeting to order at 7:03PM. Present in-person were Mayor Angelica Ceja, Councilors Nico Casarez, Della Seney, Katie Wallace, and Walter Wick. Council absent: Scott Lee and Douglas Cox. Staff present: City Administrator (CA) Ron Harding and City Clerk Traci Nichols. The meeting was video recorded to be released later.

#### **AGENDA APPROVAL:**

Councilor Seney moved to approve the agenda with the addition of [Agenda Item] 6a-Bond Counsel approval. Councilor Casarez seconded. Council present voted unanimously to approve the agenda. Agenda approved with addition.

#### **PRESENTATIONS: None.**

#### **VISITORS: None.**

#### **PUBLIC COMMENT: None**

#### **CONSENT AGENDA:**

Councilor Casarez moved to approve the Consent Agenda as presented. Councilor Seney seconded. Council present voted unanimously to approve the Consent Agenda. Consent Agenda approved.

#### **PUBLIC HEARING: None**

#### **OLD BUSINESS: None**

#### **NEW BUSINESS:**

Bond Counsel Contract – Hawkins Delafield & Wood, LLP

City Administrator Ron Harding spoke to Council, indicating one of the things needed for the United States Department of Agriculture (USDA) loan [for the Wastewater Treatment Plant] was to bring on a bond counsel. Hawkins is one of 2 firms in the state that specialize in bond counsel and were recommended to Staff by the City Attorney. Staff has used them in the past. Bond counsel is needed, as it's a requirement from USDA – especially on a large loan like this. The bond counsel makes sure all the qualifiers are in place [for the loan]. CA Harding indicated he could have signed the engagement letter from Hawkins, but he preferred to bring this information before Council to keep them updated on the process. Staff would like to have all

the qualifiers met and application turned in before October 1. Councilor Seney moved to approve City Administrator Harding signing the letter agreeing to hire Hawkins Delafield & Wood, LLP to act as bond counsel in the amount of \$25,000. Councilor Casarez seconded. Council present voted unanimously in approval. Contract approved.

**CITY ADMINISTRATOR REPORT:**

CA Harding said things are moving along well with the Police Department and Public Works. There are a number of projects in the hopper, and Public Works has taken the lead on the well drilling project and scope of work with the City Engineer on the reservoir project.

The League of Oregon Cities Conference registration opens on the 13<sup>th</sup> at 8am.

CA Harding advised Council there will be some staffing changes. Traci Nichols has accepted a position in another state, and her last day is the 19<sup>th</sup>. As with any staffing changes, he will review the position's job description.

CA Harding brought up the wastewater facility tour, which is immediately following the meeting. He has a lot of information to pass on, and some members of the community will be following Council there.

**MAYOR/COUNCIL REPORTS AND INITIATIVES:**

Councilor Seney went to the Salem-Keizer Area Transportation System (SKATS) meeting for the Metropolitan Planning Organization (MPO). The question came up as to whether Cascade School District should be added in [to the MPO], given that [City of] Turner had been brought in along with Aumsville. SKATS is reaching out to Cascade. The next meeting is end of July or August.

Mayor Ceja went to the Marion County Fair opening dinner. There were a few elected officials, and it was a great networking opportunity. She encouraged Council to attend when those opportunities come up.

**GOOD OF THE ORDER: None**

**CORRESPONDENCE: None**

Mayor Ceja adjourned the meeting without prejudice at 7:17PM.

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Angelica Ceja, Mayor

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Ron Harding, City Administrator



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**DATE:** July 24, 2023  
**TO:** City of Aumsville City Council  
**FROM:** Ron Harding, City Administrator  
**SUBJECT:** Ordinance 719 - Wastewater Revenue Bond

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**BACKGROUND:**

The City of Aumsville has been required to upgrade its wastewater treatment system in order to meet DEQ and EPA requirements. The project is estimated to cost roughly \$28 million to build. The City has been able to secure some funding in the form of grants, but it is unlikely that the entire project will be grant-funded, as resources at all levels are limited due to the amount of similar projects currently being planned and executed. In order to fully fund the project and bring the wastewater system into compliance, it will be necessary for the City to take out some loans.

Ordinance 719 would allow the City to authorize the issuance of *up to* \$25 million in wastewater revenue bonds. This would provide the City with the option of moving forward with the USDA Rural Development loan in full (up to the \$25 million) or in part if a combination of other funding would be more beneficial. If this ordinance were passed, the City would still have the option of taking a lesser amount, or decline the loan altogether if it is decided not to be the best option.

**CURRENT SITUATION:**

Exhibit A shows a summary of the events that have occurred since 2004 to bring the City to its current situation. After DEQ and EPA updated effluent discharge limits, an inspection was conducted at the wastewater treatment facility and immediate enforcement action was taken against Aumsville for multiple violations of the City's NPDES permit. A Mutual Agreement Order was signed by the City and DEQ, and eventually a new NPDES permit was agreed upon, which included a compliance schedule.

After contracting Westech Engineering for the preliminary engineering review and environmental reviews, it was determined that the best option for Aumsville would be to build a Sequencing Batch Reactor (SBR) treatment system, which is estimated to cost approximately \$28 million. So far, the City has been able to secure \$5 million in the most recently approved state budget, \$1 million directly from ARPA, an additional \$1 million from Marion County ARPA

funds, and \$1.5 million from the federal Omnibus bill for FY 2023. With the \$1.2 million budgeted from City funding, this leaves a need for an additional \$19,076,000 in funding for the project.

USDA has been working with Westech Engineering to provide the option of funding the project through Rural Development Water and Wastewater Loan and Grant Program. This would include at least some amount of grant funding built into the loan. USDA is trying to secure grant funding, as they see they City's need for additional assistance.

There is a sense of urgency to adopt this ordinance so that the City can secure funding rights consistent with benefits of the 2010 Community Census through USDA. This means we are trying to have a complete application filed and accepted for the 2022-2023 fiscal year. USDA is seeking to approve a funding package in August 2023.

**RECOMMENDATION:**

In order to continue the process of securing funding for the wastewater treatment facility upgrades, Staff recommends that the City Council approve Ordinance No. 719 to authorize the issuance of wastewater revenue bonds which will be used to finance improvements to the wastewater system.

**COUNCIL OPTIONS – 1<sup>ST</sup> ACTION:**

1. I move to approve the first reading by title only of Ordinance 719, the Wastewater Revenue Bond as presented by staff
2. I move to approve the first reading by title only of Ordinance 719, the Wastewater Revenue Bond as amended by ...
3. Remand back to staff to provide additional research or modification.

*\*If passing vote is unanimous for first action, Council may move to approve second reading and adopt.*

**COUNCIL OPTIONS – 2<sup>ND</sup> ACTION:**

1. I move to approve the second reading by title only and adopt Ordinance 719, the Wastewater Revenue Bond as presented by staff.
2. I move to approve the second reading by title only and adopt Ordinance 719, the Wastewater Revenue Bond as amended by ...
3. Remand back to staff to provide additional research or modification.

## **EXHIBIT A**

### **Aumsville Wastewater Recent Timeline of Events**

**2004:** NPDES permit stated "There is no reasonable potential for toxicity due to ammonia using the 1986 criterion. No ammonia limits based on the 1986 criteria were calculated."

**2010:** NPDES permit stated "Ammonia-No Limits." It also stated that once Oregon DEQ adopts the 1999 criteria for ammonia toxicity the limits would automatically be updated to 6.8ml daily limit and 3.6ml monthly average.

**2011:** New limits were introduced into the City's NPDES permit.

#### **2018**

**March:** The City had a DEQ compliance inspection and was informed that DEQ would now enforce the ammonia limit violations.

**December:** The City contracted Mark Walters to do an assessment of the lagoons to see if there was any way to meet the ammonia limits in the permit. Staff performed additional sampling and testing 3 days a week, 2 times per day to get a better idea of any changes that could have been made to meet the limit.

**2019:** Mark Walters' recommendations were to add additional treatment to the lagoons, similar to the fixed film process Westech suggested in the facility plan. These systems are untested in the Northwest and would have required us to take one of the lagoon cells offline to build the additional treatment. Limits generally would never increase and would almost always go down. This option is untested, limiting the city's ability to store during May and October, and not a good use of city funds because it doesn't factor in growth or any future limits to the permit.

**2020:** The City signed an agreement with Westech Engineering to complete the facilities plan.

The next MAO requirement to complete a mixing zone study was completed. A feasibility study to operate the lagoons in series was not in parallel. Due to undersized transfer piping and flows it was determined to be infeasible, and not a solution to the ammonia limit problem.

The City conducted sampling to determine if Mill Creek was an option for an additional outfall that would have less strict ammonia limits that also was not successful as DEQ

had said we would not be able to get an additional discharge permit to Mill Creek because it already doesn't meet water quality standards.

**2021:** Staff and DEQ completed a renewal of the NPDES permit with new ammonia limits of 8.3 Daily Limit and 3.3 Monthly Limit along with a compliance schedule that would eliminate the MAO. The compliance schedule was more favorable to the city for funding, along with a longer time to prepare for the improvements needed to meet the ammonia limits.

An application was submitted for congressional district funding to assist with funding.

**2022:** The preliminary engineering report was completed by Westech Engineering, and a loan application was submitted to USDA for funding.

### **2023**

**January:** Senator Merkley's office notified the City that Aumsville's application had been selected to receive \$1.25 in Congressionally Directed Spending. A capital project funding request was submitted to the legislative office for review. The review process is ongoing.

**March:** An application for FY24 Congressional District funds was submitted to Senator Merkley's office. An application for Community Project Funds was submitted to Congresswoman Salinas' office.

**April:** An application was submitted for the Clean Water State Revolving Fund (CWSRF) to DEQ. This is not a grant, but a small portion of the funds would be able to be "forgiven" and the remaining loan would be very low-interest.

The Aumsville Mayor, City Council, and city staff pushed for more community involvement in the process by creating a letter of support to seek outside funding, and by promoting community conversations.

City Staff met with the Regional Solutions Team of stakeholders to review funding options if no additional grants are received. Attendees included representatives from Business Oregon, USDA, DEQ, and Marion County. Funding options included loans from the partner agencies, some of which offer grants built into the terms.

**May:** The Mayor, City Council President, and City Administrator appeared at the Ways and Means Committee meetings to provide testimony, urging the committee to include Aumsville's wastewater project in the budget for capital construction. More than 800



Aumsville residents were included in the written testimony as signors on a letter of support requesting the assistance of the Ways and Means Committee.

**June:** The Ways and Means Committee approved a budget that included \$5-million in funding to the City of Aumsville for the Wastewater Treatment Facility project, bringing the total grant funding to over \$8-million.

The City continues to funding assistance from state and federal agencies.

## ORDINANCE NO. 719

### **AN ORDINANCE OF THE CITY OF AUMSVILLE, OREGON, AUTHORIZING THE ISSUANCE OF WASTEWATER REVENUE BONDS TO FINANCE IMPROVEMENTS TO THE WASTEWATER SYSTEM.**

**WHEREAS** the City of Aumsville, located in Marion County, Oregon (the "City") is authorized to issue revenue bonds for any public purpose under ORS 287A.150. Revenue bonds issued under ORS 287A.150 may be payable from all or any portion of the "revenues" or other property of the City. ORS Chapter 287A defines "revenues" to include all fees, tolls, excise taxes, assessments, property taxes and other taxes, rates, charges, rentals and other income or receipts derived by a public body or to which a public body is entitled.

**WHEREAS** ORS 287A.150 permits the City to authorize revenue bonds by enacting a nonemergency ordinance. The City may not sell those revenue bonds until the period of referral has passed.

**WHEREAS** the City has identified the need to finance improvements to the City's wastewater system, which may include construction of a new wastewater treatment facility, upgrades to existing facilities, and collection system upgrades (the "Project").

**WHEREAS** prior to the issuance of the revenue bonds the City may incur certain capital expenditures (the "Expenditures") with respect to the Project from available moneys of the City.

**WHEREAS** the City has determined that those moneys advanced to pay the Expenditures prior to the issuance of the revenue bonds are available only for a temporary period and it is necessary to reimburse the City for the Expenditures from the proceeds of the revenue bonds, which may be issued in one or more series.

**WHEREAS** the City enacts this nonemergency ordinance to authorize the issuance of up to \$25,000,000 of wastewater revenue bonds to finance the Project.

### **THE CITY OF AUMSVILLE ORDAINS AS FOLLOWS:**

**Section 1. Revenue Bonds Authorized.** The City hereby authorizes the issuance of not more than Twenty Five Million Dollars (\$25,000,000) in aggregate principal amount of revenue bonds (the "Bonds") under ORS 287A.150 to finance costs of the Project and costs of issuing the Bonds. Prior to selling the Bonds the City Council shall adopt a resolution or ordinance establishing the terms and conditions of the Bonds, or delegating the authority to establish those terms and conditions.

**Section 2. Bonds Payable Solely from Revenues; No Additional Taxes Authorized.** The Bonds shall be payable from the revenues of the City's wastewater system and the City

may pledge those revenues, and any other "revenues" as defined in ORS Chapter 287A or property of the City to pay the Bonds. Neither the authorization nor the issuance of the Bonds shall authorize the City to levy any additional taxes.

**Section 3. Procedure.** The Bonds shall not be sold until the period of referral of this nonemergency ordinance has expired.

**Section 4. Reimbursement.** The City hereby declares its official intent to reimburse its expenditures on the Project with the proceeds of the Bonds pursuant to United States Treasury Regulation 1.150-2.

**Approved by the City Council of the City of Aumsville this 24th day of July, 2023.  
The effective date of this Ordinance shall be the \_\_\_ day of \_\_\_\_, 2023.**

Yeas: \_\_\_\_\_

Nays: \_\_\_\_\_

Approved: \_\_\_\_\_  
Angelica Ceja, Mayor

Attest: \_\_\_\_\_  
Ron Harding, City Administrator