

**City of Rainier
Work Session Minutes
November 7, 2011,
6:00 p.m.
Rainier City Hall - 106 West "B" St.
Rainier, OR 97048**

Meeting called to order by Council President Phil Butcher at 6:02 pm. This meeting was also a scheduled Town Hall meeting.

Council Present: Phil Butcher, Sloan Nelson, Bill Vilardi and Mike Avent.

Council Absent: Mayor Jerry Cole, David Langford, Russ Moon and Scott Cooper.

City Staff: Debbie Dudley, Wayne Smith, Darrel Lockard, and Bobby Jo Brusco-Harding.

Visitors: Barry Brady (WH Pacific) Tom Weatherford (ODOT), Sheryl Teuscher (Business Owner and Chamber President), David Devine, Deborah Hazen (Clatskanie Chief), and Greg Booth and Cary Gray (Clatskanie PUD).

"B" Street Scope of Work Discussion:

Butcher opened the meeting to public comment. Avent asked Greg Booth, General Manager of Clatskanie PUD, to discuss the issues involved with undergrounding power on "B" Street. Booth said several years ago this had been brought up, they looked at alternatives regarding service along "B" Street and they had offered to underground the primary lines, exclusive of any cost of rerouting services to any businesses or residences along that route. Booth said that was the basic concept in lieu of relocating the overhead line was to put that same amount of money into undergrounding if the City had an open trench. Booth said he understood the current length of the project scope was not the same as years ago. Cary Gray, CPUD, said because of the power pole and line locations they would need to do the configuration to the original scope, East 3rd Street to West 6th Street. Booth stated the cost, depending on the configuration depending on wood or steel poles, somewhere in the \$250,000 to \$300,000 range to relocate the structures for the improvements due to the spans involved.

Booth said the first cost is for the underground mainline itself not including telecommunications and a lot of the poles belong to telecommunications and the large amount of the cost would be in reconnecting customers which could be another \$250,000 to \$300,000. Booth said they researched how they could reroute service from the north side to the circuit on "C" Street to cut down on the cost because if you are talking about converting residents and businesses from overhead to underground service you can end up in a huge amount of costs so they tried to look at creative approaches for service poles. Boothe said that would be cost at least as much money to do that as it would to underground the primary line so all total it is really rough at this point.

Booth added that rather than rebuild the overhead thru that they would rather take the money and relocate the poles and put it underground which is the offer from years ago and then there is a question of whether it's a couple of hundred thousand or a quarter of million dollars to reconnect the residents and businesses for alternative services so they wouldn't have to put a lot of money in terms of connecting to that primary direct line and there would be a lot of additional costs if they had to make new underground connections for that.

Booth said the customer cost if the decision is to go underground there is a revision of services on the customer side. Booth said there are actually three components, two utility costs and one customer cost. Booth said that it would be much cheaper to come in from alternative feeds and maintain an overhead service since you are already looking at improving the esthetics. Booth said it would be an electrician's job to see what that would cost. Gray said that regarding some of the lines that go across they are either going to have to dig or bore across the highway and some of these will require individual solutions. Booth said several years ago he remembers discussing with Chad Olsen, prior City Administrator that if the lines were ran strictly across the road the expenses would be decreased if you used service drops as opposed along Highway 30. Booth said that if the decision was to go with no power or telephone lines the cost would be higher than it would be with overhead lines.

Vilardi asked if they underground "B" Street how does that tie in with "A" Street. Gray said he took provisions to leave himself a spot for him to do what he needs to do. Gray said there could be easements involved regarding the secondaries because there are not alleys and he won't create a violation if he had to cross somebody's property. Gray stated there could be additional costs involved in the easements.

Dudley asked for clarification of the costs and Booth replied \$250,000 to \$300,000 to underground the main feeder and that is estimate. Booth stated there would be the same amount on top of that for reconfigurations of the customers. The third cost could vary but would be the cost for customer hook-up.

Avent asked what kind of time line was involved to get prices for the businesses because the window of options is running out. Gray said it would take somewhere in the ball park of \$400,000 to take all of the stuff to the panels for the entire section. Gray said the owners of the businesses would have to talk with electricians and Clatskanie PUD to see if they can make it work overhead and if so Clatskanie PUD doesn't have to do anything. If the business owner can't make it work overhead or if they want to go underground then an electrician would need to get involved and see what it would cost to change out the panel. Gray said that some of the situations are going to be hard to figure out because some are in the building. Gray said the first thing he would have to do is go through every building which he did today but with this being such a quick thing he barely got numbers together and he would have to look at each location to see what it would take to work and if he couldn't make it work an electrician would have to be called. Booth said

they may be able to revise the service and have an alternate over route or underground as long as there weren't any safety violations up to the meter, it's a case by case basis. Avent said there isn't a real long time to make a decision so obviously those numbers is needed as soon as possible. Avent continued that the last time the City and Clatskanie PUD talked about this project there was a possibility of using the funds that use to acquire the power lines originally from Portland General, to use that fund to maybe use an underground maybe the whole area. The funds would be put in and as the funds came in a project would be done. Avent asked if that was still a possibility. Booth said that was several years that idea was looked at and conceptually the idea was that this project was on the drawing boards in one form or the other at one time when the system was acquired from PGE. Booth said that the discussions with the prior City Administrator, Chad Olsen, and the CPUD board involved essentially the Council request extending the acquisition fee by extending the existing mortgage. It would be a loan from the PUD to the customers and would the customers in the City be able to pay for that. Avent asked what kind of money that generates per year and Booth said he agreed with Avent that it would be looking at two or three more years in the ball park.

Butcher said that he has a 2009 memo regarding the acquisition charge and he would get that to Avent. Nelson asked Booth that he mentioned that Stephen Petersen (PUD Board member and City Attorney) was always asking Booth when we would get to defer the mortgage. Booth said it was in a two to three year period and Butcher mentioned the memo stated 20123. Avent said that Olsen was thinking about taking that money and setting it aside and then underground all the services downtown and make that a part of the whole operation. Vilardi asked how many businesses are affected and Gray answered about 20 if not more than that.

Teuscher said that from the first meeting there was not going to be a cost to the businesses to do this so ballpark is what is it going to cost each one of those 20 businesses? Avent said that couldn't be answered at this time but possibly REDCO could help the businesses with funding. Avent asked Vilardi if he had an idea of cost and Vilardi replied it could cost on the average of \$3,000 to \$5,000. Teuscher said she didn't understand how all of this work could have been done and the City didn't ask PUD what it was going to cost to underground stuff. Avent said they did and Teuscher replied that was five years ago and the plans that she has in her office and with all the plans why hasn't anyone talked to PUD until a few weeks ago. Nelson said that it had been talked about whether they wanted to underground the utilities and it has been talked about since the beginning of the project. Nelson stated it was his understanding that the group here had decided they were not going to underground the utilities due to the cost and then it got spearheaded and Moon said he wanted to see if he could wake the project back up and do it so there's nothing against the guys who have been drawing the plans because that has been the direction of the Council until just recently. Teuscher said that whether the lines are undergrounded or above why hasn't the Council talked to the PUD and who lost the ball and that is \$3,000 to \$5,000 if she has to pay for it. Avent said they did have the discussion five years ago and it is now just coming back up. Teuscher said that she

understands that if they don't get this done by next fall the money they have to do this project goes away and it sounds like to her it is too late to do the underground part of this project because this City Council isn't going to be able to make a decision so they either have to do the project on the board the way it is with the over ground lines or this is all going to go away and it could be another mute point of lost money. Butcher and Avent said that is why they are having the discussion. Avent said they want to see if it is possible to get it done, he's not an expert on undergrounding and if that can be done in time and at the one meeting it was discussed do they have the foresight to underground the utilities, come back four or five years later and tear up the investment they have in the project. Teuscher said it sounds like to her the City Council doesn't have the foresight to make that decision or it would have been made when the plans were first drawn up. Avent said it was almost a fifty/fifty split. Butcher stated there wasn't any split and the project was put on hold and there was no movement on the project because of the people involved and the City was at fault whether it was the Council or whatever and there wasn't any movement on the project for two years, 2009 was the last that he found and that came from Clatskanie PUD as far as he knows about the undergrounding issue.

Butcher said that at that time the previous Council thought it would be cost prohibitive to move forward on the project so some people came and opened up the thought to visit it again and see if there is a workable plan and if it isn't workable it will not be adopted into the program. Butcher stated they are looking at the feasibility of doing it or not doing it and they are trying to gather information and they have thirty days to work on that to get some kind of resolution. Teuscher stated Butcher just stated they had made the decision to not underground the utilities and Butcher stated that was in 2009 when the project stopped. Butcher asked Weatherford if there had been any movement between the City and ODOT. Weatherford said the City's original application in 1999 had an undergrounding component in it more for "A" Street but the City didn't get adequate funding so at that time the undergrounding was dropped as the project, however the notion of undergrounding has come up once or twice but again most recently with Moon but there has never been a package for funding so there isn't anything in the project for that. Teuscher said that would be nice but she's not sure if twenty businesses would be willing to pay \$3,000 to \$5,000. Weatherford said that is a question for the Council. Gray said that doesn't necessarily apply to every customer because there are a lot of customers that can make do with a service pole and overhead to the building. Vilardi said that some won't cost anything, some will be very minimal and some will need a lot more work. Gray said he can have it drawn up within three weeks.

Booth stated that for several years they (CPUD) kept \$375,000 in the budget and then dropped it but now is the time for their annual budget process. Booth said he would talk to the board and their position would be that if they are going to spend this kind of money to relocate lines through downtown Rainier, their poles have other utilities on them, they would rather take that money and use it to put them underground so it is an opportunity to take that same amount and then the question arises what about rerouting and doing it the least expensive way possible which are the same issues seven years ago in terms of the

actual cost. Booth said the issues are the same issues as several years ago in terms of cost to the businesses if revisions to their side of the meter are necessary.

Nelson said there are a set of plans that are pretty much ready to go and if the City decided they could work a deal with the PUD and all the kinks got worked out would the PUD build their system around that or do we have the plan worked again. Gray stated that he has to have the PUD stuff where he has to have it. Nelson asked Brady how much it would cost to rework the plan to include the undergrounding. Brady said they could incorporate what they need such as the trench. Nelson asked how much more time and money it would take. Brady replied that right now they are at their advanced plan and they would have to go through a 100% with ODOT and the City and they have the opportunity to do that at no cost. Gray said he can do his drawings and then send them to Berry.

Weatherford stated if the utilities are in the right of way you come up with a design and try to accommodate the utilities as best as they can other than that you tell them to move, there is some negotiating involved. The issue is whether or not to stay aerial or go underground. Weatherford said they are going to have their own plans and those plans will not be put on ODOT's plans but in the specifications of the contract there is a knowledge of what the City is going to have to deal with and then a negotiation and relationship during construction trying to coordinate those activities between the two of them. Weatherford said the PUD will have their own set of plans and the City will have their own set of plans and there has to be a knowledge of where the conflicts are.

Dudley clarified if the projected cost that was disclosed did not include trenching and asked if the existing project include trenching they would need for the utilities and Weatherford replied it did not and stated it would be a 100% direct city cost. Weatherford stated that some of the cost should be the utilities responsibility but the utility is saying they don't want them so the City will get stuck with the cost. Boothe stated it would take a larger and deeper trench with an additional cost to be able to go underground. Booth stated that with the sidewalks coming out there is going to be an opportunity to trench in there and the incremental cost of putting in a larger trench can serve as a onetime thing, either put it underground now or its decades away of being able to do it again. Booth said their estimate did not include any cost for trenching.

Dudley clarified with Booth that the cost would be around \$500,000 plus trenching and asked if CPUD would cover the entire cost and then it would be passed to the customers. Booth said that relocating the holes is something they would expect to do but reconnecting the customers if there is not a lot of impact, but if they do a complete change to an underground that's a big cost on top of that but it would be in the \$200,000 to \$300,000 range. Avent said whatever the cost was going to be to change the power lines can we take that money and put it towards the cost. Booth said that is what they agreed to in the past and that is what he will propose to the CPUD board because they like to put things underground when they have the chance. Avent asked what would that

ballpark contribution be and Booth replied they had talked about \$250,000. The cable company would also be involved and that might be an extra \$250,000 to \$300,000. Nelson said he remembers the phone company not at all being interested in the partnering or doing anything with this and, if he remembers right, they weren't even interested talking about it. Avent stated these are the questions to get answered and since the poles are PUDs and if they get undergrounded the telephone company is going to have to follow them out. Gray said that was not true. Booth said that a lot of times PUD has removed the poles and the telecommunication poles are cut off but remain. Booth stated he thinks the City would have to work directly with the telecommunication utilities.

Devine asked Booth how soon they would need the \$400,000 or does it go through the rate system. Booth said it was \$375,000 but that doesn't necessarily predicate where the money comes from. Booth said there had been discussions with the City Manager in the past and that's where it gets wrapped around the axel about how does that get charged to the PUD customers throughout the City of Rainier for a project here and the board's feeling at that time was that if the City wanted to do that and PUD was agreeable that would be a decision of the City to be able to extend that surcharge as part of the acquisition.

Dudley asked Booth if he had any idea what the cost per rate payer would be monthly or annually and Booth and Avent said it could be \$2 to \$3 with it sun setting in 2015 or 2016.

Butcher asked and ODOT and WH Pacific representatives if there was a time frame when they needed the information regarding the utilities. Weatherford stated it would be best if progress was being made on a weekly basis and they are in a time critical period. Butcher stated they could put it on the next council work session so thirty days out would be okay and Weatherford said that would be okay but they have to have progress on a weekly basis.

Butcher said in regards to Teuscher's concern there was discussion about REDCO possibly sharing, absorbing or picking up some of the cost to the property owners and he can't speak for the board but that possibility was discussed. Teuscher stated that as a business owner from two weeks ago to tonight she got no cost to \$3,000 to \$5,000. Avent said nobody said that and what they talked about tonight was how much would it cost whoever pays for it. Butcher said they are trying to determine if they can make it work or if it is cost prohibitive and whether they can make it work now or not. Butcher said the project is going to move forward whether or not they underground the utilities.

Dudley asked Berry if that would be bore by the City since we are already reducing the project and what an estimated cost would be, a couple thousand? Berry said it would be more than that; there are a lot of moving parts in making an extensive dig. Avent asked if PUD would be able to give them the total cost in a couple of weeks, what it would be for the customers, the trenching and everything involved. Weatherford said they can provide

the cost exclusive of trenching. Dudley asked if there was a possibility of funding through PUD for the trenching and Booth said it was possible but some of the recent experiences they have had they would prefer to make the assumption that the trench is ready to go in terms of their cost. As far as cost sharing, Booth wanted to get the numbers approved.

Teuscher asked Berry that when he talked about those traffic things in the road to slow the traffic down does that encompass semis that need to go down to Sloan's and Berry said that they have looked at turning templates.

Gray asked how the easements were coming and Weatherford said on they are working on it. Gray said he has a ballpark figure of what it is going to cost and as far as the businesses an electrician would need to get involved. Nelson asked Gray if he could let them know the businesses he thinks he could and could not be problematic. Vilardi offered to spearhead this portion with CPUD. Avent said they need to know that before they make a request to REDCO.

Weatherford said you might be able to go into the end of January but after that time you need to get it figured out. Weatherford is what he is hearing as far as cost goes is \$250,000 for utilities, \$250,000 to the City and the folks that have the services and who is going to pay for that plus communications. Gray said he is in limbo because he doesn't know what way the City is going to go.

Mayor Cole joined the meeting and it was agreed they would have a decision the first meeting in December.

Phil Butcher, Council President

Attested: _____
Debra Dudley, City Recorder