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**City of Sherwood, Oregon**  
**Planning Commission**  
**March 24, 2015**

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**Work Session**

**Planning Commission Members Present:      Staff Present:**

Chair Jean Simson	Brad Kilby, Planning Manager
Vice Chair Russell Griffin	Michelle Miller, Senior Planner (work session only)
Commissioner Pearson	Connie Randall, Associate Planner (work session only)
Commissioner James Copfer (regular mtg only)	Kirsten Allen, Planning Dept. Program Coordinator

**Planning Commission Members Absent:**

Commissioner Lisa Walker

**Council Members Present:**

Council President Sally Robinson

**Legal Counsel:**

Chris Crean (regular meeting only)

**Note: Two Planning Commission seats are vacant.**

Chair Jean Simson called the meeting to order at 6:00 pm.

**1. Medical Marijuana Dispensary Draft Language**

Michelle Miller gave a presentation with a review of the Public Work Session held on March 10, 2015, the online survey results and the draft language for Medical Marijuana Dispensary (MMD) legislation (see record, Exhibit 1). Discussion followed. Staff was directed to amend the location of the verbiage in the Industrial Zone code section of the Sherwood Municipal Code and to add City Council's directive not to ban MMD's outright to any future presentations to the public.

**2. Housing Needs Analysis regulatory framework**

Kirstin Green, with Cogan, Owens, Green the City's consulting firm for the Sherwood West Preliminary Concept Plan reviewed the *Executive Summary: Sherwood Housing Needs Analysis* prepared by ECONorthwest (see record, Exhibit 2). She said the document provided was the "light" version at five pages as housing needs analyses are very detailed and generally over one hundred pages. The draft Housing Needs Analysis is available on line under the About the Project tab at [www.sherwoodoregon.gov/sherwoodwest](http://www.sherwoodoregon.gov/sherwoodwest). The Sherwood West Preliminary Concept Plan Community Advisory Committee will discuss the Housing Needs Analysis on April 2<sup>nd</sup>. Discussion followed.

Chair Simson adjourned the work session at 6:59 pm to convene to a regular Planning Commission meeting.

## **Regular Meeting**

### **1. Call to Order/Roll Call**

Chair Jean Simson called the meeting to order at 7:04 pm.

### **2. Consent Agenda**

Chair Simson asked for a motion and the following was received.

**Motion: From Commissioner Alan Pearson to approve the Consent Agenda, Seconded by Vice Chair Russell Griffin. All present Planning Commissioners voted in favor (Commissioner Walker was absent).**

### **3. Council Liaison Announcements**

Council President Sally Robinson said the Council would review the Medical Marijuana Dispensaries code language expected to be forwarded by the Planning Commission and announced the Sherwood West Preliminary Concept Plan Community Advisory Committee meeting on April 2, 2015 at 6:30 pm at the Sherwood Police Department.

### **4. Staff Announcements**

Brad Kilby, Planning Manager, announced the Police Advisory Board meeting on April 2, 2015 at 7pm at City Hall would be discussing the Medical Marijuana Dispensaries draft language. He stated that resolutions for two new Planning Commission members would be before the City Council on April 7<sup>th</sup>; Christopher Flores and Michael Meyer. The new commissioners will be seated before the April 14, 2015 Planning Commission hearing for the medical marijuana legislation.

Mr. Kilby informed of a neighborhood meeting April 20<sup>th</sup> at City Hall in the mezzanine for the Woodhaven Park improvements, which will include parking and some more formal play areas. He reminded audience members of an opportunity to sign up for weekly notifications related to Planning updates available on the website at <http://www.sherwoodoregon.gov/subscribe>.

Mr. Kilby advised that a new Planning Commission liaison will be needed for the Cedar Creek Trail Local Trail Advisory Committee after the departure of John Clifford from the Planning Commission. The Cedar Creek Trail procurement process at the Oregon Department of Transportation is near completion.

### **5. Community Comments**

There were no community comments.

### **6. New Business**

#### **a. Public Hearing – PA 15-01 Water System Master Plan Update**

Chair Simson read the public hearing statement and turned the time over to the Planning Department for a staff report.

Brad Kilby, Planning Manager, informed that the proposed plan amendment incorporated the 2015 Water System Master Plan by reference into the Comprehensive Plan and said Sherwood's Comprehensive Plan had not been updated since 1991. He indicated that the City wanted to take the opportunity to update the Comprehensive Plan with this iteration of the Water System Plan update.

Mr. Kilby pointed to Chapter 7 in Volume 2 of the Comprehensive Plan about [Community Facilities and Services] indicating that the City would update:

- The Table of Contents page,
- Objective B.7, by removing plan dates and make relevant to the current,
- Table VII-1, to reflect the name change from the Unified Sewerage Agency to Clean Water Services, and
- Remove references to telephone and cable providers.

He stated that the entire section under the Water Service Plan including the Introduction, Existing Water System Conditions, Analysis of the Existing System and Recommended Improvements to the Existing System would be replaced and the 2015 Water Master Plan would be adopted by reference.

Mr. Kilby described two specific criteria in the Development Code, chapter three of the Comprehensive Plan, that require

*a.) An established need for the changes being proposed is consistent with state, local, and regional laws relating to water systems.*

Mr. Kilby believed council established a need by initiating the consultant contract and going through the process of updating the Water System Master Plan; and

*b.) Amendments are consistent with the Transportation Planning Rule (TPR).*

In updating the Water Service portion of the Chapter 7, the proposed amendments have no effect or bearing on the functional classification of any streets in the transportation system. This criterion was deemed not applicable.

Mr. Kilby explained that Exhibit A, in the packet, was the tracked changes version which included the proposed amendments. He said items shown in red strikethrough are proposed to be deleted (everything in the original 1991 comprehensive plan relating to the water system) and replaced in essence with the Executive Summary from the 2015 Water System Master Plan.

Mr. Kilby indicated that other portions of Comprehensive Plan, Chapter 7 still had references to the Unified Sewerage Agency and other outdated items and the hope was to update the Sewer Master Plan and Waste Water Master Plan, thus updating those portions of Chapter 7 at that time.

Mr. Kilby said Exhibit B was the clean version of the proposed language. He explained that there were questions raised by the Commission at the work session on February 24, 2015 and Exhibit C was a

letter from Craig Sheldon, Public Works Director, addressing concerns raised by the Commission. Exhibit D was the Draft 2015 Water System Master Plan.

Mr. Kilby indicated the Planning Commission would make a recommendation to the City Council, that staff believed findings had been made demonstrating a need to make the changes within the Comprehensive Plan and recommended a Planning Commission recommendation to City Council for approval of the proposed changes to the Comprehensive Plan. He asked for questions from the Commission.

Chair Simson commented that the City was adopting the Water System Plan by reference, but was limited by the existing format of the current Comprehensive Plan because it was really old. She asked for language at the end of the introduction paragraph shown on page 62 of the packet. Brad proposed the following be added *“the Water System Master Plan, that provides the supporting documentation to this section, is available as Appendix A to Volume 2 of the Sherwood Comprehensive Plan”*. There are no current appendixes to the Comprehensive Plan. Chair Simson ensured that other members of Commission had no objections to the added language. None were received.

Chair Simson asked about the policy statement and the eight objectives in the current comprehensive plan on page 50-51 of the packet proposing a change to B.7 which had to do with water, sewer and the Transportation System Plan. Mr. Kilby confirmed, and said it was because it referenced the Water Master Plan updates by year specifically, which were removed.

With no other questions for staff, Chair Simson asked for applicant testimony.

Craig Sheldon, City of Sherwood Public Works Director and Heidi Springer, Murray, Smith and Associates (MSA) came forward. Mr. Sheldon offered to answer any questions the Commission had and reminded that the Commission had viewed a presentation at the work session on February 24, 2015. He said he attempted to respond to concerns raised at the work session through his letter (Exhibit C). Mr. Sheldon stated 9800 letters were sent to account holders (5700) and property owners outside of the city limits because the master plan works out to the year 2034 and the City wanted property owners near the city to be involved too. He provided notes from the open house held on February 25, 2015 (see planning record, Exhibit E). The Commission took time to read the letter.

Chair Simson asked for public testimony.

**Anthony Bevel**, Sherwood resident came forward and asked about water use in case of a drought, commenting that the mountain looked pretty grim. He asked if the City of Sherwood had plans in place regarding conservation and getting the word out to have citizens conserve water.

With no other comments, Chair Simson asked the applicant to respond.

Craig Sheldon answered that the City is a member of the Regional Water Providers Consortium and conservation measures are in line with the consortium as well as neighboring jurisdictions in the region. He said notice was given through the utility bill as well as conservation notices in the Archer at times throughout the year. Mr. Sheldon indicated that the City was required to put notices about

conservation in the paper April/May, because of the Willamette River fish flow. The City is required to measure the river every day during that time of year and a staff person does so every morning. He explained if the Willamette River hits a certain level we have to go into conservation measures, but commented that the chances of it happening were very slim because of the water rights obtained by Tualatin Valley Water District (TVWD) in the mid-2000's as well as our water management/conservation measures from 2009. Mr. Sheldon said more can always be done on water conservation and there were kits at the Utility Billing office at the Public Works building that property owners can have for free. Kits include leak detection, shower heads, and rain gauges from the Regional Water Providers Consortium.

Chair Simson asked for questions from the Commission regarding the plan amendment and the Water System Master Plan.

Chair Simson expressed concern about fund allocations. She said citizens pay a lot; people living in the Utah desert pay less than in Sherwood. Chair Simson asked what in the Master Plan was going to make the Commission feel that it was not voting in more increases for the citizens of Sherwood.

Mr. Sheldon replied that the City was set up today to have water for years to come without any problem and a number of agencies around Sherwood cannot say that. He said there were agencies building millions of dollars' worth of projects that would not get their end result and they will come looking for water at some point, maybe twenty years from now. Mr. Sheldon said one of the things that has been done is the oversizing of pipes from Wilsonville to Sherwood. He assured the Commission that a lot of work has been done in the last five years.

Mr. Sheldon clarified that when Tualatin Valley Water District (TVWD) ran the water system in Sherwood they did what the City asked them to do, which was not a lot, but a bare bones program and never really moved ahead. He explained that most of the projects designated as rate payers' projects in this master plan were maintenance projects related to upsizing pipes; there are 2" and 4" galvanized pipes that are old and most of the \$50,000 is for the older part of town. Mr. Sheldon commented that System Development Charges (SDCs) pay for growth and some development will need oversizing for different flows in certain areas. He said the Master Plan was a plan that anticipated growth to happen. Mr. Sheldon added that as the person responsible for the water system he was excited, because Sherwood has done some great things over the years.

Mr. Sheldon acknowledged Sherwood's higher rates and said TVWD's current rate from Portland would increase 17% this year, Hillsboro just raised their rates 8% in October, and Tigard's water rates were close to or higher than Sherwood. He said he sees a number of agencies building projects with a 2026 deadline, where Sherwood has built a system, receiving good prices on steel to build the system. He explained the biggest thing would be at the treatment plant; when the Water Treatment Master Plan is done and the shared costs on how the agency moves forward with its partners. Mr. Sheldon indicated that he could not say that water rates would go down. He commented that a lot of people don't understand that 80-90% of the costs involved with water are fixed. He recounted that Sherwood pays \$1.5 million just to get water and it would not matter if the water was from Wilsonville or Portland; that is strictly production costs. He added that pumping costs to the wells takes electricity

and PGE came out with a 6% rate increase this year. Mr. Sheldon said the City does not like to raise rates, but it starts to add up and rates have to be increased. He explained that City Council did not want to raise the rates and wanted to see how it went, so there were several years that rates were not increased. Mr. Sheldon said he would hate to give the Planning Commission misinformation, but out of all of the water systems around here, Sherwood, has done the right thing going to the Willamette, cost wise. And it will pay off in the long run.

Chair Simson commented that the 2015 Water Master Plan allocated a total of \$2.1 million to current customers. In a vacuum it is hard to relate what that means. She asked to compare that amount with what was allocated in the 2005 Water Master Plan. She expressed her thoughts that oversizing the pipe from Wilsonville to Sherwood was a smart move since the City did not want to build six miles of pipe twice, because it was not big enough the first time. Her understanding was the pipe was built to accommodate 50,000 people and even if the Sherwood West area was fully built, the City would have a big enough pipe to get the water to us from Wilsonville.

Mr. Sheldon responded that there were other factors to the oversizing. If future partners come online the City does not want our main transmission line that brings our water source to be shut down in order to bring those partners online. He explained the cost of upsizing of the pipe was a small amount when a ten foot deep ditch was already in the ground and with that cost comes the valving, the air vacuums, and everything else on the transmission line. Mr. Sheldon commented that oversizing the pipe was not for short term or future partners, but for the long term; 20 years from now.

Chair Simson asked if the emergency water access through Tualatin would be retained, as the contracts were expiring. She said it was discussed at the work session that if the water supply from Wilsonville was shut off the City would only have two days of water supply in our storage tanks, but as homeowners we are advised to have three days of emergency water. She questioned if the City was acting responsibly by only having little bit of storage and how long would it take to bring Tualatin online.

Mr. Sheldon responded that the plan called for the line to be shut down; but to remain as an emergency backup, after testing, chlorination, and flushing of the system. He explained that something could be online within two or three days. The City would have to flush the line and pass it through back tees in order for the water to enter the system.

Chair Simson asked for the fund allocation from customers in the 2005 Water Master Plan. Brian Ginter, from MSA responded that \$2.8 million in non-growth related projects was budgeted for the first ten years of the Capital Improvement Projects list from 2006-2015. The next ten years was similar with a total \$15 million in capital improvement projects in the 2005 Water System Master Plan which did not include the source improvements from Wilsonville to Sherwood that have been built. Mr. Ginter pointed out that when the plan was updated in 2005, a new source was not considered; it was just a distribution master plan.

Chair Simson commented that based on the capital improvements in the budget, rates should remain the same or go down taking nothing else into consideration. Mr. Sheldon commented that the biggest

cost was operational which would continue to go up. He informed the Commission that the City has made some operational changes through installation of AMI meters (smart meters) that should pay off in the next two years and staff is already seeing some of the savings from an operational side. He said one of the bare minimums in the 2005 Plan was for \$25,000 to be reserved for replacements and the 2015 Plan called for \$50,000 in replacement costs, because no money has been put into water infrastructure in the old part of town. The last larger project we did was upsizing a 6” water main on Upper Roy street to an 8” water main four or five years ago.

Chair Simson asked about the Supervisory Control and Data Acquisition System (SCADA). Mr. Sheldon explained that the SCADA telemetry system was how the City ran the water system after hours and collected data during the day from wells and pumps. He said staff can go online from home and run the water system after hours.

Vice Chair Griffin asked how long the city’s investment with the city of Wilsonville was. Mr. Sheldon said he believed Tigard, Tualatin, TVWD, and Sherwood purchased water rights and stated Sherwood had guaranteed access to water through the Wilsonville plant from the Willamette River at least through 2043 or 2050 which could be renewed at that time.

Vice Chair Griffin inquired about other larger municipalities west of Sherwood who might find themselves in a pinch for water and asked if Sherwood could get pushed aside or that the amount we draw would be imposed upon by a larger customer coming to Wilsonville.

Mr. Sheldon replied that this subject was a topic of discussion at a regional level. He explained that there were plans for an additional treatment plant and all the water rights are expected to be used up around the year 2070. He stated that through an agreement with the Willamette River Water Coalition the City has up to twenty million gallons of water right and he did not see where Sherwood would get pushed out. Mr. Sheldon commented that there were bigger players at the table, a benefit to Sherwood, and that operationally, having those players build a second treatment plant could change some of the dynamics of how Sherwood draws water and how the treatment plant operates; current staff at the treatment plant can run both of plants and production water around 2026 should go down.

Vice Chair Griffin asked when the treatment plant master plan expected to be available. Mr. Sheldon responded that it would be the end of 2016.

Chair Simson commented on the Capital Improvements Program Summary, saying that of the \$36 million budgeted, \$34 million is expected to be paid by development as it occurs. She detailed that the way it had been explained to her was that a capital improvement project list allows the city to better forecast the SDC charges and provides a reasonability measurement for when a developer comes in and what they are paying for. Then development pays for the cost of growth. So even though huge amounts of projects are listed, the City is not using citizen’s money until someone comes in to develop and then the developer pays through their SDC fees. She concluded that if the City has done the job right, existing customers do not have to pay for the cost of growth.

*Note: developers also directly construct infrastructure needed to serve development.*

Mr. Sheldon confirmed and commented on the lack of red lines in the 2015 Water System Master Plan that were prevalent in the 2005 plan. He said the City has spent money to get better data, in our water flushing program, in order to provide results to MSA for this update; in a water system you have to spend money to do some of this. He added that the City's goal with this update was to craft a plan that was more maintenance related now that the City has a long term source. Chair Simson received verification that the red lines from the 2005 Master plan were from water lines that needed to be fixed, replaced or maintained.

Vice Chair Griffin asked if Mr. Sheldon thought there was an Achilles' heel in the Water System. Mr. Sheldon answered that many other agencies wished they had what Sherwood's has; they have old pipes that cannot be funded. Sherwood has some things that need done, but overall is doing well.

Commissioner Copfer asked if there were any conversations about adding additional storage. Mr. Sheldon said there was not as they feel there was enough storage. Mr. Sheldon expounded that there was a plan for another reservoir at a future date. One was planned to partner with Wilsonville, but that did not work out. Instead the City built the reservoir at Snyder Park. He added that spending the money to build the second Snyder Park reservoir took a lot of the red the red lines off the master plan and the 535 Reservoir that will need to be built has been pushed out even farther.

Mr. Sheldon commented that if he had anything he was concerned about with this system it would be that there was no upper elevation reservoir serving the other side of Sunset Blvd and the area was getting fed strictly out of the new pump station. If the area was being fed out of an old pump station he would be worried because the City would be relying on a 1970 pump station in the summer months because water from the single existing reservoir could not pump down. He said he was less worried then he used to be.

Commissioner Copfer asked if Sherwood was part of the Wilsonville reservoir to be built on Tooze Road. Mr. Sheldon replied that we were not.

Chair Simson asked about a comment in the open house notes (Exhibit E) concerning the City double dipping in regards to street lights because the charge was on the utility bill. She acknowledged that the utility bill was not part of the Comprehensive Plan, but felt as a City representative, she needed to ask about the additional fees and taxes on the utility bill. Mr. Sheldon answered that the individual at the open house felt that the City was double dipping because PGE charged a franchise and street light fee on their bill. Mr. Sheldon remarked that everybody wants to talk about how high our water rates are and reminded that the utility bill covers a variety of utilities. He said the residential monthly bill for water averaged a little over \$40 and the sewer charge is about \$39. He explained that the city issues billing for Clean Water Services and they have indicated that they expect a 5% increase every year. Mr. Sheldon described the bill as including utilities, street fees and the street lights; a common practice on a number of agencies' utility bills.

Commissioner Copfer referred to the comment from the open house letter that stated that Clean Water Services had not increased the City's fees in years. Mr. Sheldon clarified that rates have been raised between 3-5% annually and said their storm rate increases annually as well; from about forty to fifty



cents last year. He said that the City does the billing for Clean Water Services on accounts outside of the city as well and they have been raising their rates.

Commissioner Copfer asked if there was a public record that shows how the funds collected are spent to verify that the funds are not being used for special projects outside what is approved. Mr. Sheldon responded that the Finance Department tracks the revenue, contingencies, and debt service. Commissioner Copfer wanted to know if there was an easy way of showing what the funds are being used for. Mr. Sheldon recommended making inquiries to the Finance Department.

Chair Simson expressed appreciation for the letter from Mr. Sheldon (Exhibit C), because of the concerns she had expressed about how much the projects were and how much customers were paying. She commented that the 2015 Water Master Plan called for saturation development, meaning that development for the Sherwood West was accounted for in the 20 year horizon.

Heidi Springer, MSA, responded that they looked at saturation development in the Sherwood West area as a means of sizing facilities for the area, but were not anticipating development to occur within the twenty years. She said assumptions were made for the purposes of the Water Master Plan in the Sherwood West area with awareness that a concept plan is in process. She said assumptions help inform adequate sizing, but we are not projecting a saturation development within twenty years in that area.

For clarification, Chair Simson recited that the plan indicated that *if* Sherwood West were to develop completely it needed a certain size pipe and the City will plan for that size of pipe from the beginning so the entire development can occur over the next twenty to fifty years and be sized appropriately from the beginning. She mentioned that the capital improvements do not account for 100% growth in the Sherwood West area, but a smaller percent within the ten to twenty year plan. The Capital Improvement Projects that are listed in the Sherwood West area within the next ten to twenty years are projects that may not occur at all, because development in Sherwood West may not start. She said the information was for City Council to prioritize projects in the Capital Improvements Plan when they go through the budgeting process. Ms. Springer confirmed.

Commissioner Pearson commented about the snow pack and said he was told the City's water was not dependent on Mt. hood runoff, but upon spring rains. So the fact that the snow pack is not high does not impact our water. He commented on a conservation note, that when he washes his hands he washes them over an empty coffee can and uses that water to flush the toilet. Commissioner Pearson added that he read the 2015 Water Master Plan and commended the consultant for making it understandable.

With no other questions from the Commission, chair Simson closed the public testimony portion of the hearing. She asked if there were any further question for staff from the commission. None were received.

With no other discussion, the following motion was received.

**Motion: From Vice Chair Russell Griffin to forward a recommendation of approval to the City Council for the Water System Master Plan Update, PA 15-01 code update, based on the applicant's testimony, public testimony received, and the analysis, finding and addition to the Staff Report. Seconded by Commissioner Alan Pearson.**

Chair Simson clarified that the addition in the staff report was to the introduction paragraph of the code.

**All present Planning Commissioners voted in favor (Commissioners Walker was absent).**

**7. Planning Commissioner Announcements**

Chair Simson announced the Sherwood West Preliminary Concept Plan Community Advisory Committee meeting at 6:30 pm on April 2, 2015 at the Sherwood Police Facility.

Vice Chair Griffins commented that being part of the first community musical at the new cultural arts center was a total blast. He said it is a great facility and he felt it was in good hands. He remarked that it was a pleasure having the show there and literally thousands of people came to see the show.

Commissioner Copfer added that it also helped identify some items that need to be addressed.

**8. Adjourn**

Chair Simson adjourned the meeting at 8:00 pm.

Submitted by:

Kirsten Allen

Kirsten Allen

Planning Department Program Coordinator

Approval Date: April 14, 2015