

6:00 p.m.

**WORK SESSION – CODE ENFORCEMENT UPDATE**

**AGENDA FOR COUNCIL MEETING  
KLAMATH FALLS CITY COUNCIL  
JANUARY 19, 2016  
7:00 P.M.**

*Matters for Council consideration not scheduled on the Agenda can be addressed by the general public under the “Public Comment” section on the agenda. Testimony must be presented according to Council procedure. Items of a non-emergency nature may be scheduled for future Council determination in order to provide sufficient time to analyze the issue.*

**CALL TO ORDER AND ROLL CALL**

**PLEDGE OF ALLEGIANCE**

**PRESENTATION OF SERVICE AWARDS**

Trish Seiler	City Councilor	15 years
Ryan Brosterhous	Police Department	20 years
Dennis Davenport	Police Department	20 years

**PUBLIC COMMENT**

**1. CONSENT AGENDA**

- a. Approval of January 19, 2016 agenda and January 4, 2016 regular meeting minutes

**LAND USE PUBLIC HEARING - QUASI JUDICIAL - NONE**

**LAND USE PUBLIC HEARING – LEGISLATIVE - NONE**

**GENERAL PUBLIC HEARING - NONE**

**2. LIQUOR LICENSE FOR NEW OUTLET TO ALLOW OFF-PREMISES SALES FOR OLD STABLES MARKET AT 427 MAIN STREET**

- a. Report of Planning Manager
- b. Move to make a recommendation to the OLCC for the allowance of Off-Premises Sales at Old Stables Market

3. **RESOLUTION GRANTING AN EXEMPTION FROM THE COMPETITIVE BID REQUIREMENTS FOR USE OF THE DESIGN-BUILD METHOD OF CONTRACTING FOR THE WASTEWATER TREATMENT PLANT UPGRADE PROJECT**
  - a. Report of Public Works Director
  - b. Public Hearing
  - c. Move to introduce the Resolution by title
  - d. Move to approve the Resolution

#### **LEGISLATIVE ACTION**

4. **REQUEST BY THE FALCON HEIGHTS CONDOMINIUM ASSOCIATION FOR CORRECTION OF SEWER BILL**
  - a. Report of Public Works Director
  - b. Public Input by Falcon Heights Condominium Association
  - c. Direct staff on action to take with the Falcon Heights Condominium Association
  
5. **RESOLUTION ESTABLISHING HIRING STANDARDS, CRITERIA, POLICY DIRECTIVES AND A TIMELINE FOR THE RECRUITMENT AND HIRING OF THE MUNICIPAL COURT JUDGE FOR KLAMATH FALLS, OREGON**
  - a. Report of Support Services Director
  - b. Move to introduce the Resolution by title
  - c. Move to approve the Resolution
  
6. **AMENDMENT TO LEASE WITH PELICAN AVIATION AT THE CRATER LAKE – KLAMATH REGIONAL AIRPORT**
  - a. Report of Airport Director
  - b. Move to authorize staff to execute an amendment to the lease between the City of Klamath Falls and Pelican Aviation, Inc. at the Crater Lake – Klamath Regional Airport extending the lease term to July 31, 2019, under the current terms and conditions with the exception of the Base Rent, which is increased to \$1,000 per month
  
7. **AMENDMENT #2 TO MEAD & HUNT CONTRACT FOR DESIGN OF TAXIWAY J**
  - a. Report of Airport Director
  - b. Move to authorize staff to execute Contract Amendment #2 to Mead & Hunt's Taxiway J design contract for a reduction of \$225,070

## OTHER MATTERS

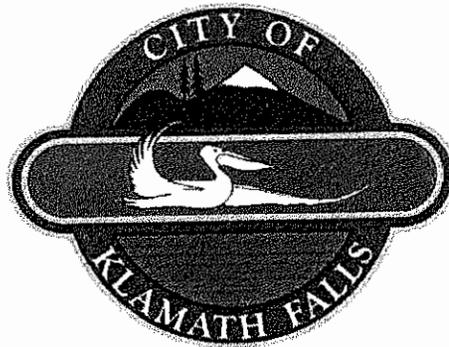
## ADJOURNMENT

The City Council may recess/adjourn to Executive Session under ORS 192.660 as follows: ORS 192.660(2):

- (a) - Employment of Public Officers, Employees
- (b) - Discipline of Public Officers and Employees and Agents
- (d) - Labor Negotiations
- (e) - Real Property Transactions
- (f) - Exempt Public Records
- (g) - Trade Negotiations
- (h) - Consultation with Legal Counsel
- (i) - Performance Evaluations of Public Officers and Employees
- (i) - Public Investments

### **\*\*\*AMERICANS WITH DISABILITIES ACT NOTICE\*\*\***

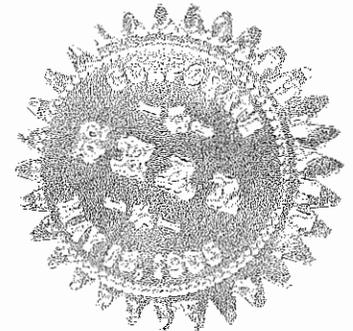
Please contact the City Recorder's office, Klamath Falls City Hall, 500 Klamath Avenue, Klamath Falls, OR 97601, or call 541.883.5316 at least 48 hours prior to the scheduled meeting time if you need an accommodation to participate in the meeting. The City's TTY/TDD number is 541.883.5324

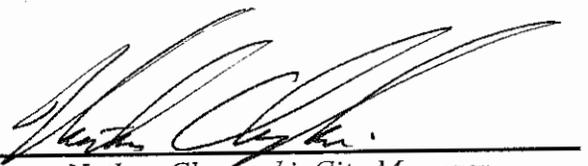


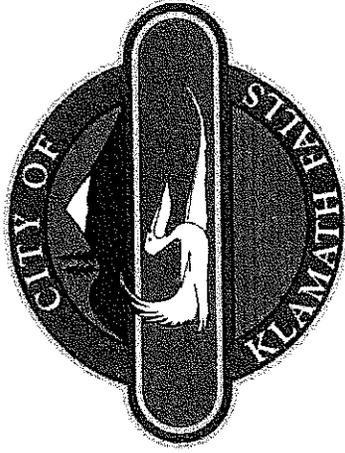
# *Certificate of Service*

*Awarded to:*  
***Patricia Seiler***  
***City Council Member***

*For completion of:*  
***15 Years of Service***  
*on*  
***January 1, 2016***



  
Nathan Cherpeski, City Manager

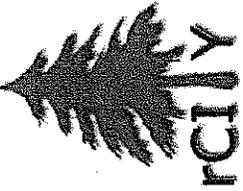
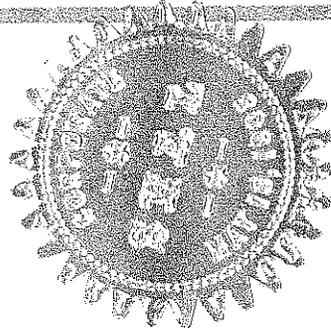


# *Certificate of Service*

*Awarded to:*  
**Captain Ryan Brosterhous**  
**Police Department**

*For completion of:*  
**20 Years of Service**

*on*  
**January 5, 2016**



Nathan Cherpeski, City Manager



# *Certificate of Service*

*Awarded to:*  
**Sergeant Dennis Davenport**  
**Police Department**

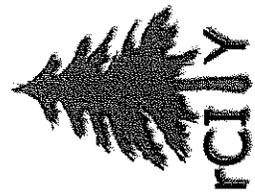
*For completion of:*  
**20 Years of Service**

*on*  
**January 5, 2016**



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*Nathan Cherpeski, City Manager*



MINUTES  
KLAMATH FALLS CITY COUNCIL  
January 4, 2016

A regular meeting of the Klamath Falls City Council was held in the Council Chambers on the above date at 7:00 p.m. Mayor Todd Kellstrom called the meeting to order.

Council members present:           Councilman Dan Tofell  
  Councilman Bud Hart  
  Councilman Matt Dodson  
  Councilman Bill Adams  
  Councilwoman Trish Seiler

City staff members present:       Nathan Cherpeski, City Manager  
  Joanna Lyons-Antley, City Attorney  
  Mark Willrett, Public Works Director  
  Susan Kirby, Support Services Director  
  Dave Henslee, Police Chief  
  Rob Dentinger, Police Captain  
  Scott Souders, City Engineer  
  Nickole Barrington, Municipal Court  
  Supervisor/Paralegal  
  Joe Wall, Management Assistant to the  
  City Manager  
  Kristina Buckley, Assistant to the City  
  Recorder

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

PRESENTATION OF LIFE SAVING AWARDS TO OFFICER TAYLOR HERBST AND OFFICER THOMAS REIF. Police Chief Dave Henslee and Police Captain Rob Dentinger presented Klamath Falls Police Department Officers Taylor Herbst and Thomas Reif each with a Life Saving Award for exceptionally swift and decisive performance while saving the life of a man on October 22, 2015.

## PUBLIC COMMENT

Mayor Kellstrom opened the public comment.

Councilman Bill Adams. Councilman Adams stated he was very proud of the City's Police Department for doing an excellent job. He then read his statement into the record as follows:

*"I am not very proud of the City Council. I am addressing the Council during the public comment portion because that was where I addressed Council from at the previous meeting regarding the sale of the former Police Building. I do not want to be associated with you as a member of Council after selling a \$50,000 building for \$1,000. Don't call me, don't email me and do not address me on the street because I do not want to be associated with you. I feel like I did when a couple of you voted for the sale of the Cogen plant or the taking of the Shaw property. I really don't think you have any business handling the public's money. Two of you could be up for election this year and I will definitely help your opponents if you have any opponents running against you. I would certainly not let you handle my money or property. I had nothing to gain with that \$20,000 offer I brought last time, the only reason I brought it was because I felt \$1,000 was an absolutely ridiculous amount to accept for that building; particularly when you had the ability to not take any of the bids that were presented to you. In fact I know Mike probably better than the guy that made the offer that I had talked to. What if I had made a \$5,000 offer? Would you have sold it to me? What would that have looked like for the public? What do you think selling it for \$1,000 looks like to the public? The advertising was legal but minimal and I know there were a lot of people that commented to me that they didn't know that building was for sale. As I said before, you have no business handling the public's money."*

Hearing or seeing no one further, Mayor Kellstrom closed the public comment.

1. CONSENT AGENDA. Councilwoman Seiler **moved to approve the Consent Agenda as follows: Approved the Consent Agenda for January 4, 2016; Approved the December 7, 2015 regular meeting minutes.** Councilman Dodson seconded. The motion carried unanimously with all Council members present voting aye.

## LAND USE PUBLIC HEARING - QUASI JUDICIAL

There were no land use public hearing quasi-judicial matters.

## LAND USE PUBLIC HEARING - LEGISLATIVE

There were no land use public hearing legislative matters.

## GENERAL PUBLIC HEARING

There were no general public hearing matters.

## LEGISLATIVE ACTION

### 2. ELECTION OF COUNCIL PRESIDENT - 2016.

Councilman Hart **moved to elect Councilwoman Seiler as Council President for 2016.** Councilman Dodson seconded. The motion carried unanimously with all Council members present voting aye.

3. AUTHORIZATION TO ENTER INTO AGREEMENT NO. 30315 WITH THE OREGON DEPARTMENT OF TRANSPORTATION FOR THE WASHBURN WAY SIDEWALK CONSTRUCTION PROJECT - PHASE II. Public Works Director Mark Willrett reviewed his written report. Councilman Hart stated sidewalks were needed and it was important for City staff to remember, in the future, that new subdivisions or new developments must install sidewalks at time of development rather than the situation such as on Washburn Way with a block of sidewalk then a block no sidewalk, etc. and that situation still existed on Campus Drive.

Councilman Dodson requested staff consider other options on “no parking” signage because it seemed existing signage was prohibiting sidewalk access and was cluttered. He noted he thought he recalled seeing an individual in a wheelchair having to go down to the street because a sign was in the way. Mr. Willrett stated the current signage may seem like “overkill” but if staff did not place signs frequently, there was always some individual who found a gap between signs to park. Councilman Dodson suggested possibly painting curbs as an alternate.

Councilwoman Seiler asked if the project included additional pedestrian striping for crosswalks. Mr. Willrett responded he was fairly certain it did.

Councilman Dodson **moved to authorize the Mayor to sign Agreement 30315 with the Oregon Department of Transportation for the Washburn Way Sidewalk Improvement Project - Phase II.** Councilwoman Seiler seconded. The motion carried unanimously with all Council members present voting aye.

4. AN ORDINANCE AMENDING THE TRANSPORTATION SYSTEM PLAN ADDING CRITERION TO GOAL 1 - SECOND AND FINAL READING.

Councilwoman Seiler **moved to pass the Ordinance for second and final reading by title only.** Councilman Hart seconded. The motion carried unanimously with all Council members present voting aye. City Manager Nathan Cherpeski read the Ordinance by title only.

Councilwoman Seiler **moved to adopt the Ordinance.** Councilman Hart seconded. On **Roll Call, Ordinance No. 16-01** was adopted with Councilman Tofell, Councilman Dodson, Councilman Hart, Councilman Adams, and Councilwoman Seiler voting aye.

OTHER MATTERS

Continuation of Current Municipal Court Operations through Interim Bail Schedule and Violations Bureau until a Municipal Court Judge is Appointed by Council. Municipal Court Supervisor/Paralegal Nickole Barrington reviewed her written report. Councilman Dodson asked if the current pro tem judge signed if the process would have to be repeated for the next pro tem judge to sign at the next court hearing. Ms. Barrington responded it would stay in place. Staff's request was for a pro tem to sign to keep the current Violations Bureau and Bail Schedule in place until a judge was appointed. City Attorney Joanna Lyons-Antley further explained that, because Judge Uerlings set forth the fines by order, when he was no longer an employee of the City, it was no longer valid. There needed to be an acknowledgement by Council in support the current Violations Bureau and fine schedule, then when the next judge was appointed, it would be assumed that judge would continue with a similar schedule.

Councilman Adams moved to approve continuation of current Municipal Court operations under Interim Bail Schedule allowing current Pro-Tem Nathan Ratliff to sign the schedule. Councilman Tofell seconded. The motion carried unanimously with all Council members present voting aye.

#### ADJOURNMENT

Councilman Tofell moved to adjourn the meeting. Councilman Dodson seconded. The motion carried unanimously with all Council members present voting aye. The meeting was adjourned at 7:20 p.m.

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Kristina Buckley, Assistant to the City Recorder

**KLAMATH FALLS CITY COUNCIL  
AGENDA REPORT**



Agenda Item No. 2

Date: January 19, 2016

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Department: Public Works  
Staff Presenter: Erik Nobel  
City Manager Review: 

Contact/Title: Erik Nobel, Planning Manager  
Telephone No.: 541-883-5254  
Email: [nobel@klamathfalls.city](mailto:nobel@klamathfalls.city)

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**TOPIC:** Liquor License for New Outlet to allow Off-Premises Sales for Old Stables Market

**SUMMARY AND BACKGROUND:**

Mark and Terry Wilson, in conjunction with Old Stables Market at 427 Main Street, are applying for a New Outlet Liquor License to allow Off-Premises Sales. This would allow the sale of malt beverages, wine and cider to go in sealed containers.

This retail outlet, a convenience store, is set to open February 1, 2016. The business location is zoned General Commercial within the Downtown Business Overlay Zone and the operation of a retail outlet is consistent with the zoning. The business will be open daily from 8 a.m. until 8 p.m.

**FINANCIAL IMPACT:**

There is no financial impact related to making a recommendation to the OLCC.

**COUNCIL OPTIONS:**

- Make a recommendation to the OLCC for the allowance of Off-Premises Sales at Old Stables Market.
- Do not recommend the allowance of Off-Premises Sales at Old Stables Market.

**DOCUMENTS ATTACHED:**

- Statement from Applicants
- Aerial Photo

**RECOMMENDED MOTION/ACTION:**

Move to make a recommendation to the OLCC for the allowance of Off-Premises Sales at Old Stables Market

Old Stables Market Liquor License

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**NOTICE SENT TO:**

Old Stables Market  
Mark and Terry Wilson  
P.O. Box 61  
Merrill, OR 97633

King Jacqueline May Rev Liv Trust  
Gibbon Amy Trustee  
20201 Church Lake Drive E  
Bonney Lake, WA 98391

OLCC  
Kent Oldham  
107 S 7<sup>th</sup> Street  
Klamath Falls, OR 96701

The City of Klamath Falls Police Department was notified of the proposal and had no reason to deny the application.

Notice was also sent on January 12, 2016 to adjacent property owners within a 100-foot radius of the business location. No response has been received to date.



Old Stables Market Liquor License

Notes to accompany Liquor License Application:

1. We currently own and operate a convenience store in Klamath Falls and have observed the local effects of the sale of certain classifications of alcohol.
2. In the downtown area we would not sell any products that we believe would lead to public alcohol consumption or intoxication.
3. We have been able to observe the problem of panhandling near those locations that sell certain classifications of alcohol.
4. We will not sell beer in single containers, and will not sell high alcohol percentage products (for example beer containing over 7% alcohol, or fortified wine).
5. We believe that it is necessary to offer beer and wine as a segment of regular small market products to make the business profitable. Customers that cannot purchase beer or wine along with their other products will be forced to leave the downtown area for their shopping.
6. Our goal is to provide a place for visitors, downtown employees, and local residents to purchase many of those market type items that they may have to travel out of their way to purchase now.

Thank you,  
Mark and Terry Wilson



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Old Stables Market Liquor License

**KLAMATH FALLS CITY COUNCIL  
AGENDA REPORT**



Agenda Item No. 3

Date: January 19, 2016

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Department: Public Works	Contact/Title: Mark Willrett/ Public Works Dir.
Staff Presenter: Mark Willrett	Telephone No.: 541-883-5364
City Manager Review: 	Email: willrett@klamathfalls.city

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**TOPIC:** Resolution Granting an Exemption from the Competitive Bid Requirements for Use of the Design-Build Method of Contracting for the Wastewater Treatment Plant Upgrade Project

**SUMMARY AND BACKGROUND:**

The City plans to upgrade its Wastewater Treatment Plant including the influent pump station, primary clarifiers, aeration basins, and possibly digesters. This project involves significant modifications that must be made while the wastewater plant remains online and operational, maintaining uninterrupted regulatory compliance. These needs complicate the project. The Facilities Master Plan recommended the improvements utilizing the most expensive option to ensure an adequate budget; however, it is likely that rehabilitation of some of the processes will suffice.

As explained below, staff recommends utilizing Progressive Design Build, an alternative contracting method, for the upgrade. Oregon law requires that if an alternative contracting method is utilized, that the City publishes notice, holds a hearing and accepts comments.

**Traditional Contracting Methods**

For most of its construction projects, the City uses a method called Design Bid Build (DBB). Under this method, the City would hire an engineering firm to design a project and develop plans and cost estimates. The City would then hire a construction contractor to build the project based on lowest price. Although the DBB method is satisfactory for most types of contracts, this method has some disadvantages. This method does not promote collaboration between the engineer, the City and the contractor. As a result, unanticipated constructability or operational issues can arise that may require change orders. These issues compound as the project increases in complexity.

**Alternative Contracting Methods**

Due to the complexity of this project, Staff would recommend utilizing an alternative contracting method called Progressive Design Build (PDB). In a PDB, the City would have one contract with the entity responsible for both the design and construction. Together, the design engineer and the construction contractor would be responsible for delivering the project specified by the City.

If Council approves the alternative contracting method, the contract would specify at 60 - 90%

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percent of design completion, the City will negotiate a Guaranteed Maximum Price (GMP) for construction of the project. If, for some reason, a GMP acceptable to both parties cannot be negotiated, the parties can terminate the contract. If terminated, the City pays for the design work and the City could solicit bids for construction.

The advantages of utilizing PDB include the following:

- The PDB focuses on obtaining the best value rather than the lowest bid. The number of change orders issued through the construction phase of a project is normally reduced since the designers and builders coordinate and consider constructability from the beginning.
- Involving the contractor early in the design of the project is expected to help ensure that operational needs are met during the project and the best solution to upgrade the plant is realized.
- It can provide greater opportunity for innovation and allows for the incorporation of associated best-value efficiencies on a project. By far, the greatest opportunities for project efficiencies and cost saving occur early in the design phase of a project. Having the construction contractor involved early in the design allows input to develop workable innovative solutions to issues and realize these efficiencies.
- According to national studies, the design build method of project delivery results in an average of 6.1% lower project costs, 12% faster construction speed and 33% faster project delivery.
- Reduces the risk to both the City and the design-build team since more of the risks are known when the GMP is negotiated, and the parties can terminate the contract if it is in their best interest to do to.
- All accounting for the construction is “open book” and the City pays only for the actual work performed at cost plus agreed upon mark-ups.

If this method is approved, the City would issue a Request for Qualifications and from the qualifications, three firms are invited to submit detailed, formal proposals. Formal proposals are expensive, easily reaching \$50,000 to \$100,000 and many firms will not pursue a project unless they know they have at least a 1 in 3 chance of being selected.

#### **FINANCIAL IMPACT:**

None at this time. However, according to national studies, using design-build produces an average of 6.1% lower project costs.

#### **COUNCIL OPTIONS:**

1. Pass the Resolution allowing the City to pursue the Progressive Design Build method of alternative delivery for the improvements to the Wastewater Treatment Plant.
2. Not pass the Resolution and direct staff to use the conventional design-bid-build method of project delivery.
3. Direct staff to select another alternative contracting method.

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**DOCUMENTS ATTACHED:**

- Affidavit of Publication of Public Hearing
- Proposed Resolution with Findings

**RECOMMENDED MOTION/ACTION:**

- Public Hearing
- Move to introduce the Resolution by title
- Move to approve the Resolution

**NOTICE SENT TO:**

- N/A

AFFIDAVIT OF PUBLICATION

# DJC



921 S.W. Washington St. Suite 210 / Portland, OR 97205-2810  
(503) 226-1311

STATE OF OREGON, COUNTY OF MULTNOMAH--ss.

I, **Michelle Ropp**, being first duly sworn, depose and say that I am a Principle Clerk of the Daily Journal of Commerce, a newspaper of general circulation in the counties of CLACKAMAS, MULTNOMAH, and WASHINGTON as defined by ORS 193.010 and 193.020; published at Portland in the aforesaid County and State; that I know from my personal knowledge that the Construction notice described as

**(EXEMPTION FROM COMPETITIVE BID REQUIREMENTS)**

**Klamath Falls City Council; Bid Location Klamath Falls, OR, Klamath County; Due 01/11/2016**

a printed copy of which is hereto annexed, was published in the entire issue of said newspaper for 1 time(s) in the following issues:

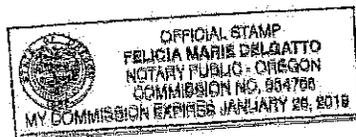
1/4/2016

State of Oregon  
County of Multnomah

SIGNED OR ATTESTED BEFORE ME  
ON THE 4th DAY OF January, 2016

Michelle Ropp

Notary Public-State of Oregon



Gina Johnson  
City of Klamath Falls  
226 S 5th St.  
Klamath Falls, OR 97601-6106

**KLAMATH FALLS CITY COUNCIL**  
**(EXEMPTION FROM COMPETITIVE BID REQUIREMENTS)**  
Written comments due  
January 11, 2016

**NOTICE OF PUBLIC HEARING**  
The Klamath Falls City Council will hold a public hearing on Exempting the City of Klamath Falls from the competitive bid requirements for the use of the progressive design-build method of contracting for the wastewater treatment plant upgrade project on January 19th, 2016 at 7:00 p.m. in Council Chambers, 500 Klamath Avenue, Klamath Falls, Oregon. The purpose of the public hearing is to take oral and written comments on the City's draft findings in support of an exemption from competitive bidding under ORS 279C.935 for the construction of improvements to the City waste water treatment plant. The City is requesting the exemption from competitive bidding to allow the use of an alternative procurement method known as progressive design-build. Interested persons are encouraged to attend and will have the opportunity to give oral comments. Written comments should be submitted to the City Recorder, 500 Klamath Avenue, Klamath Falls, Oregon, or by e-mail to [olson@klamathfalls.city](mailto:olson@klamathfalls.city) no later than January 11th, 2016. Disabled persons desiring to attend the meeting may call the City Recorder's office at (541-883-5316) for necessary arrangements. Hearing impaired persons desiring information may call the City's TDD at 883-5324. For more information about the progressive design-build process contact the Director of Public Works at 883-5303. Copies of the draft findings are available in the City Recorder's office at 500 Klamath Avenue, Klamath Falls, Oregon 97601, or you may call 541-883-5323 to obtain a copy by mail.

By/s/ Mark Willratt  
Director of Public Works  
Published Jan. 4, 2016. 10849945

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**RESOLUTION NO. 16 - \_\_\_\_\_**

**A RESOLUTION GRANTING AN EXEMPTION FROM THE COMPETITIVE BID REQUIREMENTS FOR USE OF THE DESIGN-BUILD METHOD OF CONTRACTING FOR THE WASTEWATER TREATMENT PLANT UPGRADE PROJECT**

**WHEREAS**, the City Council adopted Resolution No. 05-12 on March 22, 2005, which established Public Contracting Regulations for the City of Klamath Falls and designated the City Council as the Local Contract Review Board; and

**WHEREAS**, ORS 279C.335(1) provides that all public improvement contracts shall be based upon competitive bids; with certain exceptions including an exemption for a specific contract for a public improvement, which is approved in accordance with the provision of ORS 279C.335(2), (3), (4), and (5); and

**WHEREAS**, ORS 279C.335(2) requires that certain findings be adopted by the Local Contract Review Board in order to grant an exemption from the competitive bidding requirement for an alternative contract method for public improvement contracts; and

**WHEREAS**, the City published notice of a public hearing for the purpose of taking public comment on the City's draft findings for the exemption from the competitive bidding requirement, which hearing was held during the City Council meeting scheduled for January 19, 2016; and

**WHEREAS**, the City Council acting as the Local Contract Review Board, has reviewed the proposed findings, and considered public testimony during the public hearing, and has determined to proceed with granting the exemption from the requirement for competitive bidding;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KLAMATH FALLS RESOLVES AS FOLLOWS:**

**Section 1.**

Findings Approved. The findings in support of the requested exemption, as prepared by City staff, and attached hereto as Exhibit "A", are hereby approved and adopted.

**Section 2.**

Exemption Granted. Based upon the findings set forth in Exhibit "A", the exemption from competitive bidding requirements to allow a Progressive Design-Build method of contracting for the Wastewater Treatment Plant Upgrade Project is hereby granted.

**Section 3.**

This Resolution shall become effective immediately upon enactment.

Passed by the Council of the City of Klamath Falls, Oregon, the \_\_\_\_ day of January, 2016.

Presented to the Mayor, approved and signed this \_\_\_\_ day of January, 2016.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Recorder

STATE OF OREGON                    }  
COUNTY OF KLAMATH               }ss.  
CITY OF KLAMATH FALLS            }

I, \_\_\_\_\_, Recorder for the City of Klamath Falls, Oregon, do hereby certify that the foregoing is a true and correct copy of a Resolution duly adopted by the Council of the City of Klamath Falls, Oregon at the meeting on the \_\_\_\_ day of January, 2016 and therefore approved and signed by the Mayor and attested by the City Recorder.

\_\_\_\_\_  
City Recorder

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## EXHIBIT A

### City of Klamath Falls Wastewater Treatment Plant Upgrade Project Exemption from Competitive Bidding Findings November 2, 2015

**Project description and scope:** The project(s), as identified in the 2009 Wastewater Facilities Master Plan, will upgrade the City's wastewater treatment plant through the upgrade, rehabilitation and or replacement of the influent pump station (headworks), primary clarifiers, aeration basins and possibly the anaerobic digesters. The estimated cost for these improvements in the Facilities Master Plan was approximately \$40 million. However, these were the most expensive options in the Master Plan and it is believed the cost will be significantly lower. The project will be funded by utility rates and State Revolving Loan funds.

The City intends to utilize a progressive design-build contracting method for the project rather than design-bid-build and is therefore seeking to exempt the project from normal competitive bidding requirements based upon the following findings.

#### Findings

1. *It is unlikely that the exemption from competitive bidding will encourage favoritism or substantially diminish competition for this public improvement contract.*

For this project, the City will advertise a Request for Qualifications (RFQ) to which all interested parties may respond. The City will invite the most qualified entities from those that submit Statements of Qualifications to submit formal proposals for the project. The design-build contract will be awarded to the entity that provides the best-value proposal for the project.

The City has been approached by five firms that have expressed an interest in this project. Therefore it is expected that there will be competition from a significant number of qualified design-build firms or teams for this project.

2. *The awarding of a design-build contract for this project is likely to result in substantial cost savings to the City.*

As noted above the cost of this project was an estimate based off the most expensive option contained within the master plan. There are multiple ways to approach each of the systems that will be upgraded. For a project of this type (progressive design-build), the design

engineers provide the technical expertise related to the treatment processes and facilities to be constructed while the construction contractor provides expertise related to constructability issues. By utilizing a design-build contracting method, the construction contractor is involved early in the design of the project so that construction efficiencies can be integrated into the project, thereby reducing the need for redesign later in the project or change orders and additional costs during the construction phase. Design-build contracting is intended to focus on obtaining the “best value” for the project and incorporated greater opportunity for value engineering utilizing input from the construction contractor. These opportunities are expected to provide cost savings to the City when compared to the conventional design-bid-build project delivery. National statistics show that, on average, design-build contracting provides about 6.1% in project cost savings over traditional design-bid-build project delivery methods.

The wastewater treatment plant will be operational during this project, and this project must be undertaken without interruption to the treatment plant operations and permit compliance. Having the expertise of the construction contractor integrated into the design of the project is anticipated to eliminate construction related interferences with the operation of the treatment plant and reduce the risk of the City incurring permit violations and associated fines.

The availability of design engineers with the appropriate technical expertise will facilitate a design of the project that will ensure that the wastewater treatment plant can operate at a high level of efficiency. The use of the design build process will assist in achieving this high level of efficiency at a cost which is anticipated to be less than if the City used a traditional design-bid-build method.

The size of the project is significant and the technical issues associated with the project are complex. One of the primary reasons to utilize the progressive design build process is when the project lacks definition and the exact cost of the project is not known. There are multiple ways to construct, renovate or improve each of the processes and the progressive design build method of project delivery is the best means to completion. Granting the requested exemption will enable the City to address the size and technical complexity of the proposed public improvement.

The City anticipates preparing a Request for Proposals which will provide that at a certain level of design completion, the City will negotiate a Guaranteed Maximum Price (GMP) with the design-build team for construction of the project. The proposed contract will have a “progressive feature” which will provide that if the parties cannot agree upon a GMP, the parties will be allowed to terminate their negotiations. If the contract negotiations are terminated, the City will compensate the design build team for the services they have provided and the City will have the option to complete the design in whatever manner it

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determines is appropriate. The City would then solicit bids for the construction of the project using a competitive bidding solicitation process. The “progressive” nature of the contract reduces the risk to both the City as the project owner and the design-build team since there is a lot more information known about the project to be constructed when the GMP is negotiated and the parties can terminate their negotiations when it is in the best interests of the parties to take that action. All accounting for construction of the project will be “open book” and the City will pay only for the actual work performed at the rate of the actual cost of that work plus contractually agreed marks-ups to the GMP.

**KLAMATH FALLS CITY COUNCIL  
AGENDA REPORT**



Agenda Item No. 4

Date: January 19, 2016

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Department: Public Works

Staff Presenter: Mark Willrett

City Manager Review: *[Signature]*

Contact/Title: Mark Willrett/Public Works Director

Telephone No.: 541-883-5364

Email: willrett@klamathfalls.city

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**TOPIC:** Request by the Falcon Heights Condominium Association for Correction of Sewer Bill

**SUMMARY AND BACKGROUND:**

On April 20, 2015, staff came before Council seeking direction on how to handle delinquent sewer payments from the Falcon Heights Condominium Association. At the time, the Association was behind in payments more than \$56,000. Council continued the matter until the June 15<sup>th</sup> Council meeting for further consideration. Shortly after the April 20<sup>th</sup> meeting, Falcon Heights paid all the back charges.

At the June 15<sup>th</sup> meeting, there was discussion around spikes in the wastewater flow leaving Falcon Heights, which became evident in the fall of 2014. There was speculation that the meter could be at fault or there might be an issue with inflow/infiltration. In any event, the spikes in flow could not be explained. Council elected to give Falcon Heights until mid-January to present evidence that the meter readings were not truly representative of the sewage treated or what actually went through the flow meter.

Late last year, the Association hired Cascade Automation to further investigate the situation. The Association was noticing that the meter was showing flow passing through when the pumps were not operating. The technician noted that there was a ground loop that both the flow meter and sump pump in the meter vault shared that was causing the interference. The ground wire was disconnected and the fluctuations in the meter stopped.

City Maintenance did some research on resolving flowmeter instability problems and found that electrical noise radiated by nearby antennas or electrical equipment, can penetrate a magnetic flow meter enclosure and cause flow rate instability and even false measurements. The flow meter was installed on July 18, 2012 to replace a meter which had failed some time earlier.

With this information in mind, the Association is requesting a partial reimbursement for the months of August through December 2014 and January 2015.

**FINANCIAL IMPACT:**

The financial impact for refunding Falcon Heights a portion of the billings they have already paid the City is \$23,961.94. This is calculated by averaging Falcon Heights' usage for each of

*4*

the months in question between 2010 and 2011 and using those values in place of the ones in question.

**COUNCIL OPTIONS:**

1. Deny Falcon Heights' request for a refund.
2. Approve Falcon Heights' request for a refund in the amount of \$23,961.94 as a credit on the account.
3. Approve Falcon Heights' request for a partial refund but in a different amount.
4. Deny Falcon Heights' request for a refund at this time and direct Falcon Heights to come back before Council with additional information supporting their request.

**DOCUMENTS ATTACHED:**

- April 20, 2015 agenda report and meeting minutes (Exhibit A)
- June 15, 2015 agenda report and meeting minutes (Exhibit B)
- January 4, 2016 letter from Falcon Heights (Exhibit C)

**RECOMMENDED MOTION/ACTION:**

- Take testimony from the Falcon Heights Condominium Association
- Move to approve Council Option 2 to approve Falcon Heights' request for a refund in the amount of \$23,961.94 as a credit on the account.

**NOTICE SENT TO:**

Falcon Heights Condominium Association  
P.O. Box 127  
Klamath Falls, OR 97601

KLAMATH FALLS CITY COUNCIL  
AGENDA REPORT



Agenda Item No. 5

Date: April 20, 2015

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Department: Public Works	Contact/Title: Mark Willrett/Public Works Director
Staff Presenter: Mark Willrett	Telephone No.: 541-883-5364
City Manager Review: <i>[Signature]</i>	Email: willrett@ci.klamath-falls.or.us

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**TITLE:** Direction on the Falcon Heights Condominium Association Agreement for Wastewater Services

**SUMMARY AND BACKGROUND:**

In 1998, the City executed an agreement with Falcon Heights Condominium Association to provide wastewater services. Although Falcon Heights is located outside of the city limits and urban growth boundary, the two and a half mile sewer line from the former military housing connects to the City's wastewater system at the Kingsley Lift Station. Therefore, the City chose to provide wastewater services to Falcon Heights, conditioned on Falcon Heights being responsible for delivering Falcon Heights' wastewater to the City's Kingsley Lift Station. The City has consistently stated that Falcon Heights and its predecessor, the federal government, are responsible for maintenance of the sewer line from Falcon Heights to the City's wastewater system.

In September 2014, LouEllyn Kelly, Managing Agent for the Falcon Heights Condominium Association questioned why the Falcon Heights' wastewater charges had increased. In response, staff researched and answered Ms. Kelly's questions via an email from Public Works Director Mark Willrett. Mr. Willrett's email, as well as Ms. Kelly's response, is attached. It should be noted that due to necessary future system upgrades, all City users have seen increases in their wastewater bills.

In January 2015, Falcon Heights, through their attorney Barbara DiIaconi, paid \$9,135 for each month September 2014 to January 2014, less than the actual amount charged per month. In February and March, Falcon Heights paid \$9,135 for each month. Based on these payments, staff believes Falcon Heights is likely to continue to pay \$9,135 per month. To date, Falcon Heights owes \$ \$56,121.27. We have since received two checks for \$9,135 each. We have not cashed those at this time because the contract allows us to give a 45 day notice for payment in full.

Falcon Heights Wastewater  
Page 1 of 6

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The City operates its wastewater utility at cost. We do not seek to make a profit from providing this service. The fees charged to Falcon Heights are determined by the flows of wastewater we receive from their system and include a 16% discount for the administrative savings (calculated in 1998, subsequent agreements only give an 8% discount) we have by not having to read individual meters or send individual bills. The amount that Falcon Heights charges its residents is within the purview of Falcon Heights. If Falcon Heights is allowed to pay less than the city ratepayer for wastewater services, the city ratepayer will be subsidizing the service provided to Falcon Heights.

In February, City staff explained Falcon Heights' wastewater bills and the deduction for the Falcon Heights School. City showed that Falcon Heights is receiving a 16% discount (for administrative savings) off of the rates charged to city residents. The City also showed that the County School District building's usage is deducted from the charges to Falcon Heights Condominium Association. The City demonstrated that if the City billed Falcon Heights like other city residents, using the average winter water flow, the bill would have increased by more than \$26,000 for the period of January 2014 to September 2014.

Further in February, City staff noticed that there was a significant increase in the amount of wastewater from Falcon Heights starting in August and brought that to the attention of Falcon Heights. Based on this information it appears that Falcon Heights may have an issue with water infiltrating the sewer line. Falcon Heights may be experiencing some inflow and/or infiltration (I & I) of either groundwater or storm runoff into their system that they are then sending to the City. I&I is a common concern for wastewater systems. The City spends significant resources attempting to lessen the City's I&I impact on our own system. City staff does not have sufficient data to determine where this might be occurring, other than there is an increase to the wastewater received at the meter. As discussed above, the maintenance of the sewer line is the responsibility of Falcon Heights.

We understand that Falcon Heights has explored other options for its wastewater. A few years ago, they investigated whether to build their own treatment facility. The decision to move forward with that option or not rests solely with Falcon Heights.

City Council has a couple different options. The first option is to terminate service with Falcon Heights. According to Section 3 of the agreement, "[f]ailure to receive payment in full within 45 days shall result in termination of service." Since Falcon Heights is not located within the City and it is not contiguous with the city limits, the State of Oregon cannot force the City to provide service through a health hazard annexation.

The second option is to modify the current agreement to accommodate Falcon Heights' concerns. Such modifications could include further reducing the rate charged, changing the method of metering the charges, or giving additional flexibility in the terms to allow Falcon Heights to either find another service provider or assess and repair its sewer line.

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**FINANCIAL IMPACT:**

Falcon Heights continues to pay a flat amount of \$9,135 for the months of September 2014 to February 2015. The average bill for the past 12 months is \$15,181.36 per month.

**DOCUMENTS ATTACHED:**

- Correspondence between Falcon Heights and City
- Agreement with Falcon Heights for wastewater services

**REQUESTED MOTION/ACTION:**

- Take public comment
- Move to direct staff on action to take on Falcon Heights Condominium Association agreement for wastewater services

**NOTICE SENT TO:**

Falcon Heights Condominium Association

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**From:** W LouEllyn Kelly [mailto:wkelly007@qwestoffice.net]  
**Sent:** Monday, November 24, 2014 1:30 PM  
**To:** Mark Willrett; Nathan Cherpeski  
**Cc:** Mike Rudd; Barbara Diaconi; Kelly Fry; Ed Stanton; Don Carroll; Josh White; Joann Crews; Linda Shann; JD Faulkner; Julia Zoppetti; James Hurst; Jan Hamblin; Pat Rempe  
**Subject:** Re: Waste Water Charges for Falcon Heights

Mark

I do not know where the County Assessor gets that we have 295 platted housing units. Falcon Heights has 290 unit [single family and duplexes] plus a Community Hall and a Fire Hall.

The storm drains do not empty into the sewer system. John Johnson can verify what I am writing here 541-891-0876.

I believe we have a real problem with what you are stating we owe for September and that we are not going to get a credit back on the over-billing from August.

Our attorneys will be in touch with you.

Lou Ellyn Kelly, Managing Agent

**From:** Mark Willrett  
**Sent:** Monday, November 24, 2014 12:55 PM  
**To:** mailto:wkelly007@qwestoffice.net  
**Cc:** Nathan Cherpeski; Jadea Bacchetti  
**Subject:** FW: Waste Water Charges for Falcon Heights

LouEllyn,

City staff has taken many hours in looking into the waste water charges associated with your development. Before I get to my findings I'd like to set the stage with how we understand the system to work.

The Falcon Heights Housing association as well as the Klamath County schools administration office are the only two entities that discharge sewerage to the City of Klamath Falls. There is no flow coming in from Kingsley or any of its facilities. Currently, there is a meter at the Falcon Heights pumping station which is used to read sewer flows and how we bill the association. There is a meter which registers domestic water usage at the school district office. This is the amount of flow that is deducted from the association's bill each month. It is the understanding of the City that this water comes from the association due to the district's well being contaminated.

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EXHIBIT A, PAGE 5

Over the past two years the association has questioned billings from the City noting that several of the invoices are too high and can't be justified. The most recent two in question are for \$18,237.53 and \$12,052.79. The September billing of \$18,237.53 is for service provided during the month of August. As a result of your concerns related to these two most recent invoices the City Waste Water Dept. installed a separate flow meter in the manhole just prior to the pump station to see if flows between this meter and the one used to invoice you correlated. Readings for both were collected over one week. While the numbers didn't match exactly, the flow readings for the "check" meter in the manhole consistently read higher than the meter used to invoice the association. I would note that invoices for August of both this year and last year were higher than July invoices. A factor which is likely influencing the September invoice of \$18,000 is the rain event that happened in August. I know you stated that to your knowledge no storm drain lines are connected to the sanitary system it is very common for storm water flows to make their way into the sanitary system via the manholes in the roadway or by infiltration of the pipe network. The City experiences this on a regular basis.

Another check is to look at the size of the development and apply a standard discharge rate to estimate the flow. The City of Klamath uses 130 gallons per capita per day. This is the same quantity used in our engineering standards. The assessor's office shows that there are 295 platted lots within the Falcon Heights Development. Assuming that only 250 are occupied and that there are two persons per household, the estimated discharge would be 1.95 million gallons per month or 2,607 units. At the current billing rate of \$6.57 per unit an average bill would equal somewhere around \$17,128/month. So far we've only seen the most recent invoice get to this level.

You noted in one of your previous e-mails that the amount of domestic water you are pumping this year is down compared to the past two years. That does certainly seem to be the trend even with only three months remaining to be accounted for. With this in mind there is the option to charge the association in the manner which we charge city residents which is off of water consumption. With this scenario, monthly charges for the billing periods of April through November are based on the previous winter average water use (Nov. - March) as to not charge the homeowner for irrigation. The months of December through March are based off of actual consumption. When I ran this scenario your bill each month for the past 6 months would have been \$13,815. This is using the numbers you provided me. In looking at what you have been charged for the past 9 months compared to our standard billing method (water consumption), you would have paid an additional \$28,590.82. Both of these analysis take into account the 18% rate reduction provided to the association. I've attached a copy of this spreadsheet for your use. I did not deduct the school districts charges from this spreadsheet but their use is minimal and would be somewhere around \$120/month.

Falcon Heights Wastewater  
Page 5 of 6

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EXHIBIT A, PAGE 6

With this information in mind I cannot find a reason to discount or reduce your previous invoices in any way. Should you have further questions I think it would be in the best interest of all parties if we were to meet in person.

Thank you,

Mark Willrett, P.E.  
Director of Public Works  
226 S. 5<sup>th</sup> Street  
Klamath Falls, OR 97601  
Office: 541-883-5364  
Fax: 541-883-5395  
[willrett@ci.klamath-falls.or.us](mailto:willrett@ci.klamath-falls.or.us)

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Falcon Heights Wastewater  
Page 6 of 6

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Falcon Heights  
Page 8 of 49

BOIVIN, UERLINGS & DIACONI, P. C.

ATTORNEYS AT LAW  
803 MAIN STREET, SUITE 201  
KLAMATH FALLS, OREGON 97601-6070  
TELEPHONE: (541) 884-8101  
FAX: (541) 884-8498

JAMES R. UERLINGS  
BARBARA M. DIACONI

FOUNDED IN 1915  
HARRY D. BOIVIN  
(1904-1999)  
ROBERT D. BOIVIN  
(1937-1999)

16 January 2015

HAND DELIVERED

Ms. Joanna Lyons-Antley, Esq.  
Klamath Falls City Attorney  
500 Klamath Avenue  
Klamath Falls, OR 97601

Re: Falcon Heights Condominium Association (FHCA) Sewer Billing Issues  
Account No. 33539-41294

Dear Joanna:

I have been asked to correspond with you concerning the ongoing issues regarding the metering and billing for the sewer at FHCA. I am enclosing four (4) checks along with this letter as payment for the sewer usage at FHCA through January 2015. They are as follows:

Check 6275	\$6,131.79*	October 2014 payment
Check 6274	\$9,135.00	November 2014 payment
Check 6273	\$9,135.00	December 2014 payment
Check 6272	\$9,135.00	January 2015 payment

\* represents a \$3,000 credit for the overcharge of September payment of over \$12,138.21

I would hope that we can resolve the continuing issues without this matter ending in either litigation and/or a public relations nightmare for both sides. There are bona fide issues concerning the manner in which the City is billing FHCA for the sewer flow, which include but are not limited to the fact that the City is billing FHCA based on the sewer flow meter while billing all other similar entities based on measuring the average winter time water flow. This may well have to do with the current contract between the City of Klamath Falls and FHCA. (A copy is enclosed for your ready reference).

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Joanna Antley-Lyons  
January 16, 2015  
Page 2

Under the terms of this agreement the following is the correct formula for charging for the sewer service to FHCA.

The sewer service rate charged to and to be paid by FHCA shall be the City's duly adopted outside City domestic, residential, wastewater rate subject to adjustment from time to time by the City through its general rule-making authority. Billings shall be reduced by 24% to reflect City savings in billings, operations and maintenance costs. At such time as the Kingsley Field plant is discontinued, this reduction shall become 16% to reflect the City's additional costs in transporting the sewage to the Spring Street plant...

Agreement for Sanitary Wastewater Service for Falcon Heights, Section 3, page 2.

To my knowledge, the Kingsley plant has been discontinued for some period of time. I am requesting that you provide FHCA with detailed documentation demonstrating this 16% reduction as required by the contract is applied and reflected in the going billings to FHCA.

What has not been addressed in the discussion thus far is the fact that the School District office has been using the FHCA sewer lines since 1992, prior to the advent of FHCA, and certainly since 1998 when FHCA began. Not only does and has FHCA been providing water to the School District from FHCA privately held water system, but the School District's wastewater is processed through the FHCA system. It is my understanding that all of this time the City has been billing and collecting for these services which the City has not been providing, and has never credited FHCA for these amounts. At this time, I am requesting that FHCA be provided with the documentation for the monies the City has billed the School District for the services that FHCA has been providing and for which the City has been collecting.

In a review of the amounts that have been charged and threatened to be charged to FHCA in the past months, and certainly since your letter of May 8, 2013, it would seem that the City believes that it is appropriate to charge each household at FHCA at the rate of anywhere from \$41.86 to \$62.70 per month for this service. I do not believe that there is anywhere else in the county the City is charging anywhere near this amount. As a note, South Suburban Sanitary District charges approximately \$21.00 per month per household.

There are 290 units at FHCA (not all of which are currently occupied) so the monthly payment of \$9,135.00 per month represents a charge of \$31.50/month/household for 290 units. This is at the outside limit of what FHCA can afford to pay for a service that requires the City to do no maintenance and to bill one entity instead of 290 individuals.

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Joanna Ardley-Lyons  
January 16, 2015  
Page 3

Until such time as this matter can be resolved, we are requesting that, before any city employee enters onto the FHCA property, permission be obtained and that at any time the flow meter is to be read, a representative of FHCA be present to verify the numbers. Additionally, as it is our understanding that the City is not able to reconcile between the two meters, that the City remove the meter located in the manhole outside the sewer compound which was installed without FHCA permission. For purposes of requesting access, please contact John Johnson at 541-891-0876.

Finally, I request that the threatened \$35.00 per household "re-connection" charge for non-payment in full be suspended. Given that the City does not currently have a certified Sewer Engineer working for it, this would seem a reasonable request and one designed to get the parties talking and resolving the outstanding issues between them.

Sincerely,

BOIVIN, UERLINGS & DIACONI, P.C.

  
Barbara M. DiLaconi, Esq.

BMD/jrg  
cc: Client  
Michael Rudd, Esq.

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EXHIBIT A, PAGE 10-

WASHINGTON FEDERAL  
802 Main Street  
Klamath Falls, OR 97601

6272

92-7938/3241

FALCON HEIGHTS CONDOMINIUM ASSOCIATION  
PO BOX 127  
KLAMATH FALLS, OR 97601-0377

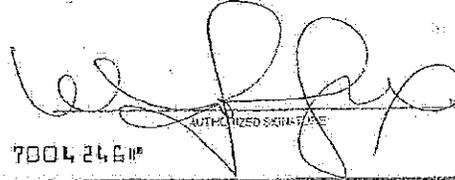
1/16/2015

PAY TO THE ORDER OF City of Klamath Falls

\$ \*\*9,135.00

Nine Thousand One Hundred Thirty-Five and 00/100 \*\*\*\*\* DOLLARS

City of Klamath Falls  
PO Box 237  
Klamath Falls, OR 97601

  
AUTHORIZED SIGNATURE

MEMO

January 2015 - ACCT 33539-41294

⑈006272⑈ ⑆324170065⑆ 288 7004246⑈

6272

City of Klamath Falls

January 2015

1/16/2015

9,135.00

-101 - Checking

January 2015 - ACCT 33539-41294

9,135.00

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EXHIBIT A, PAGE 11

WASHINGTON FEDERAL  
803 Main Street  
Marathon Falls, OR 97601

6273  
92-76693241

FALCON HEIGHTS CONDOMINIUM ASSOCIATION  
PO BOX 127  
KLAMATH FALLS, OR 97601-0377

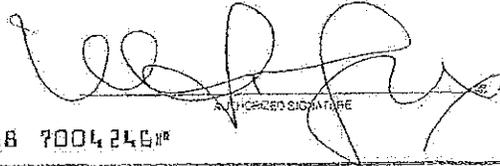
1/16/2015

PAY TO THE ORDER OF City of Klamath Falls

\$ \*\*9,135.00

Nine Thousand One Hundred Thirty-Five and 00/100 \*\*\*\*\* DOLLARS

City of Klamath Falls  
PO Box 237  
Klamath Falls, OR 97601



MEMO

December 2014 - ACCT # 33539-41294

⑈006 273⑈ ⑆3 24 1 7008 5⑆ 288 7004 246⑈

6273

City of Klamath Falls

December 2014 payment

1/16/2015

9,135.00

101 - Checking

December 2014 - ACCT # 33539-41294

9,135.00

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WASHINGTON FEDERAL  
800 Main Street  
Klamath Falls, OR 97601

6274

12/16/2014

FALCON HEIGHTS CONDOMINIUM ASSOCIATION  
PO BOX 127  
KLAMATH FALLS, OR 97601-0377

1/16/2015

PAY TO THE ORDER OF City of Klamath Falls

\$ \*\*9,135.00

Nine Thousand One Hundred Thirty-Five and 00/100\*\*\*\*\* DOLLARS

City of Klamath Falls  
PO Box 237  
Klamath Falls, OR 97601

MEMO

November 2014 - ACCT # 33539-41294

*[Handwritten Signature]*  
AUTHORIZED SIGNATURE

⑈005274⑈ ⑆324⑆70085⑆ 288 7004248⑈

6274

City of Klamath Falls

November 2014 payment

1/16/2015

9,135.00

101 - Checking

November 2014 - ACCT # 33539-41294

9,135.00

5

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WASHINGTON FEDERAL  
603 Main Street  
Klamath Falls, OR 97601

6275

92-70693241

FALCON HEIGHTS CONDOMINIUM ASSOCIATION  
PO BOX 127  
KLAMATH FALLS, OR 97601-0377

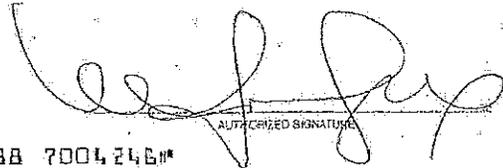
1/16/2015

PAY TO THE ORDER OF City of Klamath Falls

\$ 6,131.79

Six Thousand One Hundred Thirty-One and 79/100 \*\*\*\*\* DOLLARS

City of Klamath Falls  
PO Box 237  
Klamath Falls, OR 97601



MEMO

October 2014 - ACCT # 33539-41294

AUTHORIZED SIGNATURE

⑈006275⑈ ⑆324470085⑆ 288 7004246⑈

6275

City of Klamath Falls

1/16/2015

\$9,135.00 minus \$3,003.21 credit from September 2

6,131.79

101 - Checking

October 2014 - ACCT # 33539-41294

6,131.79

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11/14/2008 TUE 07:10 FAX

@002-004

C. W. Director  
Utility Sup.  
293

AGREEMENT FOR SANITARY WASTEWATER  
SERVICE FOR FALCON HEIGHTS

THIS AGREEMENT, is made and entered into the dates below written by and between the City of Klamath Falls, an Oregon municipal corporation ("City"), and Falcon Heights Condominium Association, Inc., an Oregon corporation ("FHCA").

WITNESSETH:

WHEREAS, Falcon Heights, formerly military housing located southeast of the City, is currently being redeveloped as private housing by FHCA, and

WHEREAS, FHCA, having evaluated the options for wastewater collection treatment and disposal, has concluded the most desirable option is to continue to convey the generated wastewater to the City's collection system for treatment and disposal, and

WHEREAS, the City of Klamath Falls (hereafter City) can accommodate the increased wastewater, to be generated by the 290 living units, and

WHEREAS, service of Falcon Heights by the City is permissible under the Klamath County Land Development Code; and

WHEREAS, 15 units have received service from the existing service line within the past 10 years and off-site system renovation improvements in the sum of \$122,129.97 have been made as an SDC credit; and

WHEREAS, the City and FHCA desire to enter into a formal agreement providing the wastewater service for Falcon Heights based on the terms and conditions stipulated below.

NOW THEREFORE, the parties hereto agree as follows:

1. Service Line. FHCA shall be solely responsible for delivering the wastewater to the City's Kingsley Field Treatment Plant and shall be responsible for the operation and maintenance of the service line(s) and lift station (including electric service) necessary to transfer the wastewater from Falcon Heights to the treatment plant. FHCA's operation and maintenance and any reconstruction necessary shall be in compliance with DEQ and Klamath County rules and regulations.
2. Future Hook-ups. With the exception of the Klamath County School District facility located at Falcon Heights and the Air Guard Vehicle Maintenance Building, FHCA shall not permit any

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other party to connect to the service line running to the treatment plant without the prior written approval of the City, which approval shall be subject to such terms and conditions as City may impose in its sole discretion.

3. Service Charge. The sewer service rate charged to and to be paid by FHCA shall be the City's duly adopted outside City domestic, residential, wastewater rate subject to adjustment from time to time by the City through its general rule making authority. Billings shall be reduced by 24% to reflect City savings in billing, operations and maintenance costs. At such time as the Kingsley Field plant is discontinued, this reduction shall become 16% to reflect City's additional costs in transporting the sewage to the Spring Street plant. Billings shall be paid by FHCA within 30 days of receipt. This shall be a single service account and at no time shall the City be obligated to individually bill each residence at Falcon Heights. Failure to receive payment in full within 45 days shall result in termination of service.
4. Metering. The volume of wastewater upon which the monthly charge is computed shall be measured by a flow meter to be installed by FHCA at the lift station together with a digital readout on the lift station pumps (also to be installed by FHCA) which shows the number of hours of pump operation.
5. SDC. FHCA shall pay to City a Sanitary Sewer System Development charge (SDC) in the sum of \$70,370.03, which sum reflects credits for those units on the system within the past 10 years and off-site improvements.  
The unit charge shall be \$242.66, payable upon occupancy of the unit. The parties shall execute a MOU for recording purposes to reflect this obligation.
6. Clean Water Act. This agreement shall be subject to applicable Clean Water Act rules and regulations imposed by DBO and EQC, under the City's NPDES permit or court decisions.
7. Annexation. The parties acknowledge that under current Oregon land use law, annexation would not be allowed as long as District property remains outside the UGE and therefore the City's consent to annex policy is waived.
8. ONRC LAWSUIT. City herewith provides FHCA with a copy of the recently filed ONRC federal lawsuit with respect to the City's NPDES permit. Said suit requests remedies which if granted by the Court may impair City's ability to provide the treatment services provided for herein. FHCA acknowledges such potential and City shall not be obligated to perform contracted obligations hereunder which would be in conflict with any applicable court decree or ruling.

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04/14/2009 TUE 07:19 FAX

00047004

9. Notice: Any notice to be given either party hereunder shall be given in writing and shall be sufficient if sent by mail:

If to City: City Manager  
City Hall Annex  
500 Klamath Avenue  
Klamath Falls, OR 97601

With a required copy to: City Attorney  
City Hall Annex  
500 Klamath Avenue  
Klamath Falls, OR 97601

If to FHCA: DouBlynn Kelly, President  
FHCA Development, Inc.  
135 S. 9th Street  
Klamath Falls, OR 97601

10. ENTIRE AGREEMENT. This agreement sets forth the entire understanding of the parties and shall be governed by the laws of the State of Oregon.

11. ARBITRATION. Any dispute or controversy arising out of this agreement or out of a party's refusal to perform the whole or any part of this agreement shall be subject to resolution only through final and binding arbitration pursuant to the procedure set forth in ORS 36.300 et. seq.

12. SUCCESSORS & ASSIGNS: This agreement shall be binding upon the parties' successors and assigns, and on the future purchases of property within Falcon Heights.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their respective duly authorized persons as of the dates below stated.

FALCON HEIGHTS CONDOMINIUM, INC.

THE CITY OF KLAMATH FALLS

By: [Signature]  
President

By: [Signature]  
Mayor

By: [Signature]  
Treasurer

Attest: [Signature]  
City Recorder

Dated: 3-5-98

Dated: 3-6-98

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RECEIVED FEB 02 2015 BOIVIN, UERLINGS & DIACONI, P. C.

ATTORNEYS AT LAW  
803 MAIN STREET, SUITE 201  
KLAMATH FALLS, OREGON 97601-6070  
TELEPHONE: (541) 884-8101  
FAX: (541) 884-8498

JAMES R. UERLINGS  
BARBARA M. DIACONI

FOUNDED IN 1915  
HARRY D. BOIVIN  
(1904-1999)  
ROBERT D. BOIVIN  
(1937-1999)

2 February 2015

HAND DELIVERED

Ms. Joanna Lyons-Antley, Esq.  
Klamath Falls City Attorney  
500 Klamath Avenue  
Klamath Falls, OR 97601

Re: Falcon Heights Condominium Association (FHCA) Sewer Billing Issues  
Account No. 33539-41294

Dear Joanna:

This is a follow-up to my letter of January 16, 2015, as I have not been favored with a response.

Falcon Heights has received another billing (copy enclosed for your reference.) This billing indicates that no payment has been made on the Falcon Heights Sewer bill. My letter of January 16, 2015 included four (4) checks made payable to the City of Klamath Falls, for a total amount of \$33,536.79. (For September, October, November and December 2014, plus January 2015). When one reviews the billing, one does see that the checks have apparently been credited toward the Falcon Heights account, despite the billing stating no payments have been made. (Previous Balance: \$50,032.98 minus payment of \$33,536.70 = \$16,496.19 "Past Due Amount".) The amounts paid were accepted as the checks have been cashed, and I do not understand why there is a past due amount showing at all.

The bill further states no adjustments were made, but then one sees an entry for "Minimum Charge" 13.14; followed by an entry "Additional per HCF" 18,797.30; then the entry "Adjusted Bill" \$18,711.89; and finally an entry of "Amount Due" \$35,208.08. I do not understand this billing as none of the figures appear to relate to the others, and there are discrepancies on the face of the billing that cannot apparently be explained.

Additionally, in my January 16, 2015 letter, I made a request; "At this time, I am requesting that FHCA be provided with the documentation for the monies the City has billed the School District for the services that FHCA has been providing, and for which the City has been collecting." This information has not been provided. This, to my understanding, would be public information and I should be entitled to receive the requested documentation.

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EXHIBIT A, PAGE 18

Joanna Antley-Lyons  
February 2, 2015  
Page 2

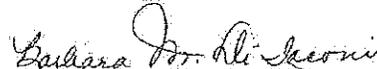
At this time, I am again renewing my request that the city provide the information on what they have been billing and collecting from the School District. Now, I am also requesting that the City provide its methodology and data records for charges to the School District and to Falcon Heights.

Finally, I would like to point out the City isn't responsible for maintaining the changing mains and manhole for Falcon Heights, and that there is an existing contract related to how much Falcon Heights should be charged by the City.

If this is not the correct format for requesting the disclosure of public records, please let me know and provide me with the proper format or form.

Sincerely,

BOIVIN, UERLINGS & DILACONI, P.C.

  
Barbara M. Dilaconi, Esq.

BMD/jrg  
cc: Client  
Michael Rudd, Esq.

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EXHIBIT A, PAGE 19



CITY OF KLAMATH FALLS  
PO BOX 237  
KLAMATH FALLS, OR 97601



Account Number	AMOUNT DUE
1030-41294-001	\$35,208.08
Due Date	Amount Enclosed
1/22/2015	
Service Address	
FALCON HOUSING - HEIGHTS	

There will be a charge on all returned checks.  
Please return this portion with your payment.  
When paying in person, please bring both portions of this bill.

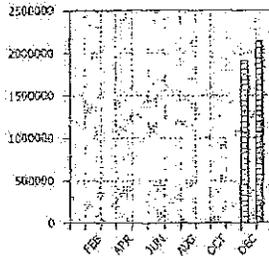
FALCON HEIGHTS CONDO ASSOC  
PO BOX 127  
KLAMATH FALLS, OR 97601-0377

1030412940010000035208080000035208080

CITY OF KLAMATH FALLS  
PO BOX 237  
KLAMATH FALLS, OR 97601

CUSTOMER ACCOUNT INFORMATION - RETAIN FOR YOUR RECORDS

Name		Service Address			Account Number	
FALCON HEIGHTS CONDO ASSOC		FALCON HOUSING - HEIGHTS			1030-41294-001	
Status	Service Dates			Bill Date	Penalty Date	Due Date
	From	To	# Days			
Active	10/24/2014	12/31/2014	30	1/7/2015	1/7/2015	1/22/2015



CURRENT READING	PREVIOUS READING	USAGE
35,195,400	33,055,600	2,139,800

PREVIOUS BALANCE	\$50,032.98
PAYMENTS	\$0.00
ADJUSTMENTS	\$0.00
PENALTIES	\$0.00
PAST DUE AMOUNT	\$16,496.19

MINIMUM CHARGE	13.14
ADDITIONAL PER HCF	18,797.30

ADJUSTED BILL	\$18,711.89
AMOUNT DUE	\$35,208.08

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CITY OF KLAMATH FALLS, OREGON  
500 KLAMATH AVENUE - P.O. BOX 237  
KLAMATH FALLS, OREGON 97601



February 2, 2015

Barbara DiIaconi  
Boivin, Verlings & DiIaconi  
803 Main Street, Suite 201  
Klamath Falls, Oregon 97601-6070

Re: Falcon Heights Condominium Association

Dear Ms. DiIaconi:

We have received your request to accept less than what Falcon Height Condominium Association owes for the months of September, October, November and December 2014.

As you know, the City executed the agreement ("Agreement") with Falcon Heights in order to provide waste water services. Falcon Heights is not within the City limits or the urban growth boundary, so the City is not required to provide waste water services but chose to provide such services as a demonstration of support for the redevelopment of Falcon Heights from former military housing and to provide an important service for the health of the community. Rather than bill for each individual household, the parties agreed that Falcon Heights would be responsible for the billing and maintenance of the waste water system from Falcon Heights to the City's system. In exchange for the administrative savings realized from the billing, Falcon Heights now receives a 16% discount on its waste water services.

Over the past two years, Falcon Heights asked many questions about billing. Each time, City staff dedicated countless hours to researching answers to the questions. Most recently, in November 2014, Public Works Director Mark Willett answered Lou Eilyn Kelly's questions about the billings. I have attached the e-mail correspondence from Mark Willett detailing answers to questions.

The City has carefully considered your situation and does not believe that you are paying significantly more than other ratepayers. For metered households, the City currently charges an average of \$62.56 per household for waste water services. Last month, the average household billing in Falcon Heights was \$64.62 per household for the 290 living units allowed by the Agreement. If the City chose to accept less than what Falcon Heights owes, the remaining waste water rate payers would be subsidizing Falcon Heights. The vast majority of these ratepayers are within city limits. As Falcon Heights is a user outside of the city and already receiving a 16% discount off of the rates, it would be unacceptable to provide a further discount above the other ratepayers without any basis.

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Mayor & Council  
541.883.5316

City Attorney  
541.883.5323

City Manager  
541.883.5316

TTY 541.883.5324 (Hearing Impaired); Fax 541.883.5399

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Although hydrogen sulfide is not the subject of this response, the City has not enforced its Administrative Order to reduce hydrogen sulfide nor the requirement to provide a written plan to do so. The City is not obligated to solve Falcon Heights' issues but the City remains committed to assist to find the best solution. For example, the City met with Falcon Heights' staff on numerous occasions for the past two years to assist them in finding a solution to reduce hydrogen sulfide. Such suggestions included maintenance of the Falcon Heights System, additional chlorine, and installation of an aerator. We realize that Falcon Heights is assessing the hydrogen sulfide on the Kingsley Field Base as a contributor to the overall hydrogen sulfide issue and we hope that this is the solution to the problem.

In response to your statement that "[t]he amounts paid were accepted as the checks have been cashed, and I do not understand why there is a past due amount showing at all," the City of Klamath Falls does not accept the partial payment of September, October, November and December 2014 as satisfying Falcon Heights' entire debt. This appears to be an attempt to modify the written agreement with a partial payment. As you are aware, Oregon law requires that the partial payment is accompanied by the condition of settlement of the entire debt and the City cannot be forced to accept less than what is owed.

You raised some questions about the last bill dated January 22, 2015. As you can see, the bill is in a different format. The change of the format is due to the City converting to a new computer system and there are a number of things different on the new bills. As it was explained to me, the "Minimum Charge" should not be noted on your bill because it is part of your actual usage measured in hundred cubic feet (HCF). The City is fixing this notation on all of the bills charging for actual usage.

The method of calculating your bills is as follows. First, the City converts the gallons used (2,139,800) to hundred cubic feet (HCF). The conversion is as follows:

$$\frac{2,139,800 \text{ gallons used}}{747.9 \text{ gal per 100 cubic feet}} = 2,861.08 \text{ HCF}$$

The City established charge per HCF for single family users is \$7.82. Applying the 16% discount to the HCF rate, Falcon Heights charge per HCF is \$6.57. Second, to calculate the "Additional per HCF," multiply the HCF rate to the HCF used:

$$(2,861.08 \text{ HCF})(\$6.57 \text{ per Falcon Heights HCF}) = \$18,797.30 \text{ ("Additional per HCF")}$$

Third, Falcon Heights School ("School") used 13 HCF based on the water meter read at the School. Since Falcon Heights pays the discounted rate of \$6.57 per HCF the adjustment for the School is:

$$(13 \text{ HCF})(\$6.57) = \$85.41$$

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Letter to Falcon Heights Condominium Association -2

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Fourth, the "Additional per HCF" was adjusted for the School as follows:

$$\$18,797.30 - \$85.41 (13 HCF) = \$18,711.89 \text{ ("Adjusted Bill")}$$

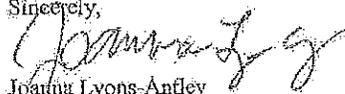
The \$33,536.79 in payments made on January 16, 2015, were applied to the amount owing of \$50,032.98. The amount of \$16,496.19 (\$50,032.98 - \$33,536.79) was the "Past Due Amount." Adding the Adjusted Bill and the Past Due Amount (\$18,711.89 + \$16,496.19), the "Amount Due" is \$35,208.08.

To address your concerns about the first meter, we installed a second flow meter to determine the accuracy of the flows from the first meter. Since you demanded that the City remove the meter, the City has done so. You have requested that we bill you on the average winter water flow, and staff has calculated that for you. The calculations are attached and show that Falcon Heights bill would have increased \$26,574.18 for the period of January to September 2014 if the average winter water flows were used. We also have included the a summary of bills for the School.

According to Section 3 of the Agreement, "Failure to receive payment in full within 45 days shall result in termination of service." According to the terms of the Agreement, the City could refuse to provide any further waste water services to Falcon Heights for failing to pay in a timely manner. However, we are trying to work with you and explain our billing for the health of the community. To date, we have provided approximately 80 hours in assistance to Falcon Heights to answer the questions about billing.

Since the City cannot offer you service below our costs or subsidized by other ratepayers, we would be happy to help you to explore future options. It appears that Falcon Heights wishes to either build its own waste water treatment facility or utilize the services from South Suburban Sanitary District.

Sincerely,

  
Joanna Lyons-Ardley  
City Attorney

Enclosures

c: Mayor & City Council  
City Manager Nathan Cherpeski  
Support Services Director Sue Kirby  
Public Works Director Mark Willrett

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Letter to Falcon Heights Condominium Association -3

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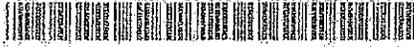
EXHIBIT A, PAGE 23

Account	Date	Amount	Debit	Credit	Balance	Interest	Service Charge	Other
10/01/14	10/01/14	100.00			100.00			
10/02/14	10/02/14	100.00			200.00			
10/03/14	10/03/14	100.00			300.00			
10/04/14	10/04/14	100.00			400.00			
10/05/14	10/05/14	100.00			500.00			
10/06/14	10/06/14	100.00			600.00			
10/07/14	10/07/14	100.00			700.00			
10/08/14	10/08/14	100.00			800.00			
10/09/14	10/09/14	100.00			900.00			
10/10/14	10/10/14	100.00			1000.00			
10/11/14	10/11/14	100.00			1100.00			
10/12/14	10/12/14	100.00			1200.00			
10/13/14	10/13/14	100.00			1300.00			
10/14/14	10/14/14	100.00			1400.00			
10/15/14	10/15/14	100.00			1500.00			
10/16/14	10/16/14	100.00			1600.00			
10/17/14	10/17/14	100.00			1700.00			
10/18/14	10/18/14	100.00			1800.00			
10/19/14	10/19/14	100.00			1900.00			
10/20/14	10/20/14	100.00			2000.00			
10/21/14	10/21/14	100.00			2100.00			
10/22/14	10/22/14	100.00			2200.00			
10/23/14	10/23/14	100.00			2300.00			
10/24/14	10/24/14	100.00			2400.00			
10/25/14	10/25/14	100.00			2500.00			
10/26/14	10/26/14	100.00			2600.00			
10/27/14	10/27/14	100.00			2700.00			
10/28/14	10/28/14	100.00			2800.00			
10/29/14	10/29/14	100.00			2900.00			
10/30/14	10/30/14	100.00			3000.00			
10/31/14	10/31/14	100.00			3100.00			
11/01/14	11/01/14	100.00			3200.00			
11/02/14	11/02/14	100.00			3300.00			
11/03/14	11/03/14	100.00			3400.00			
11/04/14	11/04/14	100.00			3500.00			
11/05/14	11/05/14	100.00			3600.00			
11/06/14	11/06/14	100.00			3700.00			
11/07/14	11/07/14	100.00			3800.00			
11/08/14	11/08/14	100.00			3900.00			
11/09/14	11/09/14	100.00			4000.00			
11/10/14	11/10/14	100.00			4100.00			
11/11/14	11/11/14	100.00			4200.00			
11/12/14	11/12/14	100.00			4300.00			
11/13/14	11/13/14	100.00			4400.00			
11/14/14	11/14/14	100.00			4500.00			
11/15/14	11/15/14	100.00			4600.00			
11/16/14	11/16/14	100.00			4700.00			
11/17/14	11/17/14	100.00			4800.00			
11/18/14	11/18/14	100.00			4900.00			
11/19/14	11/19/14	100.00			5000.00			
11/20/14	11/20/14	100.00			5100.00			
11/21/14	11/21/14	100.00			5200.00			
11/22/14	11/22/14	100.00			5300.00			
11/23/14	11/23/14	100.00			5400.00			
11/24/14	11/24/14	100.00			5500.00			
11/25/14	11/25/14	100.00			5600.00			
11/26/14	11/26/14	100.00			5700.00			
11/27/14	11/27/14	100.00			5800.00			
11/28/14	11/28/14	100.00			5900.00			
11/29/14	11/29/14	100.00			6000.00			
11/30/14	11/30/14	100.00			6100.00			
12/01/14	12/01/14	100.00			6200.00			
12/02/14	12/02/14	100.00			6300.00			
12/03/14	12/03/14	100.00			6400.00			
12/04/14	12/04/14	100.00			6500.00			
12/05/14	12/05/14	100.00			6600.00			
12/06/14	12/06/14	100.00			6700.00			
12/07/14	12/07/14	100.00			6800.00			
12/08/14	12/08/14	100.00			6900.00			
12/09/14	12/09/14	100.00			7000.00			
12/10/14	12/10/14	100.00			7100.00			
12/11/14	12/11/14	100.00			7200.00			
12/12/14	12/12/14	100.00			7300.00			
12/13/14	12/13/14	100.00			7400.00			
12/14/14	12/14/14	100.00			7500.00			
12/15/14	12/15/14	100.00			7600.00			
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12/17/14	12/17/14	100.00			7800.00			
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12/19/14	12/19/14	100.00			8000.00			
12/20/14	12/20/14	100.00			8100.00			
12/21/14	12/21/14	100.00			8200.00			
12/22/14	12/22/14	100.00			8300.00			
12/23/14	12/23/14	100.00			8400.00			
12/24/14	12/24/14	100.00			8500.00			
12/25/14	12/25/14	100.00			8600.00			
12/26/14	12/26/14	100.00			8700.00			
12/27/14	12/27/14	100.00			8800.00			
12/28/14	12/28/14	100.00			8900.00			
12/29/14	12/29/14	100.00			9000.00			
12/30/14	12/30/14	100.00			9100.00			
12/31/14	12/31/14	100.00			9200.00			
1/01/15	1/01/15	100.00			9300.00			
1/02/15	1/02/15	100.00			9400.00			
1/03/15	1/03/15	100.00			9500.00			
1/04/15	1/04/15	100.00			9600.00			
1/05/15	1/05/15	100.00			9700.00			
1/06/15	1/06/15	100.00			9800.00			
1/07/15	1/07/15	100.00			9900.00			
1/08/15	1/08/15	100.00			10000.00			
1/09/15	1/09/15	100.00			10100.00			
1/10/15	1/10/15	100.00			10200.00			
1/11/15	1/11/15	100.00			10300.00			
1/12/15	1/12/15	100.00			10400.00			
1/13/15	1/13/15	100.00			10500.00			
1/14/15	1/14/15	100.00			10600.00			
1/15/15	1/15/15	100.00			10700.00			
1/16/15	1/16/15	100.00			10800.00			
1/17/15	1/17/15	100.00			10900.00			
1/18/15	1/18/15	100.00			11000.00			
1/19/15	1/19/15	100.00			11100.00			
1/20/15	1/20/15	100.00			11200.00			
1/21/15	1/21/15	100.00			11300.00			
1/22/15	1/22/15	100.00			11400.00			
1/23/15	1/23/15	100.00			11500.00			
1/24/15	1/24/15	100.00			11600.00			
1/25/15	1/25/15	100.00			11700.00			
1/26/15	1/26/15	100.00			11800.00			
1/27/15	1/27/15	100.00			11900.00			
1/28/15	1/28/15	100.00			12000.00			
1/29/15	1/29/15	100.00			12100.00			
1/30/15	1/30/15	100.00			12200.00			
1/31/15	1/31/15	100.00			12300.00			
2/01/15	2/01/15	100.00			12400.00			
2/02/15	2/02/15	100.00			12500.00			
2/03/15	2/03/15	100.00			12600.00			
2/04/15	2/04/15	100.00			12700.00			
2/05/15	2/05/15	100.00			12800.00			
2/06/15	2/06/15	100.00			12900.00			
2/07/15	2/07/15	100.00			13000.00			
2/08/15	2/08/15	100.00			13100.00			
2/09/15	2/09/15	100.00			13200.00			
2/10/15	2/10/15	100.00			13300.00			
2/11/15	2/11/15	100.00			13400.00			
2/12/15	2/12/15	100.00			13500.00			
2/13/15	2/13/15	100.00			13600.00			
2/14/15	2/14/15	100.00			13700.00			
2/15/15	2/15/15	100.00			13800.00			
2/16/15	2/16/15	100.00			13900.00			
2/17/15	2/17/15	100.00			14000.00			
2/18/15	2/18/15	100.00			14100.00			
2/19/15	2/19/15	100.00			14200.00			
2/20/15	2/20/15	100.00			14300.00			
2/21/15	2/21/15	100.00			14400.00			
2/22/15	2/22/15	100.00						





CITY OF KLAMATH FALLS  
PO BOX 237  
KLAMATH FALLS, OR 97601



Account Number	AMOUNT DUE
1030-47390-001	\$101.53
Due Date:	Amount Enclosed
1/22/2015	
Service Address:	
10501 WASHBURN WAY	

There will be a charge on all returned checks.  
Please return this portion with your payment.  
When paying in person, please bring both portions of this bill.

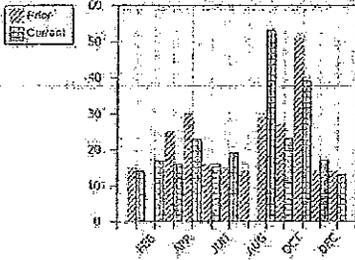
FALCON HEIGHTS SCHOOL  
10501 WASHBURN WAY  
KLAMATH FALLS, OR 97603-8626

103047390001000000010153000000101535

CITY OF KLAMATH FALLS  
PO BOX 237  
KLAMATH FALLS, OR 97601

CUSTOMER ACCOUNT INFORMATION - RETAIN FOR YOUR RECORDS

Name:		Service Address:			Account Number	
FALCON HEIGHTS SCHOOL		10501 WASHBURN WAY			1030-47390-001	
Status:	Service Dates		# Days	Bill Date	Penalty Date	Due Date
	From	To				
Active	10/24/2014	1/5/2015	30	1/7/2015	1/7/2015	1/22/2015



CURRENT READING	PREVIOUS READING	USAGE
11,339	11,326	13

PREVIOUS BALANCE	\$132.77
PAYMENTS	\$132.77
ADJUSTMENTS	\$0.00
PENALTIES	\$0.00
PAST DUE AMOUNT	\$0.00

MINIMUM CHARGE	15.62
ADDITIONAL PER-ICF	101.53

CURRENT BILL AMOUNT DUE	\$101.53
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CITY OF KLAMATH FALLS, OREGON  
500 KLAMATH AVENUE - P.O. BOX 237  
KLAMATH FALLS, OREGON 97601



February 18, 2015

Barbara Dilaconi  
Boivin, Uerlings & Dilaconi  
803 Main Street, Suite 201  
Klamath Falls, Oregon 97601-6070

Re: Falcon Heights Condominium Association

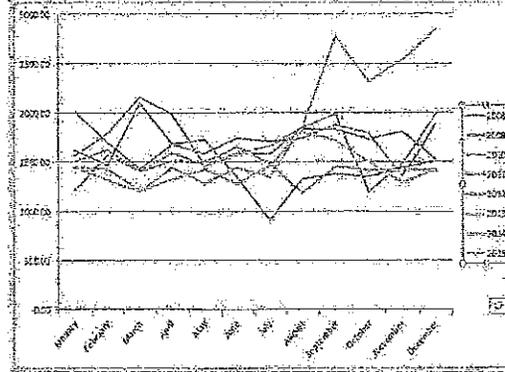
Dear Ms. Dilaconi:

After discussion with my client, it appears that Falcon Heights is trying to modify the contract with the City for its waste water services. We think it might be good for the Falcon Heights Condominium Board and the City Council to speak about the issue.

The City Council must approve any change in the contract on behalf of the City. I would guess that the Falcon Heights Condominium Association Board also must approve any change in the contract on behalf of Falcon Heights.

The City Council will be meeting on Monday, April 6, 2015 at 7:00 p.m. and discussing its options in the contract with Falcon Heights. This would be an opportunity for the Falcon Heights Condominium Board to discuss the issue with City Council.

As shown below, we see that starting in August 2014, the amount of Falcon Heights' waste water reaching our system has increased dramatically and is not consistent with the prior years. Below is a chart created by Public Works Director Mark Willrett analyzing the amounts metered:



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Mayor & Council  
541.883.5316

City Attorney  
541.883.5323  
TTY 541.883.5324 (Hearing Impaired); Fax 541.883.5399

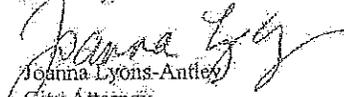
City Manager  
541.883.5316

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Unfortunately, the City does not know the answer why the Falcon Heights system is increasing flows. Since the answer to the reason why the waste water flows have increased lies somewhere within the Falcon Heights system, Falcon Heights Condominium Association is in the best position to determine the cause of the increase.

A meeting on April 6, 2015, should give sufficient time for Falcon Heights to prepare for the meeting and to perhaps investigate the cause of the increase to the flows. Please let me know if representatives from Falcon Heights will be attending the meeting. Thank you for your assistance.

Sincerely,

  
Joanna Lyons-Antley  
City Attorney

c: Mayor & City Council  
City Manager Nathan Cherpeski  
Support Services Director Sue Kirby  
Public Works Director Mark Willrett

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Councilman Dodson moved to authorize award of contract to Pelican Tractor Company for a Kubota M110GX tractor and specified accessory equipment in the amount of \$59,304.23. Councilman Tofell seconded. The motion carried unanimously with all Council members present voting aye.

5. DIRECTION ON THE FALCON HEIGHTS CONDOMINIUM ASSOCIATION AGREEMENT FOR WASTEWATER SERVICES. Public Works Director Mark Willrett reviewed his written report. Councilman Tofell asked if Falcon Heights had checked their system. Mr. Willrett responded they had not, to his knowledge. Councilman Tofell asked if they had shared any information with the City regarding potential inflow into the system that could be the cause of rate increase. Mr. Willrett responded no. Councilman Tofell asked if they paid lesser fees than the average City resident. Mr. Willrett responded yes, by 16%.

Councilman Hart stated City residents paid based on water service and that was an estimate on what part of the water went to sewer and what part to irrigation. Like other commercial entities, Falcon Heights paid directly for sewer only and that was metered. Mr. Willrett stated that was not always the case with commercial entities but was also the case with Sky Lakes and some other home owner associations such as Southview, Running Y and Ridgeview. Councilman Hart asked who read the meter and who owned the meter that measured flow from Falcon Heights. Mr. Willrett stated the City was responsible for reading the meter and, per the Agreement with Falcon Heights in Section 4 it read, "*The volume of wastewater upon which the monthly charge is computed shall be measured by a flow meter to be installed by FHCA at the lift station together with a digital readout on the lift station pumps (also to be installed by FHCA) which shows the number of hours of pump operation.*" Councilman Hart asked to clarify it was Falcon Heights' meter and pump, not the City's. Mr. Willrett responded that was how he would interpret it.

Councilman Dodson stated the City installed a second meter to check that the existing meter at the pump station was working correctly. Mr. Willrett stated it was installed in the manhole and the meters did not read exactly the same, but the secondary meter read higher. It was only done for a period of nine days. Councilman Dodson asked about an infiltration issue in the Conger area and how the City figured it out. Mr. Willrett stated there was a large amount of water flowing through the pipes so the City televised the lines to see where the water was coming from. He noted it

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was common with older clay pipe.

Councilman Tofell asked if the City had offered Falcon Heights the opportunity for City equipment to go in at cost to determine if there was an influent problem. Mr. Willrett stated the City had gone out to Kingsley Field and contracted to assist them in televising their lines. Councilman Tofell asked if the City would do that for Falcon Heights if they requested it. Mr. Willrett responded that time permitting, yes. Councilman Adams stated he would not recommend the City do that, rather Falcon Heights hire a private party given the adversarial feedback received from them.

Mayor Kellstrom opened the public comment.

Barbara DiLaconi, Esq. Ms. DiLaconi stated the matter had become adversarial. There was a different water table at Falcon Heights than at Conger. Falcon Heights had recently worked on the pipes and there was no water to the best of their knowledge seeping into the system. The average monthly charge ran from \$7,000 to \$9,000 per month with Falcon Heights paying over \$1,300,000 since inception of the contract for services. She noted Falcon Heights had taken care of all the maintenance as well. They questioned the bill since it had been running approximately \$9,000 per month. In February and March of 2013 their bill was \$9,000+, in August through October of 2013 it was \$8,214. In November, 2013 it was \$8,397; December it was \$9,241. Then in August of 2014 it was \$18,237.53 and in November it was \$18,797.30. She stated she did not know anyone who received a bill that almost doubled what they were used to, who would not want to know why and what caused the changes.

Ms. DiLaconi stated what had not been clear was there were two meters at two locations and they were never told which meter would be used. Nor did she understand why a user who questioned their bill must submit a public records request to receive billing and account information. Falcon Heights had tried to work the issue out. The day the City came out after being asked not to trespass on Falcon Heights' property, Falcon Heights had experts out reading the meters attempting to figure out what the problem was but they did not know. She noted the current bill was back down to \$8,251, which proved there had to be something going on. Falcon Heights would like to get to the bottom of it and did not want to go to war with the City. There had been an attitude from both sides of, "What I say is

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the way it's going to be," which sounded like war to her. She referenced Councilman Tofell's comment about his monthly bill and using the figure of \$18,000 for one bill divided by the 290 units at Falcon Heights averaged out to over \$65 per month. There was a 20% vacancy rate because of all the foreclosures so it was over \$65 per month. Falcon Heights had been asked to pay, which was not consistent. Ms. DiIaconi stated Falcon Heights asked instead of Council choosing proposed Option 1, to cancel the contract, that Council direct staff to work with Falcon Heights to come to a conclusion that could justify the difference between the billings. She further asked that Council direct staff to cash the two \$9,135 checks they had been holding and to get on with solving problems rather than making them worse.

Councilwoman Seiler asked what Falcon Heights had done in terms of maintaining the line that connected to the City lift station. Ms. DiIaconi stated they had it inspected, replaced parts of it, and were working on making some other alterations. They had also hired experts to come down and calibrate and read the meters. She noted she was not sure that running a camera through the system would provide an answer on if there was infiltration.

Councilman Tofell stated the City should share any information on billing and Falcon Heights should share what they had done with regard to repairs and what Falcon Heights planned to do. Ms. DiIaconi agreed.

Councilman Hart explained he had never paid less than \$65 a month in the last two years and when he had a teenager living in the house he paid more and at Christmas when family came to visit it went well over \$120 per month for the sewer bill; the sewer portion of the utility bill.

Councilman Dodson referenced comments about two meters and not knowing which one was being read and stated on the bill there was a reading, which should be easy to correlate. Ms. DiIaconi stated they did not know who read what meter at what time. She was aware there was only one meter there now because Falcon Heights asked the City to remove the other meter and the City did so but they did not know which meters were being used to develop the billings. They had asked for the field notes from the people who read the pump because there was a difference between the pump on the "up" side to the other side and they wanted to know.

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City Manager Nathan Cherpeski clarified when the first concern came in, the City put a second meter in to see if there was a problem. It was only in for nine days. When it was read, the second meter consistently read higher than the meter the City read. There was only one meter the City read. The second meter was installed in attempts to help with the situation. Falcon Heights asked the City to remove it and it was removed. Councilman Adams stated that was all made clear in the letter sent by the City Attorney and Public Works Director. He further stated Ms. DiIaconi was "playing dumb" and he did not think she was being straightforward with what they were doing. He asked if she was saying the meter did not read right. Ms. DiIaconi responded she was not saying that. Councilman Adams stated Falcon Heights owed the City for the service the City provided to Falcon Heights and there was nothing left to work out. They did not like the second meter so the City took it out but it seemed to him if it would have been left in for a month or two it could have provided a better picture of what was happening.

Councilman Hart stated the City had been much better with individual residences but he knew a lady whose sewer readings, water bill and utility bill suddenly increased from \$60 to \$400 a month because there was a leak in the toilet. Her husband continued to pay the bills and did not look at them until she questioned the amount. She then had a plumber inspect and repair the leaking toilet and communicated that to City staff and the City then made an adjustment on the sewer portion of their bill because of the leak. Falcon Heights experienced a sudden jump in fees and immediately blamed the City and it was not the City's meter.

Councilman Adams stated Falcon Heights needed to find out what was wrong with their system and get it fixed so there was not so much water running through it.

Ms. DiIaconi stated there was also another entity on the main and Falcon Heights had asked for that documentation and had not been provided with it; the other entity being the Klamath County School District as well as the Air National Guard. Mr. Willrett stated the Guard was on it but not until after the meter and the requested information was sent out. Ms. DiIaconi stated all she received was minimal and it was not sent to her. Councilman

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Dodson stated it was sent out and copies were provided in the Agenda Report, which was public and in looking at it, it was a minimal charge. Their usage was a small fraction.

Councilman Tofell stated if his sewer bill doubled overnight he would want to find out why. On the other hand he would not blame the City demanding to know what happened then turn around and tell the City not to come on the property. He would like to know why it went up but the homeowners association did not want to cooperate and everyone needed to get beyond that.

Ms. DiIaconi requested the City give Falcon Heights 90 days to get someone in to inspect the system to see what could be done.

Councilman Dodson stated the finances could be a problem. The City needed some reassurance that it would be made whole at the end of the time period. He was willing to grant time but not carte blanche. Currently Falcon Heights offered checks at their leisure in amounts that did not correlate to anything. Ms. DiIaconi stated that in January they paid \$9,135 and \$9,135 in February and if Council would like, they would continue to pay on a routine basis until the matter was resolved. Councilman Dodson asked what the reasoning was for a flat payment rather than the amount due. Ms. DiIaconi stated it was based on the past average paid. They took an average and gave it a 5.7% increase of overall billings over time.

Mr. Willrett noted staff had received an additional request for more information a few days prior to the Council meeting and he provided Ms. DiIaconi with copies of the requested information, on file with the City Recorder.

Councilman Adams stated the City needed to be brought current on the account. If water went through the meter, then they needed to be charged for it and he did not see it as the City's problem. Councilman Tofell asked if the City received a letter requesting a continuance for two weeks until the City provided Ms. DiIaconi with the requested documentation, which she had just received. Mr. Cherpeski responded yes; however, the Council meeting was not a legal proceeding and it was up to Council. Water went through the meter and it had to be treated to standards set by the state and

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the Environmental Protection Agency (EPA) so if water went through the meter, the City charged for it. Councilman Tofell asked if it was determined at a later time that it was the result of a City problem, would Falcon Heights be reimbursed. Mr. Cheperski stated that was correct.

City Attorney Joanna Lyons-Antley advised Council they had the opportunity to go to Executive Session.

Councilman Adams stated that, in looking at correspondence received from the homeowners' association president and Ms. DiIaconi, the matter was adversarial from the beginning and staff tried to take care of some of it. Having them ask the City to remove the meter when the City was trying to help with the situation was unreasonable at best if they were expecting the City to provide service to them. He stated the City needed to give 45 day notice and get the balance paid off in full. If it turned out the City owed money back, then the City would credit or reimburse them but they needed to get it paid for.

Josh White. Mr. White stated he resided in Falcon Heights for four years and had read the communications that went back and forth. There was emotion involved when dealing with finances. His immediate reaction had been, "wow, the bill doubled" and it scared a lot of people in the association. He stated they were not rich people and the natural reaction was emotional. The people he knew that lived in Falcon Heights did not want to defraud the City, it was just strange that it doubled and it caused them to pause and wonder. He appreciated the City saying if it came back there was error on the City then the funds would be refunded but they were still concerned about the bill doubling then going back to normal. His impression in talking to LouEllyn Kelly and the board was it was not the intent to argue with the City; rather they were just defensive of their pocketbooks. He asked the City not to take it personally. It was something they needed to resolve.

Allen Church. Mr. Church stated he lived in Falcon Heights for ten and a half years and there were a lot of emotions. He was recently appointed to the sewer board and asked for 30 days to achieve a "cooling off" period and allow them to get a working group set up with Falcon Heights and the City. He did not think any of his neighbors wanted anything for free. If

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they owed, they wanted to work it out and get it paid. Rather than have continued fighting and arguing, they wanted to get a working group organized. He had read through a lot of the correspondence and it seemed there were some adversarial relationships but that needed to be set aside to come up with a working group. He reiterated his request for 30 days and stated he had made notes to look into if there was an infiltration problem and where it was coming from. There was smoke testing that could be done and he had seen it done when he worked at the City of Corvallis. He noted everyone needed to work together for a solution and stop having attorneys fighting amongst each other and work it out between the City and Falcon Heights.

Jerry Gilmore. Mr. Gilmore stated 45 days was not enough time to get the issues worked out. They were working class people and needed the time to sort the matter out. The adversarial nature of some of the letters was inappropriate, requesting to pull the meter was stupid but it all needed to get sorted out. He asked for 90 days and requested Council not table the item but make a motion to extend 90 days and if they had to pay the bill it would get done.

Hearing or seeing no one further, Mayor Kellstrom closed the public comment.

Councilman Tofell stated he was willing to give Falcon Heights 60 days to determine the reason why the rate increased. Hopefully a solution could be reached in the meantime and he asked that information sharing to and from the City and Falcon Heights occurs easily because there had to be a reason why it doubled but the City did not think it was on the City's side. If it was found to be on the City's side, then the City would reimburse Falcon Heights.

Councilman Hart stated he was pleased to hear from the residents who stated they would pay what they owed and he was willing to give them some time whether it was 45, 60 or 90 days. He further stated he wanted the homeowners' association to pay at least a portion of the past due amount to show some movement on their part.

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Councilman Adams stated he had no issues with any residents of Falcon Heights. There had been sewer problems in the past with hydrogen sulfide. Mr. Willrett stated the City had worked very well with Falcon Heights on hydrogen sulfide issues. Councilman Adams stated he was okay with 60 days to resolve but it needed to be taken care of.

Councilman Dodson stated he was fine with granting time but they needed to pay the amount and set up a payment plan and hopefully the questions could get answered sooner rather than later. The City should be receptive to assisting Falcon Heights if they had questions and the City should be willing to go out to Falcon Heights and serve our customer. He noted the statements of the residents were refreshing in not making the problem worse and he thanked the residents for that.

Councilwoman Seiler stated she was disappointed that the matter had gotten this far because it did not need to be this way. The City tried to work with Falcon Heights and was met with an adversarial approach right from the start and she regretted that. Moving forward she would like to know that the attitude was not going to be part of the discussion. She further stated she would like to see City staff and members of Falcon Heights come together in good faith to work the problem out. It had been going on too long and left the residents with uncertainty as they budgeted every month. She strongly suggested putting the adversarial approach in the garbage and come together in good faith. The City had a solid staff and if they were unable to find an answer, they knew who to contact to get answers as certainly the residents of Falcon Heights did as well. Councilwoman Seiler further stated she would like to see a 60 day period granted and would also like to see the current billing paid and a portion of the past bill as a show of good faith. She hoped to see most of the people in attendance back before Council in 60 days with staff with a solution that all could live with because no one wanted to put an additional financial burden on the homeowners if it was not necessary.

Mayor Kellstrom noted for Council's benefit that the June 15, 2015 Council meeting would be at the 60 days mark.

Councilwoman Seiler asked if there was an expectation from Falcon heights that a member of Council be involved in the negotiations or did

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Falcon Heights representatives feel confident in working with City staff to resolve the issues. Ms. DiLaconi requested a member of Council be involved if at all possible.

Councilman Tofell moved to continue the matter to June 15, 2015 Council Meeting at which time Council can reconsider the matter. Councilwoman Seiler seconded. The motion carried unanimously with all Council members present voting aye.

OTHER MATTERS

Public Safety Levy. Councilman Dodson stated more information was released on the public safety levy and secure rural schools funding that caused him to shift his mindset to support both.

Planters on Esplanade. Councilman Tofell stated he had noticed several planters had been tipped over on Esplanade and later on he noticed a group of teenagers had stopped and cleaned up the mess and up righted the planters. He commended the youth on doing so.

ADJOURNMENT

Councilman Dodson moved to adjourn the meeting. Councilman Adams seconded. The motion carried unanimously with all Council members present voting aye. The meeting was adjourned at 8:25 p.m.

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Elisa Olson, MMC  
City Recorder

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KLAMATH FALLS CITY COUNCIL  
AGENDA REPORT



Agenda Item No. 7

Date: June 15, 2015

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Department: Public Works	Contact/Title: Mark Willrett/Public Works Director
Staff Presenter: Mark Willrett	Telephone No.: 541-883-5364
City Manager Review: <u>    </u>	Email: <a href="mailto:Willrett@ci.klamath-falls.or.us">Willrett@ci.klamath-falls.or.us</a>

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**TITLE:** Direction on the Falcon Heights Condominium Association Agreement for Wastewater Services.

**SUMMARY AND BACKGROUND:**

On April 20<sup>th</sup>, Council heard from the Falcon Heights Condominium Association about whether to modify or terminate Falcon Heights' contract for wastewater service for failing to pay approximately \$56,000 in billings.

Falcon Heights is located outside of the city limits and urban growth boundary. A two and a half mile sewer line from Falcon Heights connects to the City's wastewater system at Kingsley Field.

Last fall, Falcon Heights noticed a spike in their wastewater charges that persisted for several months. Falcon Heights question the integrity of the meter used for billing. Both the City and Falcon Heights brought in technicians to evaluate the meter. Neither technician found any issues with the meter. The City's technician noted that electrical spikes could possibly cause the meter to read inaccurately but, at the time he was on site, no electrical issues were noted. He did recommend that a transient suppressor or surge protector be installed to protect against any power spikes.

At the April 20th meeting, Council gave Falcon Heights 60 days to show the City why the charges were inaccurate and to show some effort to bring Falcon Heights' bill current. Shortly after the Council meeting, Falcon Heights paid all outstanding charges and their bill is current and paid in full.

Since April 20th, staff met twice with Falcon Heights. City staff suggested to Falcon Heights that ground and surface water may have infiltrated their system (inflow and infiltration or I&I), causing the increased charges. City staff stated that the meter is Falcon Heights' property and any future concerns related to the readings are the responsibility of Falcon Heights. Staff also suggested that Falcon Heights should televise and/or smoke test their system to confirm its integrity.

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Falcon Heights did request a quote to televise and smoke test their system but the price was too much for the association to pay at this time. Falcon Heights did budget for the transient suppressor for the meter and a new rain gauge. Both items will be installed after the start of their new budget in July. It was also recommended they install a chart recorder to show pump run times for correlation with metering.

While there are no definitive explanations, staff does find it odd that these spikes occurred over such a short duration and that there did not seem to be a correlation to rain fall or charging of the levee system. Falcon Heights believes a power spike damaged their last meter. It is possible that a power fluctuation is to blame for the higher than normal readings. However, no information exists on power fluctuations occurring and there is no way to know to what degree power fluctuations may have impacted a meter reading had it occurred.

*Staff will  
advise  
Council  
to approve  
Bill*

*Options*

Council has a couple of options. First, Council can consider the matter closed since Falcon Heights paid in full and it appears that Council does not need to modify or terminate the agreement. Staff recommendation would be to allow Falcon Heights additional time to disprove the meter readings of last fall. If they present evidence linking the readings to a fault in the meter or power spikes, the City would adjust the bill for the months in question down to their average rate excluding those three months.

Second, while not adjusting the previous bills without evidence of a faulty reading, Council can direct staff to assist Falcon Heights with televising and cleaning the lines at cost. Consulting with City Wastewater staff, they believe they could clean the collection system at Falcon Heights in one to two days for a maximum cost of \$4,820 and televise the system in three weeks for a maximum cost of \$28,140. We would create a separate contract for those services if Falcon Heights wishes to utilize our services.

**FINANCIAL IMPACT:**

Depending on the options presented above:

- Take no action and consider the matter closed with the bill paid in full
- Authorize staff to offer our services to clean and televise the FHCA system, at cost, under a separate contract.

**DOCUMENTS ATTACHED:**

- None

**REQUESTED MOTION/ACTION:**

- Take public comment
- Direct staff on action to take on Falcon Heights Condominium Association agreement for wastewater services

**NOTICE SENT TO:**

Falcon Heights Condominium Association

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7. DIRECTION ON THE FALCON HEIGHTS CONDOMINIUM ASSOCIATION AGREEMENT FOR WASTEWATER SERVICES. Public Works Director Mark Willrett reviewed his written report. Councilwoman Seiler asked Mr. Willrett to explain what was hoped to be found by televising and cleaning the sewer lines. Mr. Willrett stated that it involved placing a camera down the main lines to see if there was any deterioration of lines such as cracks, root infiltration, etc. to basically assist in determining the condition of the system. Councilwoman Seiler asked if Falcon Heights had expressed interest in the City providing the service. Mr. Willrett advised Falcon Heights had not had an opportunity to state if it was something they were interested in. He noted the cost to provide the service was approximately \$31,000 to \$33,000.

Mayor Kellstrom opened the public comment.

Josh White. Mr. White stated he was a resident of Falcon Heights, was on the Board of Falcon Heights Condominium Association and, in April shortly after the City Council meeting, the Association paid the past due balance in full. They had contracted the services of an engineer who did not believe that I&I was the issue but believed the issue was un-trackable. They had members who monitored on a daily basis, but with recent expenditures it would be extremely fiscally irresponsible of them to spend the \$30,000 to \$46,000 televising the lines. The Association had it in their budget in July and they were aggressively trying to figure out what the issue could be.

Hearing or seeing no one further, Mayor Kellstrom closed the public comment.

Councilman Tofell stated he had a problem with why the City could not figure out what caused the spike. He asked if staff was absolutely certain the sewer went through the City's system. Mr. Willrett responded the meter reflected the wastewater went through it. Councilman Tofell stated if it could be proven there was a power surge and the City did not treat the sewage, then he would be willing to do a refund but if the sewer went through the plant then he was not willing to do that.

Councilman Hart concurred with Councilman Tofell and stated the City was presented with a request that Falcon Heights was given sufficient time to try to prove/disprove infiltration and he was willing to give them through next fall. If in that next time period there was another spike, an

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adjustment could be made and if not, then there would be no action.

Councilman Dodson stated he was pleased to see Falcon Heights had kept their word and paid their bill and he was okay with giving them the extra time they needed to investigate further.

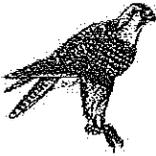
Councilwoman Seiler stated she had attended the meetings between staff and the Falcon Heights group and she was very pleased with the strong line of communication.

Councilman Hart moved to take no action and allow Falcon Heights until mid-January, 2016 to present evidence that the meter reading was not truly representative of the sewage treated. Councilman Dodson seconded. The motion carried unanimously with all Council members present voting aye.

Councilman Hart moved to authorize staff to offer City services to clean and televise the FHCA system, at cost, under a separate contract. Councilman Dodson seconded. The motion carried with Councilman Tofell, Councilman Dodson, Councilman Hart, and Councilwoman Seiler voting aye. Councilman Adams voted no.

8. ORDINANCE AMENDING SECTIONS 7.005 TO 7.100 OF THE CITY CODE RELATING TO BUSINESS LICENSES - FIRST READING. Support Services Director Susan Kirby reviewed her written report. Councilman Adams referenced Section 7.010 with regard to the purpose of Business Tax where it stated, "It is necessary that business fees be levied and fixed for securing revenue to assist in defraying the cost of municipal services." He rhetorically asked if that was why the City had a Business License; to charge a fee. He stated that was not the reason the City had a Business License; rather it was for knowledge of who had a business and where it was located. He further stated he took issue with charging people for a Business License who did not have a physical location in the City in addition to a number of other things reflected in the proposed Ordinance that he had a problem with. He noted he would like to see it amended and brought back to Council. Councilman Tofell stated he questioned whether there was a value to a Business License but, thanks to an article in the local Herald and News, it was shown to be beneficial to citizens if someone had a Business License. He suggested Councilman Adams submit his concerns in writing to staff or review them at a Work Session so staff could amend in the correct or desired way.

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Falcon Heights Condominium Association  
P.O. Box 127  
Klamath Falls, OR 97601  
Tel. 541-882-1869 ❖ Fax 541-882-1987

January 4, 2016

Todd Kellstrom, Mayor  
Trish Seiler, Ward I  
Irving "Bud" Hart, Ward II  
Matt Dodson, Ward III  
Dan Tofell, Ward IV  
Bill Adams, Ward V  
Nathan Cherpeski, City Manager  
Mark Willrett, Public Works  
500 Klamath Avenue  
Klamath Falls, OR 97601

Dear Mr. Mayor, Members of the City Council, City Manager Cherpeski and Public Works Director Willrett:

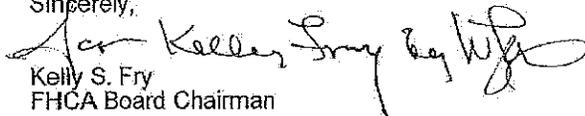
On January 19, 2016, we would like to continue our April 2015 discussion with you concerning the high sewer bills FHCA incurred in 2014. Our presenter will be Josh White, an elected member of the Falcon Heights Condominium Association Board of Directors.

In April of 2015, Falcon Heights Water and Sewer District President Lloyd E. Stanton [Ed] and other District Board members began taking flow meter readings at the Falcon Heights Sewer Compound, located on Old Midland Road, on a daily basis. Up to that time, the City Sewer Department personnel read the meter once a month.

We are attaching a report from Cascade Automation which Josh will explain, a copy of the November 2015 billing, beginning/ending monthly meter readings through December 2015, the water usage records for Falcon Heights [PWS 4101075] and payments made to the City for 2014 and 2015.

At the end of the presentation, we are hopeful that you will be willing to negotiate a refund on funds paid to the City on the sewer bills.

Sincerely,

  
Kelly S. Fry  
FHCA Board Chairman

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EXHIBIT C, PAGE 2



1782 28th Street Springfield, OR 97477  
Phone: (541) 747-7979 Fax: (541) 747-5286

**Service Report**

Date: 12/11/2015 Customer: Falcon Heights Water & Sewer  
CAS#: EBY-7194 P.O.: 1-235196 (Branom Instruments)  
Customer: Ed Stanton Att:  
Contact:  
Location: Sewer station outside main gate  
Instrument: Sparling Mag Flow Meter  
Type:

**Service as outlined by plant contact:**

Troubleshoot why flow totals have been rising when actual flow hasn't.

**Changes made:**

Verified wiring was good between meter and transmitter. Found a ground loop between meter and sump pump and probably any other noisy 120VAC device that gets plugged into a circuit out in the sewer flow area. When sump pump turns on, it causes noise to enter the flow transmitter and this causes erratic readings, especially when there is no flow. I confirmed that the meter totalizer increases during this interfering signal while it should be at zero flow.

**Recommendations:**

I removed the ground from the transmitter to eliminate the problem, so I would suggest having an electrician troubleshoot and eliminate ground loop when the new meter is installed so that the ground can be terminated on the new transmitter. If this continues to be a problem when the new meter is installed. If flow totals are back to normal levels after this fix then I can say that there is no reason the flow totals should have read higher than the normal average.

**Calibration values as found:**

n/a

**Calibration values as left:**

n/a

**Materials used:**

n/a

Technician(s): T. Conley

**Instruments provided:**

n/a

Travel mileage: n/a

Travel time: n/a

Site labor start: 1:00 pm

Site labor finish: 3:30 pm (4 hour min)

Next Cal Due:

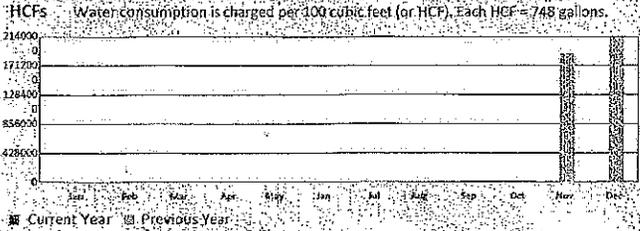
finish:

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NAME		EXHIBIT C, PAGE 4			ADDRESS		ACCOUNT NUMBER
FALCON HEIGHTS CONDO ASSOC		FALCON HOUSING - HEIGHTS			1030-41294-001		
STATUS	SERVICE DATES		# DAYS	BILL DATE	PENALTY DATE	DUE DATE	
Active	10/29/2015	11/30/2015	032	12/03/2015	12/03/2015	12/18/2015	

Service	Consumption	Charge	Total
METERED SEWER METER# WWMTR111 ADDITIONAL PER HCF		10507.87	10,507.87
TOTAL CURRENT CHARGES			10,507.87
LAST BILL AMOUNT			8,589.00
PAYMENTS			-8,589.00
ADJUSTMENTS			0.00
TOTAL AMOUNT DUE			10,507.87

### Compare Your Water Usage



	CURRENT READING	PREVIOUS READING	USAGE
Meter#: WWMTR111			
11/30/2015	46,620,800	10/30/2015 45,478,000	1,512

The City of Klamath Falls is offering low income senior citizen snow removal assistance this winter. To qualify, applicants must be at least 60 years old and the residence must be a single family residence, the principle residence for the applicant and must be located within the Klamath Falls City Limits. The annual gross income limit for a single resident is \$18,250 and the limit for a couple is \$20,850. Applications and additional information are available at 222 South 6th Street and can also be downloaded from the City web-site (KlamathFalls.city).

To make a payment by Credit/Debit card, please call (541) 883-5355.  
 For proper credit, please remit this stub with your payment in the return envelope provided.  
 Location: 222 S 6th St Klamath Falls, OR 97601 Billing Questions Phone: (541) 883-5301 Hearing Impaired TTY: (541) 883-5324

FALCON HEIGHTS	CONDOMINIUM ASSOCIATION	1140
City of Klamath Falls	10/29-11/30/15 Acct #1030-41294-001	12/9/2015 10,507.87

101 - Checking 10/29-11/30/15 10,507.87

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W LouEllyn Kelly

---

From: <shed12@charter.net>  
Date: Monday, January 04, 2016 10:34 AM  
To: <wkelly007@qwestoffice.net>  
Subject: End of month meter readings

I believe these numbers are correct. Let me know if there are any different than what is on the bills...

Apr 396327      Nov 466208

May 407526      Dec 477215

Jun 417273

Jul 426611

Aug 436421

Sep 445432

Oct 455088

Nov 466208

Dec

1/4/2016

4

FALCON HEIGHTS WATER USAGE

Month	2012	2013	2014	2015	2016
January	1,372,896	1,668,577	1,401,546	1,215,945	
February	1,267,339	1,287,117	1,521,178	1,519,686	
March	1,558,925	1,662,347	1,425,232	1,388,765	
April	2,279,339	1,881,729	3,074,008	2,418,910	
May	5,984,704	6,859,717	5,912,967	4,865,661	
June	6,768,087	7,537,175	7,654,397	6,950,246	
July	10,850,210	11,007,984	9,990,175	8,262,444	
August	8,273,486	9,776,532	8,286,902	7,553,289	
September	8,273,486	7,451,584	6,881,772	6,449,698	
October	4,688,345	2,711,657	3,574,103	3,830,625	
November	1,267,591	1,547,263	1,072,999	1,375,330	
December	1,392,562	1,968,023	1,224,473	1,391,477	

Totals: 56,381,188 55,359,705 51,969,692 47,173,026

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Falcon Heights Sewer Bill

Month	2012	2013	2014	2015
January	\$7,672.75	\$9,407.39	\$9,467.91	\$11,879.36
February	\$9,976.56	\$9,257.67	\$8,661.86	\$9,911.27
March	\$8,947.55	\$7,889.25	\$7,849.77	\$8,257.56
April	\$9,601.18	\$8,590.04	\$9,475.38	\$10,065.87
May	\$9,575.70	\$9,274.41	\$8,382.07	\$9,150.73
June	\$10,534.51	\$8,314.28	\$9,465.66	\$10,090.21
July	\$9,473.71	\$9,490.46	\$8,901.23	\$8,503.26
August	\$7,575.96	\$11,767.15	\$12,052.79	\$8,778.41
September	\$9,247.01	\$11,167.54	\$18,237.53	\$8,557.45
October	\$9,057.82	\$9,730.14	\$15,215.79	\$8,589.00
November	\$9,029.66	\$8,397.09	\$16,665.07	\$10,507.87
December	\$9,023.42	\$9,241.38	\$18,711.89	\$10,334.54
Total	\$109,715.83	\$112,526.80	\$143,086.97	\$114,625.63

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**KLAMATH FALLS CITY COUNCIL  
AGENDA REPORT**



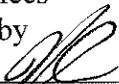
Agenda Item No. 5

Date: January 19, 2016

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Department: Support Services

Staff Presenter: Susan Kirby

City Manager Review: 

Contact/Title: Support Services Director

Telephone No.: 541-883-5326

Email: [sgkirby@klamathfalls.city](mailto:sgkirby@klamathfalls.city)

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**TOPIC:** Resolution Establishing Hiring Standards, Criteria, Policy Directives and a Timeline for the Recruitment and Hiring of the Municipal Court Judge

**SUMMARY AND BACKGROUND:**

As of January 6, the City has an opening for the position of Municipal Court Judge. After discussions with Staff and the Council, it was determined to allow ninety days to replace the position and to utilize pro tem judges for court during January, February and March until a replacement is appointed. The Court Supervisor is working with our existing pro tem judges to cover these dates.

The position of Municipal Court Judge is managed according to the job description attached to the proposed Resolution. It is classified as a regular, part-time position with no benefits per the City Employee Handbook. The salary for the position will need to be set by the City Council since these positions are normally paid hourly and the previous judge was paid an annual salary. Based on Support Service's survey of similar positions, it is recommended the hourly rate be between \$110 and \$125 depending on experience. The employment contract will need to allow for hours in session, hours of research and a reasonable number of hours to attend conferences. Alternatively, the Council can determine to continue to pay the position an annual wage with the recommended range of \$25,000 to \$28,500.

Once Council approves, Support Services will post the position and manage the recruitment based on the schedule in the attached Resolution. A compilation of candidates will be presented to Council by February 8, 2016. Council members are encouraged to talk with as many individuals or institutions knowledgeable about the applicants as deemed beneficial. Council should encourage sources to allow their names to be disclosed in the public discussion of candidates, but may accept comments about an applicant from a source that requests confidentiality. Members of the public are invited to comment orally at the regularly scheduled Council meeting on February 16, 2016. After public comment is completed, the Council will discuss candidates in an Executive Session and determine those they wish to interview.

Interviews will be held in Executive Session on February 22, 2016, or another date convenient to Council. Appointment will be made at the first regularly scheduled Council meeting following the interview session.

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**FINANCIAL IMPACT:**

No additional financial impact.

**COUNCIL OPTIONS:**

1. Accept the job description, classification, proposed wage, and proposed schedule. Direct staff to commence recruitment. (Staff Recommendation)
2. Propose a different process to be worked out at future Council work session. The Court will continue to utilize pro tem judges for a longer period of time.
3. Delay recruitment and research other alternatives for Municipal Court.

**DOCUMENTS ATTACHED:**

- Proposed Resolution including timeline and job description

**RECOMMENDED MOTION/ACTION:**

- Move to introduce the Resolution by title
- Move to approve the Resolution

**NOTICE SENT TO:**

N/A

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**RESOLUTION NO. 16-\_\_\_\_\_**

**A RESOLUTION ESTABLISHING HIRING STANDARDS, CRITERIA, POLICY DIRECTIVES AND A TIMELINE FOR THE RECRUITMENT AND HIRING OF THE MUNICIPAL COURT JUDGE FOR KLAMATH FALLS, OREGON**

**WHEREAS**, Jim Uerlings, resigned effective January 5, 2016, thereby vacating the position of Municipal Court Judge; and

**WHEREAS**, Section 11 of the City Charter provides that the Municipal Court Judge is appointed by the City Council; and

**WHEREAS**, the City Council determined that the recruitment and hiring of a new Municipal Court Judge is necessary and appropriate, and Council intends by this Resolution to adopt hiring standards, criteria and policy directives in connection with such recruitment and hiring; and

**WHEREAS**, on January 19, 2016 the Council conducted a public hearing and provided the public an opportunity to comment on the recruiting process of the Municipal Court Judge and the proposed hiring standards, criteria, and policy directives; NOW, THEREFORE,

**THE CITY OF KLAMATH FALLS RESOLVES AS FOLLOWS:**

**Section 1.**

The Council hereby directs that recruitment for the position of Municipal Court Judge will begin immediately and will be conducted substantially in accordance with the timeline and activities for recruitment as set forth in attached Exhibit A. The City Council hereby adopts the criteria and hiring standards as set forth in the Job Description contained in Exhibit B.

**Section 2.**

This Resolution shall become effective immediately.

Passed by the Council of the City of Klamath Falls, Oregon, the 19<sup>th</sup> day of January, 2016.

Presented to the Mayor approved and signed this 20<sup>th</sup> day of January, 2016.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Recorder

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STATE OF OREGON                    )  
COUNTY OF KLAMATH            )ss.  
CITY OF KLAMATH FALLS        )

I, \_\_\_\_\_, Recorder for the City of Klamath Falls, Oregon, do hereby certify that the foregoing is a true and correct copy of a Resolution duly adopted by the Council of the City of Klamath Falls, Oregon, at the meeting held on the 19<sup>th</sup> day of January, 2016, and thereafter approved and signed by the Mayor and attested by the City Recorder.

\_\_\_\_\_  
City Recorder

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EXHIBIT A

Municipal Court Judge Recruiting and Hiring Time Line

Action	Date	Status
<u>Process &amp; criteria submitted to Council for approval by resolution</u>	19-Jan-16	
<u>Candidate Sourcing</u>	Jan 20 – Feb. 5, 2016	
<u>Compilation of qualified candidates List provided to Council by Support Services Director</u>	8-Feb-16	
<u>Screening Process – Public Comment and Executive Session</u>	16-Feb-16	
<u>Interviews by Council in executive sessions – Final selection</u>	22-Feb-16	
<u>Formal appointment by Council</u>	7-Mar-16	

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**Exhibit B**



City of Klamath Falls, Oregon  
Job Description

**Municipal Court Judge**

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**DEPARTMENT/DIVISION:** Municipal Court  
**GRADE:** N/A  
**SALARY RANGE:** \$110-\$125 per hour  
**GROUP:** Regular Part Time/ No Benefits  
**FLSA STATUS:** Exempt **EFFECTIVE DATE:** January 2016

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**SUMMARY**

Under the general supervision of the City Council, the Municipal Court Judge is the judicial officer of the City. The Judge shall hold court for the transaction of judicial business at times specified by the Council. The Court is not a "Court of Record." The Judge shall hear actions on traffic and city code offenses.

**EXAMPLES OF DUTIES**

- Presides over trials and renders judgments for traffic violations, violations of City Codes and any other cases within the jurisdiction of municipal court.
- Presides over arraignments, motion hearings, traffic hearings, non-jury trials and various other court matters as required for the City.
- Authorizes issuance of failure to appear, failure to comply and contempt warrants.
- Administers programs in conjunction with the city attorney, police and court staff.
- Writes opinions; stays current with municipal law and changes; performs related duties as required.
- Provides for the orderly conduct of proceedings before the court or before its officers.
- Issues process for the arrest of any person accused of an offense against the City, commits any such person to jail or admits such person to bail pending trial, issues subpoenas, compels witnesses to appear and testify in any case before the court, compels obedience to such subpoenas, issues any process necessary to carry into effect the judgments of the court and punishes for contempt of court.
- Establishes policies regarding security, fines, and the entry and docketing of judgments and other matters touching the conduct of proceedings in the court; identifies cases which may be processed by the clerk of the court for individuals who do not desire a formal court appearance; issues warrants as required.

**SUPERVISORY RESPONSIBILITIES**

The Judge shall exercise supervision over the court personnel concerning their in-court and municipal court responsibilities. The daily job supervision and performance

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evaluation of the court personnel shall be the responsibility of the Municipal Court Supervisor and the Support Services Director. The judge will consult and cooperate with the City staff concerning all aspects of the operation of the court and court personnel. The hiring and termination of court personnel shall be done following city personnel procedures. The daily supervision, the responsibility for budgeting, and the evaluation of the court personnel may be reassigned or reorganized by City staff with approval from the City Manager.

#### **QUALIFICATION REQUIREMENTS**

##### **Education and/or experience:**

Juris Doctor Law degree and minimum of five (5) years' experience in the area of municipal law, trial experience or as an administrative hearings officer, arbitrator or judge; or any equivalent combination of experience and training that demonstrates the knowledge, skill and abilities described in the Knowledge, Skills and Abilities section of this document. Member in good standing with the Oregon State Bar. Possession of a valid Oregon Driver's License and has proper insurance if required to drive for work-related activities.

#### **KNOWLEDGE, SKILLS and ABILITIES**

The requirements listed below are representative of the knowledge, skill and/or ability required.

**Knowledge of:** Expert knowledge of law and general legal principles and practices, including alternative sentencing practices. Knowledge of local ordinances and codes. High-level knowledge of state and constitutional laws specifically related to traffic regulations and violations.

**Skill in:** communicating clearly and concisely, orally and in writing; working effectively with elected, employees, public agencies and the general public; managing a court environment to ensure individuals are heard and respected; managing and initiating various court programs in cooperation with the city attorney and court staff to secure compliance with court orders, fines, assessments, and sentences.

**Ability to:** Analyze and appraise case facts, rules of evidence and jurisdiction; maintain judicial impartiality and judicial temperament in cases; maintain a non-discriminatory attitude and behavior regarding, but not limited to, race/ethnicity, religion, sex, age, disability and sexual orientation; to maintain an appearance of independence; and to a professional court appearance;

#### **PHYSICAL DEMANDS**

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable

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accommodations may be made to enable qualified individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is regularly required to sit. The employee frequently is required to stand and walk; use hands to finger, handle, or feel objects, tools, or controls; reach with hands and arms; and talk or hear. The employee is occasionally required to climb or balance; and stoop, kneel, or crouch.

The employee must occasionally lift and/or move up to 20 pounds. Specific vision abilities required by this job include close vision and the ability to adjust focus.

#### WORK ENVIRONMENT

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable qualified individuals with disabilities to perform the essential functions.

The duties of this position are performed in a temperature-controlled, well-lit office environment. This position often deals with distraught or difficult individuals. The Municipal Court Judge may be required to handle time-sensitive matters or issue warrants outside of normal court hours.

The noise level in the work environment is usually quiet.

The City of Klamath Falls is an Equal Opportunity Employer. In compliance with the Americans with Disabilities Act, the City of Klamath Falls will provide reasonable accommodations to qualified individuals with disabilities and encourages both prospective and current employees to discuss potential accommodations with the employer.



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**KLAMATH FALLS CITY COUNCIL  
AGENDA REPORT**



Agenda Item No. 6

Date: January 19, 2016

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Department: Airport

Staff Presenter: John Barsalou

City Manager Review: 

Contact/Title: John Barsalou, Airport Director

Telephone No.: (541) 883-5373

Email: jbarsalou@flykfalls.com

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**TOPIC:** Amendment to Lease with Pelican Aviation at the Crater Lake – Klamath Regional Airport

**SUMMARY AND BACKGROUND:**

In 2000, Pelican Aviation and the Airport jointly constructed a hangar with attached office space, aircraft apron, parking lot and other associated improvements. In June 2013, City Council authorized the City to purchase the Pelican Aviation building and lease it back to Pelican Aviation. The lease was for a term of three years (August 1, 2013 to July 31, 2016) at a rate of \$950 per month with an annual lease rate adjustment based on the Consumer Price Index (CPI). Note that the CPI has remained relatively flat over the last several years resulting in no increase to the monthly rate of \$950 since the beginning of the lease.

Uwe Britsch, owner of Pelican Aviation, is requesting a five year extension of the lease term with the option to renew for an additional 5 years. This would effectively extend the lease to July 31, 2026. Mr. Britsch proposes no other changes to the lease terms or conditions of the current lease.

Airport staff reviewed Mr. Britsch's request and propose a three year extension (to July 31, 2019) to the lease with no automatic renewal options and increasing the monthly lease rate to \$1,000, representing an approximate 5% increase. The Airport's Master Plan, which guides all future development on the airport, will be updated in the next year or two and staff is reluctant to tie up the property past 2019 pending the outcome of the Master Planning process. Staff met with the tenant and the tenant accepts the proposed 3 year extension and the \$50.00 increase.

**FINANCIAL IMPACT:**

Granting a lease extension (for any variable number of years) at the increased rate of \$1,000 per month would contribute an additional \$600 annually to Airport revenue.

Denying a lease extension would potentially result in a loss of \$11,400 annually to Airport revenue unless a replacement tenant could be found for the building.

**COUNCIL OPTIONS:**

- Move to deny the lease extension and terminate the lease with Pelican Aviation on July 31, 2016.
- Move to grant a three year lease extension to Pelican Aviation.
- Move to grant a five year lease extension and a five year option to renew as requested by Pelican Aviation.

**DOCUMENTS ATTACHED:**

- Proposed Lease Amendment No. 1
- Lease Application

**RECOMMENDED MOTION/ACTION:**

Move to authorize staff to execute an amendment to the lease between the City of Klamath Falls and Pelican Aviation, Inc. at the Crater Lake – Klamath Regional Airport extending the lease term to July 31, 2019, under the current terms and conditions with the exception of the Base Rent, which is increased to \$1,000 per month.

**NOTICE SENT TO:**

Pelican Aviation

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**LEASE AMENDMENT No. 1**

**BETWEEN  
CITY OF KLAMATH FALLS  
AND  
PELICAN AVIATION, INC**

This Addendum No. 1 to that Lease Agreement dated August 13, 2013, ("Lease") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2016, by and between the City of Klamath Falls ("Airport") and **Pelican Aviation, Inc.**, ("Tenant"), whose address is 1138 Arrowhead Road, Klamath Falls, OR 97061, the parties to said Lease.

WHEREAS, on August 13, 2013 the Airport executed a lease with Tenant for 28,000 square feet of land that includes a 9,060 square foot building, associated parking and aircraft ramp for a term of three years beginning August 1, 2013 and ending July 31, 2016 at a lease rate of \$950/month; and

WHEREAS, on November 17, 2015, the Tenant submitted a lease application requesting to extend the term of the Lease for three (3) additional years; and

WHEREAS, the Airport deems a lease term extension to be advantageous to itself, the Tenant, the public, and for efficient operation of the Airport.

NOW, THEREFORE, in consideration of the respective rights, benefits, duties, obligations, covenants and conditions herein, the parties agree as follows:

1. Section 4. Term  
The term shall be extended for an additional three (3) years making the new lease expiration date **July 31, 2019**.
2. Section 6. Rent, A. Base Rent  
The Base Rent shall be increased to a monthly rent of **\$1,000.00** effective August 1, 2016.

All other terms and conditions of the lease remain unchanged.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

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IN WITNESS WHEREOF, the parties hereto have executed this Lease Amendment No. 1 on the day and year first written above.

CITY OF KLAMATH FALLS

PELICAN AVIATION, INC.

By: \_\_\_\_\_  
City Manager

By: \_\_\_\_\_

Attest: \_\_\_\_\_  
City Recorder

Attest: \_\_\_\_\_

APPROVED:

\_\_\_\_\_  
Airport Director

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

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**CRATER LAKE – KLAMATH REGIONAL AIRPORT**

6775 Arnold Avenue, Klamath Falls, OR 97603

Phone: 541-883-5372 ♦ Fax: 541-883-5376

information@flyklamath.com

**LEASE APPLICATION**

<p>1. Name and Mailing Address of Applicant:</p> <p>Name: <u>PELICAN AVIATION</u></p> <p>Address: <u>2977 STINSON WAY</u> <u>KLAMATH FALLS OR 97603</u></p> <hr/> <p>Phone: <u>(541) 331 3376</u></p> <p>FAX: <u>( )</u></p> <p>E-mail: <u>pelicanav@gmail.com</u></p> <p>Name of Contact Person: <u>UWE BRITTSCH</u></p>	<p>2. Name to Appear on Lease:</p> <p>Name: <u>PELICAN AVIATION</u></p> <p>Address: <u>1138 ARROWHEAD RD</u> <u>KLAMATH FALLS OR 97601</u></p> <hr/> <p>Phone: <u>(541) 331 3376</u></p> <p>FAX: <u>( )</u></p> <p>E-mail: <u>ubflyin@charter.net</u></p>						
<p>3. Description of Property and Term Requested:</p> <p>Lot(s) _____ Block(s) _____</p> <p>Other* _____</p> <p>Term Requested: <u>5 YR RENEWAL w 5YR</u></p> <p>Starting Date: <u>OPTAIN</u></p> <p><small>*Attach location map.</small></p>	<p>4. If Applicant is a business, indicate which type below and provide documentation as required in the instructions.</p> <table style="width:100%; border: none;"> <tr> <td><input type="checkbox"/> Individual</td> <td><input type="checkbox"/> Partnership</td> </tr> <tr> <td><input checked="" type="checkbox"/> Corporation</td> <td><input type="checkbox"/> Limited Liability Company (LLC)</td> </tr> <tr> <td><input type="checkbox"/> Government</td> <td><input type="checkbox"/> Other _____</td> </tr> </table> <p>Are you registered to do business in the State of Oregon?</p> <p align="center"><input type="checkbox"/> Yes      <input type="checkbox"/> No</p>	<input type="checkbox"/> Individual	<input type="checkbox"/> Partnership	<input checked="" type="checkbox"/> Corporation	<input type="checkbox"/> Limited Liability Company (LLC)	<input type="checkbox"/> Government	<input type="checkbox"/> Other _____
<input type="checkbox"/> Individual	<input type="checkbox"/> Partnership						
<input checked="" type="checkbox"/> Corporation	<input type="checkbox"/> Limited Liability Company (LLC)						
<input type="checkbox"/> Government	<input type="checkbox"/> Other _____						
<p>5. List all activities or business functions proposed (attach additional pages as needed):</p> <p><u>FLIGHT INSTRUCTION (FIXED WING)</u></p> <p><u>PRIVATE - COMMERCIAL - ATP - SINGLE + MULTI ENGINE</u></p> <p><u>INSTRUMENT - TAILWHEEL</u></p> <p><u>PILOT SERVICES - AC. MANAGEMENT - CONSULTING</u></p> <p><u>HANGAR RENTAL FOR PRIVATE AIRCRAFT (AC)</u></p> <hr/> <p>Do you plan to store/dispense or handle fuel?      <input type="checkbox"/> Yes      <input checked="" type="checkbox"/> No</p> <p>Do you plan to sell fuel (commercial use only)?      <input type="checkbox"/> Yes      <input checked="" type="checkbox"/> No</p> <p>For right-of-way application, attach a drawing that shows the proposed route and describe the right-of-way type below:</p> <p><input type="checkbox"/> A road or taxiway: Driving surface width: _____ Surface type: <input type="checkbox"/> Gravel    <input type="checkbox"/> Asphalt Paved</p> <p><input type="checkbox"/> Other type right-of-way (describe): _____</p>							

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6. Do you plan to construct or place improvements on the Premises?:  Yes  No (if Yes, please complete the following items)

Estimated total value of proposed improvements when completed: \$ \_\_\_\_\_

How do you propose to finance the improvements? \_\_\_\_\_

Anticipated start date: \_\_\_\_\_ Anticipated completion date: \_\_\_\_\_

Describe proposed improvements and type(s) of construction: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(Attach a site plan showing all dimensions.)

7. Type and number of aircraft which will be operated from the terminal in conjunction with use of the area:					
	Under 6,500#	6,500-12,500#	12,500-25,000#	25,000-200,000#	200,000# & over
Fixed Wing Aircraft:	7 *				
Rotary Wing Aircraft:					

<p>8. Signature: <u>Uwe Bristoch</u></p> <p>Print Name: <u>UWE BRISTSCH</u></p> <p>Company Name: <u>PELICAN AVIATION</u></p> <p>Title: <u>PRESIDENT</u></p> <p>Date: <u>11-17-15</u></p>	<p>9. BEFORE SUBMITTING YOUR APPLICATION, HAVE YOU:</p> <ul style="list-style-type: none"> <li>&gt; Completed and signed the application?</li> <li>&gt; Attached required drawings and documents?</li> <li>&gt; Provided the proposed method of financing improvements?</li> <li>&gt; Provided Business License or other requested business documentation?</li> </ul>
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**UNSIGNED OR INCOMPLETE APPLICATIONS WILL NOT BE PROCESSED**

\* CESSNA C172 - PIPER PA38 - CITABRA 794AA (2)  
 FAIRCHILD PT19 - RV-4 - PIPER PA28 RT

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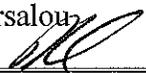
**KLAMATH FALLS CITY COUNCIL  
AGENDA REPORT**



Agenda Item No. 7

Date: January 19, 2016

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Department: Airport	Contact/Title: John Barsalou, Airport Director
Staff Presenter: John Barsalou	Telephone No.: (541) 883-5373
City Manager Review: 	Email: jbarsalou@flykfalls.com

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**TOPIC:** Amendment #2 to Mead & Hunt Contract for Design of Taxiway J

**SUMMARY AND BACKGROUND:**

On September 17, 2012 Council approved two contracts with Mead & Hunt in association with the construction of the proposed Taxiway J, which would parallel the full length of Runway 14/32. One was for completion of the required environmental clearances for the new taxiway (full length) and the second was for design of the taxiway (north half) to begin after the environmental phase was completed.

The environmental process took several years to complete. The Airport received approval from the Federal Aviation Administration (FAA) to begin design on the first half of Taxiway J in May 2015. This approval was upon a Finding of No Significant Impact at the conclusion of the environmental assessment process.

In July 2015, the FAA notified the Airport that additional funding might become available for construction of the full length of Taxiway J. On August 3<sup>rd</sup>, City Council authorized staff to submit an amended grant application to the FAA for additional funds that would cover the expense of designing the second half of Taxiway J.

On September 21, 2015, Council authorized staff to execute Contract Amendment #1 to Mead & Hunt's Taxiway J design contract for an additional sum of \$357,339 to cover the second half of Taxiway J. Amendment #1 was executed on September 25, 2015.

Mead & Hunt proceeded with the preliminary design of the south half of Taxiway J, which included topographical surveying and geotechnical investigation. Information gathered during this process enabled them to formulate a better estimate of the costs associated with the full length construction of Taxiway J. Based on new construction estimates ranging from \$12-\$22 million, a conference call was held between the Airport, Mead & Hunt and FAA on December 3, 2015 to determine if the FAA would be able to fund the entire project.

During the conference call, the FAA informed the Airport that \$10.5 million was all the funding that they would be able to make available for the Taxiway J project and that the Airport would have to find a way to work within that budget. At the conclusion of the conference call, a

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consensus was reached to construct just the north quarter of Taxiway J and strengthen pavement on the existing Jet Center Apron.

During the three year (2012 – 2015) environmental process, differences in design, methodology, economics, and procedures occurred. When the original project cost estimate of \$3.2 million was provided for the North taxiway portion in July 2012, the following assumptions were used: 1) modifications to FAA standards were anticipated; 2) non-paved shoulders were expected; 3) a lighter pavement section was envisioned; 4) multiple paving contractors existed; and 5) the project would all be under one bid.

By fall 2015, the cost estimate picture looked considerably different due to several changes: 1) the FAA procedures related to “modifications to standards” changed – much harder to obtain; 2) taxiway design rules were modified twice – requiring paved shoulders; 3) thicker pavement is required for the design aircraft; 4) a consolidation of paving contractors occurred in Klamath Falls raising anticipated bid prices; and 5) multiple bids are now required due to electrical system changes (Airport Lighting Control and Monitoring Systems – ALCMS) as identified in the revised taxiway design documents. (See the attached Taxiway J Timeline and project scope drawing.)

Mead & Hunt has provided a second amendment to their design contract to reflect the reduction in project scope. Amendment #2 would reduce their contract by \$225,070 to a new contract total of \$480,339. The modified project cost is currently estimated at \$6.5 million.

The project is still on schedule to be bid in early spring of 2016 with construction to start upon availability of FAA funding, likely summer or early fall 2016.

#### **FINANCIAL IMPACT:**

Due to the reduction of taxiway length and the items described above, the contract amendment is for a negative \$225,070 with 93.75% or \$211,003.13, of the cost savings being realized by the FAA and the remaining 6.25% or \$14,066.87, by the Airport.

#### **COUNCIL OPTIONS:**

- Move to decline the contract amendment and move forward with the design of the full length of Taxiway J even though construction funding will only cover the north quarter of the proposed Taxiway J and pavement strengthening of the Jet Center Apron.
- Move to approve the contract amendment and move forward with just the design and construction of the north quarter of Taxiway J and pavement strengthening of the Jet Center Apron.

#### **DOCUMENTS ATTACHED:**

- Taxiway J Timeline and drawing
- Contract Amendment #2

**RECOMMENDED MOTION/ACTION:**

- Move to authorize staff to execute Contract Amendment #2 to Mead & Hunt's Taxiway J design contract for a reduction of \$225,070.

**NOTICE SENT TO:**

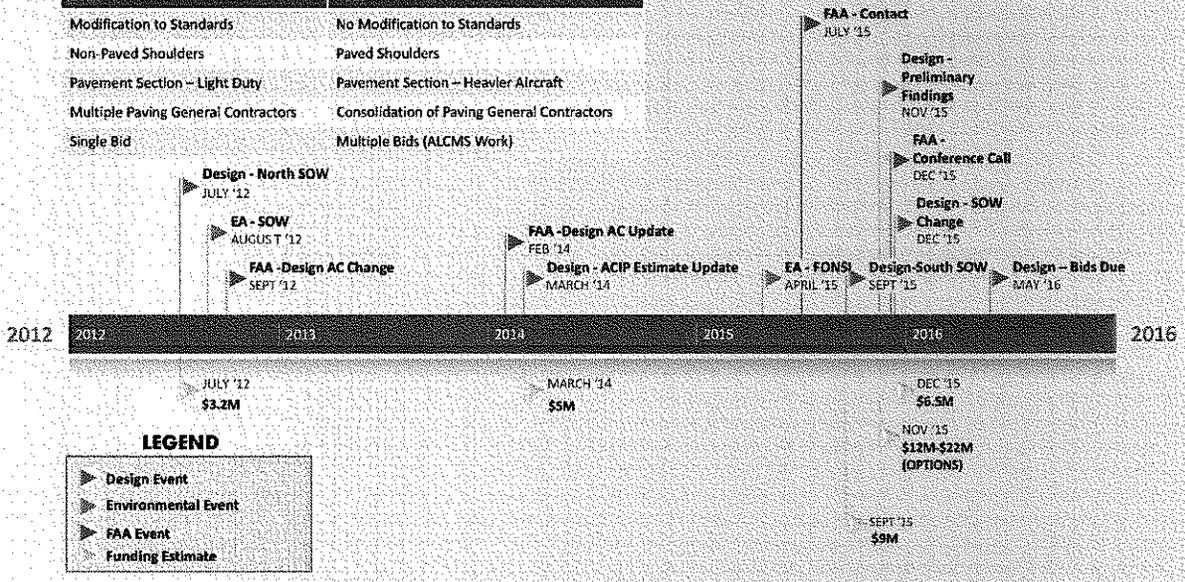
Mead & Hunt

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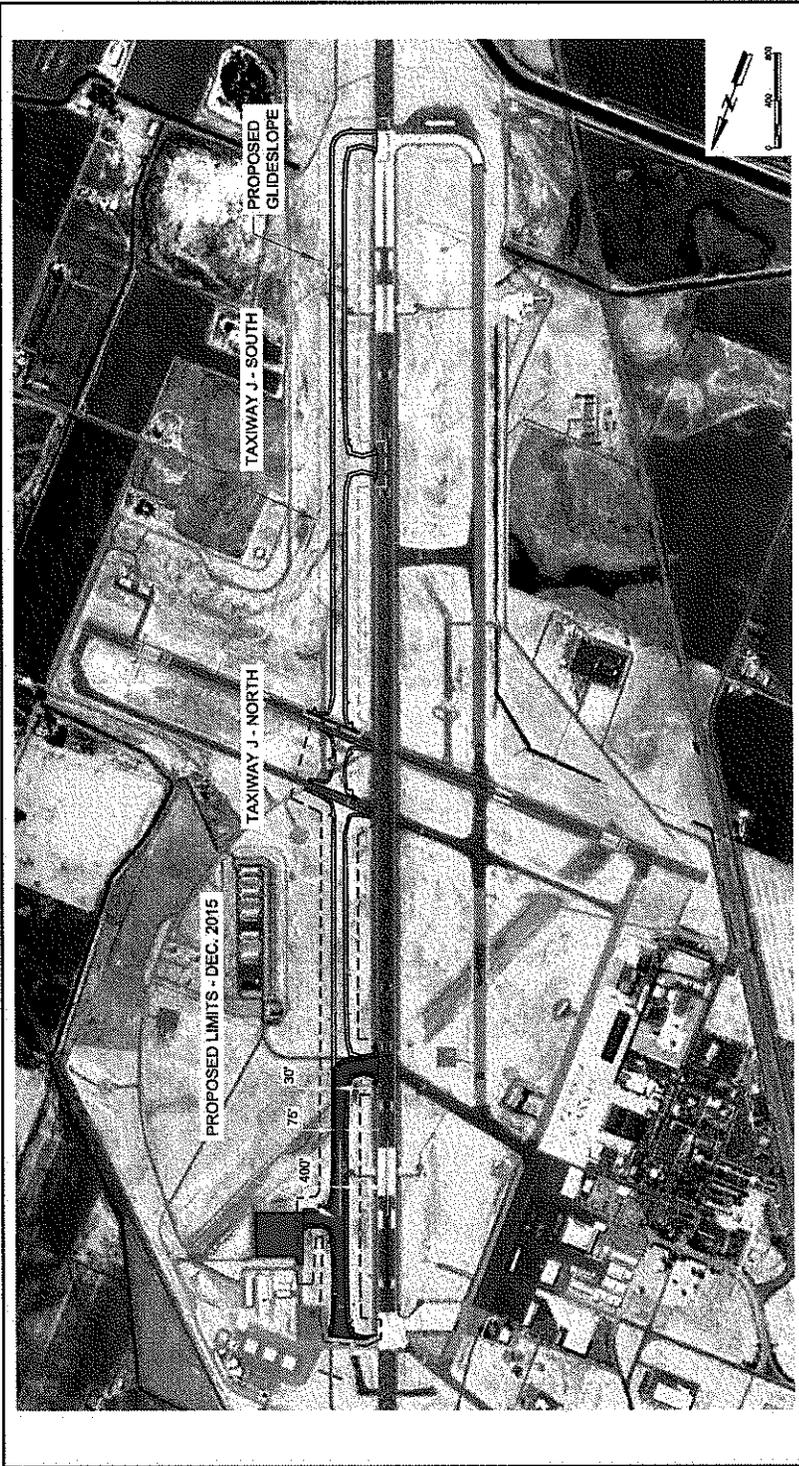
# TAXIWAY J TIMELINE

## PROJECT FUNDING HIGHLIGHTS

2012	2015
Modification to Standards	No Modification to Standards
Non-Paved Shoulders	Paved Shoulders
Pavement Section – Light Duty	Pavement Section – Heavier Aircraft
Multiple Paving General Contractors	Consolidation of Paving General Contractors
Single Bid	Multiple Bids (ALCMS Work)



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 ATTACHMENT 1

**LEGEND**  
 [Symbol] PROJECT SCOPE - 2012  
 [Symbol] AMENDED PROJECT SCOPE - SEPT 2015  
 [Symbol] AMENDED PROJECT SCOPE - DEC 2015  
 [Symbol] MILK VETCH - 2015 SURVEY

PROJECT LAYOUT PLAN

City of Klamath Falls  
 Crater Lake - Klamath Regional Airport - Klamath Falls, Oregon  
 Project Location  
 December 2015


  
 CRATER LAKE  
 KLAMATH  
 REGIONAL AIRPORT

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**Crater Lake Klamath Regional Airport, City of Klamath Falls  
Taxiway J Construction  
Airport Design Engineering Work Scope  
Amendment #2**

**AIP Project No. 3-41-0030-35**

**Client Project No. \_\_\_\_\_**

**Mead & Hunt, Inc. Project No.: 1115200-121174.01**

**December 2015**

**BACKGROUND**

The scope of services described herein is an amendment to Amendment #1 scope of services, approved on September 25, 2015. The original scope of services included preliminary design of full-length parallel Taxiway J and final design of Taxiway J between Taxiway B and Runway 7-25. Amendment #1 scope of services included Final Design of Taxiway J between Runway 7-25 and the Runway 32 end; additional geotechnical borings; and coordination to relocate Federal Aviation Administration (FAA) owned Navigational Aids (NAVAIDS). The Amendment #2 scope of services is a reduction amendment to Amendment #1 to reflect the new project limits as agreed to in a conference call on December 3, 2015.

**PROJECT DESCRIPTION - ORIGINAL**

This original Scope of Services consisted of the preliminary design for the construction of a new parallel taxiway on the east side of Runway 14-32. Final design was to be performed for the segment between Taxiway B and Runway 7-25. The construction included: new AC pavement, edge lights, guidance signs, updates to Airport Lighting Control and Monitoring System (ALCMS), electrical vault improvements, and miscellaneous drainage improvements. The original estimated construction cost of the project was \$3,200,000 *(after updating project costs to current FAA regulations the estimated cost for this section of taxiway is \$12,000,000)*.

**PROJECT DESCRIPTION – AMENDMENT #1**

The amended scope of services included the efforts necessary to prepare the final design for the portion of new Taxiway J from Runway 7-25 to the south end connecting to Runway 14-32. The final design for this section of taxiway required additional geotechnical investigations. Also included in the amended scope of services was additional work required to relocate FAA owned NAVAIDS. The new estimated total construction cost for the full-length project was \$9,000,000 *(after updating project costs to current FAA regulations the estimated cost for total construction project is \$22,000,000)*. The project was intended to be bid by April 2016.

**PROJECT DESCRIPTION – AMENDMENT #2**

This amended scope of services shall include the efforts necessary to complete the final design for the portion of Taxiway J from Taxiway B to Taxiway J2 as proposed in the preliminary design submittal. Also included in this scope of services is design of a bituminous asphalt overlay of the east apron to accommodate heavier aircraft. The Project Layout Plan is included as Attachment 1. The project is intended to be bid by June 2016. The estimated Construction total is \$6,500,000. As mentioned above, Amendment #2 will amend Amendment No. 1.



Action required of each scope element will be identified by the following:

NC – refers to items that require no change in the scope of work.

R – refers to items that have been reduced in the scope of work.

REM – refers to items that have been removed from the scope of work.

INC – refers to items that have been increased or added to the scope of work.

**Assumptions:**

- Any deliverables beyond what is noted below will be made in electronic form.
- Airport will escort perspective bidders invited for a site visit.
- Design work completed under reimbursable agreement by FAA NAVAIDS Engineering Center will be cancelled.
- Bid Documents will include a single (1) Base Bid, and a separate earlier procurement for modifications to the Airfield Lighting Control and Monitoring System (ALCMS).
- Airports Geographic Information System (AGIS) survey is not included in this contract. If required, AGIS survey will be included in subsequent construction administration services work scope.
- Permitting fees will be the responsibility of the construction contractor and written as such in the contract documents.
- Construction services to be performed under separate contract.

**DESIGN SERVICE PHASES**

**PHASE I CONTRACT ADMINISTRATION AND COORDINATION**

This phase involves those activities required for defining the scope of the project, negotiating contract and subcontracts, and general coordination and administration for the duration of the project, including but not limited to, the following activities:

**1.0 PROJECT SCOPING - INC**

**1.1 Preliminary Meetings with the Sponsor - NC**

**1.2 Prepare Amended Project Scope of Services and Proposal - INC**

This includes preparing the Scope of Services and fee proposal and negotiating the contract scope and fee with the Sponsor. This also includes coordination with subconsultants for scopes and fees.

**2.0 PREPARE CONTRACT AND SUBCONTRACTS - INC**

This includes preparing the Consultant-Sponsor contract and preparing subconsultant contracts.

**3.0 PROJECT COORDINATION (coordination with Design Team, Sponsor, FAA etc.) - NC**

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4.0 GENERAL CONTRACT ADMINISTRATION - NC

5.0 GRANT APPLICATION AND ADMINISTRATION - NC

PHASE I DELIVERABLES

- 1) Final Amended Scope of Services – Electronic files - NC
- 2) Executed Contract Amendment – Two (2) originals - NC

**PHASE II PRELIMINARY DESIGN (30%)**

6.0 TOPOGRAPHICAL SURVEYING – NC (EXCEPT BILLING RATE CHANGE FROM 2012)

7.0 GEOTECHNICAL INVESTIGATION – NC

8.0 PREPARE PLAN SHEETS FOR PRELIMINARY SUBMITTAL – NC

9.0 PREPARE FAA PAVEMENT DESIGN REPORT AND FAA FORM 5100. - NC

10.0 PREPARE PRELIMINARY SURFACE DRAINAGE ANALYSIS - NC

11.0 PREPARE PRELIMINARY COST ESTIMATE - NC

12.0 PREPARE PRELIMINARY DESIGN REPORT (PDR) - NC

13.0 PREPARE FAA FORM 7460 - NC

14.0 PREPARE ENVIRONMENTAL DOCUMENTATION (N.I.C.) – Finding of No Significant Impact (FONSI) signed April 24, 2015.

15.0 PHASE II PROJECT MEETINGS - NC

**PHASE III FINAL DESIGN (60%, 95% and Final)**

16.0 PREPARE PLANS – R

Plan sheets will be prepared depicting the proposed improvements as indicated under Amended Project Description. The following is a general list of drawings that will be used as a guideline. Actual number and title of drawings may be modified during the design phase, as required.

**GENERAL:**

- G-001 Cover Sheet, Sheet Index and Symbols – R
- G-002 Legend and Abbreviations – R
- G-021 Project Layout Plan – NC
- G-041 Survey Control Plan – NC
- G-061 Project Quantity Tables – NC
- G-081 Construction Safety and Phasing Plan – R

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**CIVIL:**

**General**

- C-021 Erosion Control Plans – R
- C-051 Demolition Plans – R
- C-091 Existing Contours – R

**Site**

- C-101 Grading and Drainage Plans – R
- C-201 Plan and Profiles – R

**Storm Sewer**

- C-441 Plan and Profiles – R
- C-461 Inlet Layout Plan – R

**Marking**

- C-651 Marking Plans – R

**X-Sections**

- C-901 Cross Sections – R

**ELECTRICAL:**

- E-101 Electrical Removals Plan – R
- E-201 Electrical Layout Plan – R
- E-301 Existing Signage Plan – R
- E-311 Proposed Signage Plan – R
- E-321 Sign Legend – R
- E-401 Electrical Vault Layout – R
- E-501 Wiring Diagrams – R
- E-701 Glideslope – R

**17.0 PREPARE SPECIFICATIONS – R**

The Consultant will assemble the specifications and bid documents for Sponsor to use in obtaining competitive bids for the work. All documents shall meet current FAA Standards for Airport Improvement Program (AIP) funded projects.

**17.1 Prepare Bidding and Contract Documents – NC**

**17.2 Prepare FAA Required Provisions - NC**

**17.3 Prepare General Provisions - NC**

**17.4 Prepare Special Provisions for Airport Construction and Construction Operations and Safety Requirements – NC**

**17.5 Prepare Technical Specifications - Glideslope – REM**

**18.0 PREPARE FINAL SURFACE DRAINAGE ANALYSIS AND STORM SEWER DESIGN – R**

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- 19.0 PREPARE LIGHTING LAYOUT AND CIRCUIT CALCULATIONS – R
- 20.0 UPDATE AIRPORT SIGNING AND MARKING PLAN – R
- 21.0 EROSION CONTROL PERMIT – R
- 22.0 PREPARE CERTIFICATION OF ENGINEERING AND MODIFICATION OF STANDARDS - **NC**
- 23.0 PREPARE 60% SUBMITTAL – R
- 24.0 PREPARE 95% SUBMITTAL – R
- 25.0 PREPARE AND SUBMIT FINAL PLANS AND SPECIFICATIONS – R
  - 25.1 Plans and Specifications – R  
A final set of plans, specifications, and contract documents will be prepared that will incorporate revisions, modifications, and corrections determined during the FAA and Sponsor's review of the preliminary (95%) submittal. Final plans, specifications, and contract documents will consist of base bid.
  - 25.2 ALCMS Documents – INC  
A final set of contract documents will be prepared separately for the ALCMS modifications. The contract documents will be submitted to the manufacturer in accordance with FAA Order 5100.38D, Airport Improvement Program Handbook, Section 3-36.
- 26.0 PREPARE AND SUBMIT FINAL COST ESTIMATE - R
  - 26.1 Calculate Estimated Final Quantities. – R
  - 26.2 Prepare Final Cost Estimate. – R
- 27.0 PREPARE AND SUBMIT ENGINEER'S DESIGN REPORT – R
- 28.0 PREPARE A CONSTRUCTION SAFETY AND PHASING PLAN – R
- 29.0 PHASE III PROJECT MEETINGS – **NC**
  - c. Final submittal review meeting (1) – **NC**

PHASE III DELIVERABLES

During the Phase III design effort, the Consultant will deliver all of the following information to the Sponsor:

- 1) 60% Plans (half-size), Specifications, and Contract Documents – Three (3) copies each – **NC**  
60% Plans (full-size) – One (1) copy – **NC**
- 2) 60% Cost Estimates – Three (3) copies each – **NC**
- 3) 95% Plans (half-size), Specifications, and Contract Documents – Three (3) copies each  
95% Plans (full-size) – One (1) copy – **NC**
- 4) 95% Engineer's Design Report – Three (3) Copies – **NC**

- 5) Final Plans, Specifications and Contract Documents – One (1) set of full and half size plans, one (1) set of original Contract Documents, and electronic files of all documents. – **NC**
- 6) Signage and Marking Plan – Electronic files – **NC**
- 7) Final Engineer's Design Report – Three (3) bound copies – **NC**
- 8) Construction Safety and Phasing Plan – Three (3) bound copies – **NC**

#### **PHASE IV BID ADMINISTRATION**

30.0 PREPARE ADVERTISEMENT FOR BIDS **(N.I.C.)**

31.0 BID DOCUMENTS DISTRIBUTION **(N.I.C.)**

32.0 RESPOND TO BIDDERS/MANUFACTURER QUESTIONS – **R**

The separate procurement of the ALCMS updates will require answering questions and issuing clarifications to the documents related to modifications to the ALCMS. During the noncompetitive procurement process the Consultant will be available to clarify issues and consultation with the manufacturer.

33.0 PREPARE AND DISTRIBUTE ADDENDUM – **R**

34.0 PRE-BID CONFERENCE - **NC**

35.0 BID OPENING **(N.I.C.)**

36.0 BID REVIEW AND BID TABULATION/NONCOMPETITIVE PROCUREMENT REVIEW – **INC**

Consultant will review the price quotations that result from noncompetitive procurement of ALCMS system described under Section 25.2. After receiving a price proposal from the ALCMS manufacturer, the Consultant will analyze the proposal and provide the Sponsor with recommendations.

37.0 PREPARE RECOMMENDATION FOR AWARD – **INC**

The Consultant will prepare a Recommendation of Award for the Sponsor to accept or reject the ALCMS modifications quote as submitted. If rejection is recommended, the Consultant will supply an explanation for their recommendation and possible alternative actions that the Sponsor can pursue to complete the work.

#### **PHASE IV DELIVERABLES**

- 1) Bid Documents – Up to ten (10) as required for bidding. – **NC**
- 2) Bid Tabulation – Electronic files. – **NC**

#### **SCHEDULE OF COMPLETION**

The Consultant will complete all work called for as follows:

- Phase II – Preliminary Design within sixty (60) calendar days from the date of the Sponsor issues the Notice to Proceed with the work. Submitted November 16, 2015.
- 60% submittal described in Phase III – Final Design, within forty (40) calendar days of notice to proceed and receipt of the Sponsor's review comments on the preliminary submittal. Sponsor's

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review time is assumed to be ten (10) calendar days. Due to re-scoping of project after November 20, 2015 design review meeting, the critical path item is amended scope of work, not sponsor review of preliminary design.

- 95% submittal detailed in Phase III – Final Design within forty-five (45) calendar days of receipt of Sponsor's review comments on the 60% submittal. Sponsor's review time is assumed to be ten (10) calendar days.
- Final Engineer's Design Report and final contract documents for use in bidding within twenty (20) calendar days of the receipt of Sponsor and FAA review comments on the 95% submittal. Sponsor and FAA review times are assumed to be ten (10) calendar days.

An estimated Project Schedule is included as Attachment 2 to this Scope of Services.

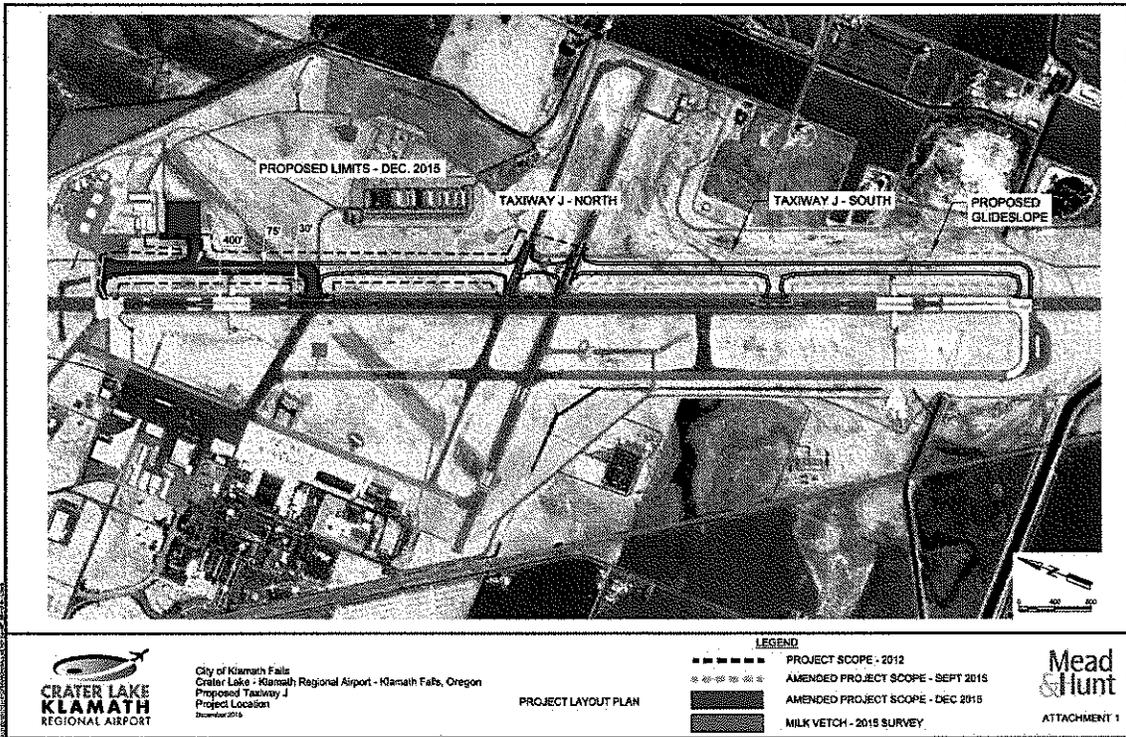
### COMPENSATION FOR SERVICES

- A. Payment for all work outlined in Scope of Services, Phase I, II, III, and IV shall be a fixed fee of One Hundred Thirty-Two Thousand Two Hundred Sixty-Nine Dollars (\$132,269). This amended amount reflects reduction of Two Hundred Twenty-Five Thousand Seventy Dollars (\$225,070) from the fee established in Amendment #1 (\$357,339). The total fee including the original scope of services, Amendment #1, and Amendment #2 is Four Hundred Eighty Thousand Five Hundred Thirty-Nine Dollars (\$480,539). This fee shall include all labor, materials, expenses, and incidentals necessary to complete the work as described herein. An Engineering Services Cost Estimate is included as Attachment 3 to this Scope of Services. Payments will be made monthly based on the percentage of work complete.
- B. Payment for any additional services requested by the Sponsor will be performed on a time-and-expense basis in conformance with the Mead & Hunt, Inc. Standard Billing Rate Schedule (2015) included as Attachment 4 to this Scope of Services. The Consultant will establish the budget for additional services prior to the start of work and may not exceed the budget without written authorization from the Sponsor. Any additional services must be authorized in writing by the Sponsor.



ATTACHMENT 1  
PROJECT LAYOUT PLAN

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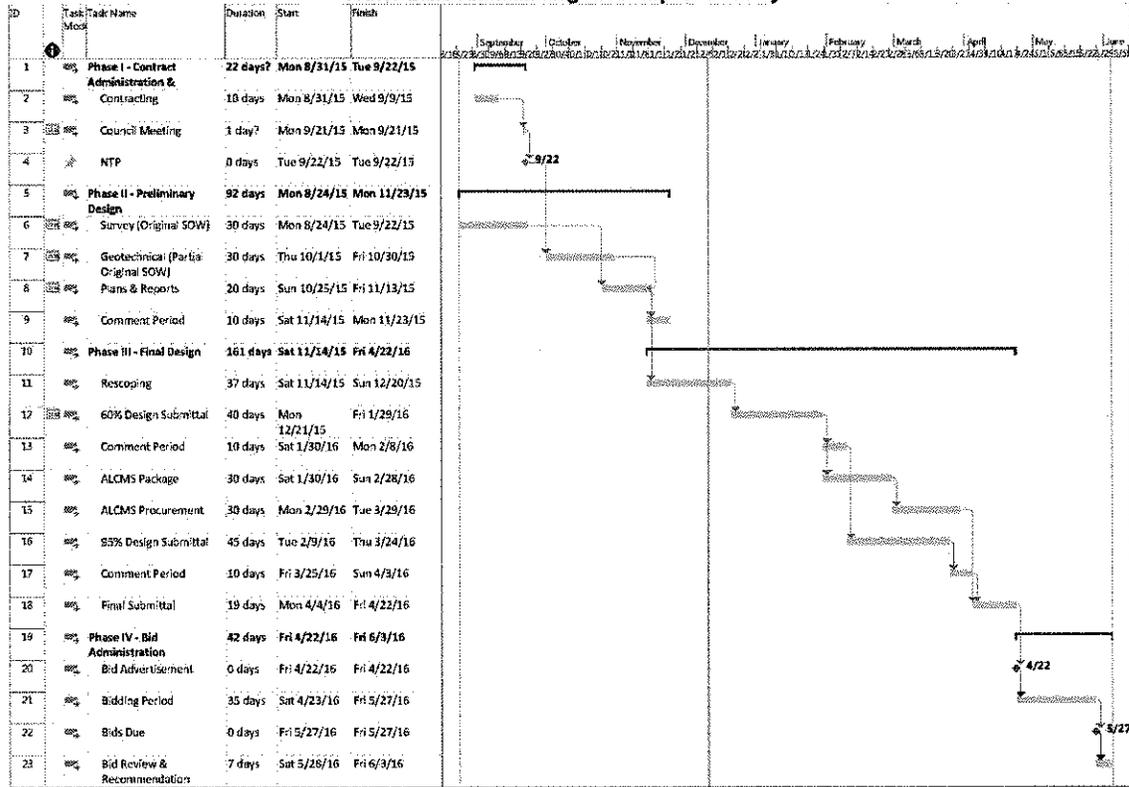


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ATTACHMENT 2  
PROJECT SCHEDULE

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### Crater Lake Klamath Regional Airport Taxiway J



Fri 12/11/15

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ATTACHMENT 3  
ENGINEERING SERVICES COST ESTIMATE

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**Aviation Services Design Engineering Workslope**  
 AIRPORT: Crater Lake National Regional Airport  
 LOCATION: Klamath Falls, OR  
 AIP PROJECT NO.  
 PROJECT DESCRIPTION: Taxiway J Construction, Design Amendment 2

PROJECT NUMBER: 1112500-121134 61  
 DATE: December 18, 2015  
 REV. NO. 2

PHASE I - SCOPE DEVELOPMENT AND CONTRACT	Engineering Fee	Subconsultant Fee	FOR REFERENCE	
			Amendment #1 Total	Difference (Amt #1 vs. Amt #2)
10 Project Scoping - INC	\$ 3,038.00			
20 Prepare Contract and Sub-Contracts - INC	\$ 1,542.00			
30 Project Coordination - NC	\$ 29,408.00			
40 Contract Administration - NC	\$ -			
50 Grant Application and Administration - NC	\$ -			
Expenses	\$ -			
<b>TOTAL PHASE I - CONTRACT ADMINISTRATION</b>	<b>\$ 34,988.00</b>	<b>\$ -</b>	<b>\$29,709.00</b>	<b>\$2,301.00</b>
<b>PHASE II - PRELIMINARY DESIGN</b>				
60 Topographic Surveying - Billing Rate Change - NC	\$ -	\$ 2,500.00		
70 Geotechnical Investigations - NC	\$ 4,332.00	\$ 95,300.00		
80 Prepare Plan Sheets for Preliminary Submittal - NC	\$ 9,210.00			
90 Prepare FAA Pavement Design Report and FAA Form 5100 - NC	\$ -			
100 Prepare Preliminary Surface Drainage Analysis - NC	\$ -			
114 Prepare Preliminary Cost Estimate - NC	\$ -			
126 Prepare Preliminary Design Report - NC	\$ -			
135 Prepare FAA Form 7400 - NC	\$ -			
146 Prepare Environmental Documentation (N.I.C.)	\$ -			
150 Phase II Project Meetings - NC	\$ -			
Expenses	\$ -			
<b>TOTAL PHASE II - PRELIMINARY DESIGN</b>	<b>\$ 13,842.00</b>	<b>\$ 97,800.00</b>	<b>\$49,642.00</b>	<b>\$0.00</b>
<b>PHASE III - FINAL DESIGN</b>				
160 Prepare Plans - R	\$ 8,261.00			
170 Prepare Specifications - R	\$ 8,489.00			
180 Prepare Final Surface Drainage Analysis and Final Storm Sewer Design - R	\$ 10,281.00			
190 Prepare Lighting Layout and Circuit Calculations - R	\$ 4,548.00			
200 Update Airport Grading and Marking Plan - R	\$ -			
210 Erosion Control Permit - R	\$ -			
220 Prepare Certification of Engineering and Modification of Standards - NC	\$ -			
230 Prepare 80% Submittal - R	\$ 10,877.00			
240 Prepare 80% Submittal - R	\$ -			
250 Prepare and Submit Final Plans and Specifications - R	\$ 3,115.00			
260 Prepare and Submit Final Cost Estimate - R	\$ -			
270 Prepare and Submit Final Engineers Design Report - R	\$ -			
280 Prepare Construction Safety and Phasing Plan - R	\$ -			
290 Phase III Project Meetings - NC	\$ 2,124.00			
Expenses	\$ 780.00			
<b>TOTAL PHASE III - FINAL DESIGN</b>	<b>\$ 44,862.00</b>	<b>\$ -</b>	<b>\$28,935.00</b>	<b>-\$22,973.00</b>
<b>PHASE IV - BID ADMINISTRATION</b>				
300 Prepare Advertisement for Bids (N.I.C.)	\$ -			
310 Bid Documents Distribution (N.I.C.)	\$ -			
320 Respond to Bidders/Manufacturer Questions - R	\$ 2,936.00			
330 Prepare and Execute Addendum (1) - R	\$ -			
340 Pre-Bid Conference - NC	\$ -			
350 Bid Opening (N.I.C.)	\$ -			
360 Bid Review and Bid Tabulation - INC	\$ 1,599.00			
370 Prepare Recommendation for Award - INC	\$ 821.00			
Expenses	\$ -			
<b>TOTAL PHASE IV - BIDDING PHASE</b>	<b>\$ 5,356.00</b>	<b>\$ -</b>	<b>\$9,852.00</b>	<b>-\$4,436.00</b>
<b>TOTAL ENGINEERING FEES: \$132,268.00</b>			<b>\$337,338.00</b>	<b>-\$225,070.00</b>











Item	Senior Project										Total Hours	Cost Summary
	Senior Associate	Engineer	Senior Engineer	Engineer II	Engineer I	Senior Engineering Technician	Technician III	Chief	Administrative Assistant	Hours		
<b>PHASE IV - BID ADMINISTRATION</b>												
31.0 Prepare Advertisement for Bids (N.C.)												
Estimated Total Man-hours	0	0	0	0	0	0	0	0	0	0	0	0
Summary Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
32.0 Bid Documents Distribution (N.C.)												
Estimated Total Man-hours	0	0	0	0	0	0	0	0	0	0	0	0
Summary Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
33.0 Respond to Bidders/Manufacturer Questions - R												
Estimated Total Man-hours	1	2	0	0	0	0	4	0	4	12	0	2,355.00
Summary Costs	\$183.00	\$183.00	\$1,416.00	\$0.00	\$0.00	\$0.00	\$444.00	\$0.00	\$0.00	\$288.00	\$0.00	\$2,355.00
33.6 Prepare and Distribute Addendums (I - R)												
Estimated Total Man-hours	0	0	0	0	0	0	0	0	0	0	0	0.00
Summary Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
34.0 Pre-Bid Conference - MC												
Estimated Total Man-hours	0	0	0	0	0	0	0	0	0	0	0	0.00
Summary Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
35.0 Bid Opening (N.C.)												
Estimated Total Man-hours	0	0	0	0	0	0	0	0	0	0	0	0.00
Summary Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
36.0 Bid Review and Bid Tabulation - MC												
Estimated Total Man-hours	1	1	4	0	0	0	2	0	2	10	0	1,686.00
Summary Costs	\$203.00	\$203.00	\$1,624.00	\$0.00	\$0.00	\$0.00	\$177.00	\$0.00	\$0.00	\$288.00	\$0.00	\$1,686.00
37.0 Prepare Recommendation for Award - MC												
Estimated Total Man-hours	0	0	2	0	0	0	0	0	0	0	0	621.00
Summary Costs	\$0.00	\$0.00	\$154.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$177.00	\$190.00	\$0.00	\$621.00
<b>Expenses</b>												
Subcontractor	0	0	0	0	0	0	0	0	0	0	0	0.00
Auto Rental	0	0	0	0	0	0	0	0	0	0	0	0.00
Meals	0	0	0	0	0	0	0	0	0	0	0	0.00
Alcohol for Dinner	0	0	0	0	0	0	0	0	0	0	0	0.00
Travel and Lodging	0	0	0	0	0	0	0	0	0	0	0	0.00
Computer Costs	0	0	0	0	0	0	0	0	0	0	0	0.00
Printing	0	0	0	0	0	0	0	0	0	0	0	0.00
Telephone	0	0	0	0	0	0	0	0	0	0	0	0.00
Other	0	0	0	0	0	0	0	0	0	0	0	0.00
Office	0	0	0	0	0	0	0	0	0	0	0	0.00
<b>Total Expenses</b>												
<b>PHASE IV - BID ADMINISTRATION TOTAL: \$ 5,155.00</b>												

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ATTACHMENT 4  
2015 STANDARD BILLING RATE SCHEDULE

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**MEAD & HUNT, Inc.**  
**Western Standard Billing Rate Schedule**  
**Effective January 1, 2015**

**Standard Billing Rates**

Clerical.....	\$77.00 / hour
Interior Designer, Technical Editor.....	\$103.00 / hour
Senior Editor.....	\$152.00 / hour
Registered Land Surveyor.....	\$117.00 / hour
Accounting, Administrative Assistant.....	\$95.00 / hour
Technician I, Technical Writer.....	\$88.00 / hour
Technician II, Surveyor - Instrument Person.....	\$103.00 / hour
Technician III.....	\$111.00 / hour
Technician IV.....	\$134.00 / hour
Senior Technician.....	\$160.00 / hour
Engineer I, Scientist I, Architect I, Planner I.....	\$121.00 / hour
Engineer II, Scientist II, Architect II, Planner II.....	\$133.00 / hour
Engineer III.....	\$144.00 / hour
Senior Engineer, Senior Scientist, Senior Architect, Senior Planner, Senior Economist.....	\$164.00 / hour
Project Engineer, Project Scientist, Project Architect, Project Planner.....	\$177.00 / hour
Senior Project Engineer, Senior Project Scientist, Senior Project Architect, Senior Project Planner.....	\$216.00 / hour
Senior Associate.....	\$263.00 / hour
Principal.....	\$273.00 / hour
Senior Client/Project Manager.....	\$273.00 / hour

**Expenses**

Geographic Information or GPS Systems.....	\$32.00 / hour
Total Station Survey Equipment.....	\$16.00 / hour
Charges for other equipment may appear in a proposal	
Out-Of-Pocket Direct Job Expenses.....	cost plus 15%
Such as reproductions, sub-consultants / contractors, etc.	

**Travel Expense**

.....	\$0.90 / mile
Air and Surface Transportation.....	cost plus 15%
Lodging and Sustenance.....	cost plus 15%

**Billing & Payment**

Travel time is charged for work required to be performed out-of-office. A minimum of two hours will be billed for any work out-of-office.

Invoicing is on a monthly basis for work performed. Payment for services is due within 30 days from the date of the invoice. An interest charge of 1.5% per month is made on the unpaid balance starting 30 days after the date of invoice.

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This schedule of billing rates is effective January 1, 2015, and will remain in effect until December 31, 2015, unless unforeseen increases in operational costs are encountered. We reserve the right to change rates to reflect such increases.

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