

The City Council for the City of Junction City, met in a work session at 6:30 p.m. on Tuesday, September 23, 2025 in the Council Chambers, 680 Greenwood Street, Junction City, Oregon and in a virtual meeting format via internet and phone.

**PRESENT:** Mayor, Kenneth Wells; Council President, Karen Leach; Councilors Sandie Thomas, Sidney Washburne, Andrea Ceniga, Ken Jamieson, and Ken Hancock; City Administrator, Jason Knope; Public Works Director, Gary Kaping; and City Recorder, Kitty Vodrup.

**1. Call to Order, Pledge of Allegiance, and Roll Call**

Mayor Wells called the work session to order at 6:30 p.m., led the pledge of allegiance, and took roll call.

**2. SCS Engineering Presentation – Impacts from Water and Sewer**

Administrator Knope distributed copies of the Water and Sewer Revenue Sufficiency Analysis, and Director Kaping introduced Helia Lee from SCS Engineering.

Administrator Knope shared that the intent tonight was not to select rates, but for Council to select the project scenarios that they would like staff to focus on. Staff would then go back and fine tune things and bring back more information on the City's rate structure and a Ratepayer Assistance program and how those would impact rates. The Council picking an option and project list tonight was not set in stone and could be changed at a later date. The information on projects and potential rates were needed to provide to state agencies for funding options and programs; the state had a minimum threshold of the City needing to meet the state average on the utility bill in order to receive assistance. The state average could be seen on each scenario chart under "average bill."

Ms. Lee presented the following:

**Process**

- Once SCS understood the key issues and goals of the study, they took the data provided by the City and created a long-term plan to determine the current financial health of the utility.
- They set a projection period of 10 years, understanding that realistically they were looking at a five-year rate plan.
- SCS determined the reserve balance and what was sustainable. They set this for following best practices and having 3 months of Operations and Maintenance (O and M) on hand.
- This was being presented to Council for input and what the next steps would be.

**Goals**

- The goals of the financial plan process:
  - Meet the operational and capital needs
  - Maintain the Reserves
  - Minimize the financial burden to the ratepayer. Their big focus was to create rates that were feasible, equitable, and transparent.

**Data**

- They took 4 to 5 years of historical budget versus actual data and the most recent trial balance to show cash equivalent funding that they were starting with. They also included the 10-year capital expenditure program and anticipated future hiring.

**Assumptions**

- Account Growth: Took into consideration past account growth and set it at 0.5%
- Cost Escalators (Salaries, O and M, and Capital Improvement): They set a range of 3 to 5%.
- Working Capital Reserve Target: Set at 25%, which was 3 months of O and M.
- Interest Earnings: Included in analysis and went into the operating revenue.
- Additional Hiring: Depending on what the projected hiring was, the salary might be escalated. Hiring someone in 2026 would be different than hiring someone in 2036, so they wanted to make sure the salaries were escalating there.
- Usage of Water/Sewer Capital Fund: The utility had done an excellent job of building up capital funds.
- Establishment and Contribution to Rate Stabilization Fund: The City did not currently have such a fund, but such a fund could be used to offset the burden to taxpayers for future rate increases. Having such a fund was included in the analysis.

## Key Issues and Projects

### • Water

- There were 14 capital projects that included essential main upgrades, with an annual debt service of approximately \$1.8 million:
  - Raintree Well
  - Alderdale Well
  - Asbestos, Steel, and Lead Jointed Cast Iron Waterlines Replacement Project
  - Wells System Redundancy and Resiliency Improvements
  - Main from Bailey Well to 5<sup>th</sup> and Maple
  - North Greenwood Street Mainline
  - North Downtown Waterlines
  - South Greenwood Street and 3<sup>rd</sup> Street Mainlines
  - Elm Street and Deal Street Mainlines
  - South Downtown Waterlines
  - Northeast Residential Waterlines
  - Industrial Mainlines
  - 99W Waterlines
  - Galvanized Steel and Asbestos Concrete Pipe Replacement Program

### • Sewer

- There were 9 capital projects that included several main and pump station upgrades with an annual debt service of approximately \$4.8 million.
  - Wastewater Treatment Plan Projects
  - North Common Force Main
  - Upgrade 14<sup>th</sup> and Elm Undersized Trunk Sewer
  - 17<sup>th</sup> and Ivy Pump Station
  - North Common Force Main – Rose to Oaklea
  - 10<sup>th</sup> and Rose Pump Station
  - Chapel Creek Pump Station Force Main
  - 1<sup>st</sup> and Monaco Pump Station
  - Infiltration and Inflow Removal Projects

## Cash Flow Analysis

- They used a cash flow model and once the model was populated, they could determine where there would be a cash flow surplus, which meant there was more cash in than cash out, or if there was a cash deficit, where expenses were greater than revenue.

## Scenarios and Results

### Water

1. Water Status Quo: This spreadsheet showed the baseline scenario, without any of the capital projects, to show where the utility was currently. Starting in FY 2029, the cash flow began to decrease, with fund balance depletion and deficit by FY 2035. So even without the capital improvement projects, it was likely that the utility would need a rate increase for it to be sustainable over the 10-year projection.
2. Water Scenario 1 – 20-Year Bond: Assumptions were doing a 20-year General Obligation Bond with all 14 capital projects executed in FY 2026. With this scenario, there would be a one-time increase of 95% followed by a 2% inflationary increase thereafter.
3. Water Scenario 2 – Phased Execution with a 20-Year Bond: General Obligation Bond, with 6 projects executed in FY 2026 and 8 projects executed in FY 2031. There would be a one-time 65% increase followed by a 3.5% inflationary increase thereafter.
4. Water Scenario 3 – Phased Execution – 20-Year Bond with SDWRLF (Safe Drinking Water Revolving Loan Fund): The SDWRLF provided low-cost loans for utilities. General Obligation Bond with 6 projects executed in FY 2026 and 8 projects executed in FY 2031. One time increase of 50% and a 3.5% inflationary increase thereafter. The fund balance would meet the reserve target in each year.

Administrator Knope highlighted that the SDWRLF was the 3 million dollar grant/low interest loan that staff worked with the state on. This highlighted how much of an impact to rates something like this could have and what staff would be looking for going forward. Using SDWRLF in Scenario 3 reduced the rate increase needed by 15%, going from a 65% increase

to a 50% increase. Ms. Lee added that 50% may sound like a lot, but if you looked at the water base rate in FY 2026 of \$19.22, a 50% increase would be an additional \$6 or \$7.

### Sewer

1. Sewer Status Quo: This spreadsheet showed the baseline scenario without any of the capital projects. It showed that by FY 2031, the fund balance would be depleted.
2. Sewer Scenario 1 – FY 2026 Fully Executed 30-Year Bond: General Obligation Bond and doing all 9 projects in FY 2026. One-time increase of 190% followed by inflationary increases thereafter. The fund balance would meet target in each year.

Ms. Lee noted that if the City intended on adding employees in FY 2026, it would add 10% to the one-time increase. Administrator Knope responded that right now, staff was not projecting any staffing increases in these scenarios. At some point after they brought the new treatment plant online, they would need to hire a Grade 3 operator. He added that out of the 4.8 million dollars for the 9 sewer projects, over 4 million was for the Sewer Treatment Plant. Once the state could see what the City's potential rates were going to be, there would be a number of programs that could assist the City in tackling that big project. These rate scenarios were the worse-case scenarios, and it was intended that they would find ways to lower those rates. These scenarios did include a 5 or 7 million dollars placeholder for funding the Inflow and Infiltration Abatement as required by the Mutual Agreement and Order (MAO). Staff would have a better idea of costs, after the CCTV work was completed.

3. Scenario 2 – Phased Execution with a 30-Year Bond: General Obligation Bond and doing 5 projects in FY 2026 and 4 projects in FY 2036. One-time increase of 175% followed by a 3.25% inflationary increase thereafter. The projects being pushed out to FY 2036 were mainly pump station improvements and would require additional capital of \$424,000, so slight CIP increase in FY 2036. Even with that increase, the fund balance minimum reserve target annually would be met. This scenario, like the others, included building up the Rate Stabilization Fund along with the increases.

### Recommendations

- Establish a sewer/water rate stabilization fund that could be used to alleviate future rate increase needs. The reason they wanted to establish a separate fund from the capital fund was so the fund could be used outside of capital projects.
- Engage stakeholders to communicate rate changes and infrastructure investments. Transparency was very important, and ratepayers appreciated knowing what was happening to the city, what improvements were being made, and that the rate increases were intentional.

### Next Steps

- Adopt one of the suggested scenarios
- Update the analysis every 1 to 2 years.

Councilor Hancock asked if any of the water projects would help the water taste better. Administrator Knope responded yes, and staff had prioritized having these 3 projects on the list:

1. Asbestos, Steel, and Lead Jointed Cast Iron Waterlines Replacement Project
2. Main from Bailey Well to 5<sup>th</sup> and Maple
3. Galvanized Steel and Asbestos Concrete Pipe Replacement Program

Councilor Hancock asked if the existing water treatment facility would be able to handle two more wells coming on board. Administrator Knope responded yes and noted that the intent with Alderdale Well would be to install two filters on site, treat it there and then put into the distribution system for an interim solution, as it was so far from the water treatment facility. For the Bailey Well, it would be more cost effective to come across High Pass and run up to 5<sup>th</sup> and Maple and connect there than it would be to put filters at Bailey.

Councilor Hancock asked for confirmation that there was no need to build a water treatment facility right now and the City would be able to use its current facility. Administrator Knope responded that was correct. In the long term, the water treatment facility that had been talked about was meant to provide redundancy and was not on this list for consideration. The City did have one million dollars from the state to design that for some point in the future.

Councilor Hancock asked what the water project splits would be in the phased approach. Administrator Knope responded that staff was recommending doing these 6 projects first:

- Raintree Well
- Alderdale Well
- Asbestos, Steel and Lead Jointed Cast Iron Waterlines Replacement Project
- Wells System Redundancy and Resiliency Improvements
- Main from Bailey Well to 5<sup>th</sup> and Maple
- Galvanized Steel and Asbestos Concrete Pipe Replacement Program

Councilor Hancock asked when these would happen. Administrator Knope responded it was noted for FY 2026-2027, but it would depend on when the City could get funding. The City had 6 million dollars towards the Galvanized Steel and Asbestos Concrete Pipe Replacement Program.

Mayor Wells noted that the remaining 8 projects were basically waterlines. Administrator Knope responded that was correct, and those were in the master plan. He added that there were other projects in the master plan like building an additional ground storage reservoir that at some point over the next 20 years should be done.

Councilor Hancock asked if staff had a preference on the scenarios. Administrator Knope responded staff leaned towards Water Scenario 2. It was a couple of dollars more than Water Scenario 3, but he would like to leave that couple of dollars on the table for right now as they started to look at restructuring to a tiered rate structure and leaving some to talk about a potential ratepayer assistance program.

Councilor Hancock noted in 2026 in Water Scenario 2, there would be a one-time 65% increase and asked what the monthly bill would be and where he could find the current water rates. Administrator Knope responded that the current rates could be seen on the Water Status Quo chart, and with Water Scenario 2 there would be an increase of about \$20 a month for 10 consumption units. He added that it would probably be more in the \$10 to \$12 range for most people, depending on how much water they used.

Councilor Hancock asked when the other water projects in the phased approach would be done. Administrator Knope responded that what he liked about Water Scenarios 2 and 3 was they would do 6 water projects now. Then in 10 years, they would do the remaining 8, and then 10 years after that they would have paid off the first set. So then the City would be set up to have capital to do more projects and continue on a 10-year cycle. That would help address the long term and not going back to where the City currently was at.

Councilor Hancock noted that starting in 2026, they would have a 5-year strategic plan to get the 6 water projects completed, and then at the end of that 5 years, staff would come back and start talking about the next group. Administrator Knope responded yes.

Councilor Hancock asked if there was anything critical that they were leaving on the table that was not being addressed in the first 5 years. Administrator Knope responded no, from a project standpoint. He continued that long term, they needed to make sure they had an appropriate level for O and M going forward.

Councilor Ceniga asked what the concerns for future O and M were. Administrator Knope responded making sure from an operations standpoint that the City was putting away enough money each year to pull wells and do inspections and repairs at the correct frequency, being more proactive with source water protection, making sure to look at the aquifer, making sure the path they were on was sustainable for the future, and making sure they maintained the tanks like they were supposed to.

Councilor Hancock noted that on the water status quo slide, it showed that the fund balance would be depleted by 2025. He asked what the draw down would be. Ms. Lee responded that the general operational cash out would be greater than the cash being brought in. That was partly due to assuming in that scenario that the City would not be making any revenue adjustment. To hit the minimum reserve target, they may need a 3 to 4% increase.

Councilor Hancock stated that he assumed that wages would be what was driving that. Ms. Lee responded that in 2024, actual personnel services were \$550,000 and they were

estimating that in 2025 the utility would spend \$759,000. Councilor Hancock responded that they would need to be careful there and in negotiations. Administrator Knope responded yes. Councilor Thomas asked if staff found out any more about providing sanitation to Harrisburg. Director Kaping responded no, and Harrisburg was still trying to get out of the contract with their current provider.

Councilor Hancock asked if the City would be ready to begin the projects in 2026. Administrator Knope responded that they had to pick a starting year, and he would not necessarily fixate on the date. He thought the projects might be spread out a little more and staff would come back once they figured out where those projects would fall and then they would layer in what they needed to do.

Councilor Hancock asked if a bond would cover these projects. Administrator Knope responded that Duncan Brown from PFM Financial Services would help with that and answer what would be the City's best approach.

Councilor Hancock asked if the bond would be included in time for the budgeting process. Administrator Knope responded that if the bond would come mid-fiscal year, they would include it in the budgeting process. If that did not happen, they would address as it came up which they had done for grants, etc.

Councilor Ceniga asked if a bond had to be approved by the voters. Administrator Knope responded not for a utility rate bond.

Councilor Ceniga shared that she was concerned about making sure they plan for needing to hire the Grade 3 employee down the road. Administrator Knope responded that he was working with Director Kaping on a reorganization plan for Public Works, and they were making sure to include that position so when they brought that back to Council, they would have all the cards on the table that they know of. He added that getting a Grade 3 operator could be hard to do, because there were not that many in the state.

Councilor Hancock asked if there was a way to contract with a company to run the plant. Administrator Knope responded that was something they could look into as an option.

Councilor Ceniga asked if Eugene had a mechanical plant. Administrator Knope responded the wastewater in Eugene was run by the MWMC (Metropolitan Wastewater Management Commission), which had both lagoons and a mechanical plant.

Councilor Hancock added that maybe an 180 agreement with them would be a possibility. Administrator Knope responded that they would look at all options.

Mayor Wells stated that as Councilor Hancock had addressed and as staff recommended, he thought they needed to do the projects that were going to affect the end product that was going to the consumer.

Administrator Knope noted that there were federal funding requirements for the one million dollars received for Raintree Well, and that project might end up being one that staff recommended not moving forward with because of all of the strings attached to that federal grant, which would push the project costs up by ½ million dollars. Alderdale Well would get the City one well ahead and then Raintree could become a future well site.

Mayor Wells asked if they would use the money for Raintree for another project, if that project was moved to the future. Administrator Knope responded that would be a Council decision at that time. Staff would bring recommendations on alternate projects, or they could not do a replacement project and then adjust the rates accordingly.

Councilor Ceniga asked what the rate increases might be for water and sewer. Administrator Knope responded that water, based on Water Scenario 3, would be an increase of \$15 to \$20 a month. The sewer increase would be \$100 to \$125 per month. The combined monthly increase in these worst-case scenarios was an additional \$120 to \$150.

Councilor Ceniga asked for confirmation that the actual rates would be lower. Administrator Knope responded that after staff received direction from Council tonight, they would be talking to the state about their grant and low interest loan programs to get assistance, which would

lower rates. They were scheduling One Stop meetings with the Regional Solutions Team and all the funding agencies in the state to get more information to feed into these models.

Councilor Ceniga said that a big increase would make a lot of people not happy and would be a further hardship to those already struggling to pay their bills.

Administrator Knope stated that once they looked at where the funding landed, the projects could be phased in on a tiered approach. Staff also wanted to talk with Council about changing to a tiered rate structure, as the current structure penalized people who used less water and to revisit having a Rate Assistance Program. During a recent Community Meeting, a citizen brought up having a something like a "level pay" program that power companies offered, which staff could look into.

Director Kaping noted that the sewer was what drove the cost up the most and was something the City did not have any control over.

Councilor Hancock asked what scenario staff preferred for sewer. Administrator Knope responded whichever one Council felt more comfortable with.

Councilor Hancock asked if both scenarios would answer all of the issues in the MAO. Administrator Knope responded yes. The only different was when the City did some of the pump stations and other projects due to age that were not contained within the MAO or any agreement with the state.

Director Kaping added that staff guessed how much the I and I work would cost and had earmarked money for that, as the cost was not yet known until all of the pipes had been TV'd and the analysis completed.

Administrator Knope stated that with that being said, he would lean towards Sewer Scenario 1 and then if the City needed to put more money towards I and I from a project standpoint, they could switch to number 2 so it did not necessarily increase what the anticipated rate increase would be.

Councilor Hancock said that if they went with Sewer Scenario 1, that would raise rates to \$200 a month, whereas currently it was \$70. Administrator Knope responded that was correct.

Councilor Hancock stated that was a \$130 increase for sewer and then a \$20 for water that would total a \$150 monthly increase for both. Administrator Knope responded yes, based on 10 consumption units.

Director Kaping stated that that was one of the reasons he and Administrator Knope wanted to look at a tiered rate structure, because currently someone who used 2 consumption units a month would pay the same base rate as somebody who used 20 consumption units.

Councilor Hancock asked if part of the bonds would be used to make up the deficit in wages. Ms. Lee responded no, as the bonds were specifically for the projects; however, the rate increases did help with the operations because everything was plugged into the model. Administrator Knope added that the rate increases covered the costs to pay the debt repayment for the bond and O and M, including wages, and everything in the normal budget.

Councilor Hancock asked for confirmation that the rate increases were not strictly for the bond. Administrator Knope responded that was correct. Councilor Hancock added that he did not think people would be able to pay \$150 extra a month.

Mayor Wells noted that this was the worse-case scenario and did not take into account the additional state money that the City might be able to get. Administrator Knope responded that was correct. Administrator Knope continued that they were not close to setting what the actual rates would be and that would occur sometime next year. Normally at this point, he would not bring a rate study but doing this was the easiest way to bring to Council the information they were looking for. For him, it was about picking the projects, talking with the state on available funding programs, putting everything together, reviewing that as a final package and then making decisions from that point. It would be January at the earliest for making that kind of decision, as typically the Council did not hold a work session in November or December.

Councilor Leach asked if they first needed to have some sort of an idea of what the rate structure could be before getting funding information from the state. Administrator Knope responded yes and that was why they needed Council to say what projects would be brought to the table. He could then take the water and sewer projects that the Council selected and share that and the anticipated impact with the state.

Councilor Ceniga asked for confirmation that the Council could change the projects, if there was not much funding from the state. Administrator Knope responded yes, and nothing was set in stone. He continued that the only thing that was really set in stone was the City had the 3 million dollar loan/grant from the state, and he would not be comfortable saying they could not do that project work. After tonight's discussion, he would submit the final application for that loan/grant and then contact the partners with the state on additional funding programs.

Director Kaping noted that the only other project that had to be done was the sewer plant. Administrator Knope added that there were no contracts coming out of this project discussion tonight. Staff would contact state and federal legislators on getting assistance for the City. The City would not need funding for the sewer project for a couple of years yet and would probably be 2028 at the earliest, so they had some time.

Director Kaping shared that they might have to pull a little bit of money for the predesign work, which the City already had available in SDC funds.

Councilor Hancock stated that there were basically two problems: Wages and the need for this bond to pay for the various actions that the City needed to take. He asked if the City did wage comparisons to other cities with a similar population. Administrator Knope responded yes, and the comparisons were to similar sized cities of 4,000 to 8,000 and not to Eugene or Springfield. Mayor Wells added that the comparisons included other similar sized cities across the state.

Administrator Knope said that they were not able to get Sanitation comparisons from other cities, as other cities did not have Sanitation. Councilor Hancock noted that the City had looked at other Sanitation companies bids for service, so had seen that comparable.

Mayor Wells asked what scenarios the Council would like to go with. Administrator Knope responded that what he was hearing was to go with Scenario 2 for water.

**CONSENSUS FOR WATER SCENARIO:** The Council consensus was in favor of going with Water Scenario 2, which was:

- Phased Execution with a 20-Year bond.
- 6 Projects Executed in FY 2026
  - Raintree Well
  - Alderdale Well
  - Asbestos, Steel and Lead Jointed Cast Iron Waterlines Replacement Project
  - Wells System Redundancy and Resiliency Improvements
  - Main from Bailey Well to 5<sup>th</sup> and Maple
  - Galvanized Steel and Asbestos Concrete Pipe Replacement Program
- 8 Projects Executed in FY 2031
  - North Greenwood Street Mainline
  - North Downtown Waterlines
  - South Greenwood Street and 3<sup>rd</sup> Street Mainlines
  - Elm Street and Deal Street Mainlines
  - South Downtown Waterlines
  - Northeast Residential Waterlines
  - Industrial Mainlines
  - 99W Waterlines

Mayor Wells asked about the projects that would be done in the Sewer scenarios. Administrator Knope responded that all 9 projects would be done in Sewer Scenario 1.

Ms. Lee stated that in Sewer Scenario 2, there would be a phased approach with doing 5 projects in FY 2026:

- Wastewater Treatment Plan Projects
- North Common Force Main
- North Common Force Main – Rose to Oaklea

- 1<sup>st</sup> and Monaco Pump Station
- Infiltration/Inflow Removal Projects

Ms. Lee added that the other 4 projects would be done in 2036:

- Upgrade 14<sup>th</sup> and Elm Undersized Trunk Sewer
- 17<sup>th</sup> and Ivy Pump Station
- 10<sup>th</sup> and Rose Pump Station
- Chapel Creek Pump Station Main

Director Kaping noted that the force main projects were on the first list because of the age of the force mains that went out to the lagoon and the one from Rose to Oaklea that ran through the middle of a field at Oaklea Middle School.

Mayor Wells shared that at the last meeting they had talked about only digging up a road once, if they could afford it and asked if that would be considered with some of the sewer and water projects. Director Kaping responded that they were currently having the City engineer work on that.

Mayor Wells noted that Administrator Knope had mentioned starting with Sewer Scenario 1 and then going to Sewer Scenario 2 if they had to. Administrator Knope responded that staff was fine with either approach, but he had recommended Sewer Scenario 1, as it gave more flexibility to work backwards if needed. For example, if the I and I work was more than had been anticipated, they could do a phased execution of the projects to be able to offset that cost increase.

Councilor Ceniga asked for confirmation that staff was thinking number 1 for Sewer. Administrator Knope responded yes. He added that staff went through the sewer project list and paired it down to things that were very critical, because they knew how much the sewer plant was going to cost.

**CONSENSUS FOR SEWER SCENARIO:** The Council consensus was in favor of going with Sewer Scenario 1, which was a 30-Year Obligation Bond and all 9 projects being executive in FY 2026. The backup plan would be going with Sewer Scenario 2, which was a phased execution with a 30-year bond, if needed.

Councilor Washburne asked for confirmation that they would not really know what the rate increases were going to be until staff talked to Salem and found out about the funding opportunities. Administrator Knope responded yes, and the rates should be less than what were on these scenarios. After staff spoke with the state, they would know how much lower the rates could be from these scenarios.

Councilor Washburne noted that there were many seniors and people on fixed incomes in town. Administrator Knope responded that was why changing the rate structure would really be a benefit to seniors and those on fixed incomes, as the tiered rate structure would allow people who use less water to pay less and those who used more water would pay a bit more. Director Kaping added that the tiered rate structure would play two roles: People who wanted to water a lot would pay more money, but it would also force people to conserve water, so the City would be protecting its aquifer and the ability to produce water more.

Mayor Wells noted that people would see a return of a lower bill by using less water. Director Kaping shared that a tiered rate structure would also not punish seniors and those on a fixed income by charging them the same as people who used more water.

Councilor Ceniga said that she worried about the impact of a large increase. The City wanted to have construction continue at some point and have people come into town, as well as provide safe drinking water. She noted that during the water curtailments, citizens complained about not being able to meet their HOA requirements of having a green lawn. Director Kaping responded that he had let folks in the HOA know that in the event of water curtailment, having green lawns was no longer an option and they understood and did not fight that.

Administrator Knope stated that the nice thing about what they were proposing for water was it was a little more forward looking. It set a cycle where every 10 years the City had funding to continue to address and keep above the minimum of how the City should do business. Director

Kaping added that it would help the next people coming in behind them to continue to do this work that was started.

Councilor Hancock shared that he did not think there would be a large concern with a \$20 increase for water with Scenario 2, as it would fix all the problems with water and it would taste better. It would be the sewer rate increase, and it sounded like staff would go to the state to work on funding. He hoped that good working relationships had been established.

Director Kaping responded that he had been surprised how many agencies attended the One Stop meetings and were willing to throw out ideas on funding options even from other agencies. The next step would be doing a One Stop meeting and getting more information.

Mayor Wells asked if that had been done for other cities. Director Kaping responded that Junction City was not the only city going through this right now, and there were five or six other cities asking for the same thing. This was one of the reasons all of the projects could not be funded.

Councilor Hancock noted that was where relationships mattered. Administrator Knope responded that staff may ask for Council’s help in starting to lobby Salem at some point. Councilor Hancock said that was critical.

Councilor Ceniga asked if this was something they could reach out to the Lane County Commissioners on to help. Administrator Knope responded that they were reaching out to everybody. Director Kaping noted that Commissioner Ceniga had attended one of meetings they had. Administrator Knope added that staff was meeting with the County’s Economic Development team on Monday and would then be doing quarterly meetings with them. The county was aware of what the City was doing and had offered to help with lobbying and other things that they did well.

Councilor Leach noted that she had attended a LOC meeting where they were talking about the lobbying work they did, which was very interesting. She added that smaller cities needed to step up and be involved with this type of work. Mayor Wells added that the other cities looking for funding were lobbying their own representatives in Salem. Councilor Hancock expressed his agreement and noted that he thought they were a little bit behind the power curve on lobbying and needed to step up their game. Administrator Knope responded for sure.

Mayor Wells shared that people in the One Stop group were on top of things and the governor had representatives, there were state and federal senators and representatives, and local people.

Councilor Thomas noted that Representative Cedric Hayden had attended one of their Council meetings and had asked what he could do for the City.

Mayor Wells asked if staff needed anything else. Administrator Knope responded that he had consensus direction on the water and sewer project scenarios and would move forward on the next steps.

The Council thanked Ms. Lee for her presentation.

**3. Adjournment**

As there was no further business, the work session was adjourned at 7:48 p.m.

ATTEST:

APPROVED:

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Kitty Vodrup, City Recorder

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Kenneth Wells, Mayor