



CITY OF DONALD

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DONALD CITY COUNCIL

WORK SESSION

Minutes

Monday, October 6, 2025 at 6:45pm

Hybrid Meeting at City Hall: 10710 Main St. NE and via Zoom

OPEN MEETING: Mayor Houdyshell opened the City Council Work Session on Monday, October 6, 2025 at 6:45pm.

PLEDGE OF ALLEGIANCE

ROLL CALL:

City Council Present: Mayor James Houdyshell, Council President Jan Olsen, Councilors: Michael Coffman, Abby Hungate, Amanda Johnson, Gabrielle Plunkett and Jenny Strathdee.

City Council Absent: None.

Staff Present: City Manager Eric Underwood, Public Works Director Alonso Limones.

Others Present: None.

ADD/DELETE AGENDA ITEMS: None

NEW BUSINESS:

I. Discussion: Water Service Line Replacement Financing

Manager Underwood outlined information provided to the Council via map regarding the priority areas that need their water service lines replaced. The work could be done in-house by the Public Works Department, and a portion of the work would take place in the current fiscal year. There are a variety of scenarios for what order the project will take place and it will be partly dependent on what is found once lateral pipes are exposed. Work can be adjusted based on those findings.

Manager Underwood then outlined a variety of options for financing which had been described in the work session staff report. These included an interfund loan, federal funds through Business Oregon, a special public works loan fund and a loan from a water/wastewater fund. The interfund loan would be the easiest, cleanest and fastest way to secure the needed funding. After the water rate study, scheduled to be started this spring, the cost of the loan would be passed on through water rates for the next 10 years. There was some discussion of whether interest would be charged on the interfund loan.

Any of the other three options would raise rates for 30 years, an interfund loan would raise rates for 10 years. There are additional costs associated with taking out a federal loan including having the project go out to bid, paying prevailing wage rates and having the wages monitored, which adds additional costs. Questions were asked about the difference in water rate increases for an interfund

loan over 10 years versus a loan from a state or federal loan fund which would be repaid over 30 years. The costs would be spread out over the 458 rate payers in the city.

There was a consensus that the best way to move forward with the water line replacement project was with the interfund loan.

ADJOURN

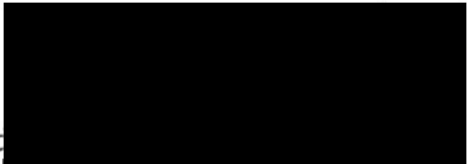
Motion by Council President Olsen, seconded by Councilor Coffman to adjourn the work session. Mayor Houdyshell adjourned the work session of the Donald City Council on Monday, October 6, 2025 at 7:35 p.m.

Date: November 4, 2025

Signed 
Jan Olsen, Council President

ATTEST:

Date: November 4, 2025

Signed 
Eric Underwood, City Manager