

CITY OF LA PINE UTILITIES COMMITTEE MEETING AGENDA

Thursday, February 18, 2010 - 3:00 p.m.

51340 Highway 97, La Pine, OR 97739

South County Building Meeting Room

1. Call to Order
2. Pledge of Allegiance
3. Introductions
4. Added Agenda Items
Any matters added to the Agenda at this time will be discussed during the "Other Matters" portion of this Agenda.
5. Approval of January 21, 2010 Meeting Minutes
6. Intergovernmental Agreement between the City and the Special Districts.
7. Insurance and Legal Fee Costs

Jayne Benner and Councilor McAfee
8. Report on DEQ Meeting Regarding Nitrates held on February 4, 2010
9. Other Matters
Only those matters properly added to this Agenda under line item No. 4 will be discussed at this time.
10. Public Comments for Items Not on the Agenda
11. Adjourn

Pursuant to ORS 192.640, this notice includes a list of the principal subjects anticipated to be considered or discussed at the above-referenced meeting. This notice does not limit the ability of the City of La Pine Utilities Committee to consider or discuss additional subjects. The meeting is subject to cancellation without notice. The meeting is open to the public and interested citizens are invited to attend. The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to Luana K. Damerval at (541) 536-1432.

CITY OF LA PINE UTILITIES COMMITTEE MEETING MINUTES

Thursday, February 18, 2010 - 3:00 p.m

51340 Highway 97, La Pine, OR 97739

South County Building Meeting Room

1. Call to Order

Chair Scholer called the meeting to order at 3:02 pm.

2. Pledge of Allegiance

Councilor McAfee led the Pledge of Allegiance.

3. Introductions

The following people were present for the meeting: Vice Chair Jayne Benner, Tony Debone, Mrs. Barbeann Nelson-Dodson, Councilor Don Greiner, Vicky Jackson, Mayor Shields, Chris Marko and Jack Salcone from Rural Community Assistance Corporation and Admin Ass't Patti Morgan serving as recording secretary.

Chair Scholer announced that Mike Solt and Clark Jackson were unable to attend the meeting today.

4. Added Agenda Items

Any matters added to the Agenda at this time will be discussed during the "Other Matters" portion of this Agenda.

- 9a) Change of Next Meeting date/time
- 9b) House Bill 3617
- 9c) Councilor McAfee, general comments

5. Approval of January 21, 2010 Meeting Minutes

A motion was made by Councilor McAfee and seconded by Vice Chair Benner to Approve the Minutes with a change requested by Barbeann Nelson-Dodson.

<i>Vote as follows:</i>	<i>AYE</i>	<i>NAY</i>
<i>Chair Ted Scholer</i>	<i>X</i>	
<i>Vice Chair Jayne Benner</i>	<i>X</i>	
<i>Councilor McAfee</i>	<i>X</i>	
<i>Mrs. Nelson-Dodson</i>	<i>X</i>	
<i>Tony Debone</i>		

Motion passed unanimously.

00:04:40

6. Intergovernmental Agreement between the City and the Special Districts.

Councilor McAfee stated that she spoke with City Attorney Green and he said the IGA (Intergovernmental Agreement) fulfills the requirement of providing services when the City was incorporated. She said it also protects the City from being involved with potential litigation from citizen complaints against the Water and Sewer Districts. Ms. McAfee said that the Districts did not have to agree before being absorbed within the City (when it was incorporated) and the City had a right to extinguish the Districts at that time. Mayor Shields said that it can only happen if the entire Water and Sewer Districts service area is within the City boundaries and right now there is a section that is serviced by the Districts that is not within the boundaries. She also said that City Attorney Green had just received the new Intergovernmental Agreement between the City and the Water and Sewer Districts. Mrs. Nelson-Dodson said that the new IGA is for two years instead of one year. Chair Scholer said that he would like the new IGA agreement included in the Minutes from this meeting. (This will be available after the City Council has reviewed the IGA at a City Council Meeting).

00:11:59

7. Insurance and Legal Fee Costs

Jayne Benner and Councilor McAfee

Councilor McAfee passed out a memo regarding various options for absorbing the Districts:

- **Option A** – If both governing bodies agree, there is a Public Hearing scheduled and then if the Council in their deliberations find that it is in the best interest of the public they can adopt an ordinance absorbing the Districts.

- **Option B** – If the City completely absorbed the Districts and also annexed areas outside the City limits, the City could extinguish the Districts and assume all the assets and debts of the Districts.

- **Option C** – The City only absorbs the parts of the Districts within the City limits and only assumes some of the debt and some of the revenue.

Councilor McAfee stated that perhaps City Attorney Green could write up a memo detailing the options in more depth for discussion at the next Utilities Committee meeting. Vice Chair Benner asked if City Attorney Green could do an estimate on the costs.

Mrs. Nelson-Dodson said once La Pine's Comprehensive Plan is adopted and in place it will be easier for the Districts to annex more service areas. She also announced that the Water and Sewer Districts are changing their monthly meetings from the second Tuesday of every month to the third Tuesday of every month.

Mrs. Nelson-Dodson mentioned that there has been a significant change in the offer to purchase treated sewage water from Biogreen, the new bio-fuel company that plans to move into the Industrial District. She said there will be a work shop on March 9, 2010 to further discuss this change to the water purchase price from Biogreen. Mrs. Nelson-Dodson did state that the monies from Biogreen could assist with purchasing more water rights for the Districts.

00:26:50

In response to a question from Chair Scholer regarding if the Districts have to go to a vote, Mrs. Nelson-Dodson said that the matter of dissolving the Districts into the City would not have to go before a vote of the customers. In response to a question from Tony Debone, she said this entire issue of absorption is way too early and should probably happen more like five to ten years from now.

Chair Scholer stated that he would like a legal opinion on whether or not the public involved has the right to vote in order to be annexed into the La Pine Water and Sewer Districts. Mrs. Nelson-Dodson stated that she could get a cost free legal opinion on this issue. Vice Chair Benner stated that she thought that information would be helpful as well.

Councilor McAfee stated that in order to have City Attorney Green write a memo it would just need to be brought up at a City Council meeting for voting and/or direction because of the cost issue.

Vice Chair Benner stated that the Water and Sewer Districts have three line items for insurance: (1) Workers' Comp (2) Fidelity Bond (3) Insurance for employees. Mrs. Nelson-Dodson stated she would ask if the insurance policy could be released for public review by the Committee if certain confidential information was redacted. She said her current e-mail address is barbeann01@yahoo.com and she would like all Utilities Committee documents sent to her at that e-mail address.

00:43:00

Chair Scholer stated that no matter how long it takes, if we do not start at some point the absorption of the Districts will never happen. He said this is why the Committee is here to start looking at the process and what it is going to take and can we start moving in that direction. Councilor McAfee said that this information is also important for the City's planning needs.

Vice Chair Benner stated that no one on this committee is fighting to go out to the citizens and say we want the absorption to happen in 2011. She said the Utilities Committee is an information gathering organization.

00:47:20

8. Report on DEQ Meeting Regarding Nitrates held on February 4, 2010

Chair Scholer stated that the purpose of the meeting was to establish a steering committee to look at the issue. He also said there was a review of the discussions that had previously occurred regarding the issue. Vice Chair Benner stated that DEQ has a website that will allow people to apply to be on the committee and also access information on the issue. Chair Scholer stated that they want to get people on the committee that represent many points of view.

Tony Debone stated that there are residents stating that the highest levels of nitrates are at the pivot for the sewer district. He said he does not believe the nitrate levels are high in that area and that

there has been misinformation about it. Mrs. Nelson-Dodson stated that the pivot area is tested about four times a year and it has passed the tests.

00:55:33

9. Other Matters

Only those matters properly added to this Agenda under line item No. 4 will be discussed at this time.

9a) Change of Next Meeting date/time

Chair Scholer stated that the Utilities Committee Meeting conflicts with a monthly professional meeting he needs to attend. The Committee has consensus to move the starting date of their meeting to 4:00 pm on the third Thursday of every month.

9b) House Bill 3617

Councilor McAfee stated that it gives petitioners the option of not extinguishing Special Districts. She suggested the committee keep an eye on this Bill and also said that City Attorney Green is going to see if it is relevant to the tasks of this Committee.

9c) Councilor McAfee, General Comments

None

00:58:25

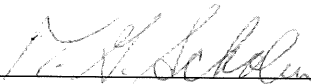
10. Public Comments for Items Not on the Agenda

Chris Marko, Rural Community Assistance Corporation, discussed the duties of his organization and what they might be able to offer in the way of assistance to this Committee. He also discussed the meeting he had this morning with DMC Consulting Inc., City Recorder Damerval as well as some resource providers to highlight what programs are out there for economic development and also infrastructure. Mr. Marko said they cannot give legal advice but they have a lot of resources available to them. He introduced Jack Salcone who also works for RCAC.

Chair Scholer stated that he appreciated the offer for assistance and would like to invite them to the committee meetings at their convenience. He said one of his goals is to look for economic development and jobs for the community. Chris Marko, in response to a question from Councilor McAfee, stated that what they have observed from meetings in La Pine regarding infrastructure is that there is so much going on it is challenging to coordinate everything. Mr. Marko said he thought it was a good idea to have the Utilities Committee help streamline absorption information and move things into action. Jack Salcone stated that they could also assist the Committee on funding sources and also keep those sources abreast of what is developing with the City of La Pine's infrastructure.

11. Adjourn

Chair Scholer adjourned the meeting at 4:11 pm after announcing that the next meeting is scheduled for March 18, 2010 starting at 4:00 pm in the same location.



Chair Ted Scholer

Attest:



City Recorder Luana Damerval