

**LA PINE WATER DISTRICT
LA PINE SPECIAL SEWER DISTRICT
CITY OF LA PINE
JOINT WORK SESSION AGENDA**

Thursday, September 9, 2010 – 10:00 am
South County Building Meeting Room
51340 Hwy 97, La Pine, Oregon 97739

- I. Establish Quorum and call to order
- II. Pledge of Allegiance
- III. Introductions
- IV. IGA Between Districts and City
- V. Annexation of Districts into City
- VI. Utilities and/or Public Works Committee Members
- VII. Public Comments
- VIII. Adjourn

**LA PINE WATER DISTRICT
LA PINE SPECIAL SEWER DISTRICT
CITY OF LA PINE
JOINT WORK SESSION MINUTES**

Thursday, September 9, 2010 – 10:00 am
South County Building Meeting Room
51340 Hwy 97, La Pine, Oregon 97739

I. Establish Quorum and call to order

Mayor Shields called the meeting to order at 10:00 am.

Roll Call:

Present Were:

City Manager Rick Allen
Mayor Kitty Shields
Councilor Doug Ward
Councilor Barbara Hedges
Councilor Adele McAfee
Councilor Don Greiner
City Recorder Luana Damerval
Admin Ass't Patricia Morgan

Quorum established.

President BarbeAnn Nelson-Dodson opened the meeting for the Water District and introduced herself as President; Brian Earls, Treasurer; James Newton Board Member for the Water and also Sewer Special Districts; Dennis Carter Vice-President of the Water District, Chairman of the Sewer District; James Newton, Vice-President of Sewer District; Bill Sawders Commissioner for the Special Districts; and Donna Zigler Office Manager for both the Water and Sewer Districts.

II. Pledge of Allegiance

The Pledge of Allegiance was led by Bill Sawders.

III. Introductions

There was a brief introduction of the Council and Special Districts individual members. Kristy Munson was also present, attorney for the Special Districts.

00:04:00

IV. IGA Between Districts and City

Attorney Munson discussed the terms of the IGA (Intergovernmental Agreement) and why the Districts had requested a longer term than just one year. She said that the Districts preferred a longer term to save on attorney fees and also because they wanted to slow down a possible withdrawal process to ensure that both

the Special Districts as well as the City had their ducks in a row. She said she had advised the Districts that this normally takes a long time and is a messy process.

Ms. Nelson-Dodson expressed various concerns about the numerous processes that were going to occur and the timing of all these processes. She said they would like to have an IGA signed before too long. Attorney Munson also stated that she had advised the Districts that the 'withdrawal' process was something the City had to initiate; the Districts had no involvement in enacting that process. She also said that another item on the IGA included requesting that the City not initiate any formal process of withdrawal during the agreement time period. Attorney Munson said that this was put in the document in order to make sure there was sufficient communication prior to a 'withdrawal' actually occurring.

00:13:40

Councilor McAfee stated that the City had already brought forward its latest offer at a Council Meeting held on August 11th. City Manager Allen said that there were two motions made as well as a representative from the Special Districts at that meeting. He said that the motions were (1) agree to extend the IGA to June 30, 2011 and (2) nothing in the agreement that would limit the City's ability to initiate a formal withdrawal. Councilor McAfee said there was also a third issue and that was that the Districts would cooperate and that if they had any plans for expansion that it would correspond with the City's Comprehensive Plan.

City Manager Allen stated that the City will not agree to the restriction of any formal withdrawal process occurring during the IGA period of time. He said a formal letter will be sent to the Districts requesting necessary documents that the City needs to begin the process of withdrawal. He also reiterated that City Attorney Green provided Attorney Munson with the decision of the Council after that August 11th meeting.

Mayor Shields said that the City has made their proposal and they are not going to budge. City Manager Allen said that the City Attorney can send the Special Districts a letter with the formal position of the City that was decided on at the August 11th City Council Meeting. The Special Districts requested that they would like to review that letter and have an opportunity to respond to it. Attorney Munson stated that she had given a counter proposal to City Attorney Green for a one year agreement with a series of public meetings.

00:23:00

V. Annexation of Districts into City

City Manager Allen said that they are in the early stages of the withdrawal process, not annexation, and a formal letter requesting certain information will be sent to the Special Districts in a short period of time. He said that the City will start working their way through the processes. City Manager Allen said he had already met with some of the State agencies involved and will be meeting with more of them in the coming week. He said that Donna Zigler has been very helpful in supplying him with any necessary document requests. City Manager Allen reiterated that the City would like two Board members from the Special Districts to serve on the Public Works Committee or Utilities Committee. He said as far as the timeline was concerned it will take as long as it needs to take. City Manager Allen said he has already had a meeting with the USDA (United States Department of Agriculture) regarding the loans.

Ms. Nelson-Dodson referenced a letter that the Special Districts recently received from the County Commissioners. She expressed concern as to why the letter was sent which strongly encouraged the Special Districts to cooperate with the City for the various issues involved with providing water and sewer services. Ms. Nelson-Dodson stated that she would like the issue sent to the customers for a vote but understands that it is not necessary for that to happen in order for the withdrawal process to occur.

Mayor Shields stated she would like to see ongoing joint meetings between the City Council and the Special Districts and also maintain the Utilities Committee because they do a lot of the leg work for the Council. Councilor McAfee suggested a Utility Commission where Board members could function as an Advisory Board between the Utilities (Water and Sewer) and the City Council.

00:35:30

City Manager Allen stated that elections will come and go and with a process that is going to take a year or two, elections would not be a factor. He said board members on both sides will come and go all the time. City Manager Allen stated that we need to emphasize the issue of moving forward and not be concerned about upcoming elections and the like.

Mayor Shields stated that at this point everyone understands where we want to go. Councilor McAfee emphasized a third element which is the Special Districts not annexing outside the City's comprehensive plan and she does not want that issue left out of any agreement. Ms. Nelson-Dodson also said that the Special Districts are not opposed to some of these matters they just want to make sure there is good communication throughout the process.

The board members from the Special Districts were then asked to express their concerns about the 'withdrawal' and they stated issues with rates, employees, funding issues, good communication, and general service matters.

Councilor Greiner stated that the Council had instructed City Manager Allen to move forward with the withdrawal and pursue funding and other matters.

01:01:41

Mayor Shields stated she liked the idea of having regular formal meetings between the Special Districts and the City Council. City Manager Allen stated that he will be working with Donna Zigler to obtain the necessary information.

The Special Districts requested to have another meeting with the City Council within the next month. The date of October 19th starting at 6 pm was decided upon for the next meeting. The location for the meeting will be the same.

City Manager Allen stated he would have the revised IGA to the Special Districts prior to their next meeting scheduled for September 21st.

01:11:20

VI. Utilities and/or Public Works Committee Members

This item will be discussed at the September 21st Special Districts Meetings with City Manager Allen in attendance.

VII. Public Comments

Jake Salcone, RCAC (Rural Community Assistance Corp), introduced himself. He said he is happy to serve as a third party and keep the discussion focused around how we are going to manage the utilities and

provide the highest level of service to the communities and also negotiate with the Council to make the process as smooth as possible. He said RCAC has close relationships with the state agencies and the funders. City Manager Allen stated that Mr. Salcone could serve as a good third party and in a facilitator role.

Art Uecker, Insurance Agent for the City, stated that he has already been reviewing the various insurance policies of the Water and Sewer Districts in comparison to the City's insurance policy. He said that the employee insurance policies with the City have the same coverages available as those for the Water and Sewer Districts employees.

Vicky Jackson, 17346 Mink Court, stated that, in her opinion, she does not see why the Water and Sewer Districts are saying the City may not be qualified to take over the Districts. She said if they are going to work together then they need to do it.

City Manager Allen stated that the reason La Pine is growing is because of the hard work of the Water and Sewer Districts over the past years. He said that mergers are always tough and can be stressful for the individuals involved.

VIII. Adjourn

President Nelson-Dodson and Chairman Dennis Carter adjourned the Water and Sewer Districts meeting. Mayor Shields adjourned the City Council meeting at 11:22 am.

Mayor Kitty Shields

Attest:

City Recorder Luana Damerval