

**CITY OF NEWBERG COUNCIL MINUTES
OCTOBER 28, 2013
7:00 PM MEETING
PUBLIC SAFETY BUILDING TRAINING ROOM (401 EAST THIRD STREET)**

I. CALL MEETING TO ORDER

Mayor Bob Andrews called the meeting to order at 7:03 PM.

II. ROLL CALL

Members Present:	Mayor Bob Andrews Stephen McKinney	Denise Bacon Lesley Woodruff	Ryan Howard
Members Absent:	Mike Corey (excused)	Bart Rierson (excused)	
Staff Present:	Lee Elliott, City Manager Pro Tem Jay Harris, Interim Public Works Director Russ Reed, Water Treatment Plant Manager	Truman Stone, City Attorney Norma Alley, City Recorder DawnKaren Bevill, Minutes Recorder	

III. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was performed.

IV. NEW BUSINESS

Discussion of Springs Water System

Mr. Jay Harris, interim public works director, introduced Mr. Jeff Barry from GSI Water Solutions, Inc. Mr. Barry gave background information stating the springs water system was the city's primary source of water from 1894 to 1948. Four water sources make up the springs system and the first well was installed in 1948 on one acre of property adjacent to the Willamette River in Marion County. The city also owns Otis Springs currently used to supplement the reuse water supply to the Chehalem Glenn Golf Course. There are 75 springs users with 64 accounts billed monthly. In 2008, all connections between the city springs water systems and the city well field water systems were eliminated as the springs water supply during the winter months is subject to high turbidity after periods of heavy rainfall. City council adopted Resolution No. 2008-2776 that created a separate springs customer class for the users in this system. In 2008, the State of Oregon mandated upgrades to the spring boxes, chlorination, and monitoring systems. The cost of the upgrade project was estimated at \$472,500.00, being equally split by the city and springs customers. Staff estimates a minimum of a one-half full-time employee is dedicated to maintaining the springs water systems 75 customers. The cost to operate and maintain the system is approx \$86,000.00 annually, not including capital projects and the revenue from the water sales is approximately \$71,000.00 annually. On September 2, 2008, city council directed staff to formulate a transition plan for the springs to no longer continue under city jurisdiction. City staff visits each spring a minimum of three times per week. Samples are collected a minimum of twice per week and are tested by city staff. Oregon Health Authority mandated bacteria samples are collected from each raw spring source and each distribution system once per month and sent to an outside lab. The city performs ongoing maintenance at all spring sites. The city undertook an improvement project for Snider, Skelton, and Oliver springs from 2007-2009, initiated at the directive of the Oregon Health Authority to fulfill adequate disinfection standards. Recently, the city has been asked to implement a pilot program to determine the most cost effective and reliable

method to treat the spring water and has estimated a cost of approximately \$350,000.00 to install permanent buildings, pumps, and monitoring equipment to meet state standards. Mr. Russ Reed, water treatment plant manager, is working with the Oregon Health Authority to submit a plan on how to implement corrosion control. Mr. Barry stated the four springs are part of two water systems. The city's spring water rights allow the withdrawal of up to 5.5 million gallons per day. Presently, the actual amount of water produced by the springs is substantially less than what the water rights would allow. Atkinson spring has no users on either spring system and is currently disconnected. Currently, the springs water customers are charged a \$6.70 base rater per connection with a \$6.18 consumption charge for each 100 cubic feet of water used. One person typically uses 300 cubic feet of water per month and a typical bill is about \$25.00/month per user. The base and consumption rates have not been increased since July, 2011, and are the culmination of a four-year phased rate adjustment plan intended to cover annual maintenance costs of \$62,000.00 plus the debt service on 50% of the 2008 capital improvement project of \$472,500.00. The actual annual costs for operations maintenance continue to be in excess of \$86,000.00, not including capital projects. Total revenues collected from springs customers in 2012 - 2013 was \$71,000.00.

Mayor Andrews opened the public testimony.

Mr. Donald Guthrie stated the 75 springs users should have been notified about the meeting. He requested a copy of the PowerPoint presentation as he found it different from the handout. The statement made by staff regarding all connections being eliminated in 2008 is inaccurate as the city council allowed him to connect to the system in 2009-2010. It seems 75 people do not stand a chance of holding on to their own water district. Councilor Ryan stated the action in 2008 did not preclude additional springs customers to the system.

Mr. Stan Ceaibler asked if the city council members are aware there is a legal document from 1922 stating the city of Newberg shall provide water to the springs customers.

Mr. Harris explained the legal department stated the 1922 agreement is not binding because of the separation of the systems. Also, notifications were not sent out to all neighbors and water users of the system as to bring the councilors up to speed first, with full intent to inform and notify the community outside.

Mayor Andrews recessed until 8:20 PM

V. EXECUTIVE SESSION

Executive session pursuant to ORS 192.660(2)(h) to consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.

Mayor Andrews called the executive session to order at 8:20 PM. Executive session was held with all councilors, the mayor, city manager, city attorney, and city recorder present; no action was taken and no decisions were made.

Mayor Andrews closed the executive session and opened the public meeting at 9:03 PM.

VI. COUNCIL BUSINESS

Mayor Andrews extended an invitation to the city council for those who would like to attend an event on Saturday, November 2, 2013, at Mabel Rush School at 1:30 PM and at 6:00 PM for a viewing of the Trail Blazers at Ye Olde Pizzeria.

Mr. Lee Elliott reminded the councilors of Trick or Treat on First Street, downtown Newberg.

Councilor Howard attended the Cultural District Executive Board meeting with those from the neighborhood and stated Robert Soppe will be the fifth member of the executive board.

Councilor Bacon received word that Zion Lutheran Church has offered their building as a shelter during inclement weather.

Mr. Truman Stone reported online sellers have filed an action against the department of revenue regarding the hotel tax. Their argument is the price the customer pays online includes the cost of the hotel, estimated sales and taxes that is charged, and a fee for the online booking service, but it is not broken down for the purchaser to view.

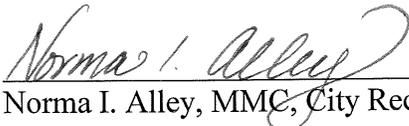
VII. NEW BUSINESS

No new business was brought forth.

IX. ADJOURNMENT

Meeting adjourned at 9:18 PM.

ADOPTED by the Newberg City Council this 16th day of December, 2013


Norma I. Alley, MMC, City Recorder

ATTEST by the Mayor this 19th day of December, 2013.


Bob Andrews, Mayor