

LA PINE UTILITIES COMMITTEE MEETING AGENDA

Thursday, April 15, 2010 - 4:00 PM
51340 Highway 97, La Pine, OR 97739
South County Building Meeting Room

1. Call to Order
2. Pledge of Allegiance
3. Introductions
4. Approval of March 18, 2010 – Meeting Minutes
5. Added Agenda Items
Any matters added to the Agenda at this time will be discussed during the “Other Matters” portion of this Agenda.
6. Update on the Intergovernmental Agreement between the City and the Special Districts
Councilor McAfee
7. Update on Insurance and Legal Fee Costs
Jayne Benner and Councilor McAfee
8. Discussion on Water and Sewer Districts Insurance Policies
Ms. BarbeAnn Nelson-Dodson
9. Terms of Office for Utilities Committee Members
Ted Scholer
10. Update on Water and Sewer District Activities
Ms. Barbeann Nelson-Dodson
11. Public Comments for Items Not on the Agenda
12. Other Matters
Only those matters properly added to this Agenda under line item No. 4 will be discussed at this time.
13. 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.

LA PINE UTILITIES COMMITTEE MEETING MINUTES

Thursday, April 15, 2010 - 4:00 PM
51340 Highway 97, La Pine, OR 97739
South County Building Meeting Room

1. Call to Order

Chair Scholer called the meeting to order at 4:00 pm

2. Pledge of Allegiance

Flag was out for repair)

3. Introductions

Roll Call

Present Were:

- Chair Scholer
- Vice Chair Benner
- Councilor McAfee
- BarbeAnn Nelson-Dodson

Quorum Established

Chair Scholer stated that member Tony Debone, because of scheduling conflicts, would start attending meetings again this summer.

Jake Salcone from RCAC (Rural Communities Assistance Corp) was introduced and had come to the meeting today to assist with grant funding information and to answer any questions.

4. Approval of March 18, 2010 – Meeting Minutes

A motion was made by Ms. Nelson-Dodson and seconded by Councilor McAfee to approve the March 18, 2010 Meeting Minutes.		
<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>	
Motion passed unanimously.		

5. Added Agenda Items

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

12a) Update on Biogreen and the Special Districts

6. Update on the Intergovernmental Agreement between the City and the Special Districts
Councilor McAfee

Councilor McAfee stated that the Agreement was sent back to the attorney for the Special Districts. Ms. Nelson-Dodson said that their attorney recently returned the Agreement back to the Special Districts but she does not know what if any changes have been made. She said it will be discussed at the Board meetings scheduled for May 18th. Ms. Nelson-Dodson said once the Board has reviewed the Agreement it will go straight back to the City.

00:06:23

7. Update on Insurance and Legal Fee Costs
Jayne Benner and Councilor McAfee

Ms. Nelson-Dodson stated that she had obtained permission from all Board members and was able to provide copies of insurance policies for both the Water and Sewer Districts. She also said the Board agreed to waive the copying and administrative costs for the policies.

Councilor McAfee stated that City Attorney Green has not yet gotten back to her regarding the legal fee costs, etc., but she will contact him again regarding the issues.

8. Discussion on Water and Sewer Districts Insurance Policies
Ms. Barbeann Nelson-Dodson

After some discussion, the committee decided to invite Art Uecker, City Insurance Agent for the City of La Pine to the next Utilities Committee meeting scheduled for May 20th. They are requesting Mr. Uecker to give an analysis of the insurance policies for the Special Districts and the City of La Pine. It was also discussed that the committee keep a file copy of the two policies.

00:10:25

9. Terms of Office for Utilities Committee Members
Ted Scholer

Chair Scholer stated that with the official passing of the Resolution establishing the Utilities Committee, terms of office need to be decided by the committee members. He briefly reviewed the terms of office contained in the Resolution.

Ms. Nelson-Dodson suggested drawing cards to determine term lengths. There was also a discussion that Ms. Nelson-Dodson and Councilor McAfee were now non-voting members of the committee or ex officio members.

Admin Ass't Morgan stated that City Hall had been waiting for specific criteria before advertising for additional Utility Committee members. She said now that the criteria have been established the advertising could begin. Chair Scholer suggested waiting to draw lots until there are more committee members.

00:20:05

10. Update on Water and Sewer District Activities
Ms. Barbeann Nelson-Dodson

Ms. Nelson-Dodson stated that due to the way the meeting dates fall in April, they have not yet held their meeting prior to this meeting today. She said they are at a total stand still with everything regarding Biogreen or grants, etc. Ms. Nelson-Dodson said they have not heard anything back from Biogreen on their recent offer. She said however, that a well driller has been in town exploring places for his crew to stay should they be drilling a well on behalf of Biogreen for the Water District.

11. Public Comments for Items Not on the Agenda

None

12. Other Matters

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

00:21:55

- 12a) Update on Biogreen and the Special Districts

Chair Scholer discussed his conversation with Rob Broberg, President of Biogreen. He said he was told that they are going to be offering 'infrastructure' instead of cash to the districts and that they have only one hurdle left and that is the air quality with DEQ (Dept. of Environmental Quality).

Chair Scholer also said that he heard from David Blair, Central Oregon staffer for Ron Wyden, that the Crater Lake issue regarding air emissions from a company like Biogreen will be given special consideration because their business will not create any significant air emissions.

Councilor McAfee stated that the committee seems stymied right now and she wants to make sure there are some important issues covered at every meeting as the committee works toward their goal.

Jake Salcone, RCAC, stated that they can give an overview of the grant opportunities that are available. He also said that the City would need a clear idea of what the monies were going to be used for and a clear budget. Councilor McAfee recommended a timeline be done for the absorption process. Vice Chair Benner said that they also need to look at other items besides legal and insurance that would be involved in the absorption. Chair Scholer said the way for the City to immediately take over the Water and Sewer Districts would be to annex that parcel of land outside the City limits that is serviced by the Districts.

00:30:38

Vice Chair Benner stated that some type of a Pro Forma budget needs to be prepared that would combine the Special Districts budgets and the City's budget to see what it would look like after the absorption. She also said that after the information has been investigated and gathered, pros and cons

would be submitted to the Council. Councilor McAfee said that they will also need to address the City applying for the loans that the Special Districts currently have open.

Ms. Nelson-Dodson stated that she believes neither Board would agree to dissolve, but instead, it would go to a vote of the users. Councilor McAfee stated that the legal memorandum that City Attorney Green is working on will be addressing the loan and other financial issues and that he is supposed to be working with the Special District's attorney as well.

00:37:34

Jake Salcone asked about a revenue bond that may have been used by the Special Districts as security to obtain their loans. Vice Chair Benner stated that the rates charged to customers could possibly be changed, but the SDC's (Systems Development Charges) could not be raised. Mr. Salcone stated that a lot of cities charge a fee on top of the usage rate that could generate income for the City to be used any way they choose. Vice Chair Benner stated that besides any possible revenue, the idea of consolidation of services, by the City absorbing the Water and Sewer Districts, would accommodate the residents. They would only have to go to one location for all of their service needs. Vice Chair Benner also discussed that even if a different loan was taken out by the City, they could negotiate different rates.

00:42:40

Jake Salcone stated that if there is sufficient debt service reserve, usually two years of payments set aside, as long as the loan payments are being regularly made, whatever additional revenue there is can be transferred to the City. He said what RCAC recommends is to create a dedicated emergency reserve, and/or an operations reserve, a capital improvement plan or the revenues can also be transferred to a general fund for the City.

00:54:00

Mr. Salcone suggested asking whoever is in charge of budgeting for the Sewer District to come in and give a presentation to this committee. He said that copies of budgets can provide the committee with some budget info but having someone who can discuss trends over the years to explain the details would be very helpful.

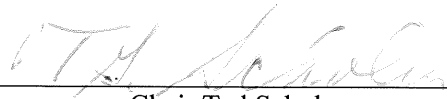
01:06:25

Mr. Salcone stated that RCAC is not a consultant; they fill in the gaps where there is not enough staff in order to complete the applications for funding. He also suggested that one way to determine the next step is to look through the committee's duties and determine a couple of bullet points to consider at every meeting in order to move closer to the eventual goal.

Councilor McAfee volunteered to come up with a timeline for the committee's duties and bring it back to a meeting for review and revisions.

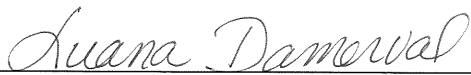
13. Adjourn

Chair Scholer adjourned the meeting at 5:22 pm.



Chair Ted Scholer

Attest:



City Recorder Luana Damerval