

Depoe Bay City Council SubCommittee
Workshop Meeting – Contract with Gleneden Sanitary District
Wednesday, October 12, 2016 – 4:00 pm
Depoe Bay City Hall

Present: Mayor A.J. Mattila, Councilor Jeff Wiseman, Councilor Jerome Grant (arr 4:08 pm)
Staff: City Attorney P. Gintner, City Recorder P. Murray, City Superintendent B. Weidner,
Lead Wastewater Operator G. Walls

Mattila called the meeting to order at 4:02 pm. It was clarified that this meeting was noticed as a workshop meeting, not an executive session, therefore it is open to the public.

Attorney Gintner said he has reviewed the Agreement with Gleneden Sanitary District (GSD) and he finds no substance to GSD Board member statements that were made during the September 22nd Wastewater Advisory Committee meeting. Discussion ensued on proposed and potential revisions to the Agreement. Weidner noted that GSD should be required to obtain their own permit from DEQ vs. operating under the city's. Murray said she'd reviewed the minutes from the September 22nd Wastewater Advisory Committee meeting, and there were statements made by GSD members that are not correct. She asked if the city desired to provide any clarifying response to GSD. Brief discussion followed. Grant said he is unsure what Mr. Baines is thinking when he uses the term "partnership" because Mr. Baines said he has no expectation of ownership.

Walls said that many cities with similar contract situations charge as a billing rate rather than a sharing of expenses. Danny Arnold, audience member, suggested that if the city wanted to pursue charging a billing rate, the city should hire an expert and conduct a rate study to determine what the rate for GSD would be. Walls advised there are big ticket expense items coming in the future, including changes to land application of bio-solids (\$100,000 within 2 years), and if the city continues to process GSD's sewer then upgrading transmission lines (\$10 million) and treatment plant expansion (\$10 million) within 25 years. Discussion followed, including negotiating a capital cost share plus a flat rate for processing, potentially ending up in arbitration, provide a contract termination notice to GSD, future capacity of the system without GSD, existing debt service, contract violations-exceeding sewer flows, possibility of repeated spills due to undersized lines and I & I problems and the potential of being fined by DEQ.

Gintner advised he would need to look at the city's bonded debt and check with bond counsel. Grant encouraged Walls to write up all violations that have occurred. Murray reported that GSD has paid its entire 2015-16 annual reconciliation billing, which they originally paid only a portion, and then paid the balance on September 23rd. Gintner said that he will be meeting with the entire City Council on this matter in executive session next Tuesday (October 18th) and he anticipates the Council will then make

a decision in the regular meeting following. He recommends that he should write the Council's determination in a letter to GSD's attorney strictly outlining the city's position. He observed that emotions need to be removed from discussions to enable moving forward.

Arnold said that GSD should be collecting and paying System Development Fees (SDC) to the city for new development since development in their area impacts the city's system. Discussion followed.

Gintner advised everyone to think about what needs to be discussed with the full Council at the Tuesday executive session, and he will write the Council's decision once it has been made. Discussion followed including that this committee is dedicated to what is best for our community, presenting GSD with a 5 year termination notice, that if GSD researches building their own wastewater treatment plant, they will find they are getting a good deal. Gintner advised that discussion will occur with the full Council at Tuesday's executive session followed by Council action in the regular Council meeting.

There being no further business the meeting was adjourned at 4:45 pm.

Meeting summary prepared by Pery Murray, City Recorder