

PRESENT: B. Baines, P. Jensen, Mayor A.J. Mattila, J. Wiseman, J. Grant, G. Wakeman,  
K. Stevens

STAFF: City Superintendent B. Weidner, Recording Secretary E. LuMaye, City Attorney  
P. Gintner, WWTP Operator G. Walls, M. Bauman, D. Bartoldus (arr 4:06 PM)

## I. CALL TO ORDER

The meeting began at 4:00 PM.

## II. DISCUSSION ITEM

- Gleneden Sanitary District (GSD) and City of Depoe Bay Agreement

Baines said the Agreement no longer exists, and explained his reasoning. He was upset because it took 14 months to get Depoe Bay's answer back on his proposed Agreement. He did not feel the City of Depoe Bay is bargaining in good faith. He questioned the percentage of costs that GSD pays, with a focus on capital outlay. He said Depoe Bay needs a new plant, and wants to expand and give developers more ocean-view properties, and expects GSD to fund that. He said if they're going to fund something, maybe they'll fund their own sewage treatment plant. Walls asked if GSD is terminating the agreement; Baines said there isn't an agreement. Grant asked about the percentage GSD pays; Walls said they currently pay 58% because their usage is 58%. Baines said not only do they pay actual operating costs, but they also pay for capital improvements. Grant asked Baines what a partnership means to him; Baines responded what he would like in a partnership is to open our books and create some books, and what he found is there are no books that exist. He said when they ask Murray how much is Depoe Bay charging GSD for liability insurance for the sewage treatment plant, she says Depoe Bay takes a three-year average; he said that's a Kentucky windage type of deal. He questioned the purchase and billing of items that could be used, for example, for road repairs. He said he has seen that the people that work cleaning up and mowing grass for the Salmon Bake are the same people that work at the sewer plant; Walls said they are not the same people. Baines said he has asked to see timecards, and they don't exist. Mayor Mattila said the people in the room were there exclusively for the signed Agreement we still have, not to have arguments over this or that. Baines said there is no Agreement, Mayor Mattila said that is for the Attorneys to decide. Baines said that he specifically told Depoe Bay the Agreement ended last year and presented Depoe Bay with a counter offer, but didn't hear anything for 14 months. Walls asked if Baines was stating that GSD is terminating their contract; Baines said no, it was terminated 14 months ago, but they've continued to pay. He said GSD wants a full seat at the table, better accounting, and to see numbers before the bills are presented. He said extraordinary bills are passed on to GSD; he cited as an example an extra power bill because the meter for a particular pump wasn't working right. He said they're not here monitoring meters, and they get a lot of mysterious charges. He also questioned project charges, such as the purchase of an asphalt cutting saw, saying one could have been rented but GSD wasn't consulted for their opinion on renting vs purchase. Baines also questioned the purchase of a new pickup truck, saying it seems like every time the City needs a new truck it goes to the sewer plant. Grant asked Baines what he envisions in a better partnership. Baines said he envisions discussion on such items, and that the books get more transparent. Mayor Mattila drew attention to Murray's Report to Gleneden Sanitary District FY 2015-16 Capital Outlay Expenses Detail by Month, dated 8/3/16 (copy attached to original of these minutes), Baines said that was after the fact. Jensen said GSD was somewhat shocked at their end-of-year catchup payment (copy of Depoe Bay-Gleneden Beach Sewer Pool Annual Summary for Fiscal Year July 1, 2015-June 30, 2016 attached to original of these minutes; along with Murray's email to Patsy

Ingram dated 8/26/16 with attached Sewer Pool Report for the month of July, 2016 and Depoe Bay-Gleneden Sanitary District Disbursements Summary for month ending July 31, 2016; and Murray's email to Patsy Ingram dated 9/9/16 regarding Coast Avenue Infrastructure Improvements and 2016-17 Capital Outlay Budget Items). He said GSD was not aware of all of the expenses, including the new pickup truck and the concrete saw, which GSD doesn't believe fit into the definition of shared facilities that are in Paragraph 14 of the Agreement. They are looking to the future, when and if Depoe Bay implements their Sewer Master Plan and moves the main line off the highway and increases the size from a 10-inch to a 14-inch line. He said GSD is not going to grow much more, but Depoe Bay wants to grow because we have developable lots at the north end of town. GSD needs to understand how much of that cost they really bear if their EDUs (Equivalent Dwelling Units) don't change. He said traditionally their flow rate has been less than the EDU ratio; GSD doesn't believe they send 58% flow to the treatment plant, even though they pay 58%. They are concerned with Depoe Bay's project on the hill with a new 14-inch pipe, and having to come up with the principal portion of the money. Weidner, referring to the concrete saw, said it was purchased for the Vista lift project, which took two months to complete, and that 90% of the flow going through the Vista station comes from GSD. Walls added that today GSD's flow rate was 68% of the flow. He said improvement in pipe and pump size doesn't reflect as much on EDUs as it does the amount of I&I (Inflow & Infiltration) rainwater that leaks into the system. He said there were four sewer overflows last year, and GSD also had one which they used Depoe Bay's permit number to report, and noted that Depoe Bay is liable for GSD's entire sewer system. Baines said what he was looking for was getting an equal footing with a partnership, getting the books a little more in order, a shared partnership between the two parties, and act a bit more progressively toward the whole system. He wants to see everybody coming together and saying these are the problems we've got, and this is what we need to plan for in the future. He said the negativity in the contract needs to be gotten rid of to make it a true partnership, and the books need to be straightened out. He said Murray has done her damndest to work with what little system she has, but she needs some IT help so she can keep track of things better. Jensen said the Agreement states it will exist as long as there's a debt service payment to be made. Grant pointed out that the District is, at least for the time being, mutually beneficial for Depoe Bay residents, because without GSD our bills would be higher, and it provides people in the GSD with sewage treatment. Baines said their sewer and water was double Depoe Bay's rates; Weidner and Walls said GSD's sewer rate is the lowest in the county. Bartoldus read from Section 10. of the Agreement, which addresses termination: *This Agreement is an Agreement in perpetuity, terminable upon five years' prior notice.* He said if nothing else, there's a lot of clarification that can be built into the Agreement. Grant requested that proposed changes to the Agreement be prepared in an easy-to-see format, and gave the City's word that we will negotiate in good faith. Bartoldus suggested a clearer identification of who is on the Advisory Committee, and suggested one-two people from Depoe Bay and one-two people from GSD get together and hammer out some preliminary concepts such as identifying concerns and addressing issues for clarification and revision, and wanted to set a date for doing that. Mayor Mattila said Depoe Bay needs to meet with our Attorney to work out an Agreement on our side so it is equitable for Depoe Bay as well. The Advisory Committee will meet again on Thursday, October 20, 2016 at 4:00 PM. Gintner said Depoe Bay needs to hold an Executive Session before the October 20 Advisory Committee meeting. Bartoldus suggested he meet with Gintner between October 13-19 to discuss input from the respective Boards.

### III. ADJOURN

There being no further business, the meeting ended at 4:47 PM.

Emma LuMaye  
Recording Secretary (transcribed from audio)