

RESOLUTION NO. 387

A RESOLUTION OF INTENT WITH REGARD TO THE OPERATION OF THE
CITY'S WATER UTILITY DEPARTMENT

WHEREAS, The Canby Utility Board was created by Canby City Charter amendment which was effective November 3, 1970, and the Utility Department for water was also created by that Charter change and has been responsible for the development, production, purchases and distribution of all water revenue producing utility services of the City; and

WHEREAS, a new Canby City Charter was enacted by vote of the people at the General Election on November 2, 1982, and it became effective January 1, 1983. Under the new Charter the City Council now has jurisdiction, control and management of the City's Water Department and all of its operations and facilities but the Council may assign or delegate all or a portion of its powers and duties over the Water Department to the Canby Utility Board; provided, however, that the City Council shall retain ultimate jurisdiction, control and management of the Water Department and its operations and facilities, (see Charter Chapter X, Section 2); and

WHEREAS, by action of the Council taken by motion at a regular Council meeting on December 31, 1982, the Canby Utility Board was delegated authority to continue operation and management of the Water Department; and

WHEREAS, the Canby Utility Board provided the City of Canby with a complete list of the assets and property of the Water Department in June, 1983, and those assets and property were formally turned over to the City by July 1, 1983; and

WHEREAS, by agreement between the Canby Utility Board and the City Council, memorialized in City Resolution No. 336, the Utility Board has operated the Water Department for the City since May 4, 1983; and

WHEREAS, the current agreement between the City Council and the Canby Utility Board is set to expire on July, 1986, unless renewed; and

WHEREAS, the Canby City Council wishes to have the Canby Utility Board continue to operate the City's water system on the same basis as was originally established.

NOW, THEREFORE, IT IS HEREBY

RESOLVED that the Canby City Council intends by this Resolution to make arrangements for and plans with the Canby Utility Board to continue the operation and management of the City's Water Utility Department pursuant to authority of the

Canby City Charter, and for that purpose and in that regard the Canby City Council now directs that:

1) The Canby Utility Board shall have the responsibility and the authority to maintain the continuing operation and management of all facilities, services and aspects of the City's Municipal Water Department; and with the same work force, contract and work schedules as heretofore, or subsequently changed after negotiations with responsible bargaining units until July 1, 1989, unless extended by mutual agreement.

2) The Utility Board will continue to maintain its "1979 Water Bond Reserve Fund" of \$256,902.00 for the purpose of assuring that the City is protected for at least one year's principal and interest in the event that the Utility Board defaults on its bond payment commitment. This reserve fund will be used only to make bond payments (principal and interest).

3) The Utility Board shall continue to:

A) Furnish the Canby City Council with quarterly operating reports, profit and loss statements and other reports on the business and affairs of the Water Department as may be requested from time to time by the Council.

B) Hold the City of Canby, its officers, employees, and agents harmless from any and all claims of liability arising out of, or in any way related to, or connected with the operation and management of the Water Department during this period.

C) Obtain and maintain, and furnish the Council with proof of complete insurance coverage based on current and accurate appraisals of all insurable property of the Water Department and also liability coverage, including products liability, for all foreseeable exposures, in an amount equal at least to that coverage which the City now provides for such matter; and also including errors and omissions coverage for the Board of Directors of the Canby Utility Board and the Canby City Council, but in any event, such coverage shall provide the minimum requirements under Oregon's Tort Claims Statute.

4) Therefore, the Canby City Council hereby expresses its intent for the operation of the City Water Department.

ADOPTED by the Canby City Council at a regular meeting thereof, on the 18th day of June, 1986.


William F. Pulver, Mayor

ATTEST:


Marilyn K. Perkett, City Recorder