

RESOLUTION NO. CCCXXXVI (336)

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

RECITALS

1) 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, purchase and distribution of all water revenue producing utility services of the City.

2) 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 Electric 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).

3) By action of the Council taken by motion at a regular Council meeting on December 31, 1982, the Canby Utility Board (now Canby Electric Board) was delegated authority to continue operation and management of the Water Department.

4) The City Administrator and the Manager of the Canby Electric Board are in the process of making an inventory of the assets and property of the Water Utility Department for transfer of such assets back to the City of Canby and thereby complete the mandate of the voters at the November 2, 1982, Charter Election. The inventory of the assets and property of the Water Utility Department is to be turned over to the City Council by July 1, 1983.

NOW, THEREFORE, it is hereby

RESOLVED that the Canby City Council intends by this resolution to make arrangements for and plans with the Canby Electric 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 Electric 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, 1986, unless extended by mutual agreement.

2) All water bond funds still remaining with the City will be released to the Canby Electric Board for its use and expenditure in accordance with the express limited purposes for which the City's water bonds were sold. The Board will create a "1979 Water Bond Reserve Fund" of \$256,902 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 Canby Electric Board shall:

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.

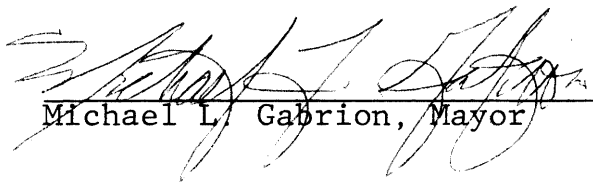
B) Hold the City of Canby, its officers, employees, and agents harmless from any and all claims of liability arising out of, or in any way related to, or connected with, the operation and management of the Water Department during this short term interim period.

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 Electric Board and the Canby City Council, but in any event, such coverage shall provide the minimum requirements under Oregon's Tort Claims Statute.


4) A copy of this resolution is to be furnished by the City Administrator to the Canby Electric Board and its management staff for its review.

5) 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 4th day of May, 1983.

  
Michael L. Gabrion, Mayor

ATTEST:

  
Marilyn K. Perrett, Deputy City Recorder