

**CITY OF NEWBERG COUNCIL TOWN HALL MEETING MINUTES**  
**JULY 14, 2008**  
**7:00 P.M. MEETING**  
**PUBLIC SAFETY BUILDING TRAINING ROOM**

**I. CALL MEETING TO ORDER**

Mayor Andrews called the meeting to order at 7:05 PM.

**II. ROLL CALL**

Council Members Present:

|                   |              |                                |
|-------------------|--------------|--------------------------------|
| Mayor Bob Andrews | Mike Boyes   | Roger Currier                  |
| Jeff Palmer       | Bart Rierson | Mark Shelton (arrived 7:13 PM) |

Council Members Absent: Bob Larson (excused)

**III. DISCUSSION ON SPRINGS IMPROVEMENTS AND CUSTOMER CLASS**

**NOTE:** No action will be taken. Official deliberation has been tabled from the June 2, 2008, City Council Meeting to the August 4, 2008, City Council Meeting.

1. Mayor's Comments

Mayor Andrews announced there were over thirty citizens present, as well as various city staff members, for the first town hall meeting conducted by the City Council. He asked for graciousness from everyone to make this a productive and informative meeting. Mayor Andrews asked the people to be respectful of others present, be concise in one's presentation, avoid cross-talk while someone has the floor, and keep the meeting informational and moving forward.

2. Presentation of Options

Larry Fain, senior engineer, presented the six options as presented on the Springs System Options handout (see official record for handout). This included:

- #1 No action
- #2 Continue as in the past
- #3 Original Citizen's Rate Review Committee (CRRC) Proposal
- #4 Modify original CRRC proposal
- #5 Incrementally raise rates over four years
- #6 Springs customers own the system

3. Open Discussion

Mayor Andrews opened the floor for citizens to ask questions of the options presented.

Ralph Johnson asked if the water rights would be granted under option #6.

Mr. Fain said yes and Councilor Rierson echoed that it would be right for those taking over the water system to own the springs. Ownership of the entire system should include the water rights.

Councilor Palmer wanted to know if the citizens would prefer some background on the city's use of the springs. Enough citizens indicated they would appreciate a history of the springs usage.

Mr. Fain stated that the three springs (Skelton, Snyder, and Oliver) in the system that the City has used all the way back to the 1910s. They were part of the original water source. Since then the City has brought on various wells south of the river to supply the water needs of Newberg. Currently the springs only provide water to the springs customers, even though ten percent of the piping in the entire system is involved with the springs and the customers serviced by the springs.

Mayor Andrews asked if there was another unused spring belonging to Newberg.

Mr. Fain answered the Atkinson Spring has been taken off line due its unusually high turbidity.

Councilor Rierson asked for the history of negotiated contracts. Mr. Mahr stated according to City records, 22 people had to settle with the City when the three springs were brought into the city system. It is unclear even from the records, who should still be receiving free water. Mr. Mahr recommends that in the future customers of the springs should be required to pay for it.

Councilor Currier thought 24 people in 1922 had a contract option of taking 1,000 gallons per year of free water or \$50.00 cash. Nevertheless, according to Terry Mahr the contracts will fall to the wayside as the City moves forward with the springs being operated by the City just for the springs customers.

James Highly alerted council that Atkinson shutoff valve has a bypass line.

George Schiele mentioned that his wife's family has been on the spring's system for over 50 years. He would like the City to help the springs users defer the improvement costs that they face just as the springs customers have helped the City over the years.

Councilor Rierson asked which option Mr. Schiele recommends.

Mr. Schiele wanted more time to decide and once he did decide he could alert Mr. Rierson.

Adelina Dare Slocum asked the councilors to please make sure the option that is chosen be fair.

Councilor Palmer assured her the entire council wants to be fair, but he wondered how she would define fairness.

Mrs. Slocum stated instead of defining fairness, reiterated her desire for fairness.

Barbara Lowe asked since the two springs that have been closed down (temporarily, not permanently); does this mean that the third spring would have to supply all their water. She asked can the two closed springs be reactivate.

Larry Fain answered all three springs will stay active, though Snyder and Skelton have turbidity issues during certain seasons, and hence, the temporary closures.

Barbara Lowe questioned what motivates the City to take such action at this time.

Larry Fain relayed how improvements to the springs have been required by the State Drinking Water Program; therefore, it is not as much an issue of the water turbidity as it is the standards becoming more stringent.

Barbara Lowe asked if there are state funds to help comply with the higher standards.

Larry Fain was not aware of any.

Councilor Palmer asked Mr. Fain how many customers are on the springs.

Larry Fain said 67 households.

Councilor Palmer asked what are the total affects of the turbidity issues.

Larry Fain says such turbidity only affects the spring's customers, not the entire water system.

Councilor Rierson asked if the springs could support future growth on the springs.

Larry Fain stated the three active springs could serve over 100 households but probably not 200.

Councilor Currier asked if the water associations using city water are required to maintain their water systems.

Larry Fain said that they are responsible for everything except the City-owned meters.

Councilor Currier asked for clarification on the number of spring's customers; he thought it was 68.

Larry Fain admitted that it is hard to be exact short of inspecting the entire system in person.

Councilor Shelton asked for the status of the Oliver Spring.

Larry Fain said if Oliver is shut off completely, it could damage the spring's system; therefore, a comprehensive solution is being devised at this time.

Mike Roos stated until recently, when certain springs were shut off from the City supply, excess water from the springs was sent to the reservoirs for year; subsequently, please remember the revenue the City gained when deciding the improvement costs for the springs customers.

Councilor Currier stated I recollect the springs have only provided .01% of the total. The City did their job in providing all the water the springs customers needed.

Councilor Palmer noted that the springs have not been the sole source of water for the City since 1955, but the Council should give consideration to the additional revenue generated by the springs.

Councilor Rierson stated I support the idea of customers of the city water system share the cost to improve the system to the spring water customers and be fair to the many customers as well.

Mike Roos knows that he does not represent everyone on the spring's system, but he knows that a fair cost spread over a number of years would be beneficial.

Councilor Palmer added the four households receiving unlimited water is another class of customers.

Councilor Shelton asked staff if their recommendation includes treating the different classes of customers the same.

Terry Mahr said the legal recommendation is to treat everyone in the class the same.

Councilor Shelton inquired about the cost to the springs customers.

Terry Mahr said under the new plan, via a rate review committee, the cost to the springs customers would not be 150% of City rates, but a cost that covers the improvements and maintenance to the system.

Councilor Palmer clarified that everyone outside of city limits pays 150% of the cost of water.

Mayor Andrews asked Mr. Roos if he likes option #5.

Mr. Roos said yes. He asked to see a cost breakdown of the shared improvement costs between the city and springs customers.

Mr. Fain said the new monthly rate charge would be \$3.44/ccf for Newberg residents and \$6.09/ccf for spring's customers.

Chuck Zickefoose, citizen rate review committee member, said he recollects \$3.97/ccf, but the fairness of the 50/50 shared cost could be spread over a number of years. The rate review committee recommends option #3 to the Council.

Councilor Shelton said he read from notes dated December 18, and thought \$1.9 million was the total for capital improvements.

Dan Danicic explained that much pipe replacement needs to be phased in over the coming years.

Karen Barnard asked for clarification on the \$6.09/ccf figures for spring's customers.

Mayor Andrews explained the difference is due to the disproportionate number of customers in the city, which pays one half, and the 67 springs customers paying the other half.

Joan Buccino stated the uncertainty of the springs is affecting a pending sale. The new cost factor could deter people from buying a home in the affected area. She also believes mortgage lenders would be hesitant to provide loans for such homes.

Councilor Carrier assured her that he knows of homes in other water districts selling, and established water districts survived its initial beginning.

Councilor Palmer assured her that the Council will try to finalize this entire issue by August 4<sup>th</sup>.

John Rieko stated concern for how hard it is to understand the figures presented. He personally investigated the water department's efficiency and found it lacking, therefore, more costly. He would like to see greater efficiency to minimize the cost of water.

Mayor Andrews assured Mr. Rieko that the City will continue to pursue minimizing costs.

Susan Lundquist stated her house receives water from the spring's system, and was shocked when she had to buy water for her family and boil water as well. The improvements are going to affect her family budget. She assured the Council members this is not a NIMBY issue. Her philosophy is that the spring's users should not be billed for the full cost of the improvements now in light of the City choosing not to make the improvements for a long time.

Councilor Palmer asked staff if the City ever failed to address the turbidity issue of the springs.

Howard Hamilton, public works director pro-tem, explained when the turbidity gets to a level 5, a notice must go out alerting users to boil their water.

Owen Hinkle stated he lives on the lower end of the spring's system and has recognized a lack of water pressure during the summer. He asked would they still have to boil water and what would the water pressure be in the summer.

Dan Danicic said the boiling should be reduced, but springs are still subject to natural issues, like a simple earthquake. The water pressure will not be improved because it is a gravity fed system.

Owen Hinkle concluded that he does not want to pay more unless the service is improved.

Gene McKee wanted to know if the \$1.9 million is for the three springs or four.

Councilor Shelton answered that it was for the three springs.

Kevin Hall stated he too sees a lack of water pressure at the end of the system. He also has observed that the former grange building on North Valley Road, now being used as a church building, lowers the system's water pressure at least three times during the week. He commented the language "significantly disproportional" on option #2 to be very prejudicial. He asked why an option does not include hooking up to the city water system.

Mr. Fain said that only 50–60% of the spring's customers are topographically positioned low enough to be connected to the city system.

Councilor Carrier wondered what a pump would cost to serve all the springs customers.

Dan Danicic said five years ago to connect the entire spring's system to the city water system would cost close to \$5 million. This would include the pumps, let alone replacing all of the pipes to handle the new pressure.

Councilor Rierson wondered if there is a way for people with low pressure to solve their issues.

Dan Danicic said this is possible, but at the customer's expense.

Bob Connell asked is the system's volume, even with the seasonal variations, adequate to meet all the needs of the spring's customers.

Mr. Fain said yes, even though July and August are the low months.

Bob Connell cautioned the Council from terminating the agreements/contracts for free water. He would also like to see a decision quickly made in light of the total costs increasing over the last four years.

Mayor Andrews asked if agricultural use of the free water is tied to the former contracts.

Terry Mahr believes the free water was to be for domestic use only, even though this has not been policed.

Councilor Shelton assured Mr. Connell that free water for personal use contracts will be honored.

Ralph Johnson brought forth comments about the contract from 1948. He is bothered by the Council's possibility of not honoring the free water contracts.

Mayor Andrews asked staff what is the basis of the water service to the former grange building/current church building. Staff noted they will investigate the question.

James Highly asked where the city boundary exists to the east.

Mr. Fain answered at Providence Drive.

Karen Barnard asked if the spring brook properties will receive city water and how far up Zimri Drive water service is provided.

Mr. Fain answered yes the Springbrook Properties will receive city water and about half way up Zimri Drive.

Councilor Rierson stated the new Austin development will be entirely within the city limits, but the infrastructure will be paid for by the builder.

Robert Soppe suggested that staff acquire better figures for option #3. For option #5 he would like to see the Council decide if the rates are for funding or financing. Furthermore, if the City gives the spring's system to the spring's users, then it needs to be asked if it is in better shape or worse than when it was received. He said he would like to see option #6 disconnected from the other options and be a parallel option that helps the City get out of the springs ownership.

#### **IV. CLOSING COMMENTS**

Mayor Andrews stated he appreciated everyone coming out and giving their input. Everyone is invited to the City Council meeting on August 4, 2008, where this issue will be finalized. Each councilor was invited to give a summary.

Councilor Currier summarized his view on option #6, and would like to see the City give \$2,000 per customer to the new system owners to help defer the cost. This would still be more economical than having to drill new wells.

Councilor Boyes said I would like to see this resolved at the August meeting, even if the final solution does not please everyone.

Councilor Palmer stated I would like to see more town hall meetings of this type, and appreciates the input from citizens. There are two questions to consider of immediate improvement that is needed and the long term issue of should the City be operating the springs.

Councilor Shelton said he is willing to make the hard decisions now so future City Councils will not be burdened with the decisions. The \$1.9 million improvement cost estimated tonight will only go up if the council does not decide rightly on this issue.

Councilor Rierson stated difficult deliberations lie ahead that will not please everyone. Fairness will be sought in their decisions, keeping in mind that the spring customers will bear a higher per household cost.

Mayor Andrews said I would like the citizens to have a representative summarize their thoughts from tonight as well as staff.

Dan Danicic, city manager, said this has been underway for about five years, and knows that staff will be diligent with the facts. Citizens are welcome to call staff with their questions.

Mike Roos, on behalf of the spring's customers, summarized that the first meeting was in 2003 at the Senior Center. In 2004 another meeting was scheduled that had more citizen participation. The best solution five years ago did know about the Austin development. He asked could that development help reconsider the idea of hooking the springs customers up to city water. He encourages the citizens to stay involved.

Mayor Andrews stated he appreciated the participation in the first town hall meeting for this council. The details gleaned tonight should help shape the final option. He is certain that tonight's input will have a say in the final resolution.

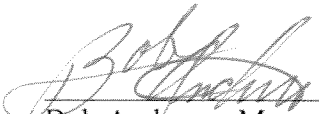
#### **IV. ADJOURNMENT**

Mayor Andrews adjourned the meeting at 9:13 PM.

**ADOPTED** by the Newberg City Council this 4<sup>th</sup> day of August, 2008.

  
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Norma I. Alley, City Recorder

**ATTEST** by the Mayor this 7<sup>th</sup> day of August, 2008.

  
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Bob Andrews, Mayor