



CITY OF EAGLE POINT

"Gateway to the Lakes"

OREGON

EAGLE POINT CITY COUNCIL
17 BUCHANAN AVE. SOUTH, EAGLE POINT, OREGON

MAY 24, 2011

WORKSHOP MEETING MINUTES

1. CALL TO ORDER – 6:00 P.M.

Mayor Russell called the workshop meeting to order at 6:00 p.m.

Council members present: Bob Russell, Kathy Sell, Mike Parker, Ruth Jenks, Jonathan Bilden and Bill Fierke.

Council members absent: Alan Curriston.

Staff members present: David Hussell, City Administrator; Joe Kellerman, City Attorney, Melissa Owens, Finance Officer; Vern Thompson, Chief of Police; Robert Miller, Public Works Director; and Dena Roberts, City Recorder.

2. PUBLIC WORKS MANAGEMENT, INC. RATE STUDY.

Joe Strahl of Public Works Management introduced himself and Chris Peters of Public Works Management, and Chris Clayton, Deputy City Administrator for Central Point. Mr. Strahl noted the topic for discussion would be the work the three of them had been doing on behalf of the Cities Water Coalition which consists of the cities of Phoenix, Talent, Central Point, and Eagle Point. Mr. Strahl next reviewed a hand-out on the background of the Cities Water Coalition.

Chris Clayton addressed Council, stating he had been studying the issues for over six months and that it is very complex and difficult to understand. He urged the Council to consider the issue to be more than just rates as it affects economic development, conservation, maintenance of the infrastructure, and much more than that. Mr. Clayton and Ms. Chris Peters then presented a PowerPoint presentation.

At the conclusion Mr. Strahl stated even though there should be a reduction of \$.17/1,000 it is not likely that it will be achievable. He explained it is likely going to be a \$.05 reduction which

would equate to \$30,000 a year to Eagle Point. He stated there are many other issues on the table for Eagle Point, however. Mr. Strahl further advised there are issues dealing with water rights but they are not being addressed yet. He explained it may have to go to court to get resolved. He explained the reason the numbers are large is that the issues arise out of many years of the accumulation of very small decisions and policies that were built to favor Medford. He stated that, while there are many examples of White City and Medford receiving benefits compared to the other cities, it would be better to work those out with the Medford Water Commission. Mr. Strahl then invited questions.

Councilor Sell asked Ms. Peters how many people are employed by the Medford Water Commission. Ms. Peters responded there are 22 total and that she is trying to determine how many of those do work that directly relates to the other cities and how many do not. She explained when she has this information she will share it with Eagle Point.

Councilor Jenks asked who is included in the COSS workgroup. Ms. Peters responded it includes different levels of meetings with the smallest group being Chris Clayton, Larry Raines, the General Manager of the Medford Water Commission, one Medford Water Commission member and sometimes Mr. Raines' finance officer.

Attorney Kellerman stated his impression was that initially communication with the staff of the Medford Water Commission was not amicable but that recently it has improved dramatically. He asked if he was correct. Mr. Peters responded since the commissioners have been in attendance at the meetings the dynamics have changed. She explained that previously the communication was confrontational at times.

Dave Hussell advised information is coming to light regarding past policies which need to be addressed with continued discussions and open communications with the Water Commission. He explained an agreement still needs to be worked out and staff is planning on taking Eagle Point's perspective and concerns back to the commission. Mr. Hussell advised it is necessary to work with the Medford Water Commission even though the asset has been and is clearly for Medford's benefit for decades. He stated it is of greater value to work together than act as adversaries over past policy.

Attorney Kellerman asked whether the administrative staff or the commission explain the dramatic disparity in the rates that are charged to the outside cities versus White City and the districts. Chris Peters responded there are different components, with one piece being that each White City resident is charged a base charge; they pay their base charge and then their gallonage charge. When the base charges are gathered together it has a greater impact towards their contribution. The other part is that there is an economy of scale savings for them. Ms. Peters noted, however, that it is apparent there is subsidizing going on for some of the customer service groups. She advised they are trying to produce and present a solution that will be equitable to all customers.

Attorney Kellerman asked whether the goal of equity and foresight of the Medford Water Commission are shared by the commission members and administrative staff. Joe Strahl responded the Medford Water Commission has adopted many of the goals and there is a commitment but a full understanding has not been achieved yet. He stated he would like the future agreements to display equity among the wholesale customers. Currently the agreements

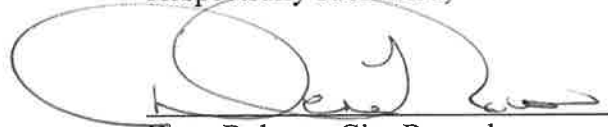
state the cities will pay any charge imposed, but there has not been the opportunity to discuss the specifics with the commission yet.

Mayor Russell expressed his displeasure at Eagle Point being charged thousands of dollars to pump water to Eagle Point when it is not necessary and is an added expense. Joe Strahl responded he agreed that it was a waste of resources to let the water flow past Eagle Point and then pump it back; it certainly creates a sense of ill will.

3. ADJOURNMENT.

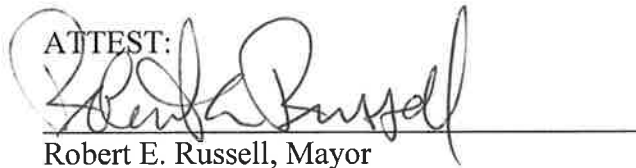
There being no further business to come before the Council, Mayor Russell adjourned the workshop meeting at 6:58 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Dena Roberts", written over a horizontal line.

Dena Roberts, City Recorder

ATTEST:

A handwritten signature in cursive script, appearing to read "Robert E. Russell", written over a horizontal line.

Robert E. Russell, Mayor