

**CITY OF JOHN DAY  
CITY COUNCIL MINUTES  
JOHN DAY, OREGON**

**March 8, 2016**

**Adjourned Meeting**

**COUNCILORS PRESENT:**

Ron Lundbom, Mayor  
Steve Schuette, Council President  
Lisa Weigum, Councilor  
Paul Smith, Councilor  
Louis Provencher, Councilor

**COUNCILORS ABSENT:**

Donn Willey, Councilor  
Gregg Haberly, Councilor

**STAFF PRESENT:**

Peggy Gray, City Manager  
Lance Woodcock, Public Works Director  
Valerie Luttrell, Dispatch Manager  
Richard Gray, Police Chief  
Oren Wyss, Wastewater Treatment Plant Operator

**GUESTS PRESENT:**

Shannon Springer, PO Box 495, Prairie City  
Judy Schuette, John Day

**Agenda Item No. 1 – Open and Note Attendance**

The John Day City Council meeting opened at 7:00 p.m. Mayor Ron Lundbom noted that all Councilors were present with the exception of Councilors Gregg Haberly and Donn Willey who were absent and excused.

**Agenda Item No. 2 – Approval of City Council Minutes of February 23, 2016**

The minutes of the February 23, 2016 adjourned meeting were included in the agenda packets and were presented for the Council's approval.

**Councilor Steve Schuette made a motion to approve the minutes of February 23, 2016 as presented. Councilor Louis Provencher seconded the motion, the motion passed unanimously.**

**Agenda Item No. 3 - Appearance of Interested Citizens**

Mayor Lundbom welcomed those in attendance and asked everyone to please sign in.

**Agenda Item No. 4 – Introduction of the City’s New Wastewater Treatment Plant Operator Oren Wyss**

Public Works Director Lance Woodcock introduced the City of John Day’s new Wastewater Treatment Plant Operator. Lance said Oren comes to us from Longview, Washington. He stated that they met with DEQ today to discuss options and improvements for the Wastewater Treatment Plant and Oren has some really good ideas. Oren stated he was happy to be here and stated one of the things that interested him in the position was that the City was looking to build a new wastewater facility in the future. He thought he could assist the City in making some good, economical decisions. He also informed the Council that the anaerobic digester needed to be cleaned out and decisions needed to be made on how to go about it.

Mayor Lundbom welcomed Oren to the City of John Day on behalf of the John Day City Council.

**Agenda Item No. 5 – Discuss and approve Recommendation from the Public Works Committee**

City Manager Gray informed the council that our five-year intergovernmental agreements for water and sewer services between the City of John Day and the Town of Canyon City are due to expire this year. The Public Works Committees of both cities met on February 22, 2016 to discuss the terms of the agreement.

The minutes of the February 22<sup>nd</sup> meeting as well as spreadsheets to justify the recommendation of the Public Works Committee were included in the council packets. City Manager Gray gave the Council a brief background of the meeting as follows:

Water Sale Agreement – On January 1, 2016 the City of John Day raised their bulk water rate to \$10 per 1,000 gallons of water from \$4.70/1,000. The Town of Canyon City purchases water based upon the City’s bulk water rate, as such, the rate the City was charging them to purchase water was more than what their residents were paying and they did not think that was fair.

City Manager Gray presented a spreadsheet showing Canyon City’s water usage for the past five years and the cost difference between what has been paid; the rate at \$10 per 1,000 gallons and the rate at \$6.50 per 1,000 gallons of water. They informed Canyon City that it wasn’t the John Day City Council’s intent to cause harm to Canyon City and the bulk water rate was increased mainly due to the fires this past summer and the need to keep up with the cost of producing the water. Canyon City was presented with a spreadsheet showing the cost of producing the water at \$5.33 per 1,000 gallons in 2015. Canyon City was informed that our Council thought \$6.50/1,000 gallons would be a fair cost to charge Canyon City.

After discussion it was the consensus of both Public Works Committees to propose to their City Councils to revise the Agreement between the two cities to reflect a special water rate for the Town of Canyon City to \$6.50/1,000.

Sewer Agreement – The Town of Canyon City requested going back to using the flow meters and base their percentage on flows rather than on EDUs (Equivalent Dwelling Units). City Manager Gray explained that when we based Canyon City’s percentage on flows, we did not figure the cost of treating the effluent and that caused the City of John Day residents to pay more because Canyon City was paying less. It was explained that we only based Canyon City’s flow on the percentage of the budget; we did not take into consideration the cost of treating the effluent.

Canyon City was provided with the sewer utility analysis spreadsheet showing them the actual cost to the City of John Day for treating all the effluent that goes through our treatment plant. For 2015 it cost

\$9.26/1,000 gallons, Canyon City questioned the \$9.26 was not a fair number because John Day uses more water, it included transfers, debt service etc. Our response was we had to take those costs into consideration because that is what it costs John Day to run the treatment plant. We informed Canyon City that using the percentage of flows at 11% with the cost of treating the effluent; it would be approximately \$7,000 more than using the EDU formula.

We explained that using the EDU formula takes into account that John Day uses more water than Canyon City and using the EDU formula makes the cost lower for Canyon City as they are only paying for their percentage of EDUs not the total cost of treating the effluent.

After discussion it was the consensus of both committees to continue to use the EDU based formula and bring back the recommendation to our councils.

Councilor Paul Smith stated Canyon City kept getting stuck on the administrative/operation costs. He stated that's all part of the equation. Councilor Smith wasn't sure they finally convinced them, but the EDU rate was better than the flow rate. Councilor Smith thought it was fair.

Councilor Louis Provencher stated one of the things that Canyon City kept falling back on was that in the past John Day based their rate on the flow rate and that percent of flow was charged as the percent of budget. That was not the true equitable cost, so the City corrected it. The percent of flow does not equal the percent of budget; he felt that a few members of the Canyon City Public Works Committee still didn't get that.

City Manager Gray stated the best way to move forward was to have the John Day City Council authorize her to work with our city attorney to review and amend both agreements with the Town of Canyon City based upon the recommendations of the John Day Public Works Committee and present the new agreements to both city councils for approval.

**Councilor Paul Smith moved to authorize City Manager Gray to work with City Attorney Jeremy Green to review and amend the Water Sale Agreement and the Intergovernmental Agreement for Sewerage Service with the Town of Canyon City based upon the recommendations of the John Day Public Works Committee. Councilor Louis Provencher seconded the motion, the motion passed unanimously.**

#### **Agenda Item No. 6 – Discuss City Manager's Annual Evaluation**

According to the city manager contract; the City Council shall review and evaluate the city manager's performance at least once annually in advance of the adoption of the annual operating budget but no later than March 31<sup>st</sup> of each year. Mayor Lundbom asked the Council that since City Manager Gray is retiring in June, do we really need to evaluate her this year or should there be something in her file.

Councilor Louis Provencher stated from his experience that there should be something in her file because if she should decide to go back to work. City Manager Gray stated "that isn't going to happen." Councilor Steve Schuette stated if City Manager Gray doesn't want us to do an evaluation, we don't need to; but if she wants us to do an evaluation, we can. City Manager Gray stated she didn't think it would be a good use of the City Council's time because of her retirement.

**Councilor Steve Schuette made a motion to step outside their normal practice and not evaluate the city manager because of her retirement on July 1, 2016. Councilor Lisa Weigum seconded the motion, the motion passed 4- 1.**

**Agenda Item No. 7 – Other Business and Upcoming Meetings**

1. The LOC Bulletins were included in the council packets.
2. City Manager Gray updated the City Council on the flood study the Army Corps of Engineers completed in December, 2014. The information provided to us can be used to support a request to FEMA for an official map revision. In order to move forward, the City Council needs to choose an option on how to proceed, but for any of us to educate the council would be difficult to explain. The Army of Corps of Engineers has offered to come out and hold a joint meeting with the John Day City Council the Town of Canyon City and the County in order to educate our elected officials about the study and the options they can choose on how to proceed. Due to conflicts with the Army Corps of Engineers schedule, a date has not been set for the joint meeting. City Manager Gray stated she would keep the Council updated as more information comes in.
3. City Manager Gray informed the Council that the City’s Main Street Phase 2 Sidewalk Project placed fourth on the 150% for the 2018-2021 STIP Projects List. She stated the 150% list was approved by the SEACT/NEACT on Thursday, March 3<sup>rd</sup>. City Manager Gray presented a meeting schedule for the Enhance Projects with the approval of the 100% list to be held in July, 2016.
4. Mayor Lundbom stated all Councilors were sent a League of Oregon Cities training video by City Manager Gray regarding the role of the City Council, the City Manager and the City Staff. Councilor Lisa Weigum requested to have the link sent to her again.
5. Mayor Lundbom referred to a letter received by all members of the John Day City Council from Senator Boquist requesting what action the City Council took regarding the DPSST complaint on Sheriff Palmer. Mayor Lundbom stated once he signs the approved minutes of the February 23, 2016 council meeting, that will be the Council’s official response. Mayor Lundbom requested City Manager Gray send Senator Boquist a signed copy of the minutes of the February 23, 2016 council meeting.
6. Mayor Lundbom stated he has received six applications for the city manager’s position; the position closes on Tuesday, March 15<sup>th</sup>.
7. Public Works Lance Woodcock gave the Council an update regarding a meeting with Todd Hesse of the DEQ.

**Adjourn**

**There being no further business before the Council, Councilor Steve Schuette made a motion to adjourn the meeting. Councilor Louis Provencher seconded the motion and the motion passed unanimously. The meeting was adjourned at 7:30 p.m.**

Respectfully Submitted:

Peggy Gray  
City Manager

ACCEPTED BY THE CITY COUNCIL, MARCH 22, 2016

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Mayor Ron Lundbom