

WORKSHOP MEETING MINUTES  
SISTERS CITY COUNCIL  
520 E. CASCADE AVENUE  
DECEMBER 02, 2010

**MEMBERS PRESENT:**

Lon Kellstrom      Mayor  
Bill Merrill        Council President  
Sharlene Weed     Councilor  
Pat Thompson      Councilor  
Jerry Bogart        Councilor

**STAFF PRESENT:**

Eileen Stein        City Manager  
Lisa Young          Finance Director  
Pauline Hardie     Community Dev. Director  
Paul Bertagna      PW Project Coordinator  
Kathy Nelson        City Recorder

**ABSENT:**

Brad Grimm         PW Director

The meeting was called to order by Mayor Kellstrom at 8:03 a.m.

1. Water Rate Study Follow-up

**Manager Stein** provided a recap of the staff report and its attachments that were in follow-up to the Council's request for additional information at the November 18<sup>th</sup> workshop. She discussed the four options included in the staff report noting that all were based on working to make the Water Fund whole through June 2012. She advised there were multiple tradeoffs within the rate structure trading off between the base rate, consumption allowance and overage rate. She stated the staff recommendation was still to support the original three year plan as it provided the most stability for the fund and created a contingency to fall back on if needed.

**Mayor Kellstrom** stated he felt the Council should work to narrow down the options and find one that could be supported by the Council and bring it to the Council for a vote at the December 9<sup>th</sup> regular meeting. He noted there are an infinite number of permutations that could be considered but it was time to make a decision. The **Council** asked questions and discussed the particulars of the options with regard to the monthly base rate, volume rate and the amount of water included in the base rate. **Public Works Projects Coordinator Bertagna** provided an overview of future water projects from the Capital Improvement Plan (CIP).

**Councilor Merrill** stated the rate structure should be based on four principals; equity, encouraging water conservation, covering costs and having those costs be defensible. He stated the City should have a written policy statement related to its water rate structure. He asked that the new Council that will be seated in January 2011 work to revise the City's current structure by determining the cost to actually deliver water to a customer by identifying the direct and indirect costs. He asked that the request be worked into the language of the resolution being voted on by the Council to insure the work was done. **Councilor Weed** and **Councilor Thompson** agreed the information would be valuable. **Mayor Kellstrom** reminded the Council that the current Council could not bind any future Council to a specific plan of action but the request could be considered

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in the upcoming year. He stated there were many unknowns as to what will happen in the next 18 months and what improvements the water system will need.

The **Council** discussed the four options and chose the third option that would reduce the minimum quantity billed to 10ccf with a base rate of \$18.59 and increase the volume rate to \$1.23ccf.

**Councilor Merrill** stated it was the best intermediate solution and **Councilors Weed** and **Thompson** agreed. **Councilor Bogart** responded that he would not support any of the options and **Mayor Kellstrom** noted that lowering the base rate while raising the volume rate did not make sense to him, but he would support the other Council members who were satisfied with the option. Manager Stein noted Option 3 was most like the first year of Option 4, the staff recommendation, without incorporating a contingency into the financial projections.

**Manager Stein** stated the resolution to the master fee schedule would be included on the agenda for the meeting on December 9<sup>th</sup>. She offered to develop a motion to address Councilor Merrill's suggestion for additional research. She stated a frequently asked questions (FAQ) handout and explanation on how rates are determined would be included with the next utility bills.

2. Preview December 09, 2010 Workshop and Regular Meeting

**Manager Stein** provided a preview of the December 9<sup>th</sup> workshop and regular meeting noting the workshop would begin a little earlier than normal at 5:45 to insure adequate time for the workshop topics. She announced since there is no second regular meeting scheduled in December due to the Christmas holiday, all staff reports would be presented from all the departments as well as the Sheriff's Department and economic development contractor Mac Hay. **Councilor Thompson** asked if information on upcoming projects could be added to monthly staff reports and **Manager Stein** stated it could.

**Manager Stein** stated an amended intergovernmental agreement to extend the date for the Quick Response Program for the Forest Service property would be added to the agenda. **City Reorder Nelson** reported the taxi permit appeal filed by Mr. Mynatt that was heard on November 11<sup>th</sup> and continued to the December 9<sup>th</sup> meeting had been withdrawn.

3. City Manager Update

**Manager Stein** applauded the efforts of staff in securing a \$650,000 bike and pedestrian grant for phase 1 of the Main Street improvements which will include converting it to full back-in diagonal parking. She reported it was the largest grant the City had ever received with perhaps the exception of the sewer system.

**Manager Stein** reported that when the Community Action Team of Sisters (CATS) dissolved there were plans to donate the community tent it owned to the Chamber of Commerce, as the Chamber already manages its rental for events. Because the Chamber is not a 501(c)(3), CATS

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was unable to donate the tent to the Chamber as planned. She reported there had been discussion about donating the tent to the City but she voiced concerns that groups would begin to expect City staff to put up the tent for events. She stated she was following up with other possibilities such as donating the tent to the Sisters Park and Recreation District (SPRD) or the Sisters Folk Festival. The **Council** agreed that it would be better to have a different agency other than the City manage the tent.

**Manager Stein** reported she attended the kick-off meeting for the Deschutes Forest Landscape Restoration Project where discussion centered on creating a charter signed by local government agencies. She stated the group would formulate a larger collaborative effort for the region by means of a steering committee to determine how the \$10 million grant it received would be utilized. She recommended the City be a signatory on the charter and asked permission to sit on the steering committee. The **Council** agreed it would be in the interest of the City to have Manager Stein participate on the steering committee. **Councilor Thompson** requested Manager Stein push for use of local labor for the fuel reduction projects in the area.

**Councilor Merrill** reported that Prineville Councilor Betty Roppe would take his place as a government representative on the Deschutes River Conservancy Board beginning in January.

The meeting was adjourned at 9:43 a.m.

Respectfully submitted,

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Kathy Nelson, City Recorder

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Lon Kellstrom, Mayor