

City of Falls City
City Council Regular Meeting
Thursday February 12, 2015
Meeting Location: 320 N Main Street, Falls City, Oregon 97344

Council Present

Mayor Terry Ungricht, Lori Jean Sickles, Jennifer Drill, Tony Meier, Gerald Melin, Dennis Sickles, Julee Bishop

Staff Present

Jon Hanken, Interim City Manager; Domenica Protheroe, City Clerk; Don Poe, Public Works Lead Worker

Mayor Ungricht called the meeting to order at 7:00 pm.

1) Roll Call

Clerk Protheroe took roll call. Gerald Melin took his seat on Council at 7:18 PM.

2) Pledge of Allegiance

Mayor Ungricht led the pledge.

3) Motion to adopt the entire agenda

A motion was made by Councilor D. Sickles and seconded by Councilor Bishop to adopt the entire agenda with the addition of Motion to Adopt the Entire Agenda and Item J. Heat Pump Contract.

Motion carried 5-0-0. Ayes: Lori Jean Sickles, Jennifer Drill, Tony Meier, Dennis Sickles, Julee Bishop

4) Consent Agenda: Motion Action Approving Consent Agenda Items

A) Approval of the Bills

B) Approval of the minutes January 8, 2015

C) Leak Adjustment Request – Home Town Grocery

A motion was made by Councilor D. Sickles and seconded by Councilor L. Sickles to approve the consent agenda. Motion carried 5-0-0. Ayes: Lori Jean Sickles, Jennifer Drill, Tony Meier, Dennis Sickles, Julee Bishop

5) Public Comments

None

6) New Business:

A) City Council Candidate Selection

Candidates drew numbers representing the order of questions. Ryan Wright selected #1 and Gerald Melin selected #3. Jim Partridge did not attend the meeting. Candidates took a seat at the candidates table corresponding with the number they selected.

Ryan Wright drew question # 1: Why do you want to be a City of Falls City council member?

Ryan Wright: Mr. Wright wanted to be involved in the City.

Gerald Melin: Mr. Melin would like to be part of City Council.

Gerald Melin drew question # 6: What is your vision for Falls City and how do you plan to implement that vision as a council member.

Gerald Melin: Mr. Melin saw Falls City as a small community with caring and fine people. He would like to keep people involved. In his position at the post office, he heard questions from residents

about small business shipping and organized a small business-networking meeting. He thought the city should be as transparent as possible.

Ryan Wright: Mr. Wright saw a good little town. He would focus on improvements and increased maintenance. He felt this would help the town function better.

Mayor Ungricht opened the floor for City Councilors to ask questions.

Councilor Drill asked the candidates what they could offer the city.

Ryan Wright: Mr. Wright stated that he had been a member of Future Farmers of America (FAA) at time when the program and farming were not well thought of. During his time as a FAA member, he helped to turn the group around.

Gerald Melin: Mr. Melin prior work as a minister taught him to be a good listener.

Councilor D. Sickles asked the candidates if they had considered the time it would take to serve as a city councilor and wanted to know if they were willing to give the necessary time commitment.

Gerald Melin: Mr. Melin had the time and was willing to give his time.

Ryan Wright: Mr. Wright could accommodate the time needed.

Closing Statements:

Ryan Wright: Mr. Wright stated that he had a lot to offer. He had worked all of his life and would work hard for the city.

Gerald Melin: Mr. Melin stated he was willing to listen. He was available and invited Council to call on him.

Clerk Protheroe distributed a ballot to each City Councilor. Clerk Protheroe collected the ballots and announced each vote. Councilor L. Sickles voted Gerald Melin. Councilor Drill voted for Ryan Wright. Councilor Meier voted for Gerald Melin. Councilor D. Sickles voted for Gerald Melin. Councilor Bishop voted for Gerald Melin. Clerk Protheroe announced voting totals: Ryan Wright – one vote, Gerald Melin – four votes. (Exhibit A)

B) Oath of Office for new Council Member

Mayor Ungricht swore in Gerald Melin as a new City Council member. Gerald Melin took his seat at 7:18 PM.

C) Council Goal Setting Session – March 2nd and 4th

Mayor Ungricht provided an overview of the goal setting process and highlighted a homework assignment in the packet. Interim City Manager Hanken advised councilors that they should consider both short-term and long-term goals. Goals often require funds to be set aside over time.

D) Committee Appointments

Mayor Ungricht distributed two staff reports: Polk County Public Safety Committee Appointment (Exhibit B) and Wagner Public Library Committee Appointment (Exhibit C). Mayor Ungricht appointed Tony Meier to the Library Board and Jennifer Drill to the Friends and Neighbors for a Safe and Prosperous Committee. The Friends and Neighbors for a Safe and Prosperous Committee was Political Action Committee for the Polk County Safety Levy. Councilor Drill's appointment to this committee was not to show support of the Levy, but to allow a member of Council to obtain education on the levy and share information with citizens. Councilor Drill would attend meetings and provide a report to City Council each month.

Mayor Ungricht planned to resign from the Parks and Recreation Committee.

A motion was made by Councilor D. Sickles and seconded by Councilor Meier that the Falls City Council grant its consent to appoint Amy Houghtaling to the Budget Committee and the Historic Landmark Committee, Terry Ungricht to the Public Works Committee, Jennifer Drill to the Parks and Recreation Committee, Tony Drill to the Parks and Recreation Committee, Jim Miner to the Parks and Recreation Committee, Johnathan Ungricht to the Public Works and Budget Committee, Jennifer Drill to the Friends and Neighbors for a Safe and Prosperous Committee, and Tony Meier to the Library Board. Motion carried 6-0-0. Ayes: Lori Jean Sickles, Jennifer Drill, Tony Meier, Dennis Sickles, Julee Bishop, Gerald Melin

E) Attorney Review Committee

Interim City Manager Hanken reported that four law firms had inquired about the position. He recommended Council form an attorney review committee. The committee would review Request for Proposals responses, conduct interviews, consider a preliminary hourly rate, and make a recommendation to City Council. The committee would meet three or four times.

A motion was made by Councilor L. Sickles and seconded by Councilor Bishop that Council appoint Dennis Sickles and Tony Meier to the Attorney Review Committee. Motion carried 6-0-0. Ayes: Lori Jean Sickles, Jennifer Drill, Tony Meier, Dennis Sickles, Julee Bishop, Gerald Melin

F) Watershed Form Discussion

Mayor Ungricht distributed a document titled Community Watershed Forum No. 4 (Exhibit D). The document was a summary of the January 14, 2015 Community Watershed Forum. Councilor Drill reported that Tracy Young and John Coe had attended several City Council meetings where they complained about flooding and requested help with Sheldon Ave ditches. The council packet included information titled Oregon Drainage Law submitted by Councilor Drill on behalf of Tracy Young. Ms. Young stated according to this document, owners have the right to send water to the landowner in the county. Ms. Young confirmed for Mayor Ungricht that the document submitted was not an Oregon Revised Statute (ORS).

Mayor Ungricht reported that he had asked the group on Sheldon Ave. to form a ditch association. Council would discuss Sheldon Ave. drainage issues at the goal session.

Councilor Drill thought the flooding issues were important. She hoped that Council would read the information contained in the packet in preparation for the goal session and for budget considerations.

Joe Kemper of Oregon State University announced that the next community watershed forum would be held in June or July where three to five concrete options would be discussed. City Council thanked Joe Kemper.

G) Polk County Public Safety Levy

Mayor Ungricht had attended the Polk County Public Hearing on the Safety Levy. The handouts from the Public Hearing were contained in the City Council Meeting Packet.

H) Oregon Liquor Licenses Renewal

A motion was made by Councilor D. Sickles and seconded by Councilor Meier that the City Council direct staff to write a liquor license renewals recommendation to the Oregon Liquor Control Commission (OLCC) for Falls City Home Town Grocery, Frink's General Store, The Boondocks, and the Bread Board. Motion carried 4-0-2. Ayes: Tony Meier, Dennis Sickles, Julee Bishop, Gerald Melin. Abstain: Lori Jean Sickles, Jennifer Drill

I) Interim City manager Contract Discussion

Mayor Ungricht asked City Council to consider a modification to the Interim City Manager contract at the suggestion of Jon Hanken. The modification would provide a daily housing allowance and a daily salary rate, instead of monthly rates. Interim City Manager Hanken informed Council that he had been out of state for three days at a job interview and he had scheduled two weeks off for another out of state job interview. In fairness to the city and the budget, he suggested a day rate instead of the contracted monthly rate.

A motion was made by Councilor Meier and seconded by Councilor L. Sickles that Council agree to modify Section 3 and 4 of the Interim City Manager's Employment Agreement to reflect a salary of \$193.95 per day and housing allowance of \$60 per day. Motion carried 6-0-0. Ayes: Lori Jean Sickles, Jennifer Drill, Tony Meier, Dennis Sickles, Julee Bishop, Gerald Melin

J) Heat Pump Contract

Interim City Manager Hanken distributed a staff report titled Awarding Heat Pump Replacement Contract (Exhibit E). The heat pump at the community center had caught fire and the damage was beyond repair. Due to the emergency, the insurance company approved limiting the number of required bids to one. The bid came in lower than the estimate. The replacement unit had a five-year warrantee. The City would be required to pay a \$1,000 insurance deductible.

A motion was made by Councilor D. Sickles and seconded by Councilor Meier that Falls City Council award the Community Center heat pump replacement contract to Salem Heating and Sheet Metal in the amount of \$3,497.00. Motion carried 6-0-0. Ayes: Lori Jean Sickles, Jennifer Drill, Tony Meier, Dennis Sickles, Julee Bishop, Gerald Melin

7) Correspondence, Comments and Ex-Officio Reports

A) Council Reports

Councilor Drill asked Councilors to consider a worksession before each City Council meeting. She wanted time for discussion. Mayor Ungricht asked Councilor Drill to make her request at the upcoming goal session. Councilor D. Sickles stated he did not understand what a worksession would offer council stating that the packets provided detailed information on agenda items.

Councilor Melin reported that a street sign was missing at 2nd Street and Pine Street. Mayor Ungricht would look into the matter.

Councilor D. Sickles announced that the girls' basketball team would play at the districts playoffs on February 18, 2015 at 5:30 PM. He congratulated the team.

B) Mayors Reports

Mayor Ungricht distributed a document titled draft #6 Water Purchase Agreement with Luckiamute Domestic Water Cooperative (Exhibit F). Once an agreement is finalized, Mayor Ungricht would plan a Special Session to sign the contract that would include the City Council, the Luckiamute Domestic Water Cooperative Board of Directors, and the press. He asked Council to review the agreement and provide feedback before the joint meeting between City of Falls City and the Luckiamute Domestic Water Cooperative Board of Directors. The negotiation team would meet one more time.

Mayor Ungricht informed Council that he had added Falls City to a Federal Department of Transportation grant. The grant would be submitted by Polk County Superintendent of Public Works Todd Whittaker. The grant, if awarded, would repave N. Main and Mitchell Street, replace Dutch Creek Bridge, and pave Bridge Street to the city limits boundary. The Oregon Department of Transportation Small City Allotment grant might be able to serve as the grant match.

Mayor Ungricht planned to add a new volunteer section to the newsletter.

The Heal Cities Grant for the stairs project was extended to June 15, 2015.

C) City Manager Reports

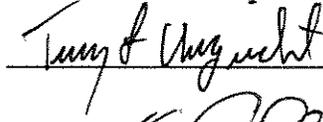
Interim City Manager Hanken, Councilor L. Sickles, and Janell Anzalone attended an Oregon Parks and Recreation grant webinar in preparation for a grant application for a park at the falls that would offer an open pavilion, bathroom, and trails.

8) Council Announcements

A) City Hall would close on Monday February 16, 2015 for the President's Day Holiday.

9) Adjourn

The meeting was adjourned at 8:02 pm.



Mayor Terry Ungricht

Attested:



City Clerk Domenica Protheroe

City of Falls City
City Councilor
February 12, 2015 Ballot

Round 1

Write Councilors Name:

Julie

	Jim Partridge
<i>2</i>	Gerald Melin
	Ryan Wright

City of Falls City
City Councilor
February 12, 2015 Ballot

*Clerk
Score sheet*

Clerk tabulation

Circle Round # 1 2

	Jim Partridge
<i>1111</i>	Gerald Melin
<i>1</i>	Ryan Wright

Exhibit B

AGENDA REPORT

TO: COUNCIL
FROM: MAYOR UNGRICHT
SUBJECT: POLK COUNTY PUBLIC SAFETY COMMITTEE APPOINTMENT
DATE: 2/12/2015

SUMMARY

Councilor Drill has asked to be appointed to the Polk County Public Safety Political Action Committee as Falls City's municipal government representative.

BACKGROUND

A committee has been organized to promote the passage of the Polk County Public Safety Levy. The Committee is seeking a representative from each of the municipalities in the County. Councilor Drill has expressed interest in serving on this committee.

As per the City Charter, the Mayor appoints committee members with the concurrence of Council.

PREVIOUS COUNCIL ACTION

None

ALTERNATIVES/FINANCIAL IMPLICATIONS

There are no fiscal impacts.

STAFF RECOMMENDATION

N/A

EXHIBIT

None

PROPOSED MOTION

I move the Falls City Council appoint Councilor Drill as Falls City's municipal government representative to the Polk County Public Safety Levy campaign.

Exhibit C

AGENDA REPORT

TO: COUNCIL
FROM: MAYOR UNGRICHT
SUBJECT: WAGNER PUBLIC LIBRARY COMMITTEE APPOINTMENT
DATE: 2/12/2015

SUMMARY

Appointing Councilor Meier as the City Council's representative to the Wagner Library Board.

BACKGROUND

The City Council needs a representative to sit on the Wagner Library Board. Councilor Meier has agreed to serve in this capacity.

As per the City Charter, the Mayor appoints committee members with the concurrence of Council.

PREVIOUS COUNCIL ACTION

None

ALTERNATIVES/FINANCIAL IMPLICATIONS

There are no fiscal impacts.

STAFF RECOMMENDATION

N/A

EXHIBIT

None

PROPOSED MOTION

I move the Falls City Council appoint Councilor Meier as Falls City's municipal government representative to the Wagner Library Board.

Exhibit D

**Community Watershed Forum No. 4 – Falls City, Oregon
14 January 2015, 6-8 PM
Stormwater and Ditches in South Falls City:
Issues, Concerns, Interests, and Improvements**

SUMMARY OF THE FORUM

This meeting was a follow up to the June 26, 2014 meeting. Flyers were mailed to residents of South Falls City on behalf of OSU's Institute for Water and Watersheds (IWW). Area residents also canvassed the neighborhood to invite and encourage all to attend. The Falls City Mayor, one council member, and eight residents in the South Falls City area attended the forum.

The meeting started with a brief summary of the stormwater issue to date for those who had not attended previous meetings. Mayor Terry Ungricht proposed the formation of a drainage ditch association in South Falls City to allow limited easements on private property to first maintain and then enhance ditch capacity. Mayor Ungricht also identified a gap in ditch continuity in the southwest corner of the flooding zone that increases ponding on one landowner's property in particular (Fig. 4).

Attendees reviewed potential solutions proposed in previous meetings. Solutions were prioritized based on feasibility. Residents also discussed possible causes for increased intensity of stormwater drainage. Reasons included removal of vegetation and wetland areas, housing development, ditch deterioration, and additional ditch development.

Using funds generously donated by the city of Falls City and IWW, West Coast Well Drillers constructed a groundwater monitoring well in the center of South Falls City in October 2014. Joe Kemper presented the findings of the groundwater monitoring well. The excavation reached bedrock at a depth of 13 feet. Monitoring equipment was donated to the project by IWW and Bill Mann of In-Situ, Inc. The monitoring well showed the rapid response of groundwater to rain storms. The water table rose from 13 feet below ground level in October to approximately two feet below ground during winter (Fig. 1 and 2). Kemper also presented drainage techniques that would lower the water table and decrease stormwater runoff:

1. Agricultural drainage tiles
2. Groundwater pumps
3. De-watering ditches

The meeting discussion then addressed a larger region of South Falls City for potential causes and solutions of the issue. Residents identified the extent of the basin that is contributing runoff to the stormwater problem (Fig. 3). With a greater area of interest, there are additional locations where stormwater might be diverted from the main Sheldon ditch to the Little Luckiamute River (Fig. 4). Kemper proposed using LiDAR data to investigate possible diversion sites.

The meeting concluded with Joe Kemper indicating interest in continuing to investigate solution feasibility and meeting facilitation. Residents also expressed interest in another meeting. The next meeting will be held in approximately six months and will aim to identify specific solutions and analyze feasibility of each solution.

Groundwater monitoring well findings: Figure 2 below shows rise in groundwater level as a response to rainfall in figure 1. Groundwater rose to a maximum of roughly 9" below ground level on Dec. 20th

Figure 1 - Precipitation in 6 hr increments in nearby Corvallis, OR. Source: <http://www.usbr.gov/pn/agrimet/hourlydata.html>

Precipitation From 12/15/14 to 1/14/14

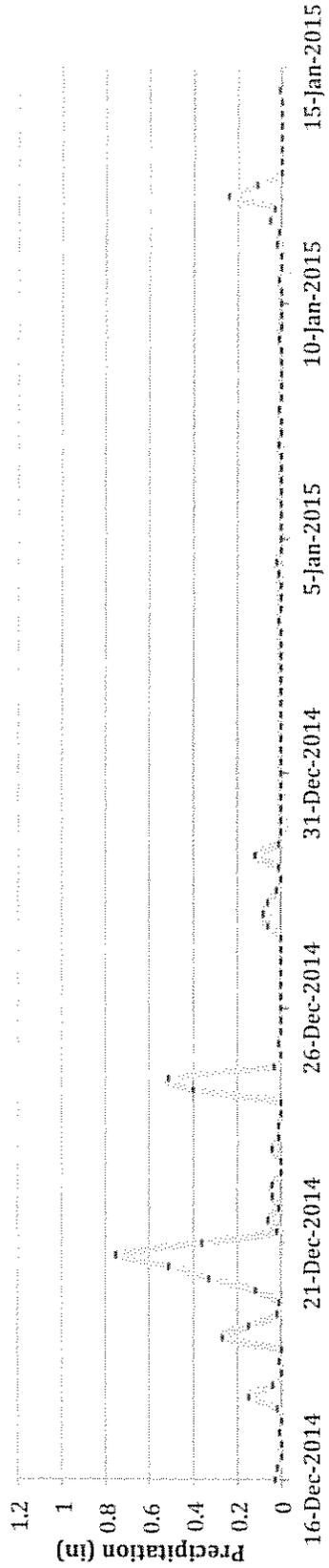


Figure 2 - Static water level measured in groundwater monitoring well constructed in South Falls City

Depth of Water Below Ground Level (12/15/14 to 1/14/14)

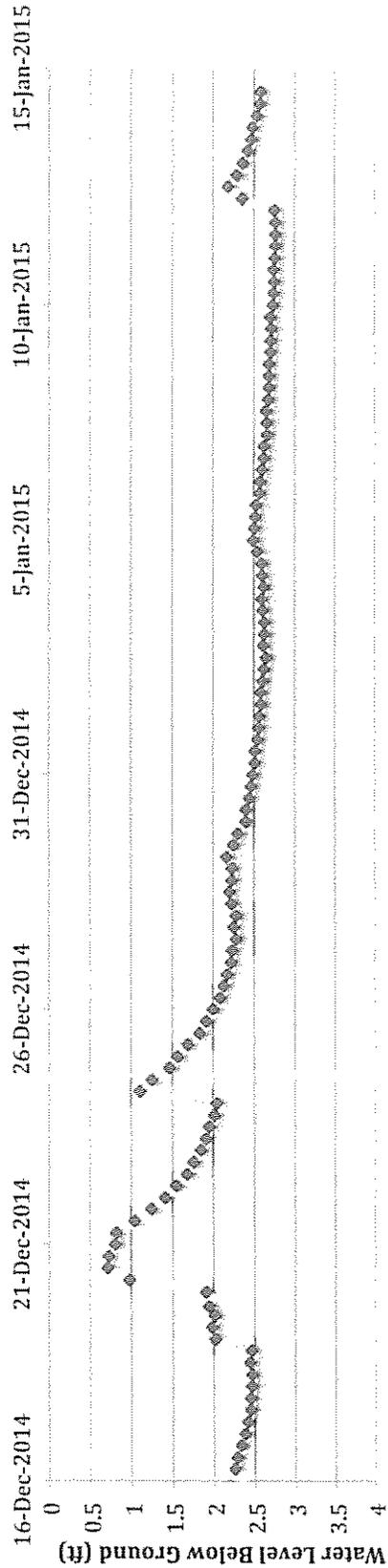


Figure 3. Identified watershed that contributes to the stormwater flooding issue.

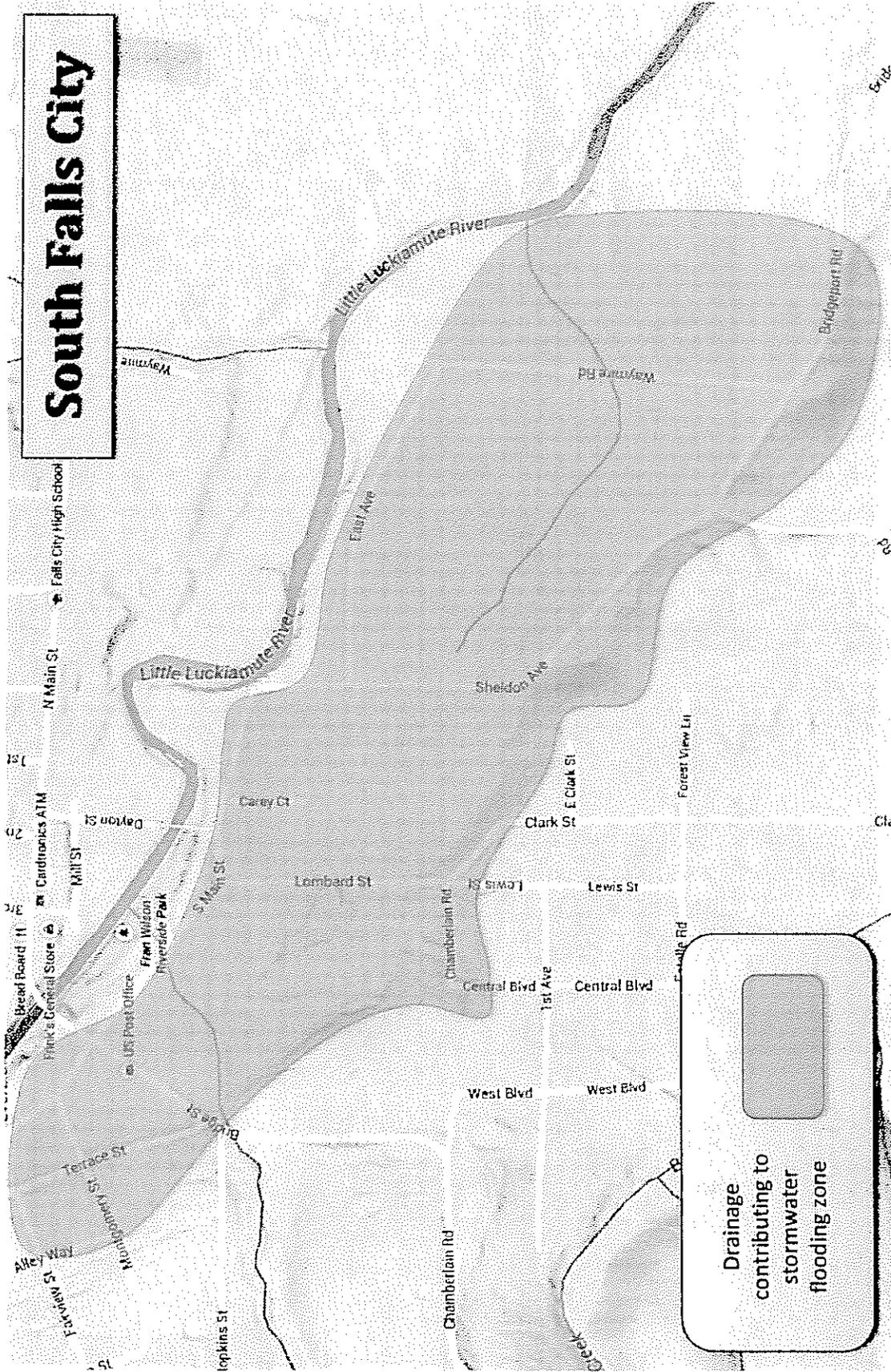


Figure 4. Identified watershed that contributes to stormwater flooding issue.

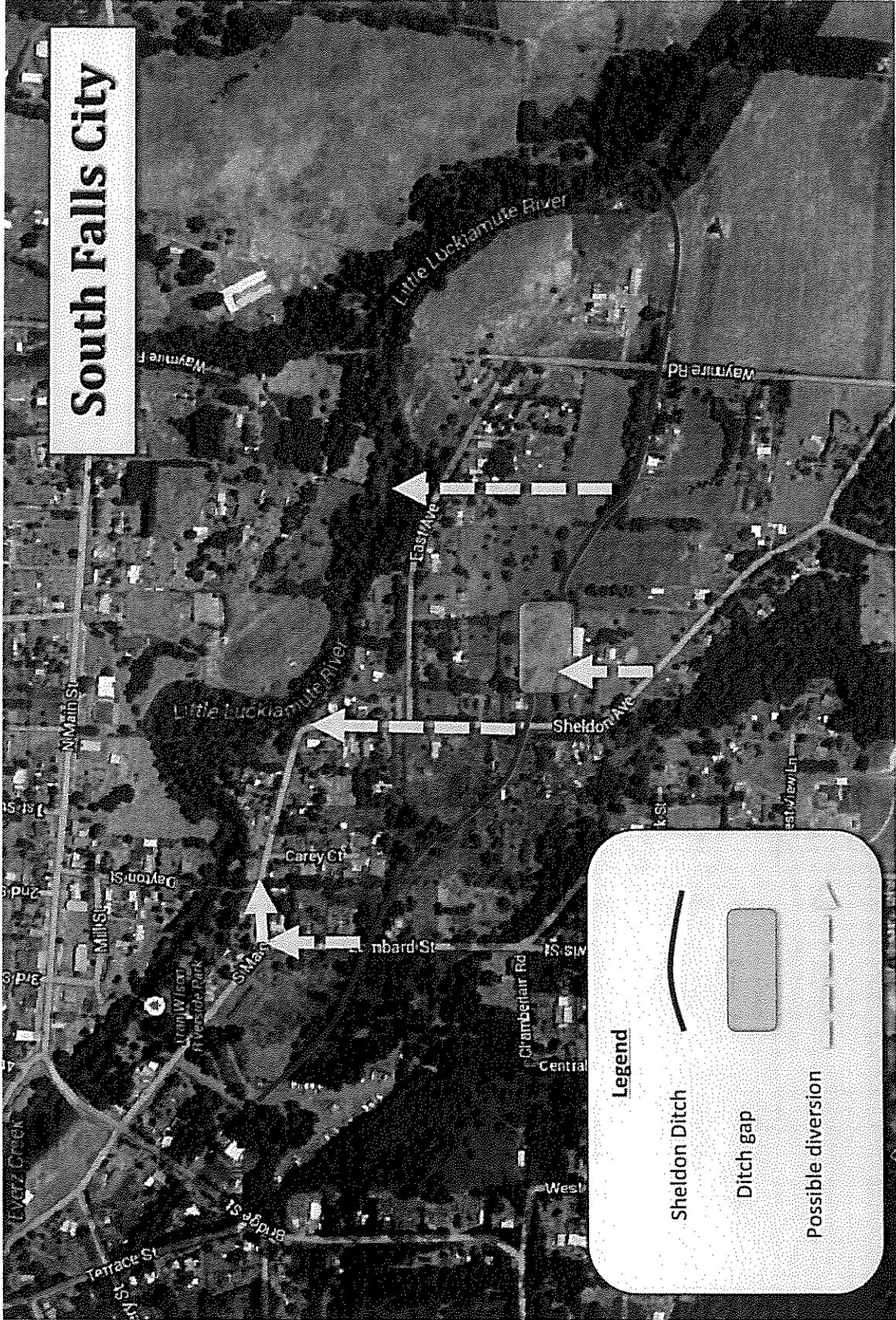


EXHIBIT E

AGENDA REPORT

TO: COUNCIL
FROM: JON G. HANKEN, INTERIM CITY MANAGER
SUBJECT: AWARDING HEAT PUMP REPLACEMENT CONTRACT
DATE: 2/12/2015

SUMMARY

Council needs to award a bid to replace the heat pump in the Community Center.

BACKGROUND

Last week, the heat pump for the Falls City Community Center caught on fire and damaged the component beyond repair. Electricity from the heat pump (220) ran through the low voltage line to the thermostat located inside the building and fried that a well too.

Staff had a repair person from Salem Heating come out to inspect the damage and we were informed that the system is totally trashed. Staff had the company give us a quote to repair the damage and we contacted our insurance agent to make them aware of what happened and that the City will be filing a claim. Staff has been in contact with CIS Insurance's Claims Department and we have authorization to move forward.

Salem Heating and Sheet metal will install a new heat pump system (Aire-Flo Dry Charge Unit) for \$3,497.00. This repair is covered by the City's insurance, However there is a \$1,000 deductible.

PREVIOUS COUNCIL ACTION

None

ALTERNATIVES/FINANCIAL IMPLICATIONS

The repair is covered by the City's insurance coverage. However, the City has a \$1,000 deductible that will be paid out of City funds.

STAFF RECOMMENDATION

N/A

EXHIBIT

Copy of Salem Heating and Sheet Metal repair quote.

PROPOSED MOTION

I move the Falls City Council award the Community Center heat pump replacement contract to Salem Heating and Sheet Metal in the amount of \$3,497.00.

SALEM HEATING & SHEET METAL

1225 22nd St. S.E. - PO Box 12005, Salem OR 97309
P: 503-581-1536 • www.salemheatinginc.com



CCB# 1505

Bill To:
Falls City Convention Center
c/o 299 Mill Street
Falls City Oregon 97344

February 7, 2015

We are pleased to submit our quotation for the following work-
299 Mill Street Falls City 97344

Initial
choice

Furnish and install one new heat pump or new heat pump system:

_____ Aire-Flo Dry Charge Outdoor Unit Only (R-22 Enabled) 4 Tons \$ 3,497.00

Installation:

- ✓ Includes 13 SEER 4 ton heat pump
- ✓ Includes all necessary refrigerant to charge the unit
- ✓ Includes all labor necessary to complete the work
- ✓ Includes all necessary permits
- ✓ Includes new thermostat(customer choice), new wire and relocation of the thermostat

Warranties: 5 years parts and 5 year compressor

Terms:

50% due at signing and the balance is due upon completion. Quotations are subject to acceptance within a 30 day period.

Visit www.salemheatinginc.com for product information

Respectfully Submitted By,

Craig R. Briggs c#(503-851-1638)

Customer Signature _____ Date _____

Draft 6

Exhibit F

WATER PURCHASE AGREEMENT

This agreement is for the sale and purchase of water and is entered into on the ___ day of ___, 2015, between the City of Falls City, Oregon a municipal corporation as SELLER, and Luckiamute Domestic Water Cooperative, an Oregon cooperative corporation, as PURCHASER. The principles of this contract take effect at 12:01 AM on ____, 2015, and supersedes any and all previous contracts between the City of Falls City, Oregon, and the Luckiamute Domestic Water Cooperative, sited in Suver, Oregon.

Whereas, Purchaser is organized and established under the provisions of Oregon statute for the purpose of constructing and operating a water supply distribution system serving water users within the area described in plans now on file in the office of the Purchaser, and to accomplish its purpose Purchaser requires an ongoing supply of treated water; and

Whereas, Seller owns and operates a water supply distribution system with capacity currently capable of serving the citizens of the City of Falls City together with water users to be served by Purchaser; and

Whereas, by Resolution No. ____, enacted on the ___ day of ____, 2015, by Seller, the sale of water to Purchaser in accordance with the terms set forth therein and the execution of this contract was duly authorized; and

Whereas, by resolution of the Board of Directors of Purchaser, enacted on the ___ day of ____, 2015 the purchase of water from Seller in accordance with the terms set forth therein and the execution of this contract was duly authorized.

Now therefore, in consideration of the foregoing and the mutual agreements set forth below, the parties agree as follows:

1. Seller shall furnish Purchaser at the point of delivery specified below, during the term of this contract or any renewal thereof, potable treated water meeting applicable purity standards of the Oregon Health Division in such quantity as may be required by Purchaser, but not to exceed 3,000,000 Gallons per month.
2. Seller will, at all times, operate and maintain its water system in an efficient manner and will take such action as may be necessary to furnish Purchaser with quantities of water specified under this agreement. Temporary or partial failures to deliver water shall be remedied with all possible dispatch. In the event Seller is unable, at any time, to meet both Seller's service obligations to its municipal water customer's and Purchaser's requirements under contract, the supply of water to Purchaser will be reduced and Seller's municipal water customers will be entitled to priority for water service, without liability to Purchaser. To the extent that seller is unable to provide at least 400,000 gallons in a given billing period Seller will only charge Purchaser for the amount of water in total provided using the per/ 1000 gallon charge.

3. Seller shall furnish water to Purchaser at a reasonably constant pressure that meets Oregon State standards from an existing 6-inch main supply at a point located at the Falls City cemetery. Seller shall also furnish water to Purchaser at a reasonable constant pressure that meets Oregon State standards from an 8-inch main supply point located at Waymire Road and Bridgeport Road. If a greater pressure is required by Purchaser, the cost of providing such greater pressure shall be borne by Purchaser. Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire, earthquake, or other catastrophe shall excuse Seller from this provision for such reasonable period of time as maybe necessary to restore service.
4. Purchaser shall furnish, install, operate and maintain at its own expense all metering equipment, back-flow device, pressure gauge and water lines from point of delivery and shall calibrate such metering equipment annually in the month of _____. Purchaser shall forward to Seller proof of calibration compliance no later than 7seven working days from completion of said calibration. Purchaser shall be responsible for obtaining all permits and fulfilling all other legal requirements necessary for the installation and operation of the water delivery system.
5. Purchaser's system area of responsibility for maintenance and operation begins at and includes the valve just prior to the meter, both contained in the vault. Additionally, Purchaser is responsible for the vault and internal appurtenances. Seller's system area of responsibility includes all water delivery lines and appurtenances upstream of said valve, and external to the vault. The "vault" in this paragraph refers to two vaults, one each sited in the locations noted in paragraph 3, above.
6. The water meter shall be read by the Seller on or about the 25th day of each subsequent month and Seller shall furnish Purchaser on or about the first day of each month with an itemized statement of the amount of water furnished Purchaser during the preceding month.
7. Purchaser shall pay Seller, not later than the 15th day of each subsequent month for water delivered during the previous month at the rate of \$2.25 per 1000 gallons at a base of 200,000 gallons per meter (or a total of 400,000 gallons for both meters combined) per month. A late fee set by resolution of City council for all water customers shall be applicable if payment not received by the 25th day of the month.
8. On or before the 15th of March of each year during the term of this agreement the parties may review and negotiate the water rate referred to in paragraph 7. If within 45 days of the 15th of March, the parties have not reached an agreement for water rate, Seller may implement a rate increase assessed to that of seller's other domestic/residential users. In the event that Seller does not raise rates at a percentage that would meet a \$0.10 increase per 1000 gallons to Purchaser, Purchaser agrees for the years 2016, 2017, and 2018 only, to an automatic minimum increase of \$0.10/1000-gallons.
9. This contract shall extend for a term of 10 years from the effective date and thereafter may be renewed or extended for such term or terms as may be agreed upon by the parties. Either party may terminate the contract by providing the other party with a 36 month prior written notice.

10. Seven days prior to any estimated date of reconstruction and/or significant alteration of Seller or Purchaser's water supply distribution system that may affect water delivery or receipt (does not include routine scheduled maintenance), the affected party shall notify the other party in writing of the date for restoration of delivery/receipt of water. Each party shall have the right of final inspection upon connection to water supply to verify compliance with all Oregon standards. Each party shall be responsible for providing the other party with letter of compliance meeting Oregon standards. Writing in this paragraph may be defined as an e-mail notice with a one day business return response/acknowledgement.
11. When requested by Purchaser, Seller will make available to Purchaser at the point of delivery, water sufficient for testing and flushing.
12. This contract is subject to the rules, regulations, and laws of the State of Oregon and both parties shall cooperate in obtaining permits, certifications, and board licenses as may be required to comply therewith. Except as specifically provided otherwise herein, all notices shall be delivered by certified mail addressed as follows:

Seller:
City of Falls City
Attn: City Clerk/Finance Officer
299 Mill Street
Falls City, Oregon 97344
Phone (503)787-3631

Purchaser:
Luckiamute Domestic Water Coop
Attn: Manager
8585 Suver Road
Monmouth, Oregon 97361

13. In the event that Seller may elect to sell water to other entities operating a water supply distribution system during the life of this agreement, Purchaser shall have the right of last refusal to acquire said water on the same terms and conditions under which Seller may elect to sell said water to said user.
14. Purchaser agrees to indemnify, defend and hold harmless the Seller and its officers, agents, and employees against all liability, loss and costs arising from actions, suits, claims or demands for the acts or omissions of the Purchaser, and Purchasers officers, agents, and employees in performance of this agreement. In accordance with the Oregon Tort Claims Act and the Oregon Constitution, Seller agrees to indemnify, defend and hold harmless Purchaser and its officers, agents and employees against all liability, loss and costs arising from actions, suits, claims or demands from the acts or omissions of the Seller and Seller's officers, agents and employees, in performance of this agreement.
15. In the event of Purchaser's default or failure to comply with any of its obligations under the terms of this agreement, Seller may suspend the provision of water service to Purchaser until such default or failure to comply has been remedied to

Seller's satisfaction. If Purchaser's default or failure to comply is not remedied within 30 days after the suspension of service by Seller, Seller may terminate this agreement. In the event Seller is unable to provide Purchaser the agreed upon units of water for over 30 days, Purchaser may terminate this agreement.

16. Notwithstanding any other provision in this agreement Seller's obligation to supply water under this agreement is subject and limited to Seller's capacity to do so within the limitations of Seller's municipal water rights and water system. Seller will have no obligation to make any improvements to or upgrades or expansion of its municipal water supply system for Purchaser's benefit or to enable Seller to meet its obligations under this agreement.
17. This agreement does not give any member or customer of Purchaser any enforceable rights against Seller, and Seller will have no obligation or liability to any member or customer of Purchaser for any claim, liability, demand, damages or action arising under or relating to the terms of this agreement. Purchaser's members are not third-party beneficiaries of this agreement.

In Witness Whereof, the parties hereto, acting under authority of their respective governing bodies has caused this agreement to be duly executed in duplicate, each of which shall constitute an original.

Date: _____

Date: _____

Seller: City of Falls City

Purchaser; Luckiamute Domestic Water Cooperative

By: _____

By: _____