

| FALLS CITY CITY COUNCIL | | MONDAY, DECEMBER 1, 2025 |
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| Mayor Bailey called the Falls City City Council into regular session on Monday, December 1, 2025 at 6:00 p.m. in the Community Center located at 320 N. Main Street. | | |
| Council Members Present: | | |
| Council President Amy Houghtaling via Zoom, Councilor Nick Backus, Councilor Tony Meier, Councilor Dennis Sickles at 6:02 pm, and Councilor Lori Jean Sickles. Councilor Tia Scruton was excused. | | |
| Staff Present: | | |
| City Manager AJ Foscoli and City Recorder Jeremy Teal | | |
| AGENDA | ACTION | |
| Announcements, Appointments, Appreciations & Proclamations | <p>Chief Gilbert presented the award they received from Toys for Tots for their diligent work with the organization over the past 10 years. He commended Chief Creekmore and Chief Volk Greve assistant chiefs for their work in the department.</p> <p>Councilor D Sickles asked about the trend of calls. Chief Gilbert stated medical calls were way up. Councilor D Sickles stated he really appreciated the Fire Department and their incredible work in Falls City.</p> <p>Tina Thompson invited the Fire Department to the tree lighting ceremony on Saturday, December 6.</p> <p>Mayor Bailey thanked Chief Gilbert for the work the Fire Department does to recruit volunteers. He noted it was important for the juniors to experience a direction for youth and a pathway to a career. He mentioned that what Chief Gilbert had done since becoming Chief was amazing.</p> <p>Mayor Bailey stated Falls City was a city of volunteers and served the needs of the community. He noted the Veterans BBQ and Thanksgiving dinner were a huge success and served many residents with a record number of student volunteers.</p> | |
| Presentations a) Falls City Water Rate Study | Steve Donovan gave a brief presentation regarding the Falls City Water Rate Study for increasing water rates in the future. He noted the increase in water rates would be 5% annually for 5 years paying back a total of \$1,075,218 at 1% | |

interest for 30 years. He outlined a tiered system for high usage customers and asked the Council if they were interested in considering this rate increase.

Mayor Bailey asked if this would be added after the 5% increase was implemented. Mr. Donovan noted 73% of the customers wouldn't even see a change in their bill other than the 5% increase. Mr. Foscoli noted that with the current upgrades the City should see less leakage and more accurate water usage.

Mayor Bailey asked about the timeline to implement. Mr. Donovan stated most communities were doing it for conservation. Mr. Foscoli noted the City contacted all the high users during the summer to help alleviate water usage. Mr. Donovan mentioned that Falls City's rates were very modest and there was no incentive to stop using water. Councilor D Sickles stated that something like this was a good idea and it would be helpful in conserving water.

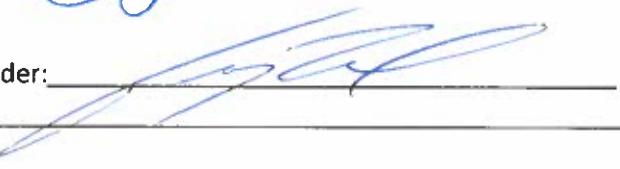
Mr. Donovan outlined the proposal stating the less you use the less you pay, but the people that use more water in the tiered system would be charged 20% more, then 50% more depending on water usage. He noted the 5% increase would start July 1, 2026 and the tiered system could be implemented on January 1, 2027. He mentioned education and pricing would need to be delivered to the community. He advised talking to two customers right away starting with Luckiamute Water District who were over their contract limits and needed to be curtailed right away. He stated that Greenhaven RV park was also a large water user with only one master meter that need to be managed better.

Mayor Bailey stated the education would be the biggest piece but could be put in the newsletters, on flyers, and discussed in town hall meetings.

Mr. Donovan stated the outreach through the bill multiple times would be good, and town hall meetings with issue specific topics. He noted the real key was what the Council wanted to do

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| | <p>regarding penalties. He mentioned starting off modestly and see how works and revisit it in the future.</p> <p>Tina Thompson suggested implementing the increased fee in January and then implementing the tiered system in July to hopefully recover before August.</p> <p>Mr. Donovan asked if the Council understood the needs and loan repayment with the 5% annual increase for 5 years starting on July 1, 2026 and implementing the conservation pricing starting in January 1, 2027 with three tiers including a 10% increase for tier 2 and a 25% increase for tier 3. He added that the Luckiamute contract needed to be curtailed and that he would write the report for loan and conservation incentives.</p> <p>Mayor Bailey asked Mr. Donovan if the recommendation was a 10% and 25% increase for tiers 2 and 3. Mr. Donovan stated the increase would only affect a few customers.</p> <p>Tina Thompson suggested implementing the conservation tiers in June next year and recover the costs. Mr. Donovan stated the education and outreach was important.</p> |
| Public Comment | <p>Mayor Bailey opened the public comments at 7:10 p.m.</p> <p>Jim Miner stated the log trucks were going to have an issue with the oversized tear drop pedestrian island. He noted some low boys could be 110 feet long and won't be able to make that corner. He also asked about the clean up at the upper park from all the downed trees.</p> <p>Tracy Young suggested getting after Luckiamute and asked if the City could shut them off. Mr. Foscoli stated the City would have to give them a 60 day notice.</p> <p>Tina Thompson suggested giving Luckiamute notice now and make them start to comply with the contract. She asked if anyone had priced a million-gallon reservoir.</p> |

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| | <p>Mr. Foscoli reported that he didn't want to lose revenue, but it was a matter of pushing but not too hard.</p> <p>Ms. Young suggested contacting Dallas to find out if Luckiamute was selling water to them.</p> <p>Ms. Thompson mentioned getting the proper signage for traffic at the new pedestrian island.</p> <p>Mayor Bailey closed the public comments at 7:19 p.m.</p> |
| <p>Consent Agenda</p> <p>a) November 3, 2025 Minutes</p> | <p>It was moved by Councilor Backus to approve the Consent Agenda as presented. The motion was duly seconded by Councilor LJ Sickles and CARRIED with a vote of 5-0 with Councilors Backus, Meier, D Sickles, LJ Sickles and Council President Houghtaling voting YES.</p> |
| <p>Reports or Comments from Mayor and Council Members</p> <p>a) Mayor's Report</p> <p>b) Councilor Comments</p> | <p>Mayor Bailey reported that November was the best month to be a resident in Falls City.</p> <p>There were no comments.</p> |
| <p>Reports from City Manager & Staff</p> <p>a) Fire Report</p> <p>b) Public Works Report</p> <p>c) City Manager's Report</p> <p>d) Municipal Court</p> | <p>There were no comments.</p> <p>There were no comments.</p> <p>Mr. Foscoli reported on the wastewater treatment plant switchover would be in January, code enforcement, the water rate study, upper park trees, town hall meeting.</p> <p>Mr. Foscoli stated the City of Dallas had agreed to hold Municipal court on the city's behalf.</p> <p>It was moved by Councilor Sickles to direct Mr. Foscoli to execute the Municipal Court Services Intergovernmental Agreement with the City of Dallas the remainder of the current fiscal year 2025-2026. The motion was duly seconded by Councilor Meier and CARRIED with a vote of 5-0 with Councilors Backus, Meier, D Sickles, LJ Sickles and Council President Houghtaling voting YES.</p> |
| <p>Good of the Order</p> | <p>Councilor D Sickles wished everyone a Merry Christmas.</p> |

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| | Mr. Foscoli thanked the residents for coming to the Council meeting and participating. Mayor Bailey noted that the City Manager review would be next month. |
| Adjourn | There being no further business, the meeting was adjourned at 7:34 p.m. |
| Read and approved this <u>5</u> day of <u>January</u> 2026. Mayor: <u></u> ATTEST: <u></u> City Recorder: <u></u> | |