

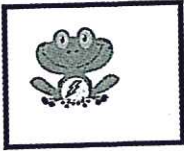
Beth Hager

From: sherbre@frontier.com
Sent: Thursday, May 23, 2019 4:36 PM
To: Beth Hager
Subject: Revised June Utility Newsletter
Attachments: June 2019 Newsletter copy 2 fin PDF.pdf

Hi Beth,

Corrections made.

Thanks,
Sheryl



Your Utility Company Newsletter

Main Points From the Utilities Commission's Recommendations to the Mayor and City Council¹

- * City staff, engineers, and consultants have recommended that certain water and sewer system expenditures and improvements are necessary to continue properly operating and maintaining those utility systems.
- * Upon review of the proposed fiscal year 2019-2020 City of Bandon Budget, the Utilities Commission has found that current water and sewer utility rates and revenues are projected to be insufficient to generate the revenue necessary to continue operating, maintaining, and improving those utility systems.
- * Prior to the proposed 2019-2020 Budget presentation, the Utilities Commission was not aware of the Water and Sewer Fund shortfalls or current cash balances.
- * After considering the needs and projected revenues for the water and sewer systems, the Utilities Commission recommends that the Mayor and City Council immediately declare that an **emergency** exists in the proposed fiscal year 2019-2020 water and sewer utility system budgets.
- * It is recommended that, to address the **emergency**; to help protect the health, safety, economic, and general welfare of existing and future citizens, visitors, and utility customers of the City of Bandon; to help provide an adequate supply of high quality, safe water for drinking, fire protection, commercial, and other domestic uses; to help ensure adequate and safe sewage treatment and effluent discharge; and to help keep future water and sewer and property tax rates as low as possible, the Utilities Commission hereby recommends that the Mayor and City Council take the following actions:
 - * 1. Institute one-year **emergency** water and sewer rate increases for fiscal year 2019-2020 in amounts necessary to generate sufficient revenues to cover all of the water and sewer system operation and maintenance expenses. The proposed fiscal year 2019-2020 Budget currently projects shortfalls of approximately \$160,000 in the Water Fund and \$222,000 in the Sewer Fund. Based on the revenues currently projected in the proposed Budget, plus 5% for contingencies, generating sufficient revenues to cover these shortfalls would require a water rate increase of approximately 21% and a sewer rate increase of approximately 28%.
 - * 2. Include the expenditure of \$250,000 from the Water Plant Improvement Fund for the following capital improvement project: 2 million gallon treated water storage tank seismic protection valves;
 - * 3. Include in the fiscal year 2019-2020 Budget and Capital Improvement Plan the expenditure of \$1,000,000 from the Water SDC Improvement Fund for the following projects: Re-painting and corrosion repair on the 1MG and 2MG treated water storage tanks (\$500,000); and Emergency back-up generators for the water treatment plant (\$500,000);
 - * 4. Initiate negotiations with private and public financial institutions, lenders, and bond counsel to determine the amount, costs, and terms of loans and grants that may be available for providing \$4,400,000 to finance the following water and sewer system capital improvements: Wastewater

¹ Approved by the Utilities Commission on April 24, 2019.

Treatment Plant headworks upgrade (\$450,000); Replacement of the Fillmore Avenue pump station (\$1,600,000); Wastewater Treatment Plant ultraviolet system improvements (\$100,000); 2017-2018 I&I Study Projects #4, #5, #9, and #11 (\$1,300,000); Water Plant Replacement Clarifier (\$950,000);

- * 5. Include in the fiscal year 2019-2020 Budget and Capital Improvement Plan, and place before the voters at the November 5, 2019, general election, the matter of a general obligation bond which, in combination with any grant funds which may be available, will provide \$4,400,000 in net proceeds to finance the water and sewer system improvements in Item 4 above. Adding 10% for bond issuance, bond counsel, and underwriters costs, contingencies, etc., and assuming no outside grant funding, it is estimated that repayment of a 20-year bond in the amount of \$4,840,000, at a 5% annual interest rate, would require property tax assessments in the range of \$0.79 per \$1,000 assessed valuation, based on the 2018-2019 City assessed valuation of \$490,3721,860. If the proposed general obligation bond for water and sewer system improvements is not approved by the voters then it is recommended that sewer and water revenue bonds be issued to cover those costs, which would require an additional estimated 20-year **emergency** water rate increase in the range of 11%, and sewer rate increase in the range of 37%, to cover the annual payments necessary to service the debt on that revenue bond.
- * And, it is further recommended that the Mayor and City Council continue to monitor the financial condition and needs of the water, sewer, and electric utilities, and determine annually whether an **emergency** exists in those municipal utilities; and determine whether subsequent annual **emergency** utility rate increases and actions are necessary to meet the future operation, maintenance, and capital improvement needs of those utilities.
- * And, it is further recommended that the Mayor and City Council place before Bandon voters at the next possible and appropriate election the matter of amending the Bandon City Charter to restore **permanent** utility rate setting authority to the Mayor and City Council.

This recommendation has been discussed with the Budget Committee and will be considered by the Mayor and City Council at their June City Council Meeting.

2017-2018 I&I Study Projects

#4 Manhole 10-1 to Manhole 8-10. Collection Lines/Manholes (active infiltration in manhole channel)

#5 Manhole 16 to Manhole 14. Collection Lines/Manholes (active infiltration in manhole channel)

#9 Manhole 12-12 to Manhole 12-11, and Manhole 12-17 to Manhole 12-15. Collection Lines/Manholes (active infiltration, weeping base and bottom ring)

#11 Manhole Rehabilitation.

11 projects were recommended in the Inflow and Infiltration Study, to reduce inflow and infiltration into the City's Sewer Plant. The 4 projects above were the highest priority and should be completed first.

Beth Hager

From: Beth Hager
Sent: Monday, June 3, 2019 10:57 AM
To: 'Robert Mawson'
Subject: Signed Recommendation from Utilities Commission
Attachments: doc20190603105323

Robert-

Here you are!
Beth

FINDINGS BY THE BANDON UTILITIES COMMISSION THAT AN EMERGENCY EXISTS IN THE PROPOSED FISCAL YEAR 2019-2020 WATER AND SEWER UTILITY BUDGETS; AND RECOMMENDATIONS FOR ACTION BY THE CITY COUNCIL TO ADDRESS THAT EMERGENCY.

WHEREAS, the Utilities Commission was established by the Mayor and City Council, "to plan for, and advise the mayor and city council, the city manager and the public on the water, wastewater and electric utilities;" and

WHEREAS, the Utilities Commission has reviewed and concurs with the recommendations of City staff, engineers, and consultants that certain water and sewer system expenditures and improvements are necessary to continue properly operating and maintaining those utility systems; and

WHEREAS, the Utilities Commission has reviewed the proposed fiscal year 2019-2020 City of Bandon Budget, and has found that current water and sewer utility rates and revenues are projected to be insufficient to generate the revenue necessary to continue properly operating, maintaining, and improving those utility systems; and

WHEREAS, prior to the proposed 2019-2020 Budget presentation, the Utilities Commission was not aware of the Water (940), Water Plant Improvement Fund (941), and Sewer Fund (950) shortfalls or current cash balances; and

WHEREAS, considering the needs and projected revenues for the water and sewer systems, the Utilities Commission has found that an EMERGENCY exists in the water and sewer utility budgets.

NOW, THEREFORE, THE UTILITIES COMMISSION HEREBY RECOMMENDS that the Mayor and City Council immediately declare that an EMERGENCY exists in the proposed fiscal year 2019-2020 water and sewer utility system budgets;

AND, IT IS FURTHER RECOMMENDED that, to address the EMERGENCY; to help protect the health, safety, economic, and general welfare of existing and future citizens, visitors, and utility customers of the City of Bandon; to help provide an adequate supply of high quality, safe water for drinking, fire protection, commercial, and other domestic uses; to help ensure adequate and safe sewage treatment and effluent discharge; and to help keep future water and sewer and property tax rates as low as possible, the Utilities Commission, hereby recommends that the Mayor and City Council take following actions:

1. Institute one-year EMERGENCY water and sewer rate increases for fiscal year 2019-2020 in amounts necessary to generate sufficient revenues to cover all of the water and sewer system operation and maintenance expenses. The proposed fiscal year 2019-2020 Budget currently projects shortfalls of approximately \$160,000 in the Water Fund (940) and \$222,000 in the Sewer Fund (950). Based on the revenues currently projected in the proposed Budget, plus 5% for contingencies, generating sufficient revenues to cover these shortfalls would require a water rate increase of approximately 21% and a sewer rate increase of approximately 28%.

2. Include in the fiscal year 2019-2020 Budget and Capital Improvement Plan the expenditure of \$250,000 from the Water Plant Improvement Fund (941) for the following capital improvement project:
 - A. 2 million gallon treated water storage tank seismic protection valves.
3. Include in the fiscal year 2019-2020 Budget and Capital Improvement Plan the expenditure of \$1,000,000 from the Water SDC Improvement Fund (721) for the following projects:
 - A. Re-painting and corrosion repair on the 1MG and 2MG treated water storage tanks (\$500,000).
 - B. Emergency back-up generators for the water treatment plant (\$500,000).
4. Initiate negotiations with private and public financial institutions, lenders, and bond counsel to determine the amount, costs, and terms of loans and grants that may be available for providing \$4,400,000 to finance the following water and sewer system capital improvements:
 - A. Wastewater treatment plant headworks upgrade (\$450,000).
 - B. Replacement of the Fillmore Avenue pump station (\$1,600,000).
 - C. Wastewater treatment plant ultraviolet system improvements (\$100,000).
 - D. 2017-2018 I&I Study Projects #4, #5, #9, and #11 (\$1,300,000).
 - E. Water Plant Replacement Clarifier (\$950,000).
5. Include in the fiscal year 2019-2020 Budget and Capital Improvement Plan, and place before the voters at the November 5, 2019, general election (the soonest possible simple-majority tax levy election), the matter of a general obligation bond which, in combination with any grant funds which may be available, will provide \$4,400,000 in net proceeds to finance the water & sewer system improvements listed in Item 4 above. Adding 10% for bond issuance, bond counsel and underwriters costs, contingencies, etc., and assuming no outside grant funding, it is estimated that repayment of a 20-year bond in the amount of \$4,840,000, at a 5% annual interest rate, would require property tax assessments in the range of \$0.79 per \$1,000 assessed valuation, based on the 2018-2019 City assessed valuation of \$490,372,860.

If the proposed general obligation bond for water and sewer system improvements is not approved by the voters, then it is recommended that sewer and water revenue bonds be issued to cover those costs, which would require an additional estimated 20-year EMERGENCY water rate increase in the range of 11%, and sewer rate increase in the range of 37%, to cover the annual payments necessary to service the debt on that revenue bond.

AND, IT IS FURTHER RECOMMENDED that the Mayor and City Council continue to monitor the financial condition and needs of the water, sewer, and electric utilities, and determine annually whether an EMERGENCY exists in those municipal utilities; and determine whether subsequent annual EMERGENCY utility rate increases and actions are necessary to meet the future operation, maintenance, and capital improvement needs of those utilities.

AND, IT IS FURTHER RECOMMENDED that the Mayor and City Council place before Bandon voters at the next possible and appropriate election the matter of amending the Bandon City Charter to restore PERMANENT utility rate setting authority to the Mayor and City Council.

ADOPTED by the Utilities Commission, this 24th day of April, 2019.



Matt Winkel, Chair

ATTEST:



Mary O'Dea, Vice Chair

Beth Hager

From: drussell@ci.bandon.or.us
Sent: Monday, June 3, 2019 3:04 PM
To: 'Mary Schamehorn'; 'Peter Braun'; 'brian vick'; 'Chris Powell'; 'geri Procetto'; 'Claudine Hundhausen'; councilormadeline@gmail.com
Cc: 'Robert Mawson'; bandonlaw@gmail.com; 'Beth Hager'
Subject: Updated Water and Wastewater Resolutions
Attachments: Res 19-09 Waste Water Utility Rates Increase.pdf; Res 19-08 Water Utility Rates Increase.pdf

Good Afternoon Council Members,

I have attached the updated resolutions for the water and wastewater rate increases for your convenience and review. I will print copies for you and place them on the dais for tonight's meeting. Please let me know if you have any questions.

Thank you,

Denise Russell
City Recorder
City of Bandon

RESOLUTION NO. 19-09

**A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY
OF BANDON, OREGON, AMENDING THE WASTEWATER RATE SCHEDULE.**

WHEREAS, the Utilities Commission has reviewed the proposed fiscal year 2019-2020 City of Bandon Budget, and has found that current water and wastewater utility rates and revenues are projected to be insufficient to generate the revenue necessary to continue properly operating, maintaining and improving those utility systems; and

WHEREAS, considering the needs and projected revenues for the water and wastewater systems, the Utilities Commission has found that an emergency exists in the water and wastewater utility budgets; and

WHEREAS, the Utilities Commission has recommended that in order to maintain the health, safety and general welfare of the community, the City Council immediately enact a water rate increase to cover budget shortfalls for fiscal year 2019-2020, which recommendation is attached hereto and incorporated by reference; and

WHEREAS, The City Council recognizes that in order to raise sufficient revenue to continue operating and maintaining the wastewater system in a safe and sanitary manner, retain wastewater rates must be increased by twenty-eight percent (28%) to provide adequate funds for the fiscal year 2019-2020 maintenance and operation expenses of the wastewater utility; and

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council that in order to continue operating and maintaining the City wastewater system in a safe and sanitary manner, wastewater rates shall be raised, for a period of one year, in accordance with the new "City of Bandon Wastewater Utility Rates" schedule, dated "July 3, 2019," which is attached hereto and incorporated herein by reference; and

BE IT FURTHER RESOLVED that these water rates shall be effective for all wastewater customers, from July 3, 2019, through June 30, 2020; and

BE IT FURTHER RESOLVED that all previous water rates in conflict herewith are hereby suspended for fiscal year 2019-2020, and all other wastewater service fees and policies shall remain as existing.

ADOPTED by the City Council of the City of Bandon, this 3rd day of June, 2019.

Mary Schamehorn, Mayor

Attest:

Denise Russell, City Recorder
Resolution 19 - 09

**CITY OF BANDON
WASTEWATER UTILITY RATES
3-Jul-19**

SW 01 Residential, inside city	1st 2000 Gal Winter (11) Summer (6)	\$29.08 \$4.81 \$3.14
SW 02 Commercial/Industrial, inside city	1st 2000 Gal	\$29.08 \$4.81
SW 03 Residential, outside city	1st 2000 Gal Winter (11) Summer (6)	\$45.85 \$7.21 \$4.70
SW 04 Commercial/Industrial, outside city	1st 2000 Gal	\$45.85 \$7.21
SW 05 Residential fixed--No water, inside city		\$58.11
SW 06 Residential fixed--No water, outside city		\$80.64
SW 07 Additional unit rate--inside city--attached/detached residence (per unit in a Duplex, Triplex, etc.), apartment (per rental unit to which the tenant has key access, and which has a bathroom(s) and full cooking facilities; plus per washer in a common laundry facility), commercial business (per unit, attached or detached, operating as an independent business), commercial office building (per office or suite of offices operating as an independent business), boat slip, berth, or dock space (per space, when utilized as a residence), common food service facility (per kitchen when functioning as a common food preparation facility for another use), common laundry facility (per facility when functioning as common laundry facility for another use, except as otherwise specified), industry (per unit, attached or detached)		\$11.94
SW 08 Additional unit rate--inside city--mobile home park (plus per washer in a common laundry facility)		\$11.94
SW 09 Additional unit rate--inside city--motel, bed & breakfast (plus per washer in a common laundry facility)		\$5.88
SW 10 Additional unit rate--inside city--RV park (per space, plus per washer in a common laundry facility.		\$7.51
SW 11 Additional unit rate--inside city--health/elderly care facility (per rental unit to which the tenant has key access, and which has a Bathroom and minimal, or no, cooking facilities)		\$9.70
SW 20 Special strength customer--inside city (restaurant, laundromat, special)	1st 2000 Gal	\$19.42 \$5.81
SW 68 City use only --no charge		\$0.00
SW 69 City use only--Charge--inside/outside city	1st 2000 Gal	\$29.08 \$4.81

**FINDINGS BY THE BANDON UTILITIES COMMISSION
THAT AN EMERGENCY EXISTS IN THE PROPOSED
FISCAL YEAR 2019-2020 WATER AND SEWER UTILITY
BUDGETS; AND RECOMMENDATIONS FOR ACTION BY
THE CITY COUNCIL TO ADDRESS THAT EMERGENCY.**

WHEREAS, the Utilities Commission was established by the Mayor and City Council, "to plan for, and advise the mayor and city council, the city manager and the public on the water, wastewater and electric utilities;" and

WHEREAS, the Utilities Commission has reviewed and concurs with the recommendations of City staff, engineers, and consultants that certain water and sewer system expenditures and improvements are necessary to continue properly operating and maintaining those utility systems; and

WHEREAS, the Utilities Commission has reviewed the proposed fiscal year 2019-2020 City of Bandon Budget, and has found that current water and sewer utility rates and revenues are projected to be insufficient to generate the revenue necessary to continue properly operating, maintaining, and improving those utility systems; and

WHEREAS, prior to the proposed 2019-2020 Budget presentation, the Utilities Commission was not aware of the Water (940), Water Plant Improvement Fund (941), and Sewer Fund (950) shortfalls or current cash balances; and

WHEREAS, considering the needs and projected revenues for the water and sewer systems, the Utilities Commission has found that an EMERGENCY exists in the water and sewer utility budgets.

NOW, THEREFORE, THE UTILITIES COMMISSION HEREBY RECOMMENDS that the Mayor and City Council immediately declare that an EMERGENCY exists in the proposed fiscal year 2019-2020 water and sewer utility system budgets;

AND, IT IS FURTHER RECOMMENDED that, to address the EMERGENCY; to help protect the health, safety, economic, and general welfare of existing and future citizens, visitors, and utility customers of the City of Bandon; to help provide an adequate supply of high quality, safe water for drinking, fire protection, commercial, and other domestic uses; to help ensure adequate and safe sewage treatment and effluent discharge; and to help keep future water and sewer and property tax rates as low as possible, the Utilities Commission, hereby recommends that the Mayor and City Council take following actions:

1. Institute one-year EMERGENCY water and sewer rate increases for fiscal year 2019-2020 in amounts necessary to generate sufficient revenues to cover all of the water and sewer system operation and maintenance expenses. The proposed fiscal year 2019-2020 Budget currently projects shortfalls of approximately \$160,000 in the Water Fund (940) and \$222,000 in the Sewer Fund (950). Based on the revenues currently projected in the proposed Budget, plus 5% for contingencies, generating sufficient revenues to cover these shortfalls would require a water rate increase of approximately 21% and a sewer rate increase of approximately 28%.

2. Include in the fiscal year 2019-2020 Budget and Capital Improvement Plan the expenditure of \$250,000 from the Water Plant Improvement Fund (941) for the following capital improvement project:
 - A. 2 million gallon treated water storage tank seismic protection valves.
3. Include in the fiscal year 2019-2020 Budget and Capital Improvement Plan the expenditure of \$1,000,000 from the Water SDC Improvement Fund (721) for the following projects:
 - A. Re-painting and corrosion repair on the 1MG and 2MG treated water storage tanks (\$500,000).
 - B. Emergency back-up generators for the water treatment plant (\$500,000).
4. Initiate negotiations with private and public financial institutions, lenders, and bond counsel to determine the amount, costs, and terms of loans and grants that may be available for providing \$4,400,000 to finance the following water and sewer system capital improvements:
 - A. Wastewater treatment plant headworks upgrade (\$450,000).
 - B. Replacement of the Fillmore Avenue pump station (\$1,600,000).
 - C. Wastewater treatment plant ultraviolet system improvements (\$100,000).
 - D. 2017-2018 I&I Study Projects #4, #5, #9, and #11 (\$1,300,000).
 - E. Water Plant Replacement Clarifier (\$950,000).
5. Include in the fiscal year 2019-2020 Budget and Capital Improvement Plan, and place before the voters at the November 5, 2019, general election (the soonest possible simple-majority tax levy election), the matter of a general obligation bond which, in combination with any grant funds which may be available, will provide \$4,400,000 in net proceeds to finance the water & sewer system improvements listed in Item 4 above. Adding 10% for bond issuance, bond counsel and underwriters costs, contingencies, etc., and assuming no outside grant funding, it is estimated that repayment of a 20-year bond in the amount of \$4,840,000, at a 5% annual interest rate, would require property tax assessments in the range of \$0.79 per \$1,000 assessed valuation, based on the 2018-2019 City assessed valuation of \$490,372,860.

If the proposed general obligation bond for water and sewer system improvements is not approved by the voters, then it is recommended that sewer and water revenue bonds be issued to cover those costs, which would require an additional estimated 20-year EMERGENCY water rate increase in the range of 11%, and sewer rate increase in the range of 37%, to cover the annual payments necessary to service the debt on that revenue bond.

AND, IT IS FURTHER RECOMMENDED that the Mayor and City Council continue to monitor the financial condition and needs of the water, sewer, and electric utilities, and determine annually whether an EMERGENCY exists in those municipal utilities; and determine whether subsequent annual EMERGENCY utility rate increases and actions are necessary to meet the future operation, maintenance, and capital improvement needs of those utilities.

AND, IT IS FURTHER RECOMMENDED that the Mayor and City Council place before Bandon voters at the next possible and appropriate election the matter of amending the Bandon City Charter to restore PERMANENT utility rate setting authority to the Mayor and City Council.

ADOPTED by the Utilities Commission, this 24th day of April, 2019.



Matt Winkel, Chair

ATTEST:



Mary O'Dea, Vice Chair

RESOLUTION NO. 19-08

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF BANDON, OREGON, AMENDING THE WATER RATE SCHEDULE.

WHEREAS, the Utilities Commission has reviewed the proposed fiscal year 2019-2020 City of Bandon Budget, and has found that current water and wastewater utility rates and revenues are projected to be insufficient to generate the revenue necessary to continue properly operating, maintaining, and improving those utility systems; and

WHEREAS, considering the needs and projected revenues for the water and wastewater systems, the Utilities Commission has found that an emergency exists in the water and wastewater utility budgets; and

WHEREAS, the Utilities Commission has recommended that in order to maintain the health, safety and general welfare of the community, the City Council immediately enact a water rate increase to cover budget shortfalls for fiscal year 2019-2020, which recommendation is attached hereto and incorporated by reference; and

WHEREAS, the City Council recognizes that in order to raise sufficient revenue to continue operating and maintaining the water system in a safe and sanitary manner, retail water rates must be increased by twenty-one percent (21%) to provide adequate funds for the fiscal year 2019-2020 maintenance and operation expenses of the water utility; and

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council that in order to continue operating and maintaining the City water system in a safe and sanitary manner water rates shall be raised, for a period of one year, in accordance with the new "City of Bandon Water Utility Rates" schedule, dated "July 3, 2019", attached hereto and incorporated herein by reference; and

BE IT FURTHER RESOLVED that these water rates shall be effective for all water customers, from July 3, 2019, through June 30, 2020; and

BE IT FURTHER RESOLVED that all previous water rates in conflict herewith are hereby suspended for fiscal year 2019-2020, and all other water service fees and policies shall remain as existing.

ADOPTED by the City Council of the City of Bandon, this 3rd day of June, 2019.

Mary Schamehorn, Mayor

Attest:

Denise Russell, City Recorder

Resolution 19-08

BH 0088

**CITY OF BANDON
WATER UTILITY RATES
3-Jul-19**

WA 01 Residential, inside city	1st 2000 Gal	\$28.44 \$1.57
WA 02 Commercial/industrial, inside city	1st 2000 Gal	\$40.54 \$1.57
WA 03 Residential, outside city	1st 2000 Gal	\$38.88 \$2.63
WA 04 Commercial/industrial, outside city	1st 2000 Gal	\$50.98 \$2.63
WA 05 Additional unit rate-inside city-attached/detached residence (Duplex, triplex, etc.), apartment		\$7.91
WA 06 Additional unit rate-inside city, mobile home park, boat slip, berth, or dock space		\$3.96
WA 07 Additional unit rate-inside city-RV park, motel, bed & breakfast		\$1.22
WA 08 Additional unit rate-outside city-attached/detached residence (duplex, triplex, etc.), apartment		\$11.85
WA 09 Additional unit rate-outside city-motel, bed & breakfast, RV Park		\$2.03
WA 10 Additional unit rate-inside city-commercial business, commercial office building, industry, common food service facility, common laundry facility		\$7.91
WA 11 Additional unit rate-outside city-commercial business, commercial office building, industry, common food service facility, common laundry facility		\$11.85
WA 12 Additional unit rate-inside city-health/elderly care facility		\$3.51
WA 13 Additional unit rate-outside city-health/elderly care facility		\$5.86
WA 14 Outside City Water Bond		\$20.18
WA 15 2006 Clarifier & UV System Bonds		\$5.99
WA 58 City use only---no charge		\$0.00
WA 59 City use only-charge-inside/outside city	1st 2000 Gal	\$11.64 \$1.39
-----Water hauling-inside city use	1st 2000 Gal	\$16.34 \$1.57
-----Water hauling-outside city use	1st 2000 Gal	\$26.78 \$2.63

**FINDINGS BY THE BANDON UTILITIES COMMISSION
THAT AN EMERGENCY EXISTS IN THE PROPOSED
FISCAL YEAR 2019-2020 WATER AND SEWER UTILITY
BUDGETS; AND RECOMMENDATIONS FOR ACTION BY
THE CITY COUNCIL TO ADDRESS THAT EMERGENCY.**

WHEREAS, the Utilities Commission was established by the Mayor and City Council, "to plan for, and advise the mayor and city council, the city manager and the public on the water, wastewater and electric utilities;" and

WHEREAS, the Utilities Commission has reviewed and concurs with the recommendations of City staff, engineers, and consultants that certain water and sewer system expenditures and improvements are necessary to continue properly operating and maintaining those utility systems; and

WHEREAS, the Utilities Commission has reviewed the proposed fiscal year 2019-2020 City of Bandon Budget, and has found that current water and sewer utility rates and revenues are projected to be insufficient to generate the revenue necessary to continue properly operating, maintaining, and improving those utility systems; and

WHEREAS, prior to the proposed 2019-2020 Budget presentation, the Utilities Commission was not aware of the Water (940), Water Plant Improvement Fund (941), and Sewer Fund (950) shortfalls or current cash balances; and

WHEREAS, considering the needs and projected revenues for the water and sewer systems, the Utilities Commission has found that an EMERGENCY exists in the water and sewer utility budgets.

NOW, THEREFORE, THE UTILITIES COMMISSION HEREBY RECOMMENDS that the Mayor and City Council immediately declare that an EMERGENCY exists in the proposed fiscal year 2019-2020 water and sewer utility system budgets;

AND, IT IS FURTHER RECOMMENDED that, to address the EMERGENCY; to help protect the health, safety, economic, and general welfare of existing and future citizens, visitors, and utility customers of the City of Bandon; to help provide an adequate supply of high quality, safe water for drinking, fire protection, commercial, and other domestic uses; to help ensure adequate and safe sewage treatment and effluent discharge; and to help keep future water and sewer and property tax rates as low as possible, the Utilities Commission, hereby recommends that the Mayor and City Council take following actions:

1. Institute one-year EMERGENCY water and sewer rate increases for fiscal year 2019-2020 in amounts necessary to generate sufficient revenues to cover all of the water and sewer system operation and maintenance expenses. The proposed fiscal year 2019-2020 Budget currently projects shortfalls of approximately \$160,000 in the Water Fund (940) and \$222,000 in the Sewer Fund (950). Based on the revenues currently projected in the proposed Budget, plus 5% for contingencies, generating sufficient revenues to cover these shortfalls would require a water rate increase of approximately 21% and a sewer rate increase of approximately 28%.

2. Include in the fiscal year 2019-2020 Budget and Capital Improvement Plan the expenditure of \$250,000 from the Water Plant Improvement Fund (941) for the following capital improvement project:
 - A. 2 million gallon treated water storage tank seismic protection valves.
3. Include in the fiscal year 2019-2020 Budget and Capital Improvement Plan the expenditure of \$1,000,000 from the Water SDC Improvement Fund (721) for the following projects:
 - A. Re-painting and corrosion repair on the 1MG and 2MG treated water storage tanks (\$500,000).
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 - A. Wastewater treatment plant headworks upgrade (\$450,000).
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 - C. Wastewater treatment plant ultraviolet system improvements (\$100,000).
 - D. 2017-2018 I&I Study Projects #4, #5, #9, and #11 (\$1,300,000).
 - E. Water Plant Replacement Clarifier (\$950,000).
5. Include in the fiscal year 2019-2020 Budget and Capital Improvement Plan, and place before the voters at the November 5, 2019, general election (the soonest possible simple-majority tax levy election), the matter of a general obligation bond which, in combination with any grant funds which may be available, will provide \$4,400,000 in net proceeds to finance the water & sewer system improvements listed in Item 4 above. Adding 10% for bond issuance, bond counsel and underwriters costs, contingencies, etc., and assuming no outside grant funding, it is estimated that repayment of a 20-year bond in the amount of \$4,840,000, at a 5% annual interest rate, would require property tax assessments in the range of \$0.79 per \$1,000 assessed valuation, based on the 2018-2019 City assessed valuation of \$490,372,860.

If the proposed general obligation bond for water and sewer system improvements is not approved by the voters, then it is recommended that sewer and water revenue bonds be issued to cover those costs, which would require an additional estimated 20-year EMERGENCY water rate increase in the range of 11%, and sewer rate increase in the range of 37%, to cover the annual payments necessary to service the debt on that revenue bond.

AND, IT IS FURTHER RECOMMENDED that the Mayor and City Council continue to monitor the financial condition and needs of the water, sewer, and electric utilities, and determine annually whether an EMERGENCY exists in those municipal utilities; and determine whether subsequent annual EMERGENCY utility rate increases and actions are necessary to meet the future operation, maintenance, and capital improvement needs of those utilities.

AND, IT IS FURTHER RECOMMENDED that the Mayor and City Council place before Bandon voters at the next possible and appropriate election the matter of amending the Bandon City Charter to restore PERMANENT utility rate setting authority to the Mayor and City Council.

ADOPTED by the Utilities Commission, this 24th day of April, 2019.



Matt Winkel, Chair

ATTEST:



Mary O'Dea, Vice Chair

Beth Hager

From: Beth Hager
Sent: Monday, June 24, 2019 5:00 PM
To: Steve Heine; Patricia Soltys; Rod Jackson ; Matt Winkel; Sheryl Bremmer; Mary O'Dea; Joe Kuehner; Madeline Seymour; Peter Braun
Cc: 'Robert Mawson'; 'Mary Schamehorn'; 'Brian Vick'; Geri Procetto; Claudine Hundhausen; Chris Powell
Subject: Draft-Draft Utilities Commission Minutes from June 19, 2019
Attachments: UC.Minutes.6.19.19 - Draft - Draft.pdf

Hello Everyone,

Attached is a copy of the Draft-Draft Minutes from the Utilities Commission Meeting. Please remember, these minutes have not been proofed before sending them to you. They will corrected before they go in your packets.

As always, if you have any questions, please let me know.

Thank you,
Beth

Beth Hager
Administrative Assistant

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Bandon, OR 97411
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PUBLIC RECORDS LAW DISCLOSURE

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**UTILITIES COMMISSION MEETING
BANDON CITY HALL
June 19, 2019**

COMMISSION:

- Matt Winkel, Chair
- Mary O'Dea Vice-Chair
- Sheryl Bremmer
- Steve Heine
- Rod Jackson
- Joe Kuehner
- Patricia Soltys

CITY COUNCILORS/MAYOR:

- Peter Braun, Council Liaison
- Madeline Seymour, Council Liaison

STAFF:

- Robert Mawson, City Manager
- Denise Russell, City Recorder
- Jim Youravish, Water Plant Operator

1. CALL TO ORDER / WELCOME COMMENTS

Winkel called the meeting to order at 3:00 p.m.

A. Roll Call

Roll call was taken as indicated above.

B. Introduction of New Commission Member—Steve Heine

Winkel introduced Heine and asked him to share his background.

Heine said he is an author of 15 books (including an autobiography). His occupational background was in telephone systems for the police in Pendleton, Portland, and Medford. He has a home on Seabird.

Winkel asked if he had any experience with water, electric, or sewer utilities. Heine said no.

2. MINUTES FOR APPROVAL**A. May 15, 2019, Regular Meeting**

Copies of the above minutes were provided to the Commissioners. Winkel asked for a motion to approve the minutes unless there were any changes/corrections. After Soltys verified that the misspelling of El Mira had been corrected to Elmira on page 10, she made a motion to approve the minutes. Kuehner seconded the motion. The minutes were approved by a vote of 7:0:0.

3. PRESENTATIONS

There were no presentations.

4. DISCUSSION / ACTIONS

A. Electric Utility—Demand Charge Policy Recommendation

Mawson, City Manager, said that Wickstrom, Electric Department Supervisor, had explained at the May 15, 2019, Utilities Commission meeting how the current demand charge policy is applied. The packet included a refinement of the information and a recommendation for a new proposed policy which is more equitable. Wickstrom was unable to attend today's meeting due to a schedule conflict.

Mawson reviewed the "Electric Services—Demand Charge Policy Recommendation" document and asked if there were any questions or comments. Winkel said he knew there were accounting issues under the current policy, and Mawson said commercial customers had to be manually monitored. Winkel verified with Mawson that the new recommendation isn't a rate increase per se as the change will be situational, varying from customer to customer. Wickstrom did some research and it appears the change will be "revenue neutral." Winkel asked if the demand policy applies to all customers. Mawson said residential customers do not have demand charges. He explained that some residential customers on the high end of demand usage were situations where residential properties converted to businesses; they have been reclassified accordingly.

Mawson said Wickstrom has talked to several customers in the high-end category and found that they are in favor of the demand policy change. He gave the example of businesses that use irrigation. Winkel asked if the change will be per meter, and Mawson said the demand charge will be applied per meter and that they are making certain there is no meter redundancy (some businesses had multiple meters to avoid incurring demand charges).

Winkel called for a motion to approve recommending the proposed demand charge policy change to the City Council for consideration and adoption. Soltys made a motion to approve and Kuehner seconded the motion which was passed by a vote of 7:0:0.

B. Consolidated Municipal Utility Report

B-1. Electric Utility Report/Update

B-2. Conservation Program Report/Update

B-3. Water Utility Report/Update

B-4. Wastewater Utility Report/Update

Mawson touched on various points in the reports in the packet and commented that the June "Annual Water Usage" report will be unusual due to the annual flushing of the system.

B-4.1. DEQ—Water Quality Inspection Report—Bandon Sewage Treatment Plant

Mawson said the City's sewage treatment plant passed the April 2019 Department of Environmental Quality (DEQ) inspection; the report was in the packet. No violations were noted nor were there violations of permit limits. Under "Conclusions and Recommendations," the report mentioned the out-of-service secondary clarifier. Mawson said parts for that clarifier have been ordered and we are 10 weeks out from the repair. Also on order are a new pump motor and shaft to be on hand as a backup measure.

Winkel asked if the good report affects the urgent need for funds. Mawson said the inspection doesn't reflect the maintenance and operation financial needs nor the lifespan of the equipment, so no. The

Water Dude inspected the plant's overall condition and Dyer Partnership is working on the general obligation bond pricing.

Bremmer asked if the influent pump clog happened after the inspection and Mawson said yes. Bremmer asked if clogs are occurring more frequently than in the past and do they seem to be tied in to tourist influx. Youravish, Water Plant Operator, said it is an ongoing problem not tied in to tourist season with wipes being the main problem. Plus, rains flush debris into the system as well. Bremmer wondered if we should make an effort to educate rental property owners so they can pass on what not to flush or put down drains to their renters. Youravish mentioned an item that hasn't been mentioned in the meeting heretofore is those round brush Clorox toilet cleaners that are advertised as flushable—but are not and most aren't biodegradable in our system. Bremmer gave Youravish a draft of the July utilities newsletter.

Mawson said most people have moved away from using washable cleaning cloths to wipes for baby use and general cleaning...and then flush them rather than use cloth which has to be laundered. Mawson wondered if it's time the problem of "flushable" wipes be brought to the attention of the legislature. Youravish said it's a worldwide problem. Mawson said the pump failed three to four days after it was fixed and the company fixed it. Youravish said it's running nicely now. Mawson said a whole new system will be installed and we will evaluate if clogging is an issue with the new system. Youravish said at times both pumps have gone out and there's not much window for error. We definitely need redundancy to keep operations going seamlessly.

Mawson said Jackson, Heine, and Kuehner toured the wastewater plant. Afterwards, Jackson did some research and presented pertinent information which was passed on to Nielson, Wastewater Treatment Plant Supervisor, and will be given to Dyer. The information involves what we should do about the debris headed for the plant before it gets there. It's something to be addressed before going into the bond. The goal is to address everything to make the general obligation bond complete with no add-ons at a later date. Winkel asked if it's a mechanical system. Mawson said it's like a screen that can be skimmed. The resulting debris will be compacted (like a sausage) and will be thrown away as garbage. We have a similar system up around the headworks. Youravish said it's a grinder and auger. Mawson said they are looking at various potential solutions.

C. Plans, Projects, and Reports

C-1. Proposed General Obligation Bond Program

Mawson had provided the Commissioners with copies of an email dated May 29, 2019, from Gulgun Mersereau (she's a Bond Counsel) at Hawkins, Delafield & Wood LLP in Portland. We engaged them to draft wording for the general obligation bond resolution. Mesereau recommended that we work on this document taking the full amount of time available (August 16 is the deadline for the ballot title to be approved by our City Council to allow time to publish the required notice). Mawson said that would mean waiting until the August 5th City Council Meeting rather than presenting it at the July 1st City Council meeting. Mawson said we have a financial consultant, Brendan Watkins of Piper Jaffray.

Mawson said he's been talking to community members to get a feel for how staff should be advised to answer inevitable questions about the bond, etc. Some community members want to know why we don't opt for a revenue bond instead of a general obligation bond. Some don't want to pay back funds for services they don't use. Mawson will ask the Bond Counsel if it is even possible to separate out

customers and non-customers in a general obligation bond. Winkel said the line is blurred, however, because these same people do have access to fire protection, restaurants, grocery stores, roads—all of which do use utility services. Mawson said he'll look into the intangibles. The same can be said about SDCs and storm drains. Winkel asked about holding a community forum. Braun said not many are aware of the current situation. Mawson said it's quiet now. The facts aren't all in yet regarding all the costs, etc. Winkel said they have to be made known before the election. Mawson said education will happen between August 5th and the election in November. It's a political matter, not a legal or an administration matter. The question of rate setting may come up, as some in the community recognize the fact that if the City had been allowed to retain rate setting authority, we probably would not have needed a general obligation bond now. Many may want to give back rate setting authority to the City Council rather than have property taxes raised. It's a multifaceted situation.

Bremmer said politics affect financial aspects when community members complain about paying for something they don't use. Even if a person, for example, doesn't use the roads but have visitors that do, then in essence, they ARE using the roads. And, it would be absurd to say they won't pay for schools because they aren't in school any more. When the rates were increased \$10 for residents and \$20 for commercial use, we started a year before to educate the public about the needs/reasons to do so. We don't have that kind of time with the proposed general obligation bond. If we don't get ahead of this—and some people are already negative about it—we will be on the defensive. When residents have clean water, their toilets flush, and infrastructure is being maintained, the urgency isn't felt. "Civic virtue" is getting lost. We have to tell people when and why costs go up. We need to get ahead of it NOW. We need to be prepared to answer basic questions now. That's why the newsletter has an article about the influent pump. The educational aspects need to be about what is being done is for the public's good and this is good, or else our infrastructure fails and the state comes in and takes over; there are dire consequences associated with that scenario. Maybe we need more than one public meeting. If we give out wrong answers, people become negative because there is a trust issue. Bremmer suggests that the City Council determines a timeline for public meeting/s to answer questions and decide how to get the message out, whether it's using brochures, posters, and/or events. Braun asked if we have a timeline when we'll know what the specific numbers are. Mawson said we have all but numbers for the water clarifier—other up-to-date numbers for the projects are in the packet.

Youravish mentioned that the seismic valve is on its way. Kuehner asked about the backup generator. Youravish said they are working on that now. Mawson said SDC funds will be reassessed for accurate numbers for the following projects: tank rehabilitation, the backup generator, and the seismic retrofit.

Soltys said it's important to emphasize what it is that is keeping water coming into homes. Good news about the sewer plant can be disseminated as well as information about the problems. Braun said we could start a marketing campaign about the bond. Mawson said it may be premature because priorities can change. Braun agreed that until things are finalized, that's true. Mawson remarked that the high priority projects may be shuffled somewhat. Winkel said we have to have figures and be able to address the questions the community will ask, such as how much will a general obligation bond cost me personally? And how would a revenue bond impact me in comparison to a general obligation bond?

O'Dea said she had two points she wanted to address: (1) We told the City that the last initiative paid for the seismic valve. So, when people see it in the new general obligation bond, the question will be asked, what was paid for before if not the seismic valve? Mawson said we are paying for it out of the 941 fund

and we are just updating the figures. O'Dea said we have to be careful not to confuse people about this type of situation. (2) O'Dea said one of the aspects of the last imitative that she thinks made it successful was that plain language was used to avoid confusion. She suggested we do that again in the general obligation bond. Braun said to throw in the word "emergency." Mawson said that he's been advised by legal counsel that our situation doesn't qualify as an emergency by state statute, and that the word emergency is legally challengeable. Braun suggested using another word that conveys the seriousness of what we're facing. Heine suggested using "urgency." Braun said the word "improve" is also questionable as it implies that things are stable and that we just want to make them better. Braun suggested using stabilize/protect/maintain. Seymour said we can't use general obligation bond money for maintenance, so that particular word isn't appropriate. Mawson said that what was presented is merely a template for the City to use to make it our own with the language that meets our community needs. Bremmer said she would like to see "water and sewer infrastructure" in the wording. Mawson suggested sustainability.

Bremmer asked if the City Council received the figures on the rate increases. Mawson said the City Council passed the new rate schedule resolution which will be instituted July 3rd. It's on our website. As an explanation of how this will roll out (in case anyone is questioned about this); we bill for the current month's base rate but we bill the next month for the past month's usage. Customers will see the base rate increase on the bill that gets mailed out at the end of July, but won't see the usage rate increase until the bill they receive at the end of August. This means they will see two rate increases a month apart. O'Dea suggested making that information readily available on the City's web page so browsers don't have to look through City Council meeting notes. Russell, City Recorder, said it's attached to resolutions; we don't hide it. Mawson said it's also on the fee schedule. Mawson said we could add it to the City website's list of the five or six most current news items, but as more are added, the older ones drop down. Russell said the news items could be programmed to scroll and therefore information about the rate increases would stay up until we take it off. Seymour asked if everybody will have a big bill in the month of August to catch up. Mawson said they are not planning on catching up. Seymour thinks some customers will be quite upset if we do. Mawson said if we try to catch up, some customers will ask if they can pay over a period of time. They thought about phasing it in, but would all the logistics be worth it? Seymour suggested leaving as is until the general obligation bond is passed. Mawson said we have a lot of actions going on. Next November, street tax renewal will be on the ballot which is supported, but if people are mad, they might not vote for anything. Seymour hopes people will wake up to the fact that when there is no rate authority, we always find ourselves in the position of looking for money. Mawson said staff is looking at things internally, such as demand charges, to help our financial position rather than just rely on rate increases.

Mawson cautioned that we can't use public funds to encourage people about their votes. We have to stick to facts, such as a fact sheet with talking points. But we cannot promote or try to influence a voter's choice. No City resources can be used to that end. But we can be guest speakers at the Lions Club, Rotary Club, and at other group meetings. Seymour added that we can say we support it. Winkel asked when it will be considered ethical to make a stand. Mawson said he doesn't know exactly. O'Dea said at the file date. Mawson said, or when Council takes action on the filing date. Mawson will talk more about this with Carleton, City Attorney, for guidance.

Jackson asked how long has the City been unable to raise rates? Winkel said since 1996. Jackson thinks we should try to add it. Seymour said it's been on the ballot several times but it never passes. Jackson

asked when it's been voted down. Winkel and O'Dea discussed dates, and O'Dea said it was before 2014. Mawson said it's possible we could court rate setting authority to groups it would benefit. Some members of the community might support it now when they consider the alternative. Seymour said there are sections of the community that only use the electric utility. Mawson said maybe it's not a simple question of yes or no, but rather a compound question. Seymour said that the last time it was on the ballot, they campaigned HARD to get it passed—63% said NO. Cross discussion ensued.

C-2. Plans, Projects, and Reports Update

Mawson had included in the packet a memo dated June 14, 2019, from Brian Allen, PE, of The Dyer Partnership Engineers & Planners, Inc., regarding "Wastewater Treatment Facility Analysis." Braun asked if the analysis includes pre-treatment aspects. Mawson said that hasn't been included as yet because the analysis was done before pre-treatment aspects were submitted. However, Mawson said if pre-screens aren't in Dyer's analysis, he plans to find out what pre-treatment aspects are included.

Winkel asked about costs as they relate to the original project. Mawson said he hasn't penciled things out as yet for comparison. Mawson said he will be meeting Thursday afternoon with Dyer to iron out questions.

Winkel asked if Mawson has talked to state or federal agencies regarding possible grants and loans for the wastewater plant that have lower interest rates and closing costs. Mawson said not yet. Mawson said grants and loans are more viable with authority and a guarantee. Until we know what the voters will do, the companies that offer grants and loans cannot commit. Winkel asked if it won't in fact be harder to get grants if the general obligation bond passes. Mawson said he doesn't think so because if it passes, it shows that voters approve going into debt and paying it back. It's actually a positive not a negative.

Winkel wondered if we should put rate setting authority before the voters this year. Mawson suggested we strategize and suggested a "wait and see" position. Council action may be challenged, and he will talk to Carleton about this. It may be a timing issue. Mawson asked Winkel how he feels about putting it on the ballot in November. Winkel said it probably isn't a good idea. Mawson wondered if a revenue bond would pass if the general obligation bond doesn't. Winkel asked Mawson to discuss rate setting authority with the financial consultant.

Mawson said most of the 11th Street pavement/sidewalk project's activities will be finished this week, much to the relief of business owners. Next week, meter valves will be raised, manhole covers will be addressed, and striping will begin.

The next project is ramping up; filling potholes began today near the Fillmore/11th Street intersection for the storm drain project. Actual digging will take place on July 8th and it will take about a month and a half to put the additional storm drain in. It will involve 10th and Elmira up to 11th, then across to Rosa Road. The intersection will be open. For two days Rosa Road will probably be cut off because of the pipeline, but they may be able to do the project one-half at a time. The hospital will always have access and there will be flaggers as needed.

The other two projects that are scheduled to start were bid out together. One is on Fillmore and 5th. There have been barricades there for a long time due to a collapsed storm drain line that will be repaired. The other one is on 101 and Fillmore—there is a manhole cone that needs to be replaced. Those two

projects probably won't begin until mid-July because there are parts to get together before they can begin. Fillmore and 101 will be open; there will be flaggers and cones. Seymour asked if 22nd will be paved. Mawson said he thought it was being paved today with a 2-inch laydown, then fabric. The final layer is scheduled for Friday. It will be open late Friday or Saturday morning. Tuesday they will close it again so they can stripe it and raise the rings.

Mawson then gave an update on the plans that are being completed:

- Water Master Plan—Youravish is working with Dyer on this plan's finishing touches; some financial information still needs to be put in place. Dyer should have what they need to finish up by the middle of next week, after which the document will be completed. When it is in final form it will be provided to the Commission.
- Business Plan—Information is being accumulated for it by Dyer about the general obligation bond projects. The DEQ report has information we can use regarding the sewer plant's history and its existing condition. We need to add financial aspects. We'll be able to detail where we are and where we are going.
- Water Management and Conservation Plan—We have some data outstanding to supply to O'Dea so this plan can be finished.
- The SDC Manual Update—This is scheduled for next fiscal year. Dyer is prepped for this, and some of the foregoing information will be feeding into this update.

The City recently received new appraisals from City/County Insurance Services (CIS). They come in and reappraise all of our public facilities which includes our pump stations and plants. It includes all the systems that operate that will go into SDC Manual calculations and determines what future projects can be done with the capacity we have. It also determines what buy-in would be for water, sewer, and transportation.

D. Communication Plan

D-1. Newsletter Review

Bremmer had handed out a draft of the July newsletter to the attendees. The deadline for the final is Friday. Last month's newsletter was wordy so she decided to put a prominent photo on the front of the newsletter as "too many words make people toss it" without reading it.

Bremmer touched on the articles in this month's newsletter:

- "There Is No Away" addresses the problem Bandon's sewer treatment plant equipment is having with items being flushed down the toilet or washed down drains that should not be disposed of in that manner.
- Rite Aid has a new disposal collection site for unwanted/expired prescription and over-the-counter drugs. These drugs can also be turned in to our Police Department for disposal.
- An article on the increased expense of deferring maintenance rather than ongoing routine maintenance underscores why our infrastructure has suffered.

Winkel asked if the company honored rebuilding the pump. Mawson said the company took responsibility, and Youravish said the company rebuilt the motor and it's working perfectly. O'Dea asked if the current clog caused the breakdown. Youravish said before the pump was put into service, as a precaution, an inspection was done and a lower bearing was going out.

Jackson said he found irony in a sentence at the bottom of page one of Dyer's June 14, 2019, memo describing the Fillmore Avenue pump station: "The Pump Station is equipped with 2 non-clog vertical turbine...pumps." His professional opinion is that these are incorrect pumps as they have no grinders nor water screens in place before matter reaches the station. Mawson said no one would argue about that. Youravish said we have to work with what we have. Mawson said he doesn't know the circumstances surrounding when they were installed; perhaps they were considered state-of-the-art then. Youravish commented that we had no clogs back then because that was before "disposable" wipes were being used. A couple bricks got through, but even a grinder wouldn't pulverize a brick.

D-2. Utilities Commission Report to the Mayor and City Council

Winkel asked if there was anything to add besides demand charges.

Bremmer said she would like the City Council to be thinking about how to go forward as far as the most effective method of informing the community—hold public meetings? Braun said he's not the expert in this matter.

D-3. Public Service Announcements (PSAs)

O'Dea asked what ever happened to the radio PSAs. Seymour said some interviews were conducted then there was a death in a family before the PSAs were launched. O'Dea said we need to take advantage of every source of information dissemination we have. Seymour said some avenues are Bandon.TV and Facebook.

D-4. Other

Nothing was discussed.

E. Enterprise Finance Report

O'Dea asked for actual account cash balances for water and sewer utilities funds 940 and 950 which have blanks in the finance report handout.; 941 wasn't even put on the page. Russell said with Sherri Wheeler, Administrative Services, out of the office, the report was the best Russell could do today. There are blanks across the 940 columns because funds are in the red. There was approximately \$35,000 in 950 in March, but she didn't want to make estimates for April and May because she didn't know what the expenses were. O'Dea asked when the figures will be available. Mawson said Wheeler will be back next week. Mawson asked if the updated information can be transmitted to O'Dea and Russell said yes.

E-1. Low Income Energy Assistance Program

E-2. Helpful 2 Others (H2O) Assistance Program

Mawson reviewed the page that has the H2O [water] and electric utilities donation accounts broken down into Revenue and Expenditure over the past three fiscal years. The H2O fund is in the black with a "credit" carried forward of approximately \$3,700. More people contribute to the water fund than ask for low income assistance for their water utility bills. Electric, on the other hand, is in the red because we don't bring in enough contributions to pay for the requests. We budget \$20,000 for low income assistance, so we are paying out money that isn't replenished. There is no carry forward for electric. Winkel asked how making donations to the water utility is promoted. Mawson said there are flyers in the foyer and he mentions it periodically in his newsletter. Some customers donate by rounding up. Winkel asked if people are encouraged to round up to generate more money. Mawson said he doesn't know how Linda Eickhoff, Account Clerk, handles requesting rounding up. He will mention this to staff. Russell

added that she checked with Eickhoff, and the two pamphlets in the foyer are located by the cashier. Although neither pamphlet actively promotes the programs, H2O has a check box on the bill whereas rounding up isn't mentioned. Russell suggested adding the round up suggestion to billing. Winkel said that's a great idea, and if customers can be encouraged to contribute to the programs/round up when they sign up, all the better.

E-3. General Financial Report

Bremmer wondered about the "Transfer to Fund 940" on page 15 of the Budget Report. Mawson said we had to transfer funds from 941 to 940. He said that funds get transferred back and forth between the funds when necessary. The new 942 and 952 funds are being created for our next fiscal year which begins July 1. We budgeted money in them as though we are going to receive it from the general obligation bond; these will show up in the next fiscal year.

5. CITY MANAGER / DIRECTOR OF UTILITIES REPORT

Mawson had nothing further to report.

6. COMMISSION MEMBER COMMENTS / REMARKS

Bremmer asked to be put back on the list to receive Utilities Commission emails. Russell said she would. Jackson asked when the next Utilities Commission meeting is and Winkel and Mawson said it's the third Wednesday of every month at 3:00 p.m., so the next meeting is Wednesday, July 17. Kuehner invited everyone to attend the follow-up Bandon Earth Day kickoff meeting at Washed Ashore on Tuesday, June 25, at 1:00 p.m. Invitations were sent out and response has been very encouraging. Sara Michael from the library has been a great resource. Twenty-five people have responded so far. Kuehner wondered why the packet wasn't 3-hole punched. Russell apologized and said Beth Hager, Administrative Assistant, was out ill and usually does the packet. Mawson said Commissioners who want to do so can get their packets 3-hole punched in the office. O'Dea asked if we could have cash balances for utility funds provided at each meeting so we know where we are. O'Dea asked it to be part of the packet. Mawson said that will be done.

Mawson asked O'Dea to repeat the two points she made earlier in the meeting. O'Dea said: (1) Keep the language as simple as possible in the general obligation bond resolution; (2) The old issue of the 941 fund/seismic capital improvement expenditure is confusing, and she recommends keeping it separate.

7. CITY COUNCIL DIRECTION

Seymour said the Utilities Commission is doing a good job.

8. AGENDA ITEMS FOR THE NEXT MEETING

Nothing was discussed.

9. PUBLIC COMMENTS

No members of the public were present.

10. ADJOURN

There being no further business, Winkel adjourned the meeting at 4:45 p.m.

Submitted by Fran McGuire, *Minutes Clerk*

Beth Hager

From: Beth Hager
Sent: Tuesday, July 16, 2019 12:45 PM
To: Steve Heine; Patricia Soltys; Rod Jackson ; Matt Winkel; Sheryl Bremmer; Mary O'Dea; Joe Kuehner; Madeline Seymour; Peter Braun
Cc: 'Robert Mawson'; 'Mary Schamehorn'
Subject: Utilities Commission Packet
Attachments: Complete Packet.pdf

Hello All,

Attached is the electronic packet for tomorrow's Utilities Commission meeting. I apologize for the delay, however we have been collecting the added information that Chair Winkel requested late last week. I have your hard copies in your folders here at City Hall if you would like to pick them up before the meeting. Otherwise, I will have them at your seats tomorrow.

Please let me know if you have any questions.
Beth

Beth Hager
Administrative Assistant

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PUBLIC RECORDS LAW DISCLOSURE

This is a public document. This email is subject to the State Retention Schedule and may be made available to the public upon request.

UTILITIES COMMISSION

Wednesday, July 17, 2019, 3:00 pm
City Council Chambers

COMMISSION: Matt Winkel, Chair
Mary O'Dea, Vice-Chair
Sheryl Bremmer
Patricia Soltys

Joe Kuehner
Rod Jackson
Steve Heine
Madeline Seymour, Council Liaison
Peter Braun, Council Liaison

AGENDA

1. **CALL TO ORDER / WELCOME COMMENTS**
 - A. Roll Call
2. **MINUTES FOR APPROVAL**
 - A. June 19, 2019 – Regular Meeting
3. **PRESENTATIONS**
4. **DISCUSSION / ACTIONS**
 - A. **Consolidated Municipal Utility Report**
 - A-1 Electric Utility Report / Update
 - A-2 Conservation Program Report / Update
 - A-3 Water Utility Report / Update
 - A-4 Wastewater Utility Report / Update
 - B. **Plans, Projects & Reports**
 - B-1 Proposed General Obligation Bond Program & Campaign Restrictions
 - B-2 Charter Restrictions – Utility Rate-Setting Authority
 - B-3 Plans, Projects & Reports Update
 - C. **Communication Plan**
 - C-1 Newsletter Review
 - C-2 Utility Commission Report to the Mayor and City Council
 - C-3 Public Notices – Unacceptable Discharge into Public Sewer System
 - C-4 Public Service Announcements
 - C-5 Other
 - D. **Enterprise Finance Report**
 - D-1 General Financial Report

5. CITY MANAGER / DIRECTOR OF UTILITIES REPORT
6. COMMISSION MEMBER COMMENTS/REMARKS
7. CITY COUNCIL DIRECTION
8. AGENDA ITEMS FOR NEXT MEETING
9. PUBLIC COMMENTS - The City of Bandon offers this time for citizens to comment on issues not already on the agenda. After the Chair asks for comments, rise or raise your hand for the Chair to acknowledge you. Come to the podium and state your name and address and sign in on the sheet at the podium. Please be sure to speak into the microphone. Comments should be limited to 3 minutes. Please supply 12 copies of the material brought to the meeting for distribution.
10. ADJOURN

Council Chamber is accessible to persons with disabilities.
For services contact City Hall 48 hours in advance at 541-347-2437; 711 TTR;
E-Mail: citymanager@cityofbandon.org

City of Bandon

UTILITY COMMISSION	DATE: July 17, 2019
SUBJECT: Utilities Commission Meeting Minutes	ITEM NO: 2.A

BACKGROUND:

Utilities Commission Meeting Minutes for June 19, 2019 as submitted by Fran McGuire, Minutes Clerk.

FISCAL IMPACT:

None

RECOMMENDATION:

Motion to approve the minutes

SUBMITTED BY:



Beth Hager, Administrative Assistant

**UTILITIES COMMISSION MEETING
BANDON CITY HALL
June 19, 2019**

COMMISSION:

- Matt Winkel, Chair
- Mary O'Dea Vice-Chair
- Sheryl Bremmer
- Steve Heine
- Rod Jackson
- Joe Kuehner
- Patricia Soltys

CITY COUNCILORS/MAYOR:

- Peter Braun, Council Liaison
- Madeline Seymour, Council Liaison

STAFF:

- Robert Mawson, City Manager
- Denise Russell, City Recorder
- Jim Youravish, Water Plant Operator

1. CALL TO ORDER / WELCOME COMMENTS

Winkel called the meeting to order at 3:00 p.m.

A. Roll Call

Roll call was taken as indicated above.

B. Introduction of New Commission Member—Steve Heine

Winkel introduced Heine and asked him to share his background.

Heine said he is an author of 15 books (including an autobiography). His occupational background was in telephone systems for the police in Pendleton, Portland, and Medford. He has a home on Seabird.

Winkel asked if he had any experience with water, electric, or sewer utilities. Heine said no.

2. MINUTES FOR APPROVAL**A. May 15, 2019, Regular Meeting**

Copies of the above minutes were provided to the Commissioners. Winkel asked for a motion to approve the minutes unless there were any changes/corrections. After Soltys verified that the misspelling of El Mira had been corrected to Elmira on page 10, she made a motion to approve the minutes. Kuehner seconded the motion. The minutes were approved by a vote of 7:0:0.

3. PRESENTATIONS

There were no presentations.

4. DISCUSSION / ACTIONS

A. Electric Utility—Demand Charge Policy Recommendation

Mawson, City Manager, said that Wickstrom, Electric Department Supervisor, had explained at the May 15, 2019, Utilities Commission meeting how the current demand charge policy is applied. The packet included a refinement of the information and a recommendation for a new proposed policy which is more equitable. Wickstrom was unable to attend today's meeting due to a schedule conflict.

Mawson reviewed the "Electric Services—Demand Charge Policy Recommendation" document and asked if there were any questions or comments. Winkel said he knew there were accounting issues under the current policy, and Mawson said commercial customers had to be manually monitored. Winkel verified with Mawson that the new recommendation isn't a rate increase per se as the change will be situational, varying from customer to customer. Wickstrom did some research and it appears the change will be "revenue neutral." Winkel asked if the demand policy applies to all customers. Mawson said residential customers do not have demand charges. He explained that some residential customers on the high end of demand usage were situations where residential properties converted to businesses; they have been reclassified accordingly.

Mawson said Wickstrom has talked to several customers in the high-end category and found that they are in favor of the demand policy change. He gave the example of businesses that use irrigation. Winkel asked if the change will be per meter, and Mawson said the demand charge will be applied per meter and that they are making certain there is no meter redundancy (some businesses had multiple meters to avoid incurring demand charges).

Winkel called for a motion to approve recommending the proposed demand charge policy change to the City Council for consideration and adoption. Soltys made a motion to approve and Kuehner seconded the motion which was passed by a vote of 7:0:0.

B. Consolidated Municipal Utility Report

B-1. Electric Utility Report/Update

B-2. Conservation Program Report/Update

B-3. Water Utility Report/Update

B-4. Wastewater Utility Report/Update

Mawson touched on various points in the reports in the packet and commented that the June "Annual Water Usage" report will be unusual due to the annual flushing of the system.

B-4.1. DEQ—Water Quality Inspection Report—Bandon Sewage Treatment Plant

Mawson said the City's sewage treatment plant passed the April 2019 Department of Environmental Quality (DEQ) inspection; the report was in the packet. No violations were noted nor were there violations of permit limits. Under "Conclusions and Recommendations," the report mentioned the out-of-service secondary clarifier. Mawson said parts for that clarifier have been ordered and we are 10 weeks out from the repair. Also on order are a new pump motor and shaft to be on hand as a backup measure.

Winkel asked if the good report affects the urgent need for funds. Mawson said the inspection doesn't reflect the maintenance and operation financial needs nor the lifespan of the equipment, so no. The

Water Dude inspected the plant's overall condition and Dyer Partnership is working on the general obligation bond pricing.

Bremmer asked if the influent pump clog happened after the inspection and Mawson said yes. Bremmer asked if clogs are occurring more frequently than in the past and do they seem to be tied in to tourist influx. Youravish, Water Plant Operator, said it is an ongoing problem not tied in to tourist season with wipes being the main problem. Plus, rains flush debris into the system as well. Bremmer wondered if we should make an effort to educate rental property owners so they can pass on what not to flush or put down drains to their renters. Youravish mentioned an item that hasn't been mentioned in the meeting heretofore is those round brush Clorox toilet cleaners that are advertised as flushable—but are not and most aren't biodegradable in our system. Bremmer gave Youravish a draft of the July utilities newsletter.

Mawson said most people have moved away from using washable cleaning cloths to wipes for baby use and general cleaning...and then flush them rather than use cloth which has to be laundered. Mawson wondered if it's time the problem of "flushable" wipes be brought to the attention of the legislature. Youravish said it's a worldwide problem. Mawson said the pump failed three to four days after it was fixed and the company fixed it. Youravish said it's running nicely now. Mawson said a whole new system will be installed and we will evaluate if clogging is an issue with the new system. Youravish said at times both pumps have gone out and there's not much window for error. We definitely need redundancy to keep operations going seamlessly.

Mawson said Jackson, Heine, and Kuehner toured the wastewater plant. Afterwards, Jackson did some research and presented pertinent information which was passed on to Nielson, Wastewater Treatment Plant Supervisor, and will be given to Dyer. The information involves what we should do about the debris headed for the plant before it gets there. It's something to be addressed before going into the bond. The goal is to address everything to make the general obligation bond complete with no add-ons at a later date. Winkel asked if it's a mechanical system. Mawson said it's like a screen that can be skimmed. The resulting debris will be compacted (like a sausage) and will be thrown away as garbage. We have a similar system up around the headworks. Youravish said it's a grinder and auger. Mawson said they are looking at various potential solutions.

C. Plans, Projects, and Reports

C-1. Proposed General Obligation Bond Program

Mawson had provided the Commissioners with copies of an email dated May 29, 2019, from Gulgun Mersereau (she's a Bond Counsel) at Hawkins, Delafield & Wood LLP in Portland. We engaged them to draft wording for the general obligation bond resolution. Mesereau recommended that we work on this document taking the full amount of time available (August 16 is the deadline for the ballot title to be approved by our City Council to allow time to publish the required notice). Mawson said that would mean waiting until the August 5th City Council Meeting rather than presenting it at the July 1st City Council meeting. Mawson said we have a financial consultant, Brendan Watkins of Piper Jaffray.

Mawson said he's been talking to community members to get a feel for how staff should be advised to answer inevitable questions about the bond, etc. Some community members want to know why we don't opt for a revenue bond instead of a general obligation bond. Some don't want to pay back funds for services they don't use. Mawson will ask the Bond Counsel if it is even possible to separate out

customers and non-customers in a general obligation bond. Winkel said the line is blurred, however, because these same people do have access to fire protection, restaurants, grocery stores, roads—all of which do use utility services. Mawson said he'll look into the intangibles. The same can be said about SDCs and storm drains. Winkel asked about holding a community forum. Braun said not many are aware of the current situation. Mawson said it's quiet now. The facts aren't all in yet regarding all the costs, etc. Winkel said they have to be made known before the election. Mawson said education will happen between August 5th and the election in November. It's a political matter, not a legal or an administration matter. The question of rate setting may come up, as some in the community recognize the fact that if the City had been allowed to retain rate setting authority, we probably would not have needed a general obligation bond now. Many may want to give back rate setting authority to the City Council rather than have property taxes raised. It's a multifaceted situation.

Bremmer said politics affect financial aspects when community members complain about paying for something they don't use. Even if a person, for example, doesn't use the roads but have visitors that do, then in essence, they ARE using the roads. And, it would be absurd to say they won't pay for schools because they aren't in school any more. When the rates were increased \$10 for residents and \$20 for commercial use, we started a year before to educate the public about the needs/reasons to do so. We don't have that kind of time with the proposed general obligation bond. If we don't get ahead of this—and some people are already negative about it—we will be on the defensive. When residents have clean water, their toilets flush, and infrastructure is being maintained, the urgency isn't felt. "Civic virtue" is getting lost. We have to tell people when and why costs go up. We need to get ahead of it NOW. We need to be prepared to answer basic questions now. That's why the newsletter has an article about the influent pump. The educational aspects need to be about what is being done is for the public's good and this is good, or else our infrastructure fails and the state comes in and takes over; there are dire consequences associated with that scenario. Maybe we need more than one public meeting. If we give out wrong answers, people become negative because there is a trust issue. Bremmer suggests that the City Council determines a timeline for public meeting/s to answer questions and decide how to get the message out, whether it's using brochures, posters, and/or events. Braun asked if we have a timeline when we'll know what the specific numbers are. Mawson said we have all but numbers for the water clarifier—other up-to-date numbers for the projects are in the packet.

Youravish mentioned that the seismic valve is on its way. Kuehner asked about the backup generator. Youravish said they are working on that now. Mawson said SDC funds will be reassessed for accurate numbers for the following projects: tank rehabilitation, the backup generator, and the seismic retrofit.

Soltys said it's important to emphasize what it is that is keeping water coming into homes. Good news about the sewer plant can be disseminated as well as information about the problems. Braun said we could start a marketing campaign about the bond. Mawson said it may be premature because priorities can change. Braun agreed that until things are finalized, that's true. Mawson remarked that the high priority projects may be shuffled somewhat. Winkel said we have to have figures and be able to address the questions the community will ask, such as how much will a general obligation bond cost me personally? And how would a revenue bond impact me in comparison to a general obligation bond?

O'Dea said she had two points she wanted to address: (1) We told the City that the last initiative paid for the seismic valve. So, when people see it in the new general obligation bond, the question will be asked, what was paid for before if not the seismic valve? Mawson said we are paying for it out of the 941 fund

and we are just updating the figures. O'Dea said we have to be careful not to confuse people about this type of situation. (2) O'Dea said one of the aspects of the last imitative that she thinks made it successful was that plain language was used to avoid confusion. She suggested we do that again in the general obligation bond. Braun said to throw in the word "emergency." Mawson said that he's been advised by legal counsel that our situation doesn't qualify as an emergency by state statute, and that the word emergency is legally challengeable. Braun suggested using another word that conveys the seriousness of what we're facing. Heine suggested using "urgency." Braun said the word "improve" is also questionable as it implies that things are stable and that we just want to make them better. Braun suggested using stabilize/protect/maintain. Seymour said we can't use general obligation bond money for maintenance, so that particular word isn't appropriate. Mawson said that what was presented is merely a template for the City to use to make it our own with the language that meets our community needs. Bremmer said she would like to see "water and sewer infrastructure" in the wording. Mawson suggested sustainability.

Bremmer asked if the City Council received the figures on the rate increases. Mawson said the City Council passed the new rate schedule resolution which will be instituted July 3rd. It's on our website. As an explanation of how this will roll out (in case anyone is questioned about this), we bill for the current month's base rate but we bill the next month for the past month's usage. Customers will see the base rate increase on the bill that gets mailed out at the end of July, but won't see the usage rate increase until the bill they receive at the end of August. This means they will see two rate increases a month apart. O'Dea suggested making that information readily available on the City's web page so browsers don't have to look through City Council meeting notes. Russell, City Recorder, said it's attached to resolutions; we don't hide it. Mawson said it's also on the fee schedule. Mawson said we could add it to the City website's list of the five or six most current news items, but as more are added, the older ones drop down. Russell said the news items could be programmed to scroll and therefore information about the rate increases would stay up until we take it off. Seymour asked if everybody will have a big bill in the month of August to catch up. Mawson said they are not planning on catching up. Seymour thinks some customers will be quite upset if we do. Mawson said if we try to catch up, some customers will ask if they can pay over a period of time. They thought about phasing it in, but would all the logistics be worth it? Seymour suggested leaving as is until the general obligation bond is passed. Mawson said we have a lot of actions going on. Next November, street tax renewal will be on the ballot which is supported, but if people are mad, they might not vote for anything. Seymour hopes people will wake up to the fact that when there is no rate authority, we always find ourselves in the position of looking for money. Mawson said staff is looking at things internally, such as demand charges, to help our financial position rather than just rely on rate increases.

Mawson cautioned that we can't use public funds to encourage people about their votes. We have to stick to facts, such as a fact sheet with talking points. But we cannot promote or try to influence a voter's choice. No City resources can be used to that end. But we can be guest speakers at the Lions Club, Rotary Club, and at other group meetings. Seymour added that we can say we support it. Winkel asked when it will be considered ethical to make a stand. Mawson said he doesn't know exactly. O'Dea said at the file date. Mawson said, or when Council takes action on the filing date. Mawson will talk more about this with Carleton, City Attorney, for guidance.

Jackson asked how long has the City been unable to raise rates? Winkel said since 1996. Jackson thinks we should try to add it. Seymour said it's been on the ballot several times but it never passes. Jackson

asked when it's been voted down. Winkel and O'Dea discussed dates, and O'Dea said it was before 2014. Mawson said it's possible we could court rate setting authority to groups it would benefit. Some members of the community might support it now when they consider the alternative. Seymour said there are sections of the community that only use the electric utility. Mawson said maybe it's not a simple question of yes or no, but rather a compound question. Seymour said that the last time it was on the ballot, they campaigned HARD to get it passed—63% said NO. Cross discussion ensued.

C-2. Plans, Projects, and Reports Update

Mawson had included in the packet a memo dated June 14, 2019, from Brian Allen, PE, of The Dyer Partnership Engineers & Planners, Inc., regarding "Wastewater Treatment Facility Analysis." Braun asked if the analysis includes pre-treatment aspects. Mawson said that hasn't been included as yet because the analysis was done before pre-treatment aspects were submitted. However, Mawson said if pre-screens aren't in Dyer's analysis, he plans to find out what pre-treatment aspects are included.

Winkel asked about costs as they relate to the original project. Mawson said he hasn't penciled things out as yet for comparison. Mawson said he will be meeting Thursday afternoon with Dyer to iron out questions.

Winkel asked if Mawson has talked to state or federal agencies regarding possible grants and loans for the wastewater plant that have lower interest rates and closing costs. Mawson said not yet. Mawson said grants and loans are more viable with authority and a guarantee. Until we know what the voters will do, the companies that offer grants and loans cannot commit. Winkel asked if it won't in fact be harder to get grants if the general obligation bond passes. Mawson said he doesn't think so because if it passes, it shows that voters approve going into debt and paying it back. It's actually a positive not a negative.

Winkel wondered if we should put rate setting authority before the voters this year. Mawson suggested we strategize and suggested a "wait and see" position. Council action may be challenged, and he will talk to Carleton about this. It may be a timing issue. Mawson asked Winkel how he feels about putting it on the ballot in November. Winkel said it probably isn't a good idea. Mawson wondered if a revenue bond would pass if the general obligation bond doesn't. Winkel asked Mawson to discuss rate setting authority with the financial consultant.

Mawson said most of the 11th Street pavement/sidewalk project's activities will be finished this week, much to the relief of business owners. Next week, meter valves will be raised, manhole covers will be addressed, and striping will begin.

The next project is ramping up; filling potholes began today near the Fillmore/11th Street intersection for the storm drain project. Actual digging will take place on July 8th and it will take about a month and a half to put the additional storm drain in. It will involve 10th and Elmira up to 11th, then across to Rosa Road. The intersection will be open. For two days Rosa Road will probably be cut off because of the pipeline, but they may be able to do the project one-half at a time. The hospital will always have access and there will be flaggers as needed.

The other two projects that are scheduled to start were bid out together. One is on Fillmore and 5th. There have been barricades there for a long time due to a collapsed storm drain line that will be repaired. The other one is on 101 and Fillmore—there is a manhole cone that needs to be replaced. Those two

projects probably won't begin until mid-July because there are parts to get together before they can begin. Fillmore and 101 will be open; there will be flaggers and cones. Seymour asked if 11th Street will be paved on the 22nd as scheduled. Mawson said he thought it was being paved today with a 2-inch laydown, then fabric. The final layer is scheduled for Friday. It will be open late Friday or Saturday morning. Tuesday they will close it again so they can stripe it and raise the rings.

Mawson then gave an update on the plans that are being completed:

- Water Master Plan—Youravish is working with Dyer on this plan's finishing touches; some financial information still needs to be put in place. Dyer should have what they need to finish up by the middle of next week, after which the document will be completed. When it is in final form it will be provided to the Commission.
- Business Plan—Information is being accumulated for it by Dyer about the general obligation bond projects. The DEQ report has information we can use regarding the sewer plant's history and its existing condition. We need to add financial aspects. We'll be able to detail where we are and where we are going.
- Water Management and Conservation Plan—We have some data outstanding to supply to O'Dea so this plan can be finished.
- The SDC Manual Update—This is scheduled for next fiscal year. Dyer is prepped for this, and some of the foregoing information will be feeding into this update.

The City recently received new appraisals from City/County Insurance Services (CIS). They come in and reappraise all of our public facilities which includes our pump stations and plants. It includes all the systems that operate that will go into SDC Manual calculations and determines what future projects can be done with the capacity we have. It also determines what buy-in would be for water, sewer, and transportation.

D. Communication Plan

D-1. Newsletter Review

Bremmer had handed out a draft of the July newsletter to the attendees. The deadline for the final is Friday. Last month's newsletter was wordy so she decided to put a prominent photo on the front of the newsletter as "too many words make people toss it" without reading it.

Bremmer touched on the articles in this month's newsletter:

- "There Is No Away" addresses the problem Bandon's sewer treatment plant equipment is having with items being flushed down the toilet or washed down drains that should not be disposed of in that manner.
- Rite Aid has a new disposal collection site for unwanted/expired prescription and over-the-counter drugs. These drugs can also be turned in to our Police Department for disposal.
- An article on the increased expense of deferring maintenance rather than ongoing routine maintenance underscores why our infrastructure has suffered.

Winkel asked if the company honored rebuilding the pump. Mawson said the company took responsibility, and Youravish said the company rebuilt the motor and it's working perfectly. O'Dea asked if the current clog caused the breakdown. Youravish said before the pump was put into service, as a precaution, an inspection was done and a lower bearing was going out.

Jackson said he found irony in a sentence at the bottom of page one of Dyer's June 14, 2019, memo describing the Fillmore Avenue pump station: "The Pump Station is equipped with 2 non-clog vertical turbine...pumps." His professional opinion is that these are incorrect pumps as they have no grinders nor water screens in place before matter reaches the station. Mawson said no one would argue about that. Youravish said we have to work with what we have. Mawson said he doesn't know the circumstances surrounding when they were installed; perhaps they were considered state-of-the-art then. Youravish commented that we had no clogs back then because that was before "disposable" wipes were being used. A couple bricks got through, but even a grinder wouldn't pulverize a brick.

D-2. Utilities Commission Report to the Mayor and City Council

Winkel asked if there was anything to add besides demand charges.

Bremmer said she would like the City Council to be thinking about how to go forward as far as the most effective method of informing the community—hold public meetings? Braun said he's not the expert in this matter.

D-3. Public Service Announcements (PSAs)

O'Dea asked what ever happened to the radio PSAs. Seymour said some interviews were conducted then there was a death in a family before the PSAs were launched. O'Dea said we need to take advantage of every source of information dissemination we have. Seymour said some avenues are Bandon.TV and Facebook.

D-4. Other

Nothing was discussed.

E. Enterprise Finance Report

O'Dea asked for actual account cash balances for water and sewer utilities funds 940 and 950 which have blanks in the finance report handout; 941 was not yet added to the report. Russell said with Sherri Wheeler, Administrative Services, out of the office, the report was the best Russell could do today. There are blanks across the 940 columns because funds are negative or not yet calculated. There was approximately \$35,000 in 950 in March, but she didn't want to make estimates for April and May because she didn't know what the expenses were. O'Dea asked when the figures will be available. Mawson said Wheeler will be back next week. Mawson asked if the updated information can be transmitted to the Commission by the following Friday and Russell said yes.

E-1. Low Income Energy Assistance Program

E-2. Helpful 2 Others (H2O) Assistance Program

Mawson reviewed the page that has the H2O [water] and electric utilities donation accounts broken down into Revenue and Expenditure over the past three fiscal years. The H2O fund is in the black with a "credit" carried forward of approximately \$3,700. More people contribute to the water fund than ask for low income assistance for their water utility bills. Electric, on the other hand, is in the red because we don't bring in enough contributions to pay for the requests. We budget \$20,000 for low income assistance, so we are paying out money that isn't replenished. There is no carry forward for electric. Winkel asked how making donations to the water utility is promoted. Mawson said there are flyers in the foyer and he mentions it periodically in his newsletter. Some customers donate by rounding up. Winkel asked if people are encouraged to round up to generate more money. Mawson said he doesn't know how

Linda Eickhoff, Account Clerk, handles requesting rounding up. He will mention this to staff. Russell added that she checked with Eickhoff, and the two pamphlets in the foyer are located by the cashier. Although neither pamphlet actively promotes the programs, H2O has a check box on the bill whereas rounding up isn't mentioned. Russell suggested adding the round up suggestion to billing. Winkel said that's a great idea, and if customers can be encouraged to contribute to the programs/round up when they sign up, all the better.

E-3. General Financial Report

Bremmer wondered about the "Transfer to Fund 940" on page 15 of the Budget Report. Mawson said we had to transfer funds from 941 to 940. He said that funds get transferred back and forth between the funds when necessary. The new 942 and 952 funds are being created for our next fiscal year which begins July 1. We budgeted money in them as though we are going to receive it from the general obligation bond; these will show up in the next fiscal year.

5. CITY MANAGER / DIRECTOR OF UTILITIES REPORT

Mawson had nothing further to report.

6. COMMISSION MEMBER COMMENTS / REMARKS

Bremmer asked to be put back on the list to receive Utilities Commission emails. Russell said she would. Jackson asked when the next Utilities Commission meeting is and Winkel and Mawson said it's the third Wednesday of every month at 3:00 p.m., so the next meeting is Wednesday, July 17. Kuehner invited everyone to attend the follow-up Bandon Earth Day kickoff meeting at Washed Ashore on Tuesday, June 25, at 1:00 p.m. Invitations were sent out and response has been very encouraging. Sara Michael from the library has been a great resource. Twenty-five people have responded so far. Kuehner wondered why the packet wasn't 3-hole punched. Russell apologized and said Beth Hager, Administrative Assistant, was out ill and usually does the packet. Mawson said Commissioners who want to do so can get their packets 3-hole punched in the office. O'Dea asked if we could have cash balances for utility funds provided at each meeting so we know where we are. O'Dea asked it to be part of the packet. Mawson said that will be done.

Mawson asked O'Dea to repeat the two points she made earlier in the meeting. O'Dea said: (1) Keep the language as simple as possible in the general obligation bond resolution; (2) The old issue of the 941 fund/seismic capital improvement expenditure is confusing, and she recommends keeping it separate.

7. CITY COUNCIL DIRECTION

Seymour said the Utilities Commission is doing a good job.

8. AGENDA ITEMS FOR THE NEXT MEETING

Nothing was discussed.

9. PUBLIC COMMENTS

No members of the public were present.

10. ADJOURN

There being no further business, Winkel adjourned the meeting at 4:45 p.m.

Submitted by Fran McGuire, *Minutes Clerk*

City of Bandon

UTILITIES COMMISSION	DATE: July 17, 2019
SUBJECT: Consolidated Municipal Utility Report	ITEM NO: 4 A1-A4

BACKGROUND:

The Consolidated Municipal Utility Report is attached.

Staff is available for any question.

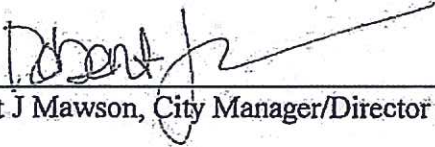
FISCAL IMPACT:

Report item only.

RECOMMENDATION:

None Requested

SUBMITTED BY:



Robert J Mawson, City Manager/Director of Utilities

Report Criteria:

Selected services: ELECTRIC, DEMAND, WATER, WATER - EXTRA UNIT, SEWER, SEWER - EXTRA UNIT

Description	CITY OF BANDON	COMMERCIAL	IRRIGATION CRANBERRIES	IRRIGATION PASTURE	None	PUBLIC AUTHORITIES	RESIDENTIAL	Totals
WATER Usage	2,432,000	3,755,000	0	0	0	276,000	5,936,000	12,399,000
ELEC Usage	204,024	1,729,963	67,349	23,743	0	216,323	2,571,363	4,812,765
Description	CITY OF BANDON	COMMERCIAL	IRRIGATION CRANBERRIES	IRRIGATION PASTURE	None	PUBLIC AUTHORITIES	RESIDENTIAL	Totals
DEMND Amount	3,046.17	17,053.92	4,947.70	904.80	-	4,427.12	-	30,379.71
WATER Amount	3,149.46	14,172.01	-	-	-	1,062.51	46,966.25	65,351.13
WAXUT Amount	-	2,092.64	-	-	-	26.16	443.27	2,562.07
ELEC Amount	13,606.31	129,619.62	7,706.10	2,289.78	-	14,877.06	227,859.02	395,957.89
SEWER Amount	219.70	17,716.08	-	-	-	957.44	40,623.20	59,516.42
SWXUT Amount	-	4,675.42	-	-	-	37.32	637.23	5,349.97
Total Charges:	20,021.64	185,330.59	12,653.80	3,194.58	-	21,387.61	316,528.97	559,117.19

Report Criteria:

Selected services: ELECTRIC, DEMAND, WATER, WATER - EXTRA UNIT, SEWER, SEWER - EXTRA UNIT

Report Criteria:

Selected services: ELECTRIC, DEMAND, WATER, WATER - EXTRA UNIT, SEWER, SEWER - EXTRA UNIT

Description	CITY OF BANDON	COMMERCIAL	IRRIGATION CRANBERRIES	IRRIGATION PASTURE	None	PUBLIC AUTHORITIES	RESIDENTIAL	Totals
WATER Usage	29,670,000	47,855,000	0	0	0	4,397,000	87,262,000	169,184,000
ELEC Usage	2,509,528	21,244,719	929,691	509,594	0	2,509,962	36,822,127	64,525,621

Description	CITY OF BANDON	COMMERCIAL	IRRIGATION CRANBERRIES	IRRIGATION PASTURE	None	PUBLIC AUTHORITIES	RESIDENTIAL	Totals
DEMND Amount	38,132.69	197,232.35	26,730.13	6,029.72	-	55,330.99	-	323,455.88
WATER Amount	38,378.74	176,512.18	-	-	-	13,981.24	564,657.79	793,529.95
WAXUT Amount	-	25,199.86	-	-	-	313.92	5,243.90	30,757.68
ELEC Amount	166,002.31	1,601,682.34	102,270.27	45,339.82	-	174,112.10	3,212,834.82	5,302,341.66
SEWER Amount	2,737.40	217,474.78	-	-	-	12,530.80	516,815.67	749,358.65
SWXUT Amount	-	56,230.84	-	-	-	447.84	7,619.22	64,297.90
Total Charges:	245,251.14	2,274,332.35	129,000.40	51,369.54	-	256,716.89	4,307,071.40	7,263,741.72

Report Criteria:

Selected services: ELECTRIC, DEMAND, WATER, WATER - EXTRA UNIT, SEWER, SEWER - EXTRA UNIT

ELECTRIC DEPT MONTHLY REPORT

JUNE 2019

The electric department is responsible for the safe distribution of power to the citizens of Bandon and the surrounding area. Duties include maintaining overhead and underground power lines, substations, metering systems, as well as building new lines, connecting new services, transferring overhead lines to underground within the city limits, as budget and time allows.

Work being done this month:

PUC

- The crew has been inspecting poles and equipment for NESC violations on our Town Circuit. We are done with inspections and will be working on repairs as time allows.

NEW SERVICES

- The crew has connected two new electrical services this month. Plans continue to be processed through the planning department and sent to me. I have 25 bid packets on file. Future homes are waiting for the state building department to approve their building plans so they can start to build. A bid packet includes cost for service, map for conduit installation, digging instructions and examples of the specs we require. I have had several inquiries into the cost for power from perspective buyers of bare lots. I call these inquiries ball parks - a verbal cost within \$500 dollars.

CURRENT PROJECTS

- Spring is here and the crew is working on right-of-way maintenance. This includes tree falling, limbing and pole replacements.

UPCOMING PROJECTS

- We have a lot of work planned for the spring and summer. Mallory Lane East Circuit take off rebuild is also planned to start in June. Plans are in the works for a sidewalk on Caroline Street, from Riverside Drive to Harlem Avenue on the south side of Caroline. We will be installing conduit and vaults at that time for future underground. I have been working with our electric customers on replacing their meter bases that have rusted to the point where it has the potential to be unsafe. What makes a meter base unsafe is when there are holes that would allow someone to make contact with energized parts, a damaged or rusted locking mechanism that does not allow the meter base to have a way to keep the public from coming in contact with electrical parts, flaking rust inside the meter base that could cause a short circuit, etc.

OUTAGES

- We had two unplanned outages during the month of June. The first one occurred in Laurel Grove, when a tree fell on the power line and caused approximately 200 customers to lose power for about an hour. The second outage was caused by a bad breaker in the BPA-Fairview substation which affected Bandon for less than 30 minutes.

CONSERVATION DEPT. MONTHLY REPORT

JUNE 2019

The conservation department oversees the monthly report from Efficiency Services Group (ESG) which tracks all commercial, industrial and residential audits, inspections and rebates. ESG also reports all energy savings to BPA.

We offer assistance in-house by having rebate forms available, answering questions, requesting audits and inspections, or if it gets too technical, we offer them a toll free number for additional assistance from ESG staff. After the final inspection is complete, we will process a rebate to the customer.

Total of processed rebates for the month of May was \$0.00.

City of Bandon

CITY COUNCIL AGENDA DOCUMENTATION	DATE:
SUBJECT: Staff Report – Wastewater Plant	ITEM NO:

BACKGROUND:

Find attached the monthly Wastewater Plant activity report for May 2019.

The City's Wastewater facility treated 11,688,000 gallons of wastewater this month, for an average of 398,000 gallons treated daily. All permit requirements were met for the month of May.

FISCAL IMPACT:

RECOMMENDATION:

Motion to approve as part of the Consent Agenda.

SUBMITTED BY:

Bill Nielson

Bill Nielson, Treatment Plant Operator

WASTEWATER PLANT ACTIVITY REPORT FOR MAY 2019

TSS Total suspended solids	PPM Parts per million
INF Influent – incoming untreated wastewater	MG/L Milligrams per liter (same as PPM)
EFF Effluent – outgoing treated wastewater	MLS Milliliters of water
BOD Biochemical oxygen demand (strength of wastewater)	

Table 1: Treatment Plant Operations

PARAMETERS AND UNITS	MAXIMUM SUMMER DEQ PERMIT	MAXIMUM WINTER DEQ PERMIT	AVERAGE MONTHLY OPERATIONS
EFF BOD AVERAGE			
MG/L or PPM	20	30	9
POUNDS/DAY	75	110	28
EFF TSS AVERAGE			
MG/L or PPM	20	30	9
POUNDS/DAY	75	110	28
FECAL COLIFORM			
COLONIES/100 MLS	14	14	10
INF FLOW AVERAGE			
GALLONS/DAY			398,000
INF SOLIDS AVERAGE		DESIGN	RECEIVED
BOD POUNDS/DAY		1150	660
TSS POUNDS/DAY		1350	1034

*SUMMER MAY 1 – OCTOBER 31

**WINTER NOVEMBER 1 – APRIL 30

1. TREATMENT PLANT OPERATIONAL SYNOPSES

The Wastewater Plant has met all DEQ permits for the month of May 2019.

City of Bandon

STAFF REPORT TO CITY COUNCIL

SUBJECT: WATER TREATMENT PLANT

ITEM NO:

BACKGROUND

Attached are the monthly reports for the Water Treatment Plant
Public works is still flushing the water mains, as time and
water demand allows.

FISCAL IMPACT:

RECOMMENDATION:

SUBMITTED BY:

Jim Youravish
WATER PLANT OPERATOR

Printed Name & Title

Jun-19 ANNUAL WATER USEAGE			
	GALLONS OF WATER LEAVING PLANT	GALLONS OF WATER SOLD	% LOSS
July-2018	16,983,727	14,728,000	-13.28
August-2018	17,908,518	17,015,000	-4.98
September-2018	17,956,509	17,730,000	-1.26
October-2018	18,796,076	17,067,000	-9.19
November-2018	18,486,376	23,630,000	27.82
December-2018	16,237,262	12,774,000	-21.32
January-2019	14,457,902	12,053,000	-16.63
February-2019	14,152,597	8,939,000	-36.83
March-2019	12,472,871	9,464,000	-24.12
April-2019	14,082,672	9,129,000	-35.17
May-2019	16,257,339	14,256,000	-12.31
June-2019	18,689,628	12,399,000	-33.65
TOTAL	196,481,477	169,184,000	-13.89

WATER TREATMENT PLANT ACTIVITY REPORT FOR June 2019

	WATER PLANT OPERATIONS	EPA ALLOWABLE LIMIT
WATER TREATED (GALLONS)	27,278,804	
DAILY AVERAGE (GALLONS)	909,293	
TREATED WATER LEAVING PLANT	20,723,758	
AVG. TURBIDITY (NTU'S)	.024	MAX. .30
AVG. P.H. (7.00 IS NEUTRAL)	7.56	MIN. 7.1 LEAVING PLANT
AVG. CHLORINE RESIDUAL LEAVING PLANT (PPM)	0.70	MIN .2 LEAVING PLANT. TRACE AT LAST CONNECTION MAX 4.0
WEEKLY FECAL COLIFORM AND E. COLI TEST	0 POSITIVE	0 POSITIVE FOR FECAL COLIFORM AND E. COLI TAKEN IN DISTRIBUTION SYSTEM

THE WATER TREATMENT PLANT MET ALL EPA REQUIREMENTS FOR THE MONTH OF June 2019