

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
ELEC Usage	185,770	1,580,377	68,199	2,336	0	218,446	4,245,605	6,288,733
WATER Usage	1,975,000	2,094,000	0	0	0	170,000	4,890,000	9,129,000

Description	CITY OF BANDON	COMMERCIAL	IRRIGATION CRANBERRIES	IRRIGATION PASTURE	None	PUBLIC AUTHORITIES	RESIDENTIAL	Totals
ELEC Amount	11,753.40	119,319.40	7,235.06	618.92	-	15,073.69	361,890.54	515,891.01
DEMND Amount	3,405.30	14,149.20	1,388.40	243.36	-	5,774.65	4,221.36	29,182.27
WATER Amount	2,622.75	10,775.09	-	-	-	914.62	48,702.76	61,015.22
WAXUT Amount	-	1,787.00	-	-	-	19.62	756.44	2,563.06
SEWER Amount	208.54	11,625.72	-	-	-	716.64	42,870.33	55,421.03
SWXUT Amount	-	3,704.88	-	-	-	27.99	1,627.06	5,359.93
Total Charges:	17,889.79	161,361.29	8,623.46	862.28	-	22,527.21	458,068.49	669,432.52

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Description	CITY OF BANDON	COMMERCIAL	IRRIGATION CRANBERRIES	IRRIGATION PASTURE	None	PUBLIC AUTHORITIES	RESIDENTIAL	Totals
WATER Usage	26,135,000	37,995,000	0	0	0	4,338,000	98,494,000	164,961,000
ELEC Usage	2,345,585	17,894,307	848,209	426,390	0	2,413,075	40,355,542	64,283,108
Description	CITY OF BANDON	COMMERCIAL	IRRIGATION CRANBERRIES	IRRIGATION PASTURE	None	PUBLIC AUTHORITIES	RESIDENTIAL	Totals
DEMAND Amount	35,536.20	149,483.51	21,508.97	6,301.16	-	56,087.29	48,069.88	315,017.01
WATER Amount	34,249.53	149,111.29	-	-	-	13,528.51	589,790.69	786,680.02
WAXUT Amount	-	21,486.82	-	-	-	235.44	8,077.90	30,800.16
ELEC Amount	148,698.39	1,345,774.28	93,393.24	37,453.60	-	168,733.31	3,494,682.01	5,287,734.83
SEWER Amount	2,630.38	173,675.54	-	-	-	12,318.32	557,037.21	745,561.45
SWXUT Amount	-	44,519.65	-	-	-	335.88	19,489.94	64,345.47
Total Charges:	222,114.50	1,883,961.08	114,802.21	43,754.76	-	249,238.76	4,716,167.63	7,230,138.94

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ELECTRIC DEPT MONTHLY REPORT

APRIL 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 five new electrical services this month. Plans continue to be processed through the planning department and sent to me. I am working on seven bid packets, these are for people that have applied for permits 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. The crew has started Bradley Lake Estates project, directional drilling is scheduled for the middle of April.

UPCOMING PROJECTS

- Spring is coming and we have a lot of work planned for the spring and summer. The crew is in the process of helping with the directional drilling on Safe Lane off Beach Loop Dr. To save money on the project, the crew will dig all catch and launch pits and install the new duct in our switch cabinets. The electric crew will also replace all landscaping and make the grounds look as good or better than it was before we began the project. After the new duct is installed, the crew will install the new electric system for Bradley Lake Estates. Mallory Lane East Circuit take off rebuild is also planned to start in May. 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.

OUTAGES

- We had only one major outage on our Two Mile Upper Circuit. Apparently, a bird of prey dropped an eel on the lines of one of our switch poles causing a short circuit. We patrolled the line, finding an eel at the base of the pole in dire straits, with talon marks on its mid-section. The crew restored service to the 300 homes that had lost power. All attempts to revitalize the eel failed.

CONSERVATION DEPT. MONTHLY REPORT

APRIL 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 March was \$800.00:

Residential Ductless Heat Pump Rebate

- One rebate was paid out for a residential ductless heat pump, installed in a manufactured home with forced air heat, for a rebate of \$800.00.

City of Bandon

CITY COUNCIL AGENDA DOCUMENTATION	DATE: May 6, 2019
SUBJECT: Staff Report – Wastewater Plant	ITEM NO:

BACKGROUND:

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

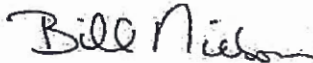
The City's Wastewater facility treated 16,573,000 gallons of wastewater this month, for an average of 608,000 gallons treated daily. All permit requirements were met for the month of March.

FISCAL IMPACT:

RECOMMENDATION:

Motion to approve as part of the Consent Agenda.

SUBMITTED BY:



Bill Nielson, Treatment Plant Operator

WASTEWATER PLANT ACTIVITY REPORT FOR MARCH 2019

TSS Total suspended solids	RPM 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	6
POUNDS/DAY	75	110	23
EFF TSS AVERAGE			
MG/L or PPM	20	30	9
POUNDS/DAY	75	110	32
FECAL COLIFORM			
COLONIES/100 MLS	14	14	5
INF FLOW AVERAGE			
GALLONS/DAY			608,000
INF SOLIDS AVERAGE		DESIGN	RECEIVED
BOD POUNDS/DAY		1150	942
TSS POUNDS/DAY		1350	853

*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 March 2019.

City of Bandon

STAFF REPORT TO CITY COUNCIL

5/07/2019

SUBJECT: WATER TREATMENT PLANT

ITEM NO: 6.3.6

BACKGROUND

Attached are the monthly reports for the Water Treatment Plant
Public Works started our annual water main flushing on 4/8/2019
Since the rain has slowed and the ground drying Public Works has
found and fixed a few service line leaks and are monitoring for
any others.

FISCAL IMPACT:

RECOMMENDATION:

SUBMITTED BY:

Jim Youravish
WATER PLANT OPERATOR

Printed Name & Title

Apr-19	ANNUAL WATER USEAGE		
	GALLONS OF WATER LEAVING PLANT	GALLONS OF WATER SOLD	% LOSS
May-2018	12,752,472	9,412,000	-26.19
June-2018	15,738,216	13,020,000	-17.27
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
TOTAL	190,025,198	164,961,000	-13.18

WATER TREATMENT PLANT ACTIVITY REPORT FOR APRIL 2019

	WATER PLANT OPERATIONS	EPA ALLOWABLE LIMIT
WATER TREATED (GALLONS)	22,469,754	
DAILY AVERAGE (GALLONS)	748,992	
TREATED WATER LEAVING PLANT	16,257,339	
AVG. TURBIDITY (NTU'S)	.027	MAX. .30
AVG. P.H. (7.00 IS NEUTRAL)	7.60	MIN. 7.1 LEAVING PLANT
AVG. CHLORINE RESIDUAL LEAVING PLANT (PPM)	0.72	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 APRIL 2019.		

City of Bandon

UTILITIES COMMISSION	DATE: May 15, 2019
SUBJECT: Plans, Projects & Reports	ITEM NO: 4.C

BACKGROUND:

I will provide a verbal report and answer any questions that you may have at the meeting.

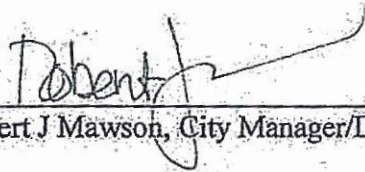
FISCAL IMPACT:

Report and Discussion item only.

RECOMMENDATION:

No formal action requested

SUBMITTED BY:



Robert J Mawson, City Manager/Director of Utilities

City of Bandon

UTILITIES COMMISSION	DATE: May 15, 2019
SUBJECT: Enterprise Budget Update	ITEM NO: 4 E1-E3

BACKGROUND:

This agenda item allows the Commission and staff to coordinate operating, maintenance and capital project budget information for municipal utility services and discuss other relevant information.

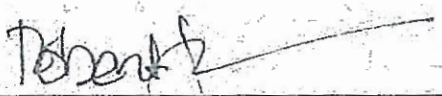
FISCAL IMPACT:

N/A

RECOMMENDATION:

No formal action requested. General discussion and guidance is welcome as the conversation dictates.

SUBMITTED BY:



Robert J Mawson, City Manager/Director of Utilities

Beth Hager

From: Beth Hager
Sent: Monday, May 20, 2019 5:08 PM
To: Rod Jackson ; Patricia Soltys; Matt Winkel; Sheryl Bremmer; Mary O'Dea; Joe Kuehner; Madeline Seymour (councilormadeline@earthlink.net); Peter Braun
Cc: 'Mary Schamehorn'; 'brian vick'; 'geri Procetto'; Claudine Hundhausen; Chris Powell; 'Robert Mawson'
Subject: Draft-Draft Minutes from the May 15th Utilities Commission Meeting.
Attachments: UC-Minutes.5.15.19 - Draft-Draft.pdf

Hello All,

Attached is the Draft-Draft Minutes from the May 15th Utilities Commission Meeting. Just a reminder, I have not looked at these for any errors.

Thank you,
Beth

Beth Hager
Administrative Assistant

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**UTILITIES COMMISSION MEETING
BANDON CITY HALL
May 15, 2019**

COMMISSION:

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

CITY COUNCILORS/MAYOR:

- Peter Braun, Council Liaison
- Madeline Seymour, Council Liaison
- Mary Schamehorn, Mayor

STAFF:

- Robert Mawson, City Manager
- Richard Anderson, Public Works Dir.
- Mark Dornath, Elec. Dept. Line Foreman
- Beth Hager, Administrative Assistant
- Tim Lakey, Public Works
- Bill Nielson, Wastewater Plant Supervisor
- Jim Wickstrom, Electric Dept. Supervisor
- 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—Rod Jackson

Winkel introduced Jackson and asked him to share his background.

Jackson said he moved to Bandon in May 2015 from northern California. Prior to moving to Bandon, his tenured career was working in city government in Roseville, a small municipality southwest of Sacramento, as a mechanic maintenance supervisor in their water and wastewater utilities for nearly 25 years.

2. MINUTES FOR APPROVAL**A. April 17, 2019, Regular Meeting****B. April 24, 2019, Special Meeting/Work Session**

Copies of the above minutes were provided to the Commissioners. Winkel asked for a motion to approve both sets of minutes unless there were any changes/corrections. Starbuck made a motion to

approve both sets of minutes; Soltys seconded the motion. Both sets of minutes were approved by a vote of 7:0:0.

3. PRESENTATIONS

A. John Tannous, Washed Ashore Executive Director

Winkel asked Kuehner to introduce Tannous and discuss the project Kuehner is spearheading from being inspired by Bremmer's newsletter topics and Utilities Commission discussions about Bandon and the world's serious issues with waste (what is being thrown away/the plastic crisis—there is no "away" in items that are thrown away) and with the problem of what is being flushed down sinks/toilets (greases and non-biodegradable items).

Kuehner said he is excited to have taken on this project because he has come to understand that the Utilities Commission and City need help educating members of the community in a more comprehensive way about the environment. What better resource with whom to partner than Bandon's Washed Ashore, a non-profit organization that is committed to preserving and protecting our oceans utilizing "Art to Save the Sea."

Before introducing Tannous, Kuehner asked that everyone in the room introduce themselves as there were representatives present from other like-minded organizations and interested individuals (for example, Shoreline Education for Awareness (SEA); U.S. Fish and Wildlife; Bandon Fish Hatchery, the Beverage Barn; the Mayor and City Counsellors; *Bandon Western World* newspaper; etc.). Kuehner had invited these individuals; the Chamber of Commerce and high school (and some other entities) are interested but representatives couldn't make it.

Kuehner said he and Tannous discussed having a year-long educational environmental awareness event in Bandon culminating in "Bandon Earth Day" on Saturday, April 18, 2020. To create excitement, interest, feedback, and support from the community, there will be a kick-off meeting on Tuesday, June 25, 2019, at 1:00 p.m. at Washed Ashore to discuss what monthly events to hold in anticipation of Bandon Earth Day. Kuehner said the high school is interested in participating, as are the Chamber of Commerce and other entities as evidenced by attendance at today's meeting. Community support will grow.

Kuehner introduced Tannous.

Tannous began by saying that he is relatively new to Bandon, having moved here in August 2018 to work for Washed Ashore, and loves Bandon. He then narrated a slideshow about Washed Ashore (featuring many of the art sculptures) and the evolution of the Bandon Earth Day concept. The narration included:

- Tannous met with Kuehner, Bremmer, and O'Dea and discussed our utilities' issues—rags and other contaminants in our treatment systems which cause equipment failure at prohibitive maintenance costs—hundreds of thousands of dollars and more if the situation isn't addressed.
- Many residents/businesses aren't aware of the problems (or solutions) in spite of the City's efforts to disseminate information.
- Tannous gave a brief history of Washed Ashore and the sculptures made from marine debris (mostly plastics) collected solely from Bandon and other southern Oregon beaches. Washed Ashore gets asked if the debris is collected from beaches all over the world, and people are

sobered by the scope of the worldwide problem with environmental waste if the volume of garbage Washed Ashore uses in their sculptures are only collected on southern Oregon beaches.

- For 9 years Washed Ashore has been bringing environmental awareness to Bandon and other communities by “addressing pollution through art.” The concept took off quickly and has generated interest around the country with dozens of traveling exhibitions as well as the gallery and parades in Bandon.
- Seventy sculptures comprise their traveling exhibits which are featured at museums and other venues such as Disney’s Epcot Center, Sea World, and the San Francisco Zoo. Tannous said he wants to focus more specifically on Bandon and Oregon (as well as continuing the travelling exhibits) to continue to educate the public about the global environment problems (especially plastic) pollution is causing to our oceans and waterways.
- The sculptures are intentionally large to emphasize the hugeness of the problem.
- Eighty percent of the (mostly plastic) debris is from land-based (household) sources. Sea life is affected by this debris as evidenced by the stomach contents of dead marine life.
- Washed Ashore also creates custom displays such as the coral reef sculptures at the Clinton Library. When asked if permanent sculptures are available, Tannous explains that garbage deteriorates, therefore no permanent art can be made.
- All sculptures have names (which personalize the pieces). Because education is their thrust, signage accompanies all exhibits with a description of what is being depicted. An educational goal is to make a point to viewers to consider what they purchase and the choice of bags they select. There is also mention of Washed Ashore’s location in Bandon, Oregon, on the signage.
- On the sculptures, many pieces of debris are left intact which makes a recognizable impact when viewed closely.
- Celebrating a Bandon Earth Day would offer a possible solution for community education and participation in environmental awareness as a team. The question is: does Bandon want a Bandon Earth Day? Tourism would be attracted by the year-long monthly events.
- The iconic sculpture (which is a tourist attraction) located outside Washed Ashore, “Henry the Fish,” is deteriorating from wind, sunlight, and salty air. A fundraiser is needed to collect \$40,000 to rebuild Henry with a stainless-steel frame. They would use as much “garbage” as can be salvaged from the old sculpture. Washed Ashore would kick off the fundraising. Do we want to “unveil” the newly refurbished Henry the Fish on Bandon Earth Day?
- Washed Ashore cannot put Bandon Earth Day festivities on alone for it to be a success in helping reverse the problems Bandon utilities are experiencing—he would like to see participation and support by the City of Bandon and the Utilities Commission, the entities in the room, and other interested participants.

Kuehner thanked Tannous and said he is excited about the meeting coming up on June 25 to discuss creative educational solutions to serious problems. Some of the ideas that Kuehner will present for consideration of monthly events culminating in Bandon Earth Day are:

- A low-tide interpretive walk led by SEA
- Fish hatchery tours
- Water and wastewater treatment plant tours
- Art projects sponsored by Art by the Sea (with students, etc.)
- Planting trees and flowers
- A “Gorse Removal Day”
- A science project contest for students

- A “Saturday Night Stroll” in Old Town sponsored by the Chamber of Commerce. All attendees would be asked to park outside of Old Town and walk in so there would be no cars downtown.
- The City doesn’t have Henry the Fish, but we could develop and promote the utilities’ frog logo in creative projects (possibly with students)— “Frugal the Frog” [not “Frugal Freddie”].

Kuehner mentioned one of the City’s critical concerns is that pharmaceuticals are still getting into our water system by being flushed down toilets—a common way of disposing of expired prescriptions.

Kuehner opened the meeting to questions/comments.

Bill Binnewies of SEA said he is also concerned about the problems our sewage treatment plant is having. He suggested that the community be educated by illustrations incorporating visuals of what NOT to put into the system. Kuehner agreed, and pointed out the two poster boards at the front of the room with graphics that are along those lines. Binnewies suggested getting those illustrations to the public via news releases, venues, and the City’s newsletters. He concluded by saying he is excited about this focus to educate the community about environmental crises.

Kate Iaquinto from the Fish and Wildlife Service said the ideas are really great and asked about the scope of the proposed event. Kuehner said the idea is to promote/advertise a year-long monthly educational event culminating in a Bandon Earth Day. He said other ideas could include cleanup days of the beaches, rivers, etc. Iaquinto said it sounds like there could be at least twenty ways to participate. Kuehner said the goal is to get the community to put these events on their calendars. One idea he has is to promote reusable bags like the Farmers Market uses.

Winkel asked Tannous what will happen to the unusable garbage leftover from Henry’s refurbishment. Tannous said that what cannot be saved/reused will be recycled or otherwise properly disposed of. Commenting on the 70 sculptures that are on traveling exhibitions, Winkel asked if Washed Ashore sells sculptures. Tannous said they do sell and lease pieces. There is enough interest and demand that they will continue to build sculptures. They can always find a home for a piece of art, and they are always looking for new projects and places to display them. Washed Ashore funds some projects with grant monies. He wants to focus on displaying public art along the Oregon Coast Trail. Tannous said the main trust of the artwork is education. He wants to focus on more fresh and exciting local displays for residents and tourists. Winkel asked if they are ever commissioned to create private pieces because of the beauty of the art. Creating art for peoples’ homes would create income for Washed Ashore and get the word out about what Washed Ashore stands for. Tannous said yes, they get requests all the time.

Mayor Schamehorn asked what the life expectancy of an outdoor sculpture is. Tannous said it depends on the materials and the colors—some break down more quickly than others in sunshine and other environmental elements. He used Cosmo the puffin sculpture as an example (located on Coquille Point). Cosmo has been in place for nearly a year and will need to be refreshed (not rebuilt) in another six months to a year. When displays are placed along the Oregon Coast, the communities are told they will be on display for a period of two years. After two years they can elect to have a maintenance contractor refurbish the art as needed; if not, the art piece can be refreshed and moved to other locations around the state.

Mawson, City Manager, asked, since many of the sculptures are so huge, if the sculptures are built onsite at the Old Town gallery. Tannous said they have a facility, "Art 101" six miles south of Bandon, at which artists build the sculptures. Volunteers help out creating projects in town at the gallery. Mawson asked if Art 101 is open to the public. Tannous said it used to be, but there were hazards involved, so now only staff wash and disinfect the debris.

Winkel thanked Tannous and Kuehner. Kuehner said he's taking this on as a personal project because he's passionate about it: "If not me...who?"

Kuehner also thanked Tannous for his ideas, support, and presentation, saying Washed Ashore's prominent art is a boon to our local economy and recreation. It's something we can work off of to create even more prosperity for the community. Tannous said he was proud to be part of the Bandon community.

Kuehner said the invited guests may leave or are welcome to stay for the rest of the meeting.

*_*_*_*_*

Winkel passed around a photograph he received via email from Nielson, Water/Wastewater Plants Supervisor, depicting the accumulation of a "rag ball" that had entangled in the equipment at the wastewater plant causing the pump to fail.

Mawson said that the pump works had been recently rebuilt. At the Fillmore station there is a pump, a motor, and a shaft that is 18–20 feet long and is 2–3 inches in diameter. The photograph shows rags that had accumulated after only 4 days! The pump company is going to do an analysis to determine if the rag ball caused the pump failure. Our system is above ground and cannot be fitted to grind up solids. That kind of submersible pump system costs \$1.6 million. However, 3–4 times a year it has been costing \$7,500–\$15,000 each occurrence to rebuild the existing equipment. We have old equipment and replacement parts can no longer be ordered—they have to be machined to enable repairs. Old pump parts can only be machined so many times before losing effectiveness, therefore a new pump, motor, and shaft are on order (\$65,000) but it takes 20–22 weeks to receive. The new pump will be more efficient, but there are no guarantees the issues will be resolved. Because of the lag time to receive the new pump, of necessity, the old one will once again be rebuilt and put back into service until the new one arrives.

Winkel thanked Mawson for getting the authorization/approvals needed to get this moving so quickly. Mawson said we could have ordered two pumps but he wants to see how effective the new one is at addressing the issues the old pump couldn't handle.

Mayor Schamehorn asked what comprised the "rag ball." Mawson said disposable wipes, t-shirts and other items of clothing, diapers, etc. He added that they are discussing preventative options, such as installing bar screens in manholes that can catch the debris before it reaches the station, but then there are extra costs and multiple days involved in cleaning those screens. He said not all items are flushed or washed down sinks—some find their way to the plant by being washed down storm drains.

B. Bonneville Power Administration (BPA): Doug Johnson, Transmission Account Executive; Greg Vassallo, Customer Service Engineer

Mawson introduced the BPA representatives. There was a pre-meeting before this meeting wherein topics were suggested to be covered. BPA will be available to answer questions regarding BPA's operations and strategies and/or how they figure their account reserves.

Johnson expressed appreciation for the invitation to address the meeting. He said he'll cover information about transmission and power and how Bandon finances may be affected by BPA's activities in the next year or so.

By way of background, Johnson said he and a Power Account Executive are the two BPA employees who interface with the City of Bandon. BPA markets power from 31 federal dams. Some of the rivers used in generating hydroelectric power include the Columbia, Willamette, Snake, and other waterways. He covered some statistics regarding the breadth of their operation which includes 8500 miles of rights of way in the states of Montana, Idaho, Oregon, Washington, and parts of Utah and northern California.

He said he would start with the best news: there will be no spill surcharge assessed this year!

He touched on a situation they are having with the Trump administration's budget, and it has happened nearly every 20 years with other administrations as well. It involves BPA and Tennessee Valley Authority's transmission assets. Several members of Congress in the Pacific Northwest and others have written to the White House saying it doesn't make sense, and that the public utilities in the Northwest are entitled to these assets and have paid for them over many decades and will continue to do so. He doesn't think anything will happen, but one never knows.

They are currently working on their rate case for fiscal years 2021–2022. It looks like power rates will increase by 2.9% and transmission rates will increase by 4% (down from the 9% estimated in the initial proposals they made last fall).

They are struggling with a calculation error they made regarding a portion of their reserves. They work with several federal agencies throughout the Northwest and reimburse them for services and land they provide and rights of way. Since about 2004 they were billing charges only to their power business lines and should have been billing for transmission as well. Because of the error, they are proposing to transfer \$300 million from transmission reserves to power. They are having customer meetings to discuss this issue and will have a resolution next month or in early July.

They are looking into coordinating with California's Independent System Operator (ISO). Benefits to BPA could garner between \$14–40 million a year. They will have public meetings to see what it would entail.

Johnson then asked if there were any questions.

Winkel asked how Bonneville's wholesale rates compare with other power companies. Johnson said they are lower than most. Rates are affected by whatever the market can bear. For instance, sales of the excess power BPA generates are depressed so rates need to go up. Winkel asked if they use wind power. Johnson said they operate a couple wind plants, but most of their power is hydroelectric.

Jackson asked how the infrastructure is holding up for BPA, citing Pacific Gas & Electric Company's (PG&E) problems in California [with wildfires]. Johnson said, considering that the system was built during the 1930s–1980s and therefore the infrastructure is aging: “decent.” During the last five years they have been performing asset management, replacing substations and otherwise taking better care of their assets. In contrast to PG&E, BPA maintains their equipment and rights of way. They go over their 8500 miles inch by inch and create wide, clear corridors unlike other power companies who have continuous problems with fires and vegetation interference.

Mawson asked if BPA will be affected by the cap and trade bill. Johnson said that any kind of clean energy legislation in the Northwest benefits BPA. Mawson asked how much of BPA's hydro system is quantified as renewable by the state versus federal definitions. Johnson said he's more informed about those matters in the state of Washington, but would have to check to be able to answer that question about Oregon.

Bremmer asked about BPA's coordination with California ISO: would a byproduct be the creation of a stronger force between the Northwest and California to combat federal takeovers? Johnson said probably not. Bremmer asked if BPA is still involved in a federal suit regarding a breach of contract. Johnson doesn't think so, but didn't know anything about it.

Winkel thanked the BPA representatives for attending the meeting, giving the presentation, and answering questions.

4. DISCUSSION / ACTIONS

A. Electric Demand Charge Policy Discussion

Mawson said that Wickstrom, Electric Department Supervisor, will start the discussion.

Wickstrom said they have been reviewing the electric demand rate policy to determine how to make it more equitable. He then narrated a slideshow that explained what residential and commercial demands are.

We charge customers for demand. Demand is broken into kilowatts (kW). Kilowatts are the same as kilo-volt-amperes (kVAs). It is industry standard that a customer gets charged for demand for every unit they use over 30 kVAs. We charge \$7.80 per unit of demand, but we haven't been following industry standard but rather a much more complicated system.

Mawson interjected to say that just as we charge customers for demand, likewise, we get charged for demand by BPA. When we go over our limit, the City pays no matter how we charge our customers. It is our customers creating demand that in turn makes the City's demand charges higher. That is why we have demand charges.

Wickstrom said our demand policy is “awkward.” If a customer goes over 50 kW for more than six months in a one-year cycle, then they are billed for demand. If they don't, they aren't charged for demand at all. It is an inequitable system as it stands. Once a customer crosses that six-month threshold of over 50, then even if they go down to using only one unit, there is no “reset” and they get charged demand fees from then on. This system has been in place for many years and continually has to be

explained at length to irate customers who want to reset their demand. Some entities create huge demand, but if they don't go past the six-month mark, they are not charged for demand at all. For example, some cranberry farmers have never been charged for demand.

A much simpler and more equitable system he would like the Utilities Commission to consider championing is to charge demand fees if a customer exceeds 30 kVAs. If they stay under the 30, there is no demand charge incurred. If they do go over 30, they would be considered industrial and with our new Vision software system, could get a reduction break from the nearly 8 cents to 6 cents per unit of demand. If they are under 30, they can pay the nearly 8 cents per unit because they aren't paying demand charges.

Wickstrom said for comparison, they looked at Ashland (who is at 30) and Coos-Curry. We should be able to charge for demand at over 30 too. He anticipates that some customers who are close to 30 or in the 30-50 range will come in to discuss the change. It will be easy to explain the simpler system.

Mayor Schamehorn asked if customers can control demand by using different times of the day to use power. Wickstrom said that doesn't change the way the City charges. Bandon is unlike a lot of areas, for example, that use heavy demands of air conditioning in the summer. Mayor Schamehorn asked if we could we encourage big power users to stagger their times of heavy demand. Wickstrom said he would have to look into that. Time of day is not the only factor. When customers place a heavy demand on power, the City has to pay for larger equipment (transformers/wires) to handle the demand. O'Dea asked if demand charges affect just the industrial/commercial entities, or are residents charged demand fees too. Wickstrom said we don't apply demand charges to residents; residents don't have demand meters. O'Dea asked if they've discussed this proposed option with the growers. Wickstrom said some have come in (because of demand charges) and he's encouraged them to talk to Mawson and have a discussion with the Utilities Commission to ask that a threshold be set. Those he's talked to have been in favor of having demand start at 30 because there are things they can do to enable them to stay under the threshold. They'll be saving money during the offseason. There is equipment they can install that will help them stay under the 30, such as motor "soft starters" (equipment that temporarily reduces energy load during equipment startup).

Major Schamehorn asked if the proposed demand system will reduce revenue to the City. Wickstrom said his guess is that those paying for demand will probably keep paying for demand. He predicts that the new system will generate a small increase for the City. Those who have been under 50 but over 30 will start paying demand whereas they haven't been under the old system. Even if it creates slightly less revenue (which he doesn't think it will), it's still more equitable. Mayor Schamehorn commented that it does sound like a fair system.

Discussion ensued about resetting not being an option.

Braun asked if there is a recommendation for when the demand system would switch over. Wickstrom said that is a City Council decision. Mawson said they are shooting for July for the new software system to be operational. Mayor Schamehorn asked if it's being done manually now, and Mawson and Wickstrom said yes.

There was further discussion about under 30/over 30 scenarios, and Wickstrom detailed examples of Ashland and Coos-Curry's demand billing. Of note is that Coos-Curry doesn't allow multiple meters that would allow a company to avoid demand charges. Bandon will still be the best deal around. Mawson said in addition to taking less time for staff to explain demand charges to customers, he said it will also pull the plug on customers wanting to discuss ways to circumvent the system.

Winkel said it does sound more equitable and the new software system sounds great. He asked if it will be a Charter issue because rates would be changing (potentially creating an increase in rates for some customers) and asked if Mawson talked to Carleton, City Attorney. Mawson said this discussion is the first step before moving forward. He explained that we aren't changing rates per se; we would just be changing when demand charges apply. Businesses can take steps to keep demand under 30 so there won't necessarily be a rate increase for some customers. However, Mawson said he will talk to Carleton about this to ensure their assumptions are in keeping with the Charter.

Winkel asked if Mawson was looking for a recommendation. Mawson said before the next Utilities Commission meeting, in addition to talking to Carleton, they want to take another look at what they are proposing and the language to use. They also want to be able to provide the Commission with examples of what bills might look like with the change. If it is okay to move in this direction, then Mawson feels they will be able to brief the Utilities Commission at the next meeting and enable the Commission to make a recommendation to City Council on this matter. The discussion today was to explain to the Commission why this is concept is being proposed and to see how the Commission feels about this. Winkel asked if there is a consensus for this to be further explored. Wickstrom said they could communicate with demand customers about the proposed changes, and he will have further discussions with those on the margin (right at 30). Winkel said he got the impression there is a consensus to move forward. General discussion ensued about the over/under 30 threshold and rate calculations. Mawson said that with customers working toward keeping usage under 30, we should save money from BPA because the City demand would also lessen.

- 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 said he didn't have anything specific to point in the reports provided in the packet.

Once again discussion ensued about the fluctuations in the monthly water figures, and again it was pointed out that the numbers depend on when meters are being read and to look at the yearly average. Mawson said it only takes the electric utility 2–3 days to read the meters but it takes 2 weeks to read water/sewer meters. Youravish said we are doing our annual flushing so upcoming numbers will be particularly unusual. The whole system is being flushed so the report may show a 50% loss next month. Seymour asked if it's done in one month. Youravish said no, it can't get done in a single month. There's only one employee doing it and it's taking place 4 days a week.

Mawson said members of the community are reading the utilities' newsletter—the City has gotten phone calls regarding clean-out caps.

C. Plans, Projects, and Reports

C-1. Status Report

Mawson said he's already talked about the pumps. Spending further funds will depend on the results of general obligation bond question that will be on the November ballot. However, we need to be able to operate between now and then.

There are some quotes in to rebuild the clarifier that is down; it's estimated to cost \$85,000. When that is rebuilt, because both clarifiers are about the same age, the second one should also be rebuilt so the City has two "brand-new" clarifiers. The tanks are okay but the guts need rebuilding. Seymour asked where they will be rebuilt. Mawson said here on site; new parts will be brought in for both the tops and the bottoms rather than having new parts on top and twenty-year-old parts on the bottom.

Mawson said the storm drain project on 11th Street has been awarded by Council. June 15 is their proceed date, and they will begin "potholing" and doing some fieldwork through the end of June. They won't start digging until after the July 4th holiday. They will begin digging around July 8 starting at 10th and El Mira working their way to 11th and on to Fillmore. There will be times when roads need to be closed, but they are keeping businesses in mind as was discussed in previous meetings. Detours, flaggers, and traffic control will be instituted. Mayor Schamehorn asked about hospital access. Mawson said there will always be access to the hospital.

The same considerations will be true in June when sidewalk improvement/paving repairs affecting Highway 101 to Baltimore take place (sidewalks will be worked on first).

O'Dea asked about the status of the Water Master Plan. Mawson said Major (Dyer Engineering) is not ready yet so he has it down for the June meeting. Winkel asked about the business plan. Mawson said other recent meetings have taken precedence (such as the budget meetings) so he had no updates.

D. Communication Plan

D-1. Newsletter Review

Bremmer had handed out a draft of the newsletter to the Commissioners. Starbuck pointed out a spelling error that will be corrected.

Bremmer asked Winkel if he would email her the photo showing the rag clog at the wastewater plant so she can put it in the newsletter. He said he would.

Mawson said in the past they determined that a source of some of the rags was Pacific View (on the Jetty). They put in grinder equipment that alleviates the problem before it gets into our system. That is why we try to identify big abusers. Jackson asked how long this clogging problem has been going on. Mawson said it's been going on for many years. He's only been here 2-1/2 years, but it was happening when Winkel was City Manager. Winkel said they've always tried to track down the abusers. Restaurants are inspected to ensure grease traps are functioning properly. In 1993 the then new pump was considered state-of-the-art but it can't cope with the modern demands on the system. Mawson said submersible pumps with grinders would be ideal. Jackson said he would like to talk to Mawson about this and take a tour of the sewer plant. Mawson and Jackson agreed on Tuesday at 10:00 a.m. to tour both plants.

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

Nothing was discussed

D-3. Public Service Announcements (PSAs)

Nothing was discussed.

D-4. Other

Nothing was discussed.

E. Enterprise Budget Update**E-1. Fiscal Year 2018–2019****E-2. Fiscal Year 2019–2020****E-3. Capital Improvement**

Mawson said the budget was approved Monday night using the emergency rate increases that were proposed. Electric was okay. Mayor Schamehorn said there were some tweaks by the Budget Committee to water and sewer figures. Both she and Amy Moss-Strong, managing editor of *Bandon Western World*, are writing articles about the new calculations. Moss-Strong will use calculations based on 2,000 gallons and Mayor Schamehorn will use calculations using both 2,000 and 5,000 gallons. They will talk about actual dollars rather than percentages.

Mawson then touched on the various water, wastewater, and capital reserve/capital investment funds (to save for larger projects). Projects such as the seismic valve and emergency generator will depend on the results of the election. Discussion ensued, and Mawson said the question will be how and to whom to apply the 21% and 28% rate increases. It was agreed that they should be applied to the base rate and consumption rate across the board.

5. CITY MANAGER / DIRECTOR OF UTILITIES REPORT

Mawson had nothing further to report.

6. COMMISSION MEMBER COMMENTS / REMARKS

Kuehner expressed gratitude to Mayor Schamehorn for attending. Winkel thanked Kuehner for his work on the Bandon Earth Day project.

7. CITY COUNCIL DIRECTION

Nothing was discussed.

8. AGENDA ITEMS FOR THE NEXT MEETING

Nothing was discussed.

9. PUBLIC COMMENTS

James Peake, 757 Newport Avenue Southwest, Bandon, Oregon 97411, asked at what percent of capacity does the sewer plant typically operate. Mawson said without storm water surge, it averages about 50%. Discussion ensued.

10. ADJOURN

There being no further business, Winkel adjourned the meeting at 5:10 p.m.

Submitted by Fran McGuire, *Minutes Clerk*

DRAFT - DRAFT

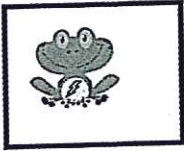
Beth Hager

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.**

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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.

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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%.

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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

City of Bandon
P.O. Box 67
555 Highway 101
Bandon, OR 97411
Phone (541) 347-2437
Fax (541) 347-1415
www.cityofbandon.org



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