

**Matt Winkel**

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**From:** "Matt Winkel" <winkel@mycomspan.com>  
**Date:** Friday, April 19, 2019 10:40 AM  
**To:** "Beth Hager" <bhager@ci.bandon.or.us>  
**Cc:** "Denise Russell" <drussell@cityofbandon.org>  
**Subject:** Re: April 24 Utilities Commission Special Meeting-Work Session Agenda

Beth:

If necessary in order to have the Action Item "Recommendation to the Budget Committee and City Council" on the Utilities Commission agenda, then the Agenda may have to have two parts: Work Session (for Review and Discussion of the Proposed FY 2019-2020 Budget) followed by a Special Meeting (for Recommendation to the Budget Committee and City Council). I am considering the possibility that the Utilities Commission may want to consider the adoption of a Resolution making a recommendation to the Budget Committee and City Council. I have asked Denise for appropriate Resolution Numbers for potential Resolutions from both the Utilities Commission and the Budget Committee.

Thanks again!

Matt

**From:** Matt Winkel  
**Sent:** Friday, April 19, 2019 10:19 AM  
**To:** Beth Hager  
**Subject:** April 24 Utilities Commission Special Meeting-Work Session Agenda

Beth:

I'm sure you haven't had the opportunity to prepare and send out the agenda for the upcoming April 24 Utilities Commission Special Meeting/Work Session, but, in addition to the normal (Call to Order, Roll Call, Adjournment, etc. items), the Action and Discussion Items need to include:

- Review and Discussion of the Proposed FY 2019-2020 Budget
- Recommendation to the Budget Committee and City Council

Thanks!

Have a great weekend!

Matt

**Matt Winkel**

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**From:** "Matt Winkel" <winkel@mycomspan.com>  
**Date:** Friday, April 19, 2019 2:55 PM  
**To:** <drussell@ci.bandon.or.us>  
**Cc:** "Beth Hager" <bhager@ci.bandon.or.us>; "Robert Mawson" <citymanager@ci.bandon.or.us>  
**Subject:** Re: Resolution Numbers?

Denise:

Thanks for getting back to me, but what I was looking for was "if" the Utilities Commission and/or Budget Committee adopted a resolution, what would the number be. I assume from your response that there is no established numbering system for Utilities Commission or Budget Committee resolutions, so I can use whatever numbering system I want.

Thanks again, and have a great weekend!

Matt

**From:** drussell@ci.bandon.or.us  
**Sent:** Friday, April 19, 2019 11:22 AM  
**To:** 'Matt Winkel'  
**Cc:** 'Beth Hager' ; 'Robert Mawson'  
**Subject:** RE: Resolution Numbers?

Good Morning Matt,

As advisory bodies to the Council, the Utilities Commission and the Budget Committee can provide recommendations to the Council. These would be tracked through the minutes for the Committee/Commission or by written recommendation to the Council. Resolutions by definition are regulatory in nature and should not be used. No committee or commission should provide documentation in a format that would be perceived as binding on the Council.

Regards,

Denise Russell  
City Recorder  
City of Bandon

**From:** Matt Winkel <winkel@mycomspan.com>  
**Sent:** Friday, April 19, 2019 10:24 AM  
**To:** Denise Russell <drussell@cityofbandon.org>  
**Subject:** Resolution Numbers?

Denise:

If the Utilities Commission was to prepare and approve a Resolution, what would its Number be? Maybe something

like UC-19-01?

Also, if the Budget Committee was to prepare and approve a Resolution, what would its Number be? Maybe something like BC-19-01?

Thanks.

Have a great weekend!

Matt

**Matt Winkel**

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**From:** "Matt Winkel" <winkel@mycomspan.com>  
**Date:** Saturday, April 20, 2019 6:33 PM  
**To:** "Mary Schamehorn" <marys@coosnet.com>  
**Subject:** Re: meeting notices

Mary:

Yes to the emergency. Despite City Hall's efforts to stop me, I am preparing a resolution for the Utilities Commission recommending an emergency declaration, bond issue, and increasing utility rates.

Staff doesn't want the City Council, Budget Committee, Utilities Commission, or the public involved in their budget process (assuming you can call it a process).

I think it will get interesting!

Matt

**From:** Mary Schamehorn  
**Sent:** Saturday, April 20, 2019 4:49 PM  
**To:** Matt Winkel  
**Subject:** Fw: meeting notices

All the meetings were mentioned in Robert's newsletter except those pesky little budget meetings. And then I just saw the notice posted at the post office for April, May and June. Again no mention of the budget meetings. See Denise's reply to me.

I guess this is why I can't ever get through to anyone.

if they really wanted people to attend the meetings, they would understand how much better it would have been to have them noted in Robert's newsletter ... than buried on some legal page and on the mostly unhelpful website. why have a newsletter if things like budget meetings are to be omitted?

Are we still considering declaring an emergency? We need to do something. I am certainly willing to do it.

Mary

**From:** Mary Schamehorn  
**Sent:** Saturday, April 20, 2019 4:45 PM  
**To:** Denise Russell  
**Cc:** mailto:bhager@cityofbandon.org ; Denise Russell ; Robert Mawson  
**Subject:** Re: meeting notices

Of course, I understand that we have complied with the letter of the law, but people are way more apt to see a notice in Robert's newsletters or at the post office than they ever would a legal notice.

I have no doubt that we have complied with the letter of the law.... but when we had other opportunities, where people might actually see it and attend our meetings, we need to take advantage of these opportunities.

I think Robert's newsletter is well read by people, so still not sure why the budget meetings would not be listed as coming events for April.



Thank heavens we sent out the required legal notices or we would not have been able to hold the meetings.  
Thanks to whoever took care of that.  
Mary

**From:** Denise Russell  
**Sent:** Saturday, April 20, 2019 4:13 PM  
**To:** Mary Schamehorn  
**Cc:** mailto:bhager@cityofbandon.org ; Denise Russell ; Robert Mawson  
**Subject:** Re: meeting notices

Good Afternoon Mary,

The notice for all budget meetings, including the possible third, are posted and run in the legal section of the paper by statute requirement 5-30 days prior to the first meeting. These notices ran the last week of March per our budget calendar. The notices were also posted to the website.

Regards,

Denise Russell  
City Recorder  
City of Bandon

On Sat, Apr 20, 2019, 2:22 PM Mary Schamehorn <marys@coosnet.com> wrote:

Hi all. I know you are tired of hearing me complain, but you are not nearly as tired as I am about having to do this.

To begin with, I want to say that the City of Bandon budget meetings are some of the most important meetings of the year. More than ever the public needs to know our financial situation ... which is dire.

But, in Robert's April newsletter, all meetings of the council were outlined, but NOT one word about the budget meetings. How could anyone forget at least two scheduled meetings, and now three?

Today, I went to the post office and happened to notice the schedule of meetings posted. Again, not one mention of the budget committee under April,.

This is some of our most important work and until the citizens understand the perils that we face, we will battle this alone.

Maybe there is a reason that no one thinks the budget meetings are important enough to post, or mention in a newsletter, and if you have an explanation, I would love to hear it.

Maybe it's just me . . . .

Mary

MW 0006

9/18/2019

**Matt Winkel**

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**From:** "Matt Winkel" <winkel@mycomspan.com>  
**Date:** Saturday, April 20, 2019 3:31 PM  
**To:** "Mary O'Dea" <me\_odea@hotmail.com>; "Sheryl Bremmer" <sherbre@frontier.com>  
**Attach:** UC-19-01 RESOLUTION RE EMERGENCY WATER & SEWER RATES.doc  
**Subject:** Re: Utilities Commission Resolution

Slight extremely minor correction that hopefully you won't notice anyway!

Matt

**From:** Matt Winkel  
**Sent:** Saturday, April 20, 2019 3:25 PM  
**To:** Mary O'Dea ; Sheryl Bremmer  
**Subject:** Utilities Commission Resolution

Mary and Sheryl:

Firstly, always be doing something better and more enjoyable than opening the attachment.

Secondly, if your finger slips and you do open this, shame on you, but give me your thoughts anyway.

Thirdly, if I haven't already told you, remind me to tell you sometime about my interaction with City staff on this whole resolution and related issues.

Fourthly, have great weekend.

Happy Easter!

Matt



**RESOLUTION NO. UC-19-01**

**A RESOLUTION OF THE UTILITIES COMMISSION OF THE CITY OF BANDON, OREGON, FINDING THAT AN EMERGENCY EXISTS IN THE WATER AND SEWER UTILITY BUDGETS; AND RECOMMENDING THAT THE MAYOR AND CITY COUNCIL DECLARE AN EMERGENCY, MAKE CERTAIN ADJUSTMENTS TO THE PROPOSED FISCAL YEAR 2019-2020 BUDGET, PLACE A WATER AND SEWER GENERAL OBLIGATION BOND ON THE BALLOT, AND INSTITUTE EMERGENCY WATER AND SEWER RATE INCREASES.**

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 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 sewer systems, the Utilities Commission has determined that an EMERGENCY exists in the water and sewer utility budgets.

NOW, THEREFORE, BE IT RESOLVED that the Utilities Commission hereby recommends that the Mayor and City Council declare that an EMERGENCY exists in the water and sewer utility system budgets;

AND, BE IT FURTHER RESOLVED that, 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 immediately take following actions:

1. Immediately Institute emergency water and sewer rate increases in the 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 \$200,000 in the Water Fund (940) and \$198,000 in the Sewer Fund (950). Based on the revenues currently projected in the proposed Budget, generating sufficient revenues to cover these shortfalls would require a water rate increase of approximately 37% and a sewer rate increase of approximately 24%.



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 project capital improvement project:
  - A. 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. Direct the City Manager to immediately initiate negotiations with private and public financial institutions and lenders to determine the availability, costs, and terms of loans and grants that may be available for providing \$3,500,000 to finance the following 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. Financing/bond issuance costs (\$50,000).
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 in the amount of \$3,500,000 (minus the amount of available grants) to finance the sewer system improvements listed in Item 4 above. If the proposed general obligation bond for sewer system improvements is not approved by the voters, then it is recommended that a sewer revenue bond be issued to cover those costs, which would require an additional sewer rate increase of approximately 25% to cover the annual payments necessary to service the debt on that revenue bond.

AND, BE IT FURTHER RESOLVED that the Utilities Commission recommends that the Mayor and City Council continue to monitor the financial condition and needs of the water, sewer, and electric utilities, and annually adjust the utility rates as necessary to meet the operation, maintenance, and capital needs of those utilities.

ADOPTED by the Utilities Commission, this 24<sup>th</sup> day of April, 2019.

\_\_\_\_\_  
**Matt Winkel, Chair**

**ATTEST:**

\_\_\_\_\_  
**Mary O'Dea, Vice Chair**

**Matt Winkel**

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**From:** "Matt Winkel" <winkel@mycomspan.com>  
**Date:** Saturday, April 20, 2019 3:25 PM  
**To:** "Mary O'Dea" <me\_odea@hotmail.com>; "Sheryl Bremmer" <sherbre@frontier.com>  
**Attach:** UC-19-01 RESOLUTION RE EMERGENCY WATER & SEWER RATES.doc  
**Subject:** Utilities Commission Resolution

Mary and Sheryl:

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Secondly, if your finger slips and you do open this, shame on you, but give me your thoughts anyway.

Thirdly, if I haven't already told you, remind me to tell you sometime about my interaction with City staff on this whole resolution and related issues.

Fourthly, have great weekend.

Happy Easter!

Matt



**RESOLUTION NO. UC-19-01**

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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 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 sewer systems, the Utilities Commission has determined that an EMERGENCY exists in the water and sewer utility budgets.

NOW, THEREFORE, BE IT RESOLVED that the Utilities Commission hereby recommends that the Mayor and City Council declare that an EMERGENCY exists in the water and sewer utility system budgets;

AND, BE IT FURTHER RESOLVED that, 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 immediately take following actions:

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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 project capital improvement project:
  - A. Treated water storage tank seismic protection valves.
  
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  - E. Financing/bond issuance costs (\$50,000).
  
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 in the amount of \$3,500,000 (minus the amount of available grants) to finance the sewer system improvements listed in Item 3 above. If the proposed general obligation bond for sewer system improvements is not approved by the voters, then it is recommended that a sewer revenue bond be issued to cover those costs, which would require an additional sewer rate increase of approximately 25% to cover the annual payments necessary to service the debt on that revenue bond.

AND, BE IT FURTHER RESOLVED that the Utilities Commission recommends that the Mayor and City Council continue to monitor the financial condition and needs of the water, sewer, and electric utilities, and annually adjust the utility rates as necessary to meet the operation, maintenance, and capital needs of those utilities.

ADOPTED by the Utilities Commission, this 24<sup>th</sup> day of April, 2019.

\_\_\_\_\_  
**Matt Winkel, Chair**

**ATTEST:**

\_\_\_\_\_  
**Mary O'Dea, Vice Chair**



**Matt Winkel**

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**From:** <sherbre@frontier.com>  
**Date:** Saturday, April 20, 2019 4:11 PM  
**To:** "Matt Winkel" <winkel@mycomspan.com>  
**Subject:** Re: Utilities Commission Resolution

Hi,

My life is so woefully dismal that I eagerly open your attachments. Also, I am so obsessive that I am working on refining the newsletter to eliminate all of the sugar coating.

I've read the proposed resolution through twice and I think it covers the problem.

The lower figures Robert gave us for the Water and the Sewer shortfalls are here. I suspect that's because the language of the resolution accounts for the higher figures Robert gave to the Utilities Commission and not the Council or Budget Committee.

I eagerly await your tale of City interaction. See, I told you my life is dismal.

I'm providing some background points, merely because they are background points; I'm an historian; I need to use my notes for something. On 2/10/16, we were informed by C. Good, that our expenditures are outpacing our revenues. The Commission discussed how we wanted to approach the utility rate issue and agreed that maintenance must be done on an ongoing basis. This is when the Commission agreed that we were not going to put rate setting on the November ballot (in response to Bob Berry's question regarding same). We agreed that we need to increase the base rate. The Chair of the Utilities Commission, you, said that we need a cost of service study, which we haven't gotten to this day, 4/10/19.

At the Utilities Commission meeting on 3/16/16, Chris Good addressed closing the gap in the water fund. Figures given were: \$360,000 out of capital funding for seismic retrofit and filter/media, regular operations. We'd still have a deficit of \$100-600K. Proposals were made. Increase in rates, 54%. Emergency power generator at the water plant.

At the 3/30/16 meeting we worked under the stated premise: "Utilities are a business, fees support the business just like any business." We proposed a minimal amount of water rate raise. \$10/month residential, \$20/month commercial. This will pay for maintenance and damage control but is not enough to build up a reserve account. We need to maintain what we have.

At the 5/11/16 meeting, we figured out how to publicize the rate increases and said we would tell the people exactly what we are doing. 4 projects identified: filter/media; chlorine generator; seismic valve; refurbishing 2million gallon water tank. Additional mentions of back up pumps/generators. Daniel Graham asked, "If this doesn't pass, then what?" Answer: "Transfer \$ from the General Fund and from other areas."

In 2016, all of the meetings above included detailed discussion of the proposed reservoir.

Back to the newsletter.  
 Bye for now,  
 Sheryl

On Saturday, April 20, 2019, 3:26:07 PM PDT, Matt Winkel <winkel@mycomspan.com> wrote:

Mary and Sheryl:

Firstly, always be doing something better and more enjoyable than opening the attachment.

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Thirdly, if I haven't already told you, remind me to tell you sometime about my interaction with City staff on this whole resolution and related issues.

Fourthly, have great weekend.

Happy Easter!

Matt

**mattwinkel@outlook.com**

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**From:** M O'Dea <me\_odea@hotmail.com>  
**Sent:** Monday, April 22, 2019 10:02 AM  
**To:** mattwinkel@outlook.com; sherbre@frontier.com  
**Subject:** RE: Resolution

Good morning.

Having looked over the resolution, the proposed budget, Sheryl's reminder, etc. I feel that it is imperative that we as a commission protect our interests.

Not to be dramatic, but we seem to be the last bastions of honesty and hard truths.

I strongly feel that these two points are critical and need to be added to the resolution because we as a commission have to retain our credibility. CYA.

a) We need to specifically address the fiscal status of the 941 fund and the lack of City accountability.

b) I believe we need to add to the resolution that because of the delinquency of the City's previous year's budget audits, and its intentional restriction of public information, we need an external audit to find out how in three years the two utility funds developed such dramatic shortfalls. Perhaps an audit should be extended to all enterprises; want to make sure we have no electrical enterprise surprises.

1) and of equal importance, we need to clarify that the Utility Commission was intentionally not informed of these problems.

While I understand that this is just about water and wastewater, the lack of information in the budget about increased BPA rates and spillage costs are important to note. The City Manager stated on 4/1/2019 that it had been absorbed by the city. Where?

And lastly, No. 2. should read "Treated 2MG water storage tank seismic protection valves."

Mary



**mattwinkel@outlook.com**

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**From:** M O'Dea <me\_odea@hotmail.com>  
**Sent:** Monday, April 22, 2019 5:13 PM  
**To:** Matt Winkel; sherbre@frontier.com  
**Subject:** RE: Resolution

The crux of my problem is that we have no real cash numbers to back up anything in the utilities budget. On one hand, R has said that wastewater is the hole for about \$200K, and yet last month he told Bill N that he had 50% of his budget still to spend. Is Bill N spending overdrafts? Who am I to believe? Why were we not informed of this problem before now? Was it manufactured or is it real? We have never gotten the info in the 941 fund balance, and yet there is enough to transfer elsewhere...but not do the work that the voters agreed to?

I cannot in good conscience give the City a "get out of jail free card" without some language that states we were intentionally left in the dark and refused information pertinent to our ability to advise the M& CC.

You can remove me from the resolution. Remove me from the commission. Whatever, but I feel strongly about this prevarication by the City over the past few years. I feel there has been a breach of trust by the M & CC, and the City to the rate payers/residents of Bandon.

Sent from [Mail](#) for Windows 10

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**From:** Matt Winkel <mattwinkel@outlook.com>  
**Sent:** Monday, April 22, 2019 4:17:40 PM  
**To:** M O'Dea; sherbre@frontier.com  
**Subject:** RE: Resolution

Mary:

I made the adjustment to specify the "2 million gallon" water treatment plant seismic protection valves. (Good catch!)

As far as the other items related to the lack of accountability in the 941 Fund, intentional restriction of public information, intentionally not informing the Commission of the problems, and requesting an outside audit, those may best be subjects addressed in a different venue. I was trying to use this Resolution in an effort to fix the problems with the proposed budget. If you feel strongly that they should be included in this Resolution, I'm not sure the best and most appropriate way to do that, so perhaps you can suggest some language to be added.

I believe the utility shortfalls are essentially the result of not having adequate revenues to cover the costs to operate and maintain aging facilities, which I had predicted in my Budget Messages for many years prior to my retirement in 2014. That is why the City made prior (albeit unsuccessful) attempts to regain utility rate setting authority and increase rates.

I believe the place where the "spillage" costs were "absorbed" was in the Electric Fund (910) – Source of Supply expenditures, which are shown on Page 51 of the proposed budget. Robert should be able to clarify whether or not that is the case.

Let me know your thoughts on this.

MW 0016



Thanks.

Have a great evening!

Matt

**From:** M O'Dea <me\_odea@hotmail.com>  
**Sent:** Monday, April 22, 2019 10:02 AM  
**To:** mattwinkel@outlook.com; sherbre@frontier.com  
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And lastly, No. 2. should read "Treated 2MG water storage tank seismic protection valves."

Mary

**mattwinkel@outlook.com**

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**From:** M O'Dea <me\_odea@hotmail.com>  
**Sent:** Tuesday, April 23, 2019 2:07 PM  
**To:** Matt Winkel; Sheryl Bremmer  
**Subject:** COuld we add tot he resolution  
**Attachments:** UC-19-01 RESOLUTION RE EMERGENCY WATER & SEWER RATES[3982]\_b.doc

Matt,

Can we say something like this (see whereas in red)? I really want UC to plausible deniability when we try to sell this to the public. I know its awkward and I am still working on it.

MW 0018

**RESOLUTION NO. UC-19-01**

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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 are projected to be insufficient to generate the revenue necessary to continue properly operating, maintaining, and improving those utility systems; and

WHEREAS, the Utilities Commission has not, up to the time of the time of the 2019-2020 presentation been privy to enterprise funds shortfalls or current cash balances; and

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

NOW, THEREFORE, BE IT RESOLVED that the Utilities Commission hereby recommends that the Mayor and City Council declare that an EMERGENCY exists in the water and sewer utility system budgets;

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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 project capital improvement project:
  - A. Treated 2MG 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. Direct the City Manager to immediately initiate negotiations with private and public financial institutions and lenders to determine the availability, costs, and terms of loans and grants that may be available for providing \$3,500,000 to finance the following 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. Financing/bond issuance costs (\$50,000).
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 in the amount of \$3,500,000 (minus the amount of available grants) to finance the sewer system improvements listed in Item 4 above. If the proposed general obligation bond for sewer system improvements is not approved by the voters, then it is recommended that a sewer revenue bond be issued to cover those costs, which would require an additional sewer rate increase of approximately 25% to cover the annual payments necessary to service the debt on that revenue bond.

AND, BE IT FURTHER RESOLVED that the Utilities Commission recommends that the Mayor and City Council continue to monitor the financial condition and needs of the water, sewer, and electric utilities, and annually adjust the utility rates as necessary to meet the operation, maintenance, and capital needs of those utilities.

ADOPTED by the Utilities Commission, this 24<sup>th</sup> day of April, 2019.

\_\_\_\_\_  
**Matt Winkel, Chair**

**ATTEST:**



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**Mary O'Dea, Vice Chair**

**mattwinkel@outlook.com**

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**From:** sherbre@frontier.com  
**Sent:** Tuesday, April 23, 2019 3:19 PM  
**To:** Matt Winkel  
**Subject:** Re: COuld we add tot he resolution

Matt,

It's pretty general. I'd suggest revising the first line in red where it says, "up to the time of the time of", and putting a comma after the word "presentation". Inserting this sentence doesn't change the recommendation and it doesn't add much or detract from the whole. If it makes Mary happy, fine.

I'm composing an email and you'll get a copy.

Sheryl

On Tuesday, April 23, 2019, 2:42:08 PM PDT, Matt Winkel <mattwinkel@outlook.com> wrote:

Sheryl:

I don't think I would have a problem with this or something similar. Your thoughts?

Thanks!

Matt

**From:** M O'Dea <me\_odea@hotmail.com>  
**Sent:** Tuesday, April 23, 2019 2:07 PM  
**To:** Matt Winkel <mattwinkel@outlook.com>; Sheryl Bremmer <sherbre@frontier.com>  
**Subject:** COuld we add tot he resolution

Matt,

Can we say something like this (see whereas in red)? I really want UC to plausible deniability when we try to sell this to the public. I know its awkward and I am still working on it.

MW 0022

**mattwinkel@outlook.com**

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**From:** Matt Winkel <mattwinkel@outlook.com> on behalf of mattwinkel@outlook.com  
**Sent:** Tuesday, April 23, 2019 5:33 PM  
**To:** 'Matt Winkel'; 'M O'Dea'; 'Sheryl Bremmer'  
**Subject:** RE: REVISED WATER & SEWER EMERGENCY DOCUMENT  
**Attachments:** 2019-2020 WATER & SEWER BUDGET EMERGENCY.doc

Whoops! I guess including the attachment would be good!

**From:** Matt Winkel <mattwinkel@outlook.com>  
**Sent:** Tuesday, April 23, 2019 5:30 PM  
**To:** M O'Dea <me\_odea@hotmail.com>; Sheryl Bremmer <sherbre@frontier.com>  
**Subject:** REVISED WATER & SEWER EMERGENCY DOCUMENT

Here's my latest revision, based on your input. Please review and give me your thoughts. I'm getting less and less confident in the figures presented in the proposed budget, but I guess that's all we have to work with. The format got a bit messed up, since I work in WordPerfect, and auto-translated it to Word, which can mess it up. The words are still all there.

I've made a bunch of changes, including the title. Let me know if you think there's too much detail regarding the estimated bond costs, property tax assessments, water rate increase percentages, etc., but I was attempting to answer the questions the Council will immediately ask: How much will this cost? How much of a utility rate increase? How much of a property tax assessment?

Have a great evening!

Matt



**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 and Sewer Fund 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 \$200,000 in the Water Fund (940) and \$198,000 in the Sewer Fund (950). Based on the revenues currently projected in the proposed Budget, generating sufficient revenues to cover these shortfalls would require a water rate increase of approximately 37% and a sewer rate increase of approximately 24%.

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 project 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 \$3,450,000 to finance the following 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).
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 \$3,450,000 in net proceeds to finance the sewer system improvements listed in Item 4 above. Assuming the total bond debt, including bond issuance, bond counsel and underwriters costs, contingencies, etc., is \$3,800,000, it is estimated that repayment of a 20-year bond at a 5% annual interest rate would require property tax assessments in the range of \$0.62 per \$1,000 assessed valuation, based on the 2018-2019 City assessed valuation of \$490,372,860.

If the proposed general obligation bond for sewer system improvements is not approved by the voters, then it is recommended that a sewer revenue bond be issued to cover those costs, which would require an additional estimated 20-year EMERGENCY sewer rate increase in the range of 36% 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 24<sup>th</sup> day of April, 2019.

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**Matt Winkel, Chair**

**ATTEST:**

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**Mary O'Dea, Vice Chair**



**mattwinkel@outlook.com**

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**From:** M O'Dea <me\_odea@hotmail.com>  
**Sent:** Tuesday, April 23, 2019 6:41 PM  
**To:** Matt Winkel; Sheryl Bremmer  
**Subject:** RE: REVISED WATER & SEWER EMERGENCY DOCUMENT

Yes, I can work with this. Thanks for all your hard work.  
I particularly like the re-take on the pre-amble.

Mary

Sent from Mail for Windows 10

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**From:** Matt Winkel <mattwinkel@outlook.com>  
**Sent:** Tuesday, April 23, 2019 5:32:41 PM  
**To:** Matt Winkel; M O'Dea; Sheryl Bremmer  
**Subject:** RE: REVISED WATER & SEWER EMERGENCY DOCUMENT

Whoops! I guess including the attachment would be good!

**From:** Matt Winkel <mattwinkel@outlook.com>  
**Sent:** Tuesday, April 23, 2019 5:30 PM  
**To:** M O'Dea <me\_odea@hotmail.com>; Sheryl Bremmer <sherbre@frontier.com>  
**Subject:** REVISED WATER & SEWER EMERGENCY DOCUMENT

Here's my latest revision, based on your input. Please review and give me your thoughts. I'm getting less and less confident in the figures presented in the proposed budget, but I guess that's all we have to work with. The format got a bit messed up, since I work in WordPerfect, and auto-translated it to Word, which can mess it up. The words are still all there.

I've made a bunch of changes, including the title. Let me know if you think there's too much detail regarding the estimated bond costs, property tax assessments, water rate increase percentages, etc., but I was attempting to answer the questions the Council will immediately ask: How much will this cost? How much of a utility rate increase? How much of a property tax assessment?

Have a great evening!

Matt

MW 0027

**mattwinkel@outlook.com**

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**From:** sherbre@frontier.com  
**Sent:** Tuesday, April 23, 2019 7:03 PM  
**To:** Matt Winkel  
**Cc:** M. O'Dea  
**Subject:** Re: REVISED WATER & SEWER EMERGENCY DOCUMENT

This looks good to me and it addresses all of the "what is this going to cost?" issues. Also, the rate-setting authority at the end provides something for everyone.  
I don't see how anyone in the know could be against this.

Sheryl

On Tuesday, April 23, 2019, 5:32:43 PM PDT, Matt Winkel <mattwinkel@outlook.com> wrote:

Whoops! I guess including the attachment would be good!

**From:** Matt Winkel <mattwinkel@outlook.com>  
**Sent:** Tuesday, April 23, 2019 5:30 PM  
**To:** M O'Dea <me\_odea@hotmail.com>; Sheryl Bremmer <sherbre@frontier.com>  
**Subject:** REVISED WATER & SEWER EMERGENCY DOCUMENT

Here's my latest revision, based on your input. Please review and give me your thoughts. I'm getting less and less confident in the figures presented in the proposed budget, but I guess that's all we have to work with. The format got a bit messed up, since I work in WordPerfect, and auto-translated it to Word, which can mess it up. The words are still all there.

I've made a bunch of changes, including the title. Let me know if you think there's too much detail regarding the estimated bond costs, property tax assessments, water rate increase percentages, etc., but I was attempting to answer the questions the Council will immediately ask: How much will this cost? How much of a utility rate increase? How much of a property tax assessment?

Have a great evening!

Matt

MW 0028

**mattwinkel@outlook.com**

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**From:** Matt Winkel <mattwinkel@outlook.com>  
**Sent:** Tuesday, April 23, 2019 7:06 PM  
**To:** sherbre@frontier.com  
**Cc:** M. O'Dea  
**Subject:** RE: REVISED WATER & SEWER EMERGENCY DOCUMENT

Thanks you two for all of your help on this.

I'll put 'er to bed!

Have a great rest of the evening!

Matt

**From:** sherbre@frontier.com <sherbre@frontier.com>  
**Sent:** Tuesday, April 23, 2019 7:03 PM  
**To:** Matt Winkel <mattwinkel@outlook.com>  
**Cc:** M. O'Dea <me\_odea@hotmail.com>  
**Subject:** Re: REVISED WATER & SEWER EMERGENCY DOCUMENT

This looks good to me and it addresses all of the "what is this going to cost?" issues. Also, the rate-setting authority at the end provides something for everyone.  
I don't see how anyone in the know could be against this.

Sheryl

On Tuesday, April 23, 2019, 5:32:43 PM PDT, Matt Winkel <mattwinkel@outlook.com> wrote:

Whoops! I guess including the attachment would be good!

**From:** Matt Winkel <mattwinkel@outlook.com>  
**Sent:** Tuesday, April 23, 2019 5:30 PM  
**To:** M O'Dea <me\_odea@hotmail.com>; Sheryl Bremmer <sherbre@frontier.com>  
**Subject:** REVISED WATER & SEWER EMERGENCY DOCUMENT

Here's my latest revision, based on your input. Please review and give me your thoughts. I'm getting less and less confident in the figures presented in the proposed budget, but I guess that's all we have to work with. The format got a bit messed up, since I work in WordPerfect, and auto-translated it to Word, which can mess it up. The words are still all there.

I've made a bunch of changes, including the title. Let me know if you think there's too much detail regarding the estimated bond costs, property tax assessments, water rate increase percentages, etc., but I was attempting to answer

MW 0029



the questions the Council will immediately ask: How much will this cost? How much of a utility rate increase? How much of a property tax assessment?

Have a great evening!

Matt

**mattwinkel@outlook.com**

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**From:** Matt Winkel <mattwinkel@outlook.com>  
**Sent:** Tuesday, April 23, 2019 7:29 PM  
**To:** Mary Schamehorn  
**Subject:** Water & Sewer Emergency - Utilities Commission  
**Attachments:** 2019-2020 WATER & SEWER BUDGET EMERGENCY.pdf

Mary:

Here you go!

Good luck with this!

Matt

MW 0031

**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 and Sewer Fund 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 \$200,000 in the Water Fund (940) and \$198,000 in the Sewer Fund (950). Based on the revenues currently projected in the proposed Budget, generating sufficient revenues to cover these shortfalls would require a water rate increase of approximately 37% and a sewer rate increase of approximately 24%.



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 project 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 \$3,450,000 to finance the following 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).
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 \$3,450,000 in net proceeds to finance the sewer system improvements listed in Item 4 above. Assuming the total bond debt, including bond issuance, bond counsel and underwriters costs, contingencies, etc., is \$3,800,000, it is estimated that repayment of a 20-year bond at a 5% annual interest rate would require property tax assessments in the range of \$0.62 per \$1,000 assessed valuation, based on the 2018-2019 City assessed valuation of \$490,372,860.

If the proposed general obligation bond for sewer system improvements is not approved by the voters, then it is recommended that a sewer revenue bond be issued to cover those costs, which would require an additional estimated 20-year EMERGENCY sewer rate increase in the range of 36% 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 24<sup>th</sup> day of April, 2019.

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**Matt Winkel, Chair**

**ATTEST:**

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**Mary O'Dea, Vice Chair**

**mattwinkel@outlook.com**

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**From:** Matt Winkel <mattwinkel@outlook.com>  
**Sent:** Wednesday, April 24, 2019 7:11 PM  
**To:** Beth Hager  
**Subject:** Utilities Commission Findings and Recommendation  
**Attachments:** 2019-2020 WATER & SEWER BUDGET EMERGENCY.wpd

Beth:

Attached please find a .wpd copy of the Utilities Commission Findings and Recommendation from today's meeting.

Let me know when you have a copy of the revised document ready for me and Mary O'Dea to sign.

If you need anything further, please let me know.

Thanks.

Have a great day!

Matt



**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 and Sewer Fund 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 \$200,000 in the Water Fund (940) and \$198,000 in the Sewer Fund (950). Based on the revenues currently projected in the proposed Budget, generating sufficient revenues to cover these shortfalls would require a water rate increase of approximately 37% and a sewer rate increase of approximately 24%.



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 \$3,450,000 to finance the following 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).
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 \$3,450,000 in net proceeds to finance the sewer system improvements listed in Item 4 above. Assuming the total bond debt, including bond issuance, bond counsel and underwriters costs, contingencies, etc., is \$3,800,000, it is estimated that repayment of a 20-year bond at a 5% annual interest rate would require property tax assessments in the range of \$0.62 per \$1,000 assessed valuation, based on the 2018-2019 City assessed valuation of \$490,372,860.

If the proposed general obligation bond for sewer system improvements is not approved by the voters, then it is recommended that a sewer revenue bond be issued to cover those costs, which would require an additional estimated 20-year EMERGENCY sewer rate increase in the range of 36% 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 24<sup>th</sup> day of April, 2019.

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**Matt Winkel, Chair**

**ATTEST:**

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**Mary O'Dea, Vice Chair**



**mattwinkel@outlook.com**

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**From:** Mary Schamehorn <marys@coosnet.com>  
**Sent:** Thursday, April 25, 2019 9:54 AM  
**To:** Matt Winkel  
**Subject:** emergengy statement.doc  
**Attachments:** emergengy statement.doc

what do you think of this statement. I think we need to get on top of this quickly, and I will tell Amy that I plan to put this in my column, which means it will be in Western World. Give me feedback please. Mary

Let's say, for example, you owned a building supply store, and one day your customers voted not to allow you to ever raise prices. Your merchandise continued to rise in price and other expenses increased, but you could not raise your prices. You kept going back to your customers, explaining your situation, but still they said "no increases." Eventually, you could no longer remain in business, and you were forced to close your doors.

This is essentially the same situation faced by the City of Bandon, but we cannot stop providing clean water and treated sewage ... just because we are not allowed to raise our rates without a vote of the people. This charter amendment was put in place more than 20 years ago by the voters; in the early years we were allowed to raise rates just enough to pay our pre-existing agreements with the state on sewer and water bonds. Those agreements have now been paid off, and we are facing an emergency in our ability to operate and maintain both the sewer and the water utility.

Not only can we not fund day to day operation and maintenance of our facilities, but the sewage treatment plant is nearing the end of its 20-year life and will require extensive upgrades.

The city council has been entrusted to take care of the health and welfare of the people of Bandon.

As a result we are declaring an emergency, which will require us to raise our water rates 37 percent and our sewer rates 24 percent.

Based on the basic bill, which provides 2,000 gallons of water a month, your bill will go up to approximately \$14 a month.

I looked at my last utility bill. I used 1,000 gallons of water for a water and sewer bill of \$46.22. Even if I had used 2,000 gallons of water, my bill would have gone up only \$14 to \$60.37. In the summer, if I choose to keep a green lawn and water almost daily (whether I need to or not), my bill will increase.

How does that same usage compare with our neighbors: in Myrtle Point your bill would be \$70 a month; Powers, \$77 a month; Coos Bay, \$72; Port Orford, \$83 a month and Coquille, \$124 a month. And not only that, but our electric bills are cheaper than either Coos-Curry Electric or Pacific Power.

As one member of our utility commission put it so well: if we are not able to prevent raw sewage from spilling out onto the bay and we can no longer provide safe, clean drinking water, the state could well step in, take over our utilities, and charge whatever is necessary to maintain both systems. That is the last thing we want to happen!

We have dedicated people at both our sewer and water plants. All they ask is they have the resources to maintain those systems. That is why the City Council is planning to declare an emergency.

We will definitely have a town hall meeting to explain our short and long-range plans and what has led up to the emergency declaration.



**mattwinkel@outlook.com**

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**From:** Matt Winkel <mattwinkel@outlook.com>  
**Sent:** Thursday, April 25, 2019 10:05 AM  
**To:** Mary Schamehorn  
**Subject:** RE: emergengy statement.doc

Sounds good to me!

To get ahead of it, Amy could certainly do a column about the Utilities Commission recommendation. I think the fact that the recommendation is coming from the Utilities Commission gives the City Council the backing and coverage they need. In your article, you may want to put the word "emergency" in all caps. EMERGENCY as a bigger impact than emergency, and emphasizes the EMERGENCY nature of the situation.

By the way, have you talked to Fred about this whole thing? I also suggested that Robert contact CCIS to find out if the City would be covered for legal expenses if you are sued, but am certainly not confident he will do anything.

Matt

**From:** Mary Schamehorn <marys@coosnet.com>  
**Sent:** Thursday, April 25, 2019 9:54 AM  
**To:** Matt Winkel <mattwinkel@outlook.com>  
**Subject:** emergengy statement.doc

what do you think of this statement. I think we need to get on top of this quickly, and I will tell Amy that I plan to put this in my column, which means it will be in Western World. Give me feedback please. Mary

**mattwinkel@outlook.com**

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**From:** Mary Schamehorn <marys@coosnet.com>  
**Sent:** Thursday, April 25, 2019 10:12 AM  
**To:** Matt Winkel  
**Subject:** Re: emergency statement.doc

I have mentioned it to Fred, but he didn't say much.

I guess we will just have to let the proverbial chips fall where they may. But yes, I do need to make sure people know this recommendation comes from the utilities commission.

The bottom line, for doomsdayers like Claudine, is we are talking \$14 a MONTH, for Christ's sake for those little users, like me. If you have a big mansion and use a lot of water, yes your increase will be higher. some people choose to do laundry every day; maybe they will rethink their water usage.

I still remember when you mentioned to me that the \$10 rate increase actually hurt the little guy more than a percentage increase would.

M

**From:** Matt Winkel  
**Sent:** Thursday, April 25, 2019 10:04 AM  
**To:** Mary Schamehorn  
**Subject:** RE: emergency statement.doc

Sounds good to me!

To get ahead of it, Amy could certainly do a column about the Utilities Commission recommendation. I think the fact that the recommendation is coming from the Utilities Commission gives the City Council the backing and coverage they need. In your article, you may want to put the word "emergency" in all caps. EMERGENCY as a bigger impact than emergency, and emphasizes the EMERGENCY nature of the situation.

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Matt

**From:** Mary Schamehorn <marys@coosnet.com>  
**Sent:** Thursday, April 25, 2019 9:54 AM  
**To:** Matt Winkel <mattwinkel@outlook.com>  
**Subject:** emergency statement.doc

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**mattwinkel@outlook.com**

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**From:** Mary Schamehorn

**Sent:** Thursday, April 25, 2019 10:32 AM

**To:** Claudine Hundhausen ; Madeline Seymour ; geri Procetto ; brian vick ; Peter braun ; Chris Powell

**Subject:** My pledge

After talking with Claudine after the utility commission meeting, she seems to think this \$14 a month rate increase will be a huge burden to some of our utility customers.

I will pledge to pay the \$14 a month increase for up to seven of our utility customers each month for a year (that would amount to \$98 a month) ..... if you will provide me the names of those you feel will suffer because of this rate increase.

If necessary, I will ask Linda to give me a list of people she feels will be adversely impacted ... and I do not mean deadbeats like John Olson of Tesorio vineyards, who stuck us with a bill of over \$600 when he left his Bandon Wine Co. business to become manager of Edgewater's Restaurant (where he is no longer the manager). Just saying ....

so if any of you know someone that truly will suffer with an increase of \$14 a month, let me know. I will pay it. I mean it. \$100 a month does not mean much to me as long as I can pay my bills.

I will also be pledging \$2,000 toward the new crosswalk lights at 9th Street.

Mary



**mattwinkel@outlook.com**

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**From:** M O'Dea <me\_odea@hotmail.com>  
**Sent:** Thursday, April 25, 2019 2:12 PM  
**To:** Mary Schamehorn  
**Cc:** sherbre@frontier.com; mattwinkel@outlook.com  
**Subject:** Re: emergengy statement.doc

Remember that Robert is going to give us the final shortfalls (1. at the bottom of pg 1). We'll (I'll) make sure to get you the percentages & rate numbers before meeting 5/6.

Mary O'Dea

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**From:** Mary Schamehorn <marys@coosnet.com>  
**Sent:** Thursday, April 25, 2019 11:45:34 AM  
**To:** Sheryl Bremmer; Mary O'Dea; Don Starbuck; Patricia Soltys; jkuehner@protonmail.com  
**Subject:** emergengy statement.doc

Here is a statement I will probably make in my column. Mary

**mattwinkel@outlook.com**

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**From:** Mary Schamehorn <marys@coosnet.com>  
**Sent:** Thursday, April 25, 2019 4:54 PM  
**To:** Matt Winkel  
**Subject:** Fw: emergengy statement.doc

So how much do you think those percentages will change? Mary

**From:** [M O'Dea](#)  
**Sent:** Thursday, April 25, 2019 2:11 PM  
**To:** [Mary Schamehorn](#)  
**Cc:** [sherbre@frontier.com](#) ; [mattwinkel@outlook.com](#)  
**Subject:** Re: emergengy statement.doc

Remember that Robert is going to give us the final shortfalls (1. at the bottom of pg 1). We'll (I'll) make sure to get you the percentages & rate numbers before meeting 5/6.

Mary O'Dea

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**From:** Mary Schamehorn <marys@coosnet.com>  
**Sent:** Thursday, April 25, 2019 11:45:34 AM  
**To:** Sheryl Bremmer; Mary O'Dea; Don Starbuck; Patricia Soltys; [jkuehner@protonmail.com](#)  
**Subject:** emergengy statement.doc

Here is a statement I will probably make in my column. Mary

**mattwinkel@outlook.com**

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**From:** Matt Winkel <mattwinkel@outlook.com>  
**Sent:** Thursday, April 25, 2019 5:01 PM  
**To:** Mary Schamehorn  
**Subject:** RE: emergengy statement.doc

Not sure. Robert hasn't sent me anything. Perhaps he will let us know at our meeting tomorrow?

Planning Commission tonight. Oh joy!

See you tomorrow,

Matt

**From:** Mary Schamehorn <marys@coosnet.com>  
**Sent:** Thursday, April 25, 2019 4:54 PM  
**To:** Matt Winkel <mattwinkel@outlook.com>  
**Subject:** Fw: emergengy statement.doc

So how much do you think those percentages will change? Mary

**From:** M O'Dea  
**Sent:** Thursday, April 25, 2019 2:11 PM  
**To:** Mary Schamehorn  
**Cc:** [sherbre@frontier.com](mailto:sherbre@frontier.com) ; [mattwinkel@outlook.com](mailto:mattwinkel@outlook.com)  
**Subject:** Re: emergengy statement.doc

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Mary O'Dea

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**From:** Mary Schamehorn <marys@coosnet.com>  
**Sent:** Thursday, April 25, 2019 11:45:34 AM  
**To:** Sheryl Bremmer; Mary O'Dea; Don Starbuck; Patricia Soltys; [jkuehner@protonmail.com](mailto:jkuehner@protonmail.com)  
**Subject:** emergengy statement.doc

Here is a statement I will probably make in my column. Mary



**mattwinkel@outlook.com**

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**From:** M O'Dea <me\_odea@hotmail.com>  
**Sent:** Friday, April 26, 2019 8:49 AM  
**To:** mattwinkel@outlook.com  
**Cc:** sherbre@frontier.com  
**Subject:** 941 monies and 2016/17 audit of enterprise funds

Matt,

If this emergency, etc is going forward, we have to have a truthful acct of the 941 monies from Jan. 2017 onward, even if the fund formation was delayed... 6 mos.? Exactly what did the City spend it on? If it had been inappropriately spent there will at least be a PR prob. So, 1) pls request for me the monies trail from the \$10 fee, and 2) I would like a digital copy of 2016/2017 audit of statement of revenues, expenditures, and changes in net position of enterprise funds ending FY 2016.

I know you have a lot more urgent questions, and to you're meeting today. If this is complicated I will make formal information requests when I get back.

Cheers,

Mary

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**mattwinkel@outlook.com**

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**From:** Mary Schamehorn <marys@coosnet.com>  
**Sent:** Friday, May 3, 2019 10:17 AM  
**To:** Matt Winkel  
**Subject:** what's next

I need to know what is going to happen Monday night, and what the percentages are going to be. I am wondering if I should run my piece about the emergency declaration this week in my column, which would come out Monday. that way no one could say they didn't know about it. How will that actually happen. After you have presented the utility commission's recommendation, than do we make a motion to pass the emergency rate increase? Also when should we hold a Town Hall meeting? I don't want this to go off the rails before we have least explained that it will probably only amount to \$14 a month on the little guy's basic bill. What do you think? Did you and Robert figure out how it will be assessed; basic bill, consumption, etc.  
M