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CITY OF YACHATS
SPECIAL CITY COUNCIL MEETING
Civic Meeting Room, Yachats Commons
October 12, 2015
Regular Meeting 2:00 P.M.
MINUTES

Mayor Ronald Brean called the special meeting of the City Council to order at 3:00 p.m. in the Civic Meeting Room at the Yachats Commons. Council members present: Greg Scott, Sandy Dunn (by phone), Barbara E. Frye and Max Glenn.

II. Discussion: Water and Sewer Rates

Scott said that he would like the City Council to consider some of the assumptions regarding the water/sewer rate structure.

1. Tiered rate structure

Scott said that he would like to remove this from the consideration because the hotels are required to provide water to their customers and it puts a hardship on these largest customers that also provide a large portion of the other City's income.

There was consensus that a tiered rate structure does not encourage water conservation and that it should be removed from consideration.

2. Capital construction charge

Scott suggested that a percentage based on the consumption should be included on the bill should bill which would be used for capital construction for water, sewer, storm water and street improvements.

Brean said that he believes it should be a flat rate amount.

Scott said that if the capital construction charge is a percentage of the water used then it is based on the demand on the system.

Brean said that he would like to find a way to pay for street improvements by an adjustment in the solid waste disposal franchise fee since the garbage trucks damage the streets.

Discussion continued regarding the need to rebuild the reserve funds that have been used over the years.

Finance Chair Tom Lauritzen said that the URD was created, in part to pay for the south reservoir and the loan that the City will be taking out to pay for that reservoir will be paid back by the URD – not the ratepayers.

Lauritzen said that the problem is not that the City does not have any reserves; the problem is that the City no longer has the ability to raise new reserves.

3. Include units of water in the base rate.

Council discussed what the base rate and variable rate would need to be to raise the amount of money required to meet the budget.

4. *Eliminate YEU charge*

5. *Automatic annual inflation adjustment*

Scott suggested using the Portland consumer price index for annual adjustment based on the US Bureau of Labor Statistics numbers.

Using the model developed by Public Works and Streets Commission Chair Bob Bennett the Council reviewed how different changes in the base rate, variable rate and the CIP rate would make in the annual revenue.

City Council discussed how to make the structure more equitable once the tiered rate and the YEUs are removed from the model.

Scott said that the best way is to modify the variable rate so that the largest consumers are paying a percentage of the billing closer to the percentage of the water they consume each month.

After further discussion, Scott saw that the model demonstrated that a tiered system was the way to make the system more equitable.

I. Resolution No. 2015-10-01 – adopting the City of Yachats Representation in the Updates to the Lincoln County Multi-Jurisdictional Natural Hazards Mitigation Plan

Motion to adopt Resolution No. 2015-10-01, Aye – 5, No – 0.

Brean announced that the City is no longer under a water restriction and directed Staff to send out a notice thanking the citizens for their cooperation during the water emergency.

There was consensus to make the November work session a special meeting to discuss the water and sewer rates again after Bennett has had a chance to work on the modifications to the model.

There being no further business before the City Council, the meeting was adjourned at 5:36 p.m. PM.

Ronald L. Brean, Mayor

Attest:

Nancy Batchelder, City Recorder