

City of Bandon

CITY COUNCIL AGENDA DOCUMENTATION	DATE: December 3, 2018
SUBJECT: Utilities Commission Meeting Minutes	ITEM NO: 6.2.2

BACKGROUND:

Study Session Meeting Minutes of the Utilities Commission as submitted by Fran McGuire, Minutes Clerk

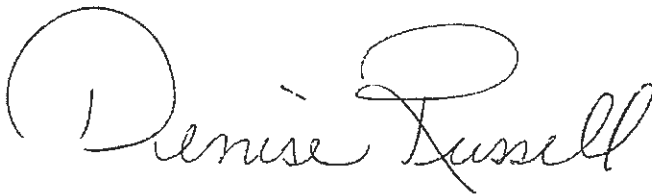
- October 3, 2018
- October 17, 2018

FISCAL IMPACT:

None

RECOMMENDATION:

For information only.

SUBMITTED BY:A handwritten signature in cursive script that reads "Denise Russell". The signature is written in black ink and is positioned above a horizontal line.

Denise Russell, *City Recorder*

UTILITIES COMMISSION STUDY SESSION

BANDON CITY HALL

October 3, 2018

COMMISSION:

- ☐ Matt Winkel, Chair
- ☐ Mary O'Dea, Vice-Chair
- ☒ Sheryl Bremmer, Interim Chair
- ☐ Daniel Graham
- ☒ Peter Hughes
- ☒ Patricia Soltys
- ☒ Don Starbuck

CITY COUNCILORS/MAYOR:

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

STAFF:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Robert Mawson, City Manager | <input type="checkbox"/> John McLaughlin, Planning Director |
| <input type="checkbox"/> Richard Anderson, Public Works Dir. | <input type="checkbox"/> Bill Nielson, Wastewater Plant Supervisor |
| <input type="checkbox"/> Mark Dornath, Elec. Dept. Line Fman | <input type="checkbox"/> Jim Wickstrom, Electric Dept. Supervisor |
| <input checked="" type="checkbox"/> Beth Hager, Administrative Assistant | <input type="checkbox"/> Jim Youravish, Water Plant Operator |
| <input type="checkbox"/> Tim Lakey, Public Works | |

A. CALL TO ORDER / WELCOME COMMENTS

In the absence of Chair Winkel and Vice-Chair O'Dea, Mawson, City Manager, asked who the Interim Chair would be.

Starbuck moved that Bremmer be Interim Chair. The motion was seconded by Hughes and was passed by a vote of 3:0:4 absent (Winkel, O'Dea, Graham), abstained (Bremmer).

Bremmer called the study session to order at 1:20 p.m.

1. Roll Call

Roll call was taken as indicated above.

B. DISCUSSION

Bremmer said the focus of this study session is to work on the basics of what we are going to put together for a Water Utilities Business Plan, unless someone else suggests a different starting place. Bremmer referred to the handout, "Elements of the Business Plan," and said O'Dea had given her an outline of her ideas to contribute to the study session in her absence. O'Dea listed a point called "Description of Services," which Bremmer thinks would fit in the "Executive Summary" section.

Mawson explained that the plan the Utilities Commission has taken on is not a federal or state mandated plan. He said we want to codify the way we do business; therefore, we are at liberty to lay it out and tell our story however we want.

Hughes said he thinks there is a serious problem, a core issue Bandon has, and has been consulting with Soltys. Quoting from a document titled “The History and Character of Bandon”, Hughes said, “Bandon’s unique character is a product of its location, history, and people.” Hughes would add, “and unique financial structure.” The serious problem he referred to is financial and it is twofold: the bullying of Portland, Oregon, vastly disproportionate property rates and the bullying of private business interests here who say we can’t run utilities as a business. In the Past, Hughes was on the Water Committee and saw the problem with the infrastructure. The City Council members thinks there is nothing that can be done about rates, but Hughes thinks the situation can be resolved. For one thing, he thinks that Mawson or the City Attorney could go to the legislature and present our case (the resolving of which would also help three towns in Oregon with the same problem). This issue is the reason he is on the Utilities Commission. He researched documents that Hager, Administrative Assistant, sent to him but couldn’t find material that speak to this core issue.

Mawson agreed with Hughes; that is a core issue. Putting this plan together will not only tell Bandon’s story to citizens, but it will explain to a constitutional attorney or our legislative representative what we are going through, what we can and cannot do, how we are strapped, and what issues we are facing regarding rate setting authority. He asked the Commissioners to look at “Elements of the Business Plan” and determine what sections we want in our plan and asked them to consider what additional sections we may want to add before we look at developing a Community Overview of our facilities and infrastructure.

Bremmer said the first three sections in the “Elements of the Business Plan” are easy, Executive Summary, Community Overview, and Management Structure. We need to discuss the issues that will be in the Financial Data section, such as how do we get the money we need to operate our three vital systems. When Nielson, Waste Water Plant Supervisor, spoke before the Commission at the August meeting, it wasn’t good news to hear about what needs to be done, the expenses involved, and the lack of funding to do it. The Utilities Commission informs, buffers, and advises the City Council as intermediaries. Rate setting is the third rail concept people have a tendency to ignore, as long as water comes out of the tap, toilets flush, and lights go on when a switch is flipped. In the four years since the ballot measure to amend the City Charter to grant the City Council limited authority to increase utility rates didn’t pass, we have embarked on a serious public relations (PR) campaign, and had success in recent years, for example, using the Cranberry Festival for effective visible PR with bucket truck rides. This was when citizens believed in rational financing of the City, and those people were voting. The section, Current Facility and Infrastructure Description, is vital, and Mawson and his staff will be instrumental in gathering information for that section. Bremmer said that O’Dea’s input included, for capital infrastructure, adding a description of the entire water treatment arena, including the creeks, mill pond, water rights, and the water treatment facility itself all the way to the very pipes that carry water to homes and businesses. Soltys added that recycling water is part of the process and that there used to be dead-end water lines in Bandon.

Bremmer said she agrees with O’Dea, adding that we need to be positive about the Water Treatment Plan. It will be problematic addressing our Waste Water Plan because of our situation of having major expenses and no money.

Soltys said she thinks the business plan needs to include the whole scope of Bandon's utilities—Sewer, Electric, and Water, because each utility has the same problem. Algorithms can be formulated for a seasonal study, for instance, to analyze how much water goes from a house into the sewer system in dry vs. wet seasons. She gave a personal example of her July–August water bill's breakdown of house water use (less than 2,000 gallons), but because she watered her garden, the bill showed 20,000 gallons went into the sewer, although none of it did. Hughes said that example could be used as a “this is what happened” story and let the public think about it. Soltys added that rates must change.

Mawson asked if the Commission is thinking about making three business plans or one business plan with three sections. Discussion and questions arose about the idea of separate chapters for each utility, however all are connected, and Water and Sewer especially go together. Will it be weaker if everything is lumped together? Bremmer said if we lump them together the size of the plan may become too intimidating for people to read, even if it's broken into three chapters. Her suggestion is to serialize the plan.

Bremmer said when it comes to writing the financial section, we have more control over the Electric Utility because when Bonneville raises rates, we can raise rates to purchase power from them. Mawson added that we can raise electric rates in that instance to cover the cost of the increase only.

Soltys said that people don't understand the need for infrastructure. Mawson said that each utility is different in scope and that is something to consider when working on the plan. Sewer includes the city limits; water is provided inside and outside the city limits; and electric extends as far south as Langlois. That makes writing a common story difficult because we have different service areas. Soltys emphasized the need for all three utilities to be in the plan so citizens know their utilities are threefold, and that the City and the three utilities are interrelated. If there is a legal plan, that would be a good thing, but for the public at large we need a plan like Bristol's that is relatively simple. Hughes agreed that a business plan that is hard to read and is large and cumbersome would not serve as a useful communication device. Mawson said the plan can be made readable, and include footnotes, references, and appendices for those who want to make a study of it. Mawson said it's his job to look at this with a business perspective because we are a City running three utilities. So, in a business plan, we need to lay out how the business must work in order for the City to keep going, and it does need to cover our challenges and constraints as well, such as rate authority issues.

Bremmer mentioned that when bureaucratic wheels turn slowly, the cost of projects goes up (she gave the example of the water treatment plant and chlorine generator). Technology has improved but we don't have the resources to keep up with technology. Just because the utilities are functioning doesn't mean things are remaining static. There is always maintenance, and to maintain is cheaper than fixing something once it's broken. This document will be useful if we ever need a grant.

Hughes would like a well-written interesting history included in the plan because of the unique and colorful aspects of Bandon's history. Soltys is working on it. Bremmer agrees and said that she wrote a report about the South Jetty for the City Council that could be part of the history of the water utility system section. Discussion ensued about historical aspects that could be included such as wooden water pipes, rebuilding after the fires, diverting the river, and the big rock that was blasted for use on the railroad and jetty.

Mawson contrasted a home's budget with running a town/business with a rate structure. We have to convey the differences. Hughes said that a business looks to propagate by profit to extend the life of the business. The City needs to be able to do that. Mawson said we've had 20 years of system maintenance because we can't plan ahead without funds that can be set aside. Hughes wants this document to challenge, energize, and inspire the people who have come to live here who have a certain status quo mentality. It has to make people understand the issues we face. It will help keep pressure on. Involve legislature and businesses in Bandon. He is willing to do whatever it takes to get this written. Soltys said Anderson, Public Works Director, has old pictures of the old water plant and Ferry and Geiger Creeks. She wonders when Bandon put the sewer system in. The second general manager of the sewer plant lives close to her and she will talk to him. Hughes encouraged the Commissioners to share and keep digging. Bremmer asked if we can get an estimate of what it would cost to replace our three utilities. It would highlight that maintenance is cheaper than replacement. Mawson said an insurance appraiser gave a \$250,000+ appraisal value for the three facilities, but we won't get it in writing for a few months as they are working on the numbers.

Soltys would like to see that new customers get a brief history of "their" utility when they sign up for a service. Hughes said a colorful brochure distilled from the plan could be made up for each of the three utilities and given to new customers. This would be done at the end of the current project.

Bremmer said that using the Bristol plan (or any United Kingdom or non-U.S. plan) has its problems because their governmental system is different, cities are run differently, and money is not a problem. We need to make our lack of revenue stream known. Hughes asked if there are other objectives for the plan besides fixing the financial issue. Mawson said we can include action steps in the Summary that outline what we will do to correct our problems. Bremmer said it may be helpful to revisit a brochure given out at a previous Cranberry Festival about how our government works. We need to imbed somewhere that we the voting public have a responsibility. In the current election, the City Council members are running unopposed which means the public thinks they are doing okay. But our citizens need to ask how can the City Council run the town without allowance? When there have been hot issues, like Coquille Point's first motel, a lot of people ran against the City Council then. Mawson said that the City Council is constrained when it comes to rates, fees (and any making decisions about any programs that cost money), it doesn't have authority. The ability to act has been taken away. The Charter, in essence, makes the City Council inert in almost every capacity. Conversation ensued about the Council's lack of authority. Mawson commented that since the Council is inert there is no reason for citizens to care who is on the Council. More discussion ensued about the weakness of the system and how the Council is hamstrung. Hughes said it may be possible to energize a broader base of the public.

Bremmer brought focus back to the "Elements of the Business Plan." Revenue stream issues could be in both the Financial Data section and the Legal Authorities & Issues section (cross references can be made). Mawson would handle planning forward (Proposed Improvements). Hughes and Bremmer said Bandon history can be in the Community Overview section. Bremmer said to include not only historical details, but include recent developments, like the trolley, Cheese Factory/Face Rock Creamery, and the Woolen Mill. Mawson said he looked at the historical use of power from Bonneville. We have data to share how we have evolved from a mill and fishing/commercial community to what we are now. Bremmer mentioned how the river used to be an important transportation source. Bremmer said the plan can be in three volumes (one entity with three parts): Volume 1. Water; Volume 2. Waste Water; Volume 3. Electric. We have data, the next step is to sort the data and put it in appropriate sections.

Bremmer referred to O'Dea's outline and commented that O'Dea would like stakeholders and cost of service (including forecasts) mentioned and would like mention made of bonds, loans, and grants as potential sources of generating revenue.

Hughes asked if there's a list of aspirations that the City Council couldn't get done. Mawson and Bremmer mentioned several items: Parks Master Plan, Urban Renewal, Fillmore drainage. Hughes asked if Mawson would make a list.

Bremmer said we've done well putting in underground wires. Mawson said that 90% of the wire is underground in the City.

Bremmer thinks it would be interesting to mention that before 1990 most roads weren't paved in Bandon. Bremmer pointed out for research purposes that Planning Commission minutes and City Council minutes by year are in the bookcases behind the Commissioners' seats.

Hughes mentioned he has an old photo of a cow grazing by Grand Central Station and Bremmer said that Mayor Schamehorn has photos of the old facilities as do staff.

Hughes asked what the Commissioners' responsibilities on the plan are now. Bremmer said that Graham should be at the Study Session on October 17, 2018, so there will be five Commissioners present. Bremmer said for everyone to pull thoughts and data together. Look at the Table of Contents template and Bristol's Table of Contents for ideas and formatting. Mawson said he can put together a more expansive "Elements of the Business Plan" and indicate where we said things will go. Bremmer said if we know what we have, we can make a list of things that we still need. Mawson and Bremmer discussed timing of the Master Plan and the request for cost of services which could be a six-month process for all three in one report. We will need that to have real information for the plan. Hughes asked for clarification of what the Commissioners should do next. Bremmer said to work on what's available and bring data (maybe even antidotal stories) to the next Study Session. Bring a list of what we still need. Then sections can be portioned out and outlines/drafts developed and presented. At the next regular meeting in November, sections can be further portioned out to the entire Commission. Mawson asked the Commissioners to write down if they know a document is available but can't find it. Hughes said he loves research and will go through the outline and write out what his interests and abilities are in each section. He said he has experience making this kind of plan. Bremmer said we need to brainstorm strategies to convince people it is their City, their City Council, and their utility company. Bremmer asked how we will go public with the plan and when. Hughes said that timing and method will probably come naturally as the plan evolves. Mawson said until we have at least 95% of the plan drafted we can't put it out for public comment.

Hughes mentioned what a major priority this will be in time and commitment. Mawson said this needs to be at the top of each agenda. Bremmer said this also involves the staff. Mawson said it may take a Study Session every month in addition to the monthly meeting. Bremmer said with tangible data we will have stacks of material to go through. Mawson said the staff thinks this is important in addition to their regular work. Mawson thinks in the long run that this will make less work for the staff because we will know where we are going and will follow the plan.

Hager confirmed with Bremmer that the next meeting on October 17, 2018, will be a Study Session from 3–5 p.m. Hager will send emails to confirm with everyone. Public notice will be the same. Hager and Mawson said we can explain on the website that the public is welcome to come and listen but by and large the public doesn't speak at Study Sessions. Soltys said if it's important, we can recognize a speaker from the public and clarified by saying that Commissioners could invite people who can share pertinent information with the Study Session that would further the plan's development.

C. ADJOURN

There being no further business, Bremmer adjourned the Study Session at 2:45 p.m.

Submitted by: Fran McGuire, *Minutes Clerk*

UTILITIES COMMISSION STUDY SESSION

BANDON CITY HALL

October 17, 2018

COMMISSION:

- ☐ Matt Winkel, Chair
- ☒ Mary O'Dea, Vice-Chair
- ☒ Sheryl Bremmer
- ☐ Daniel Graham
- ☒ Peter Hughes
- ☒ Patricia Soltys
- ☒ Don Starbuck

CITY COUNCILORS/MAYOR:

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

STAFF:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Robert Mawson, City Manager | <input type="checkbox"/> John McLaughlin, Planning Director |
| <input type="checkbox"/> Richard Anderson, Public Works Dir. | <input type="checkbox"/> Bill Nielson, Wastewater Plant Supervisor |
| <input type="checkbox"/> Mark Dornath, Elec. Dept. Line Fman | <input type="checkbox"/> Jim Wickstrom, Electric Dept. Supervisor |
| <input checked="" type="checkbox"/> Beth Hager, Administrative Assistant | <input type="checkbox"/> Jim Youravish, Water Plant Operator |
| <input type="checkbox"/> Tim Lakey, Public Works | |

A. CALL TO ORDER / WELCOME COMMENTS

Vice-Chair O'Dea called the study session to order at 3:00 p.m.

1. Roll Call

Roll call was taken as indicated above.

B. DISCUSSION

O'Dea asked Bremmer, who was Interim Chair at the October 3, 2018, study session, to summarize what was discussed.

Bremmer touched on the following topics:

- Mawson, City Manager, reviewed the benefits of using the handout, "Elements of the Business Plan."
- Hughes emphasized how unique our City finances are and the importance of promoting a financial structure that will generate revenue.
- Should we have one combined plan, or a separate plan for each utility? No consensus was reached.
- Soltys is working on our history of a company within a municipality.
- Why have a plan?
- Financial data will be an important section.
- How to prepare for the next study session—compile a list of what data is available and a list of what we need to complete this plan going forward.

Mawson handed out an updated version/outline of the “Elements of the Business Plan” with the heading: “Bandon Water/Elements of the Business Plan/Expanded Outline & Potential Sources of Information.” Mawson gave an overview of the handout, and explained it is a draft.

O’Dea said in addition to including financial data in the plan, we need a financial forecast as well.

Mawson asked if this plan will be a Utility Master Plan in one unit with three sections, will there be three individual plans or, will it be a three-part book plus informational brochures to give customers when they sign up for services.

O’Dea agreed that first we need to decide on the plan’s structure, and that it doesn’t make sense to her to have it in three separate sections since all utilities lead back to the City of Bandon and are interrelated and overlapping. O’Dea’s proposal is to look at the water utility first.

Hughes said he disagrees. He said the hardest part will be educating the public about our history—how we got where we are and what we need to do (and currently can’t) to make sure Bandon survives, especially when it comes to water. He wondered if and why anyone would be interested in reading about the electric utility because it’s very straightforward. He understood from the last meeting that each of us were to write out what our contribution would be to the plan. He thinks we should start on the hard ones. The history of the City is linked to the wooden pipes coming down from Simpson. Very few, even long-time residents, know the history of Bandon. He personally doesn’t want to work on the water utility section. He wants to work on the harder part.

O’Dea said she understands where Hughes is coming from, but history is only one part. She asked for consensus on what structure to use and asked who the project’s manager is.

Hughes said he has written business plans, over 1,000 pages. He agrees that there will be technical data in the plan, but in addition to technical data, it’s important to help the City understand “why are we here?” Hughes thought Winkel, as Chair, would be project manager.

O’Dea said the project manager wouldn’t necessarily be Winkel, and asked Mawson if he is the project manager.

Mawson said he would consider it a privilege to be project manager. He will work with staff, use in-house resources, and coordinate developments with the Commissioners. Maybe rather than an outline, the plan needs to be more of a story—a story possibly in three parts threaded together. It could be a storied business plan ending with projected strategies and actions going forward. It needs to be comprehensive with a clear explanation of the importance of adequate funding.

Hughes said he supports Mawson’s proposal, but is concerned about problems.

O’Dea asked Hughes what he thinks the top two problems are.

Hughes said the number one problem is that the City will gradually strangle financially with rate restrictions and property tax restrictions. We need solutions as to what the City Council can do.

O'Dea said another question is: What do the residents of Bandon have to do?

Hughes said the City leaders feel held back and constricted.

Soltys said a fund raiser, as was suggested by Hughes previously, is a good idea. The City Council may need to give people a hard choice: Would citizens opt for a volunteer police department because we can't afford to fund both utilities (which we are required by law to provide) and a paid police force? Since 2000, the City has put forth voting options to raise money to run the water system without really telling people what the underlying issues are. City personnel were lost over this. Soltys mentioned a \$3.5 million bond regarding the water plant. People don't understand how much it costs to run a water facility.

Hughes asked Mawson what the population of Bandon is. Mawson replied 3,125 within the city limits. Hughes asked how many of them vote. Mawson approximated that there are 1250 voters. O'Dea sadly commented that when our elections are covered in the news, reporters say, "Hundreds voted," which shows a lack of civic interest.

Bremmer said the underlying problem is that people (all over the country, not just Bandon) lack an understanding of the basics of government and of civic virtues and values. Bandon has legal responsibilities to provide safe water, waste water processing, and electricity from Bonneville. People do not understand the costs connected with these services and the costs of providing a police force. Bremmer referred to the draft of the November 2018 newsletter and said she would like to add a section on utility data (if she has it) and basic principles of government. When the Utilities Commission first formed, it published a brochure that had a section explaining what a representative government is and what kind of government Bandon has. The City has utilities that don't just flow from some unnamed source; we must keep them working. Infrastructure is less expensive to maintain than to replace. If we let the attitude, "Let's not deal with it till it breaks," prevail, we will end up as a dystopia and will not be able to function. The importance of this business plan we are working on is in part for public relations and a forum for political education. We need contingencies in case of unplanned expenses—the computer, for example. When or if a significant earthquake occurs and we have no seismic valve, the cost of providing water will be prohibitive. We need to be able to put away money to address regular wear and tear as well as for unforeseen happenings—natural catastrophes and unexpected occurrences that happen in life. Bremmer referred to Section D ("Current Facility and Infrastructure Descriptions") of Mawson's handout. We have different utility facilities, and Mawson's staff and outside consultants have access to data that will go into the plan. It would be insightful to be able to report (in contrast to maintaining our current facilities), "Here's what it would cost to replace the entirety of Bandon's utilities."

Mawson proposed a new way to look at the plan by considering having four (brutally honest) sections, and that topics can be broad or narrow:

- 1) History: "This is Bandon—from the very beginning to today."
- 2) Bandon today—its operations, facilities, and the realistic costs of running and maintaining the utilities. Include, for instance, the current condition of our one-million-gallon water storage tank, maintenance schedules, and lifespans of the basic utilities' infrastructures that keep Bandon viable. Hughes mentioned adding issues that residents might find interesting, such as did they

know that yearly damage to poles is an ongoing repair expense [termites/woodpeckers/vehicular accidents] and get the residents to care about these things.

- 3) Future needs to keep Bandon functioning—the reservoir for example.
- 4) A 5 to 10-year strategy plan for Bandon’s future.

Bremmer said to be brutally honest about costs too.

Soltys mentioned educating the public that a structure designed to last 20–25 years—due to temperatures and algae growth—can make the lifespan closer to 15–20 years. The City encounters contingencies that need to be addressed and funded.

Hughes said he agrees with having the four sections.

Starbuck said he used to be mayor of a city in Colorado and gave funding and project examples from his experience. That City was able to raise rates when they needed to. They also looked for outside money in the form of loans and grants, similar to what Bandon may seek to get. Starbuck said “Rural Development” loans and grants are not recommended when seeking funding—they are too expensive. Bottom line: a revenue stream is necessary.

Soltys said our utility tax funds the running of this town and people don’t understand that.

Bremmer said that if our infrastructure fails, new privatized utility businesses will come in and set rates. Starbuck said rates will rise if our utilities are taken over.

O’Dea asked if there is a general feeling that the public’s view is that if the City needs money, they will get a loan or bond issued rather than have utility rate increases.

Mawson made the comparison between a household budget and the scope of our City’s budget. When people live paycheck to paycheck with nothing in a savings account, they don’t understand the larger needs of the City; therefore, we must be sensitive about money issues/rate increases.

Soltys said that bonds fall on property owners. How many residents of Bandon are property owners who vote? No one likes property taxes so there’s a utility tax.

O’Dea revisited the last time there was a campaign for a base rate increase. People threatened to move out of Bandon if it passed because they thought they would go bankrupt having to pay more for utilities. O’Dea asked if there’s a record of people moving out of Bandon due to that. Mawson said he can get that data and will look at meter statistics. We have a lot of turnover because of rentals. Starbuck said for everyone that left, two moved in. O’Dea said our utility rates are low. If a person can’t survive here, they can’t survive anywhere. Mawson mentioned that Bandon offers low income assistance for water/electric utilities.

O’Dea asked for confirmation that there’s a lot of building going on in Bandon. We have a different type of people we can target; how do we reach those people?

Soltys wondered how many residents understand the City runs on utility tax not property tax. She and her husband moved to Bandon because property taxes are so low.

Bremmer said that a lot of people in our country, not just Bandon, think that if lights go on, the tap runs, and toilets flush, there is nothing to worry about...until something goes wrong. Only then do people start getting involved. Case in point: not many residents attend the City meetings that are open to the public unless something is a hot issue. We need to promote this plan and educate residents about Bandon's basic government and what the utilities really mean to the City. Discussion ensued about educating the public.

O'Dea asked if people look at the information boards in the lobby. Mawson said yes. O'Dea said we need to use them to even better advantage by moving them front and center so even more people see them. Bremmer said we do have a board with a comparison of the rates of Bandon's utilities compared to surrounding communities.

Mawson said he can put a question and answer section on the City's website (and we can start by formulating the questions and answers ourselves as a vehicle to educate residents until questions start coming in from the public). Bremmer said a question and answer section used to run in the newsletter.

Hughes likes the idea behind the boards in the lobby and suggested putting Bandon informational videos on screen an hour prior to City meetings—for the public—as a way to educate them about City matters and get their attention.

O'Dea said in Portland if funding issues arise, the City can raise rates. Some Portland residents might get irate, but at least Portland has options we don't have. Bandon residents see our utilities running, and don't see the connection as to why our property taxes are so low.

Bremmer said there's a big disconnect between property taxes being so low and why people are so against giving rate setting authority to the City Council. If we passed an ordinance that voters like a lot, yet a little contingent convinced voters it should be repealed because the ordinance wasn't doing exactly what the City said it would do, the ordinance could be repealed due to the fear factor. An example is the popular lighting ordinance which got repealed.

Hughes said voters need to know there are consequences when ordinances that are voted in are repealed.

Mawson said he went to a meeting last week with other municipal electric companies. Ashland taxes their electric utility 25% and they charge their electric utility a 10% franchise tax. Their general fund gets 35% of what the electric utility brings in, and Ashland has property taxes too. Bandon has a 10% electric utility tax that was passed to only apply to in-city customers. Out-of-city customers are not taxed. We also have an in-city water rate and an out-of-city water rate.

Bremmer said a byproduct of the business plan is that we may end up reorganizing our utilities to be run by a Board of Trustees, as was mentioned in a previous meeting. A Board of Trustees could solve the rate setting authority problems. We have a growing public relations problem. Small groups of people are contacting each other upset about City government, saying City government is lying to them, is hiding things, and is generally not being forthcoming. These people are showing up at some of the City

meetings. It's now a web of people, not just a core group. Bremer said she has been contacted by them and has tried to dispel misconceptions. They are distrustful, yet elected officials run unopposed. If the distrust continues to spread, effects can impact us. The plan will help and can counter the effects. Some wrongly think the Planning Commissioners get paid.

Hughes said people get mad because they think Planning Commissioners get paid and don't disclose that they get paid. Mawson gave an example of people thinking a school board had exaggerated salaries. Bremmer said we need to disabuse people of these fantasies.

O'Dea asked if the study group agrees with the four-points Mawson laid out earlier. There was consensus. O'Dea said Hughes and Soltys are working on the history of Bandon.

Hughes asked what is contained in the books behind the Commissioners' chairs. Bremmer said one side contains City Council meeting minutes, and the other side contains Planning Commission minutes. She has used them as references in reports. They have useful information.

O'Dea asked who will take editorial lead with the history section. Hughes and Soltys said they will work together. [Overlapping discussion ensued about where to put water rights, technical data, conservation issues, etc. O'Dea and Soltys discussed water rights as reported in other plans.]

O'Dea asked what the next phase of the plan is. Mawson said he will redo the outline using the four sections that have been agreed upon and touched on each briefly.

Hughes asked how the study group will inform each other—make copies and bring them to future meetings? Bremmer said the plan can be an agenda item. Mawson said the study group can communicate electronically. O'Dea asked if folders can be made that all can access. Mawson said he will talk to computer technicians about setting up files that can be shared. He can make paper copies as needed.

Bremmer suggested adding a section that explains our governmental structure. O'Dea and Mawson said that can be put in the history section.

O'Dea, Mawson, and Bremmer discussed figures and real costs of services. Bremmer suggested showing the cost of services graphically.

O'Dea and Mawson discussed waste water assessment and the water plant. Mawson said Dyer Engineering is putting a report together.

O'Dea asked how the electric infrastructure is. Mawson said it's pretty good. We have the capacity to add customers and are thinking of strategies to find commercial customers. We use about 6 megawatts of power and have the capacity for 6 more megawatts of power which would mean income and jobs for the City if a commercial concern moved in. (We got shortlisted for a company that wanted 50 megawatts.) We are an electric company running a community. Our current water capacity is good. Just because our electric is in fairly good shape doesn't mean we couldn't get into a similar situation like our waste water and water if we don't get more power customers.

Mawson said we need to raise our rates or get more customers. Legally, we can't sell sewer service outside of our city limits.

Starbuck said he lives outside of city limits, but a builder one block from him petitioned for City water and got it with stipulations.

Bremmer brought up Bonneville's political fight. Mawson said it's our fight too. Bonneville's market rates vary, and rate structures vary. Bonneville's power is so usable that it makes the cost worth it. They just need to tell their story better about what's involved in their rates. And similarly, we need to tell our story better. Bonneville is important, and we still have needs, like redundancy of electricity.

Bremmer brought up the format of Bristol's plan that was interesting. Bristol had a section relatable on an individual's level, for example, turning on a tap to get water. Where would we put what a customer can expect of their utilities? Mawson said that could go in Section 2 of our plan.

Starbuck said we must be able to get quality people behind the scenes at the level of plant operators.

Hughes said this plan will help the City Council and the public. Hughes asked Mawson if it is okay that staff members speak at Commission meetings. Mawson said yes, and they can generally answer questions put forward—we have good people who understand what's going on.

Hughes asked if Mawson will redo the outline within the next couple days. Mawson said he would. Hughes asked for resource recommendations for the history of Bandon. Mawson said all reports and plans are on the City's website.

[General discussion ensued about source material.]

Bremmer asked if the Comprehensive Plan has been updated. Mawson said not at present.

Bremmer recommends looking at the City Charter. Mawson suggested looking at municipal codes. Soltys said the Bandon Historical Museum is a resource but didn't find much about the history of Bandon water, adding that she wasn't sure where they got their information. Mawson suggested talking to the museum director. Bremmer said there are bound to be gaps. Soltys recommended talking to people in addition to using written resources. [General discussion ensued.]

Bremmer said there are sections in Bandon that still don't have sewer hookup. This plan will be useful to the Planning and Utilities Commissions, Parks and Recreation, and especially to the City Council.

C. ADJOURN

There being no further business, O'Dea adjourned the study session at 4:40 p.m.

Submitted by: Fran McGuire, *Minutes Clerk*