



A Letter From Your Utilities Commission May 2016 Bandon, Oregon

As we discussed in our brochure last Fall, Bandon's utilities require maintenance and occasional upgrades. It is our responsibility to treat and to use our utilities wisely. If we do not accept our responsibility to maintain and upgrade our utilities, they will deteriorate over time and eventually will need serious maintenance or replacement that will prove costlier than ongoing routine maintenance. Your utility company's motto is: F.R.O.G., which stands for Frugal, Responsible, Operational, Goals. With this in mind, we are updating you about ways we can achieve our goals and not only that, we are here to propose a plan that is a terrific deal. We are proposing this deal because our water revenue is not adequate to perform required maintenance. A little background is in order.

Currently, our water treatment plant requires:



Filter media at a cost of \$120,000. This media is an integral part of the water treatment process and is antiquated beyond much more repair.



A seismic valve on the 2 million gallon water storage tank at a cost of \$240,000. In the event of a major earthquake, this valve automatically would initiate a procedure that would help to avoid the loss of 2 million gallons of treated water.



Spare pumps for the water plant at a cost of \$15,000. Spare pumps would allow the pumping procedures at the water plant to continue when the older, less reliable pumps break down and are unusable for a time or unfixable at all.



Chlorine system replacement at a cost of \$20,000. Using this system, the water treatment plant experts create chlorine from rock salt. The old system is very old and needs to be modernized to keep treating our drinking water safely.



The necessary funds can be obtained by raising our base water rates by \$10.00 per month for residential customers and \$20.00 a month for commercial and industrial customers. This amount easily can be offset if, for example, households, businesses, and industries buy one and one-half **less** gallons of bottled water monthly.

Other important information:



Our water treatment plant was rebuilt 16 years ago--we are 16 years into a facility with a 20-year expected life span. During that time, we have maintained our water treatment facilities diligently. With the goal of F.R.O.G. in mind, your Utilities Commission has asked the City Council to put a measure on the November 2016 Ballot that asks for your approval to continue maintenance on your water treatment plant at the cost of an extra \$10.00 per month for residential customers and \$20.00 per month for commercial and industrial customers. We are also asking you to support us in our endeavor to set and meet Frugal, Responsible, Operational Goals to keep our utility company consistently able to provide us with the necessities of clean, safe water, electric power, and sewer and waste water treatment. We want you to be aware that this rise in rates, if you approve them, will go into effect on January 1, 2017.



Your Utility Company's brochure is available at the City Hall in the Planning Department and in the Foyer. All of our introductory information is in that brochure. Your Utilities Commission meets on the second Wednesday of each month at 3 PM in the Council Chambers at City Hall. We are currently meeting an additional Wednesday each month for worksessions. We invite you to attend our meetings and look forward to your involvement. You may also visit the City website at cityofbandon.org. Look under "City Hall" and then click on "Utilities Commission" for useful information.

Sincerely,
Your Utilities Commission