

City of Bandon

CITY COUNCIL AGENDA DOCUMENTATION	DATE: October 3, 2022
SUBJECT: City Council Meeting Minutes	ITEM NO: 6.1.1

BACKGROUND:

Meeting Minutes of the City Council as submitted by Richard Taylor, Minutes Clerks.

- August 15, 2022 – Special Meeting and Work Session
- September 12, 2022 – Regular Meeting

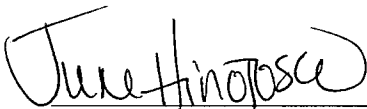
FISCAL IMPACT:

None

RECOMMENDATION:

Motion to approve the minutes.

SUBMITTED BY:



June Hinojosa, *City Recorder*

**City Council Special Meeting and Work Session
at Bandon City Hall and via Zoom
August 15, 2022**

CITY COUNCIL AND MAYOR:

- Mary Schamehorn, Mayor
- Peter Braun, Councilor
- Chris Powell, Councilor
- Geri Procetto, Councilor
- Madeline Seymour, Council President
- Geoff Smith, Councilor
- Brian Vick, Councilor

STAFF:

- Dan Chandler, City Manager
- Shala Kudlac, City Attorney
- Paula Burris, Finance Director
- June Hinojosa, City Recorder
- Nichols, Planning Manager
- Kristan Liechti, Planner
- Andrea McMahon, Assistant to the City Manager

Special Meeting

1.0 CALL TO ORDER / ROLL CALL

The Mayor and all members of the Council and City Staff were present in the Council Chambers. Schamehorn called the Special Meeting to order at 1:30 p.m. Roll Call was taken as indicated above.

2.0 PROCEEDINGS (none)

3.0 RESOLUTIONS

**3.1.1 Ordinance 1645 (Move to Second Reading) Making Changes to Titles 16 and 17
of the Bandon Municipal Code and Providing an Effective Date**

At its August 1, 2022, Regular Meeting, the Council passed the First Reading of Ordinance 1645. Since the full Council was not present to vote at that meeting, it was necessary to have a Second Reading at this Special Meeting. Schamehorn stated that no fiscal impact was anticipated from the adoption of the proposed ordinance.

Kudlac read Ordinance 1645 by title only.

Seymour made a motion to adopt Ordinance 1645 by roll call vote. The motion was seconded by Procetto, it passed unanimously (6:0), and the ordinance was adopted.

**3.1.2 Ordinance 1649 (Move to Second Reading) Amending the City Charter to Allow
the City Council to Set System Development Charges Only on New Development**

The City Council passed Ordinance 1649 to a Second Reading at its August 1, 2022, Regular Meeting. Schamehorn prefaced the Second Reading and the Council's vote with this statement:

“Since 1995, the Bandon City Charter has required a public vote before any fee charge or tax is raised. However, new development in the City of Bandon creates significant demands on Bandon’s water, sewer, and road systems. Oregon statutes provide a process for setting System Development Charges, which provide that new development pay for the additional infrastructure required to serve it. However, setting and maintaining System Development Charges is a very technical process under state law, which does not lend itself well to an elections process.”

If approved by the voters, Ordinance 1649 would allow the City Council to set System Development Charges on new development to assure that existing ratepayers and taxpayers would not bear the cost burden of new development.

Kudlac read Ordinance 1649 by title only.

Seymour moved to adopt Ordinance 1649 by roll call vote and Procetto seconded the motion. The Council voted unanimously (6:0) to adopt the ordinance.

3.1.3 Ordinance 1651 (Move to Second Reading) Imposing a Two-year Moratorium on Psilocybin.

Prior to the Second Reading and the Council’s vote, Schamehorn read the following:

“Ballot Measure 109, known as the Oregon Psilocybin Service Act, allows for the manufacture, delivery, and administration of psilocybin mushrooms at licensed facilities. The Oregon Health Authority has begun the rulemaking process to implement Measure 109 and will begin accepting applications for psilocybin licenses in January. This means local governments need to begin thinking about whether and to what extent they want to impose regulations on these types of facilities.

“The Measure 109 program for psilocybin was modeled after the state’s marijuana program. As with the marijuana program, there are different types of licenses that OHA will issue under the state’s psilocybin program—manufacturer, laboratory, facilitator, and service center licenses.

“This ordinance refers a two-year moratorium on certain psilocybin facilities to the November ballot. There are no foreseeable fiscal impacts. Unlike cannabis, there are no provisions for special local taxation.”

Kudlac read Ordinance 1651 by title only.

Seymour offered a motion to adopt Ordinance 1651 by roll call vote. It was seconded by Procetto, and the ordinance was adopted unanimously (6:0).

4.0 OTHER: COUNCIL/MAYOR/STAFF REMARKS (none)

5.0 ADJOURN TO WORK SESSION

Schamehorn adjourned the Special Meeting at 1:34 p.m. and immediately convened the Work Session.

Work Session

1.0 CALL TO ORDER

2.0 DISCUSSION

2.1 Food Trucks

Nichols provided a Staff Report on Mobile Food Units (MFUs) for the Councilors, along with draft ordinance language developed by the Planning Commission. After multiple Work Sessions and Public Hearings on the matter, the Commission had found no problem with the code criteria recommended for food trucks but had been unable to come to a decision about where MFUs should be located. Nichols said the Commissioners heard from a number of business owners in the Old Town/Marine Commercial area “who were not thrilled by the idea of food carts.

Lacking a consensus, the Planning Commission passed the issue on to the Council without a recommendation, and that was the reason for the Council's Work Session. The draft ordinance would only allow MFUs on private property in the General Commercial and Light Industrial Zones. Nichols indicated the ordinance could be amended at a later date if there was interest in having mobile units in Old Town and along the waterfront.

Having read the documentation, Schamehorn noted that the main concern expressed by many of those who testified before the Planning Commission was that they did not want the food trucks to be located in Old Town or around the waterfront. She understood the draft ordinance to restrict MFUs to mainly along the highway and not on City property.

Nichols responded that some members of the Commission did have an interest in seeing mobile units in City Park or a mobile food cart pod on City property in the Woolen Mill District. However, she did not think the City wished to be in the position of serving as landlord to that kind of activity, and the ordinance was written to exclude MFUs from City property and City rights-of-way.

Seymour asked how many locations would be allowed to have food trucks.

Nichols did not know how many properties would be affected by the proposed ordinance, but she described the areas covered by the zones where MFUs would be permitted. The C-2 Zone (General Commercial) stretched from the area around the Bandon Shopping Center south to 18th Street SE, mainly along Highway 101, with a separate section near the Seabird Drive/101 intersection. LI Zones (Light Industrial) were mostly located around Face Rock Creamery and the Woolen Mill District and around 11th Street SE from Chicago Avenue to Harlem Avenue.

Seymour agreed with excluding food carts from City property, Old Town, and the waterfront. She wondered if MFUs around Face Rock Creamery would detract from Old Town, and she asked if the parking lot at Face Rock Creamery was a public lot.

Nichols replied that most of it was, but there were a few privately owned spaces adjacent to the Bandon Rain Taproom.

Schamehorn pointed out that the large gravel lot to the south of Face Rock Creamery was under its ownership, although it had been acquired from the City with the provision that it would be maintained for public parking.

Seymour inquired if there would still be special event uses allowed in Old Town, and Nichols answered that there were food trucks at the Farmers Market through special events permits, and those permits were also obtained by the Chamber of Commerce for events they sponsored. For such events, the City required a certificate of liability insurance and permission from the property owner where the MFU would be located.

Nichols indicated special event permits would continue to be issued, while the proposed ordinance would give the City leeway to establish standards for where MFUs could locate, how long they could be there, and how they might look. It would also set up a licensing program to enable the City to continuously review whether they were operating with valid licenses and permits required by the State and County.

Noting that pods would have to have restroom access and a trash bin, Seymour wondered what would be required of individual mobile units that could come and go.

Nichols responded that there was no language covering that in the proposed ordinance, because it was already mandated by the State, which had different classifications for various sizes of operations. She thought they generally had to be self-contained, with potable water inside the unit and other capabilities.

Chandler clarified that the draft ordinance did require each MFU to provide its own garbage receptacle.

Nichols added that State law required MFUs to be located within 500 feet of a restroom. She told the Councilors she would provide them with a State-published document detailing its requirements before they held a Public Hearing on the matter.

3.0 MANAGER ISSUES AND UPDATES (none)

4.0 AGENDA ITEMS FOR NEXT WORK SESSION (none)

5.0 ADJOURN

Schamehorn adjourned the Work Session at 1:42 p.m.

City Council Special Meeting and Work Session Minutes
Submitted by Richard Taylor, Minutes Clerk

**City Council Regular Meeting
at Bandon City Hall and via Zoom
September 12, 2022**

CITY COUNCIL AND MAYOR:

- Mary Schamehorn, Mayor
- Peter Braun, Councilor
- Chris Powell, Councilor
- Geri Procetto, Councilor
- Madeline Seymour, Council President
- Geoff Smith, Councilor
- Brian Vick, Councilor

STAFF:

- Dan Chandler, City Manager
- Shala Kudlac, City Attorney
- Paula Burris, Finance Director
- June Hinojosa, City Recorder
- Dana Nichols, Planning Manager

1.0 CALL TO ORDER / INVOCATION / PLEDGE OF ALLEGIANCE / ROLL CALL

Schamehorn called the meeting to order at 7:00 p.m. and Roll Call was taken as indicated above. Pastor Ron Harris of Pacific Community Church provided the Invocation. Seymour led the Pledge of Allegiance.

2.0 PUBLIC REQUESTS (none)

3.0 PRESENTATIONS

3.1 Volunteer of the Month – Harv Schubothe

Schubothe, the Executive Director of the Greater Bandon Association (GBA), presented the Volunteer of the Month Award to Donna Mason in recognition of her contributions to the Bandon community. “We’ve got one of the top notch museums in the state,” he remarked, referring to the Bandon Historical Museum. Schubothe attributed the museum’s quality to the efforts of its volunteers, including Mason. “When you look at the exhibits and one of the persons who really makes sure that they’re top notch and stay top notch is Donna,” he said, adding that she had played a major role in keeping the museum building well-kept. Schubothe praised Mason’s service to the museum, ranging from greeting patrons at the front desk to stepping into a leadership role as president of the Bandon Historical Society’s board of directors.

4.0 HEARINGS

4.1.1 Mobile Food Unit Ordinance

Schamehorn opened the hearing at 7:04 p.m., noting that the Public Hearing concerned a proposed code text amendment to Title 17 of the Bandon Municipal Code (BMC) to allow Mobile Food Units (MFUs) in the City of Bandon.

Nichols began the Staff Report by detailing the process that had preceded the City Council hearing: The Planning Commission had conducted several Work Sessions about MFUs, followed by two Public Hearings. The City Council had discussed MFUs at a Work Session in August. A PAPA (Post-Acknowledgment Plan Amendment) notice was submitted to the Oregon Department of Land Conservation and Development (DLCD) before the first hearing in March, Public notices were published in *The World* prior to the hearings, and notices were mailed to affected parties.

Proposed ordinance language would define a Mobile Food Unit as an individual vehicle used for preparing, processing, selling, and dispensing food. It could be permitted on approval of a Type I application, by meeting the City's clear and objective criteria. A Mobile Food Unit Pod would undergo a Type II process, allowing more discretion in determining whether zone-specific standards were met.

Nichols noted some of the requirements placed on MFUs by the proposed ordinance. They would not be allowed to impede pedestrian or vehicle traffic or occupy more than 15 percent of a required off-street parking area. An MFU would have to be fully mobile, so it could operate at a location for a period of time and then leave. Permanent connections to utilities would not be allowed.

The owner of an MFU would have to provide at least one trash receptacle and would be responsible for trash disposal and general daily site cleanup. Individual MFUs would be self-contained, without external water and sewer service. In pods, water and sewer connections could be installed with payment of System Development Charges (SDCs) and approval from the Public Works Department.

Any accessory or temporary structures accompanying an MFU would be required to meet existing requirements of its underlying zone, including vision clearance standards, floodplain regulations, and Commercial Design Standards. Signage would need to be permanently affixed to an MFU, and no sandwich boards or other portable signs would be permitted. Outdoor lighting, subject to commercial design standards, would have to be available.

Under the proposed ordinance, an MFU would be permitted specific hours of operation consistent with its host business or set by the property owner as part of the application. MFU pods could include restrooms, storage buildings, outdoor seating areas, and trash enclosures, provided they met the requirements of the underlying zone and the City's Commercial Design Standards. Pods would have to meet the parking requirements for existing commercial businesses.

The City would require an MFU to apply for an annual operating permit, with an appropriate fee to be set by the City Council. The permit process would provide an opportunity for Staff to ensure that the MFU had a Certificate of Insurance, had been inspected by Coos Health and Wellness, and had Fire Inspection documentation. An MFU permit would be issued to the operator of the MFU and would not be transferrable. It could be revoked for non-compliance.

Mobile Food Units operated as part of an approved farmers market or allowed under a special event permit would be exempt from the standard MFU approval process.

The City Council could repeal or amend the MFU chapter at any time, thereby terminating or modifying all MFU operations on private property.

Along with a copy of the Staff Report for the Mobile Food Unit Draft Ordinance, Nichols had provided copies of public comments submitted as letters and emails, the minutes of Planning Commission Public Hearings on the issue, and the Oregon Health Authority (OHA) *Mobile Food Unit Operation Guide*. She also distributed a sheet with Staff's Findings, which stated that the proposed amendment was consistent with Bandon's Comprehensive Plan (Comp Plan), would not adversely affect city development, and addressed the need for the City to "promote the health of the economy by encouraging development types that are compatible with city infrastructure, service provision capabilities, environment, and the community's high standards for quality of life."

Nichols highlighted additional language in the Comp Plan that elaborated on a City policy to "enhance the economic well-being of the residents of Bandon by encouraging the expansion and diversification of the city's economy through:

- “1. Tourism: Guard the scenic appeal and character of Bandon by the careful development of tourist facilities.
- “2. Meet the economic needs of Bandon in the face of a declining economic base by diversifying the city’s economy wherever possible.
- “3. Maintain a well-balanced social community by encouraging industry that will attract youth.”

Staff found that the addition of MFUs would embrace and support those policies expressed in the City’s Comp Plan and could support the seasonal influx of tourism without causing a negative impact on existing businesses in the slow season.

Prior to work by City Staff and the Planning Commission on the Mobile Food Unit issue, City Manager Chandler had conducted an online survey that received an overwhelmingly positive reaction from those who responded. However, more critical feedback from the public was heard at the Planning Commission’s Public Hearing. Nichols said concerns were raised about locating MFUs in Old Town, where they would compete with “brick and mortar” businesses and existing tourism facilities along the waterfront. Concern was also voiced that MFUs should cover their fair share of the costs such as SDCs and Zoning Compliance fees that were shouldered by permanent business in the City. Nichols recalled some individuals supported food carts but wanted to see reasonable regulations to control where they were located.

The Planning Commission had recommended approval of the Draft Ordinance but could not come to a consensus about where MFUs could be permitted. Staff recommended only allowing MFUs in the C-2 (General Commercial) and LI (Light Industrial) Zones, suggesting the Council could revisit the ordinance and amend it at a later date if there was a demand or desire for locating MFUs in Old Town or along the waterfront.

Schamehorn read aloud the instructions for public testimony. No one who was present in the Council Chambers or participating remotely by Zoom chose to provide comment, and Schamehorn closed the Public Hearing at 7:14 p.m. The Councilors briefly deliberated the Draft Ordinance.

Seymour inquired if Coos Health and Wellness inspected MFUs and issued annual licenses for them to operate.

Nichols responded that Oregon law required all food service activities open to the public to be licensed prior to operation, but she was unsure about the duration of those licenses.

Powell asked if the Council should consider limiting the number of MFUs in the City.

Braun indicated the same idea had occurred to him, but he thought the market would probably take care of limiting the number of food trucks in town, through “survival of the fittest.”

Chandler commented that there were few MFUs seen in similar communities which allowed them, due in part to available space. He pointed out that it would be relatively easy for Bandon to change its rules if it became overwhelmed by mobile food carts.

Vick observed that fast food companies looked at traffic counts first before establishing a drive-through restaurant in a city. He maintained that Bandon did not have the traffic counts to justify a large number of food trucks at any given time.

Seymour agreed with excluding the C-1 (Old Town Commercial) and C-3 (Marine Commercial) Zones from the MFU Ordinance, as did Schamehorn.

Braun moved to approve the land use ordinance as proposed for the zone text amendment to Chapter 17.104 Supplementary Provisions of the Bandon Municipal Code and direct Staff to prepare an Ordinance and Findings for adoption at the Council's next meeting. Procetto seconded the motion and it passed unanimously by show of hands (6:0).

5.0 PROCEEDINGS

5.1 ACTIONS (none)

5.2 DISCUSSIONS

5.2.1 Wildlife Feeding Ordinance

Chandler told the Mayor and Councilors that they had been given draft language of an amendment to BMC Section 6.24.150 for discussion purposes. In response to numerous complaints of health concerns and property damage resulting from the attraction and feeding of wildlife. The Council had previously passed a resolution defining wildlife feeding as a nuisance under BMC Chapter 8.08.

Chandler stated there had been some challenges to the specific wording of that resolution. He believed the proposed Ordinance would clarify some of the definitional issues, broadening the definitions of "feeding" and "attracting," and would limit potential loopholes in the resolution. Chandler thought an Ordinance clearly stated in the City's code as opposed to a resolution would better inform the public as to what was and was not allowed. He noted that much of the language in the proposed ordinance had come from the City of Cannon Beach's wildlife feeding ordinance, which was aimed mainly at opossums and raccoons.

There was no additional discussion of the Draft Ordinance, and it was agreed that Staff would present an ordinance for Council adoption at a future meeting.

5.3 RESOLUTIONS

5.3.1 Resolution 22-18 Authorizing Expansion of Enterprise Zone

Chandler introduced two speakers who provided background information on Enterprise Zones.

Brandi Medeiros, Community Development Director, CCD Business Development Corporation
Shaun Gibbs, Executive Director, South Coast Development Council

Medeiros explained that Enterprise Zones were a State of Oregon program designed to provide incentives to bring new eligible businesses such as manufacturing and production to a community. The Coquille Valley Enterprise Zone was designated in 1986 and CCD was appointed enterprise zone manager in 1998. Having served with CCD since 2011, Medeiros was familiar with some of the Coquille Valley Enterprise Zone's recent history. She said it had gone through a few boundary amendments and had its redesignation in 2019. By statute, an Enterprise Zone would sunset every ten years.

Medeiros indicated that every change to the zone required agreement from all of its sponsors, which was accomplished by resolution and conversations. She stated that the conversation in this instance was initiated by Gibbs and the sponsors had given their support to amending the zone and adding properties.

Through its redesignation, the Coquille Valley Enterprise Zone encompassed 9.4 square miles. It was allowed up to 15 square miles, and the additional properties being proposed for inclusion would add 1.09 square miles, bring the total square miles to 10.5 and leaving room for future development.

Medeiros emphasized that Enterprise Zones abated new structures, equipment, and heavy, fixed machinery, but did not abate land. There were eligible businesses and eligible properties that were abatable. She invited Councilors to call her if they had questions, or they could go to the Business Oregon website and look up information on Enterprise Zones. Medeiros said the Standard Enterprise Zone Exemption was the most common type, providing three to five years of tax incentives for newly authorized businesses.

Chandler offered the example of a golf course and asked if the tax abatement would not apply to the land, only to the other developments.

Medeiros confirmed that only any new structures or heavy or fixed machinery or equipment would be covered.

Schamehorn asked who initiated the increase in the size of Bandon's portion of the Enterprise Zone.

Gibbs answered, first explaining that the South Coast Development Council (SCDC) was a regional economic development organization serving the southern half of the Oregon coast, from Florence to Brookings/Harbor. SCDC frequently partnered with CCD, working to help businesses expand or be competitive, and working to bring businesses that created living wage jobs to the region.

Gibbs said SCDC initiated the boundary amendment and reached out to CCD because it was in contact with a developer who wanted to develop a property just outside the Enterprise Zone and outside Bandon's Urban Growth Boundary (UGB). It consisted of nine acres across Highway 101 from the Bandon State Airport. The individual was working on a project and was interested in what incentives might become available. Gibbs told the Mayor and Councilors that this particular property was located at Oberman Lane and the development being considered would potentially be an eligible business.

Procetto wondered if SCDC would have become involved if the developer had not contact it.

Gibbs replied that the developer had been talking to Coos County representatives and others in search of incentives.

Schamehorn asked to have it confirmed that just the small area around the Bandon Beach Hotel site was requested for addition to the Enterprise Zone in Bandon.

Gibbs verified that the hotel property was to be part of the expansion and added that there were some properties southwest of Bandon that were also included.

Schamehorn inquired about who asked to have the hotel site included.

Gibbs thought it might have been Bandon Dunes, which Schamehorn said she had assumed. He clarified that the expansion process involved conversations with the Enterprise Zone sponsors—the City of Bandon, the Port of Bandon, Coquille River, the City of Coquille, and the City of Myrtle Point. Businesses that were not in the zone but might be interested in expanding the zone were in discussions as well.

Schamehorn observed that the Oberman site was small, but she noted the larger New River Dunes expansion, where a golf course was being developed, and asked why it was being added, if a golf course would not qualify for abatement.

Gibbs answered that it was additional land owned by the Bandon Dunes Golf Resort. Although the golf course itself did not qualify for abatement, buildings would.

Braun asked if all the other Enterprise Zone sponsors had signed off on the expansion request, and Medeiros replied that all the sponsors had shown support and one of them had passed a resolution. She said Coos County had been involved from the beginning.

Schamehorn did not recall the abatement benefit being used outside of Bandon for many years.

Medeiros thought Face Rock Creamery was the last authorized business in Bandon.

Vick remembered Hardin Optical receiving an abatement many years earlier.

Medeiros offered to provide information on the businesses in Bandon that had been authorized for abatement over the years. Seymour encouraged her to do so and she moved to table the matter. Procetto seconded the motion.

Braun thought the Enterprise Zone did not dovetail with the City's Urban Renewal (UR) Districts and he understood UR-2 did not extend beyond City Park and would not encompass the Bandon Beach Hotel property.

Nichols confirmed that.

Braun asked when the clock would begin on the three-to-five-year abatement.

Medeiros responded that it would start the first year a business was placed in service, and up to two years of construction would be allowed.

Gibbs pointed out that there was a four-to-five-year Expanded Zone Program in which the sponsors had to negotiate with the project based on wages, job creation, and investment, to make sure tax revenue was not being shortchanged.

Schamehorn commented that the hotel and the golf course were going to be built whether or not the developer was given tax abatement. She said the City of Bandon had given tax abatement to Bandon Dunes and was highly criticized, but the City was betting on its success. Bandon Dunes did become the largest single taxpayer in Coos County, contributing over a million dollars a year. Schamehorn insisted, "The rest of us—the taxing bodies—we don't have a lot of money, and for us to give tax abatement to somebody who we know is going to develop anyway seems like you're slitting your own throat, and I personally am not in favor of that." She added, "But I'd like to know more about the whole purpose of expanding the zone."

By unanimous show of hands, the Council voted to table Resolution 22-18 (6:0).

5.3.2 Resolution 22-19 Water System Master Plan

Steve Major, a Principal at The Dyer Partnership Engineers & Planners in Coos Bay.

Major gave a presentation summarizing the Water Master Plan prepared by The Dyer Partnership. He noted that some concern had been expressed about the first draft of the plan, which had been completed in 2020, mainly due to the cost of the proposed raw water off-channel storage facility. New developments since the initial draft were to be covered in Major's presentation.

Major began with a map of intake facilities in the City's water system. The Ferry Creek Reservoir and the Geiger Creek Reservoir fed raw water to the Lower Pump Station, which pumped it to the Middle Pond. From there, raw water was pumped to the Water Treatment Plant. At some point in the past, a third pump was added at the Low Water Pump Station, allowing use of water that went through the Fish Hatchery, which had senior water rights. Major said the City used that water quite a bit during the summer.

Deficiencies in the intake system included the lack of storage during low-flow months, in part because the Ferry Creek and Geiger Creek Reservoirs were silted in, reducing their capacity. Major said all three pump stations needed flow monitoring capabilities, which was one of the requirements for one of the City's water rights extensions. None of the three stations had emergency power sources. The Lower and Middle Pump Stations needed ventilation and increased pump capacity to 700 gallons per minute per pump. Major noted that the Water Treatment Plant was sized for two million gallons, but it could be expanded to four million gallons with the increased pump capacity.

Major displayed an overhead photo of the Water Treatment site. He said one of the improvements that resulted from the 2019 bond issue was to replace one of the two raw water clarifiers. The older one needed to be replaced. In the control building, there was filter media in two of the four filter bays, producing two million gallons with the capacity to expand to four million. A couple of years earlier, the walls of the two filters were given an epoxy coating that made it easier for City crews to wipe off whatever might accumulate there.

Pictures of the piping gallery and chemical feed systems at the Water Treatment Plant were shown. Coagulation chemicals made particles larger so they would settle out. Soda ash controlled the pH of the water. Ultraviolet disinfection was available as backup to chlorine disinfection.

At the site there were two reservoirs—one holding a million gallons and the other with a two-million-gallon capacity.

Among the deficiencies at the Water Treatment Plant were the lack of a flow meter on the filter to waste line, so water used to unclog a filter was not accounted for. That made it appear that the City had higher water losses than it actually did. Major said the filters needed protection from sunlight to avoid algae growth. Parts were no longer available for the existing PLC, where the programs that ran all the equipment were located, so it needed to be replaced. The flooring and sample island needed updating, the secondary clarifier needed replacing, and the Water Plant had no emergency power source.

For treated water storage, the City had a one-million-gallon tank and a two-million-gallon tank, both made of welded steel.

Deficiencies noted in the two-million-gallon tank included corrosion at the inlet and outlet, a lack of seismic protection, and failing coatings on the interior and exterior. In November 2021, the City received bids for seismic valves and interior coating for that reservoir. Major said the City had a purchase order for the seismic valve and controller on December 2, 2021, but the parts had not yet been received. The project had to be cancelled, because the Fire Chief did not want the reservoirs to be offline after mid-May. The valve and controller were expected to arrive in October, shipped from England. Major commented that the City would have had the coating done at an excellent price—\$440,000—but the delay in the project would mean a higher cost.

Interior coatings on the one-million-gallon reservoir were beginning to fail, there was corrosion on the ladders, supports, and rafters, and the tank lacked seismic protection.

Major reported that the City's water distribution system suffered from inadequate fire flows and almost half of the system was using aging asbestos cement pipes that had weakened over time and were prone to leak or burst with high pressures. A computer model of the City's distribution system with the current piping showed large areas of Bandon had a flow of under 1,000 gallons per minute, with a minimum of 1,500 gallons per minute recommended for residential areas. Major indicated that increasing pipe sizes and looping the pipes would improve the flow considerably.

Future water demand, based on a growth rate of 0.7 percent forecast by Portland State University, would increase slowly over the next two decades. The maximum day demand (MDD) of 993,152 gallons in 2021 was projected to grow to 1,141,840 by 2041.

Chandler noted that many of the new homes being built in Bandon were being used as second homes, and the City had to size its system based on the number of homes, whether or not someone was living there. Bandon's growth in dwelling units was higher than its increase in population. However, State law required cities to base most of their planning efforts on population growth.

Major added that the projected water usage had factored in a decrease in water loss from 13 percent down to 10 percent. He said the Oregon Water Resources Department (OWRD) wanted cities to reduce loss to 10 percent. By putting in flow meters at the Water Plant and making sure there were accurate meters at residences, Major thought that goal could be reached.

Next, Major addressed Bandon's need for raw water storage. During the period from 1977 to 1981, flows on Ferry Creek were reported to have dropped to 0.4 CFS (cubic feet per second). Between 1994 and 1996 the rate was 1.4 CFS, and between 2017 and 2021 when the stream gauge was in operation, just downstream from the point of diversion, 2.4 CFS was measured. The projected MDD flow for 2041 was 1.1 CFS.

Major noted that Ferry Creek needed a flow of 10 CFS to provide fish passage. Augmenting low flows during dry months would benefit the water quality for aquatic organisms by increasing the flow depth and reducing the river temperature. This could be achieved with development of the recommended 100 acre feet of off-channel storage. Major stated that 25 percent of any water used from the off-channel reservoir would have to go back into Ferry Creek to help the fish and aquatic life.

Chandler pointed out that it was only in the period of the late 1970s and early 1980s that Ferry Creek was at such a low level that it caused a problem. He thought a key factor at that time was that the City of Bandon, with the senior water right on Ferry Creek, "called" its water right. If that had been done, Water Resources would have shut down other water users. "Clearly we have an issue we need to plan for," Chandler emphasized. "And none of us can predict it won't happen next year," he continued. "But, if you look historically, there's enough water in the creek, particularly if we end up having to call our senior water rights. We actually now have twenty years of data we've been looking at—demand data and creek flow data. So I just want to set people's minds a little bit at ease about this situation." He felt there was a lack of knowledge as to how much water the City had.

Major admitted that in the 2020 Draft Plan he stated that there was a senior water right downstream from the City's Low Water Pump Station, but it turned out the City did not have that. However, Bandon could use the Fish Hatchery water right after the Hatchery used it. The only exception would be for a day or two after the hatchery put some chemical in the water to clean the pens, and the City would be given notice when this was happening.

Returning to his presentation, Major observed that under drought conditions there would only be 1.7 days' worth of storage in the Ferry Creek and Geiger Creek Reservoirs. He said the City had been looking at dredging those reservoirs, but Oregon Department of Fish and Wildlife (ODF&W) claimed ownership of the dams and called them unsafe, although that assessment had changed as well.

Chandler interjected, "It depends on who you ask at ODF&W, but we're talking to them on a pretty regular basis. We've actually now started a conversation with the regulatory agencies about what it would take to get the Ferry Creek impoundment dredged out." He described how the dam was not holding much water back, but the engineers, the fish biologists, and the hatchery operators were not in agreement about the dam.

Chandler underscored the huge difference the Ferry Creek Reservoir would make to Bandon. “While it’s only a couple of days’ worth of water,” he explained, “that’ll fill up overnight. If we ever have to...turn the pumps down, it will refill during the day, and what that means is we would not have to operate the plant potentially 24/7, which is obviously a cost and a staffing issue for the people of Bandon.”

Major added, “To get some idea of the siltation that’s in Ferry Creek and Geiger Creek, look at the latest Google pictures. It’s very obvious. Ferry Creek’s more affected than Geiger Creek, but it’s very obvious there’s not a lot of storage there.”

Referring to an aerial map of the area near the Fish Hatchery, Ferry Creek and Geiger Creek Reservoirs, and the City’s Pump Stations, Major described how the Off-Channel Storage option would work. Water from the Low Water Pump Station would be pumped to a 100-acre-foot storage area. During low flow conditions, water would be fed back to the Low Water Pump Station and pumped to the Middle Pond, with an additional 25 percent going back into Ferry Creek. This would provide 38.2 days added storage for over 39 total days of storage. If that storage had to be used, Major noted that the City would implement steps to reduce water usage as directed by its Water Conservation Management Plan.

Earlier in 2022, GSI Water Solutions of Portland conducted a preliminary investigation for groundwater wells, with a target capacity of 300 to 500 GPM (gallons per minute) and a potential yield of 75 to 100 GPM per water supply well. Major said up to six wells would be incorporated in this project.

Permitting concerns OWRD would take into consideration, according to Major, included the availability of water. Based on GSI’s analysis of subsurface conditions, there would be enough water. OWRD Basin Program rules would have to be followed. If the wells proved to be productive, the City would have to transfer some of its water rights to the wells, and those rights could not be transferred back. Another concern would be the impact on surrounding wells of drawing 300 to 500 GPM out of the ground.

GSI generated a map that showed a set of preferred well locations that were the least expensive, with two other sets of wells that were more expensive. Dyer Engineers chose the most expensive group of wells for a cost comparison with the Off-Channel Storage project. Major told the Councilors the wells would cost significantly less, but another \$360,000 would be needed to continue studying the viability of the wells. That would include drilling a test well.

Major provided an update on the City’s water rights. Because water meters had not yet been installed at the pump stations, the City had been granted an extension until October 1, 2022, to submit a request for a permit to change the use of water from Geiger Creek from domestic to municipal.

The City was waiting for two final orders from OWRD to allow the off-channel storage and the usage of the off-channel storage. OWRD was waiting for comments from ODF&W.

Major went over a list labeled “Priority I Improvements” that were deemed most critical and that should be undertaken as soon as funding became available. Those projects included improvements to maintain the quality of the water system, concentrating mainly on the water treatment side.

Priority I Improvements at the Waste Treatment Plant were:

- A flow meter for the filter to waste line.
- A sun shade for the filters.
- PLC modifications.
- Replacing flooring and the sample island.

Other Priority I Improvements were:

- One backup generator to supply power to the Water Treatment Plant, Middle Pump Station, Lower Pump Station, Low Water Pump Station, and Fish Hatchery.
- Existing raw water clarifier replacement.

Vick wanted to know what regulations had been changed to cause this to project to become so expensive.

Major replied that the State Structural Code had been changed in such a way that “there is not a glass fuse to steel manufacturer that will tackle that connection where the steel comes in contact with the concrete. They’re saying the only way they can meet the current code is to put a steel flooring on.” Major commented, “When you put a steel floor in, that eliminates the chance of having a hopper bottom that we need for the clarifier. That means you have to go concrete.” He added, “The difference between the original clarifier that was designed and built versus having that same structure as concrete is about \$1.3 million.”

Major said the State of Oregon changed its code without considering the effects of that change and it was one of the few entities enforcing that code. The City asked the State if the clarifier could be built to the code provisions under which the existing one was built, and that request was rejected.

“Even though we got the bonds out for it ahead of time,” Vick remarked, saying, “That’s ridiculous.”

Major stated that plans for the clarifier would be reviewed according to the current code that required a steel floor with concrete at the bottom of supports. He believed the manufacturers would not address the issue due to liability concerns and they would not invest in solving the problem because Oregon was one of the few states with this particular structural code.

Vick wondered if there was any kind of workaround.

Chandler responded that the City was working on getting political leverage to help out. He added, “I think there’s a pretty good argument for the City of Bandon to go to the State of Oregon and say, ‘You guys just cost us another million bucks. You’re handing out a lot of money right now for water infrastructure. Why don’t you help us out?’”

Returning to his list of Priority I Improvements, Major included:

- Improvements on the two-million-gallon (2 MG) water storage tank—seismic valves and interior coating.

Powell asked if the two jobs could be done separately.

Major explained that the reservoir would have to be shut down. A hole would have to be cut in the side because the pipe coming out of the reservoir needed to come out of the side instead of the bottom. With the reservoir shut down, the painting contractor could come in and work, with only the window from March to May available to complete the project. Major said the idea was to save cost by having the two jobs done at the same time. Two different contractors would be involved.

- Improvements on the 1 MG storage tank.
- Middle Pond and Lower Pond Pump Station flow meters and standby power.
- Continuation of the groundwater supply analysis.

Major noted that Chandler had contacted ODF&W regarding the City's water rights on Simpson Creek, but the last measurement there, within the past month, showed only 0.1 CFS—not enough water to develop it as a source.

The estimated total cost of the Priority I projects was \$9,041,400. At the Water Treatment Plant, improvements to the building were estimated at \$598,000, the backup generator system would amount to around \$1,302,000, and replacing the existing clarifier had ballooned to \$3,047,800. Improvements to the 2 MG Storage Tank were estimated at \$2,130,400. The 1 MG Storage Tank rehabilitation would come to \$985,300. Pump station improvements were estimated at \$640,400 combined, and the groundwater study and test well would come to \$337,500. “We’re seeing construction costs going up 15 percent,” Major observed. Of that \$9 million total, the City’s bond issue would cover over \$3 million.

Priority II was limited to the choice between off-channel storage (estimated at \$8,342,000) and a groundwater supply (\$3,605,245). Major figured the groundwater cost would even be lower if the least expensive well locations were chosen, as opposed to the more expensive ones used for the estimate.

Chandler clarified that those lower-cost wells were closer to existing domestic wells. He said the next step in the groundwater project would be to meet with ODWR and discuss what would happen if studies showed the City’s wells would interfere with domestic wells. “Fortunately, they’re located in places where the City could mitigate by hooking those folks up to City water,” Chandler stated, but he said it was unclear how ODWR would view the situation. He added that the passage of the Transient Occupancy Tax (TOT) increase measure would add more money to the City’s General Fund and allow the City to move forward with some of the work.

Priority III Improvements mainly involved distribution system projects to improve fire flow, replace existing water meters, and replace aging or deficient water lines. Major shared an itemized list of project locations and costs, with an estimated total of \$14,865,400. He recommended addressing the Priority III issues a little at a time.

Chandler commented that some of the projects would be demand-driven or growth-driven and would be paid for with SDCs. If the City Council were to be granted the ability to set SDC rates, the cost of some of the projects could be allocated fairly between existing residents and new development, in a district-by-district fashion. He elaborated that “If there’s a particular area where fire flows are low, and it’s the same area where a lot of new development is going, that new development can pay for a larger percentage of whatever local improvements need to happen.”

Major added that line sizes would have to be increased to get the necessary flow for new developments. Looping the system at that time would be an improvement for existing users as well. He displayed a map showing the Priority III project locations.

Major noted that the State was not very favorable toward funding packages for communities such as Reedsport and Bandon, where the Council could not increase user fees without a vote of the people.

Seymour recalled that the City’s Water Committee, when she served as a member, met in Roseburg with representatives from the federal government, the State of Oregon, and the Department of Environmental Quality (DEQ) and were told the City could not qualify for any loan or grant because it could not raise its utility rates.

“You can’t guarantee that you can cover the debt,” Major added. He also served as City Engineer for Reedsport, where 25 to 30 percent of the water system was metered and the rest was not. “If they’re going to get any kind of funding from the State or federal government, they have to agree to meter everybody,” Major contended. To do so would require voters to approve a rate increase.

Major briefly explained how Equivalent Dwelling Units (EDUs) were used to determine funding of water projects. An EDU represented the average daily water usage per residential connection. For funding considerations, Bandon’s total system EDUs for all usage types came to 2,494. Based on average water consumption of 3,500 gallons per residential unit, the average rate inside the City was \$36.60 per month, including a 10 percent utility fee. The average for commercial accounts was \$57.62. Outside users paid a higher rate, but without the utility fee—\$49.39 for residential users and \$78.14 for commercial accounts.

The Dyer Partnership examined three financing options:

- The Rural Development Financing Program consisted of 25 percent grant funding with the other 75 percent being a 40-year loan at two percent interest. The grant amount would be \$1.48 million and the loan amount would be \$4.45 million. It would increase the cost per EDU by \$5.40 per month.
- The Water/Wastewater Financing Program offered a \$750,000 grant plus a 30-year, \$5.1 million loan at a 2.86 percent interest rate. The rate per EDU would increase by \$8.60.
- The Clean Water State Revolving Fund Loan would provide \$5.9 million at one percent interest over 30 years, increasing the cost per EDU by \$7.65.

Based on added debt service cost estimates, if all Priority I projects were funded, Major said the monthly residential user fee would increase to at least \$53.13. He pointed out that a rate of \$45.87 had been used to represent what the current monthly user fee should have been, based on the City’s 2,494 EDUs.

An evaluation of the affordability of water services in Bandon, based on a median household income of \$37,262, showed the current monthly rate represented 1.18 percent of a residential user’s income. At a projected monthly rate of \$53.13, “the affordability percentage” would increase to 1.71 percent, still below the typical two percent rate and in the range of affordability that would boost the City’s chance of receiving funding packages that included grants.

Major’s recommendations were:

- Adopt the Water System Master Plan.
- Secure funding for Priority I Improvements.
- Construct Priority I Improvements.
- Reevaluate Priority II Improvements based on additional groundwater supply information.
- Construct Priority II Improvements.
- Construct Priority III Improvements (“You’ll have the Priority III forever,” Major remarked.)

Major commented on the steep rise in construction costs and the decline in availability of materials. He told the Mayor and Councilors, “On the reservoir project, we are going out for quotes on all the pipe fittings required, so we get that ordered, get that delivered to the City before we start construction.” He added, “They’ll quote you a price for a day...and we’ve seen on projects where...we’ve bid the project, we’ve awarded the project, and then the suppliers come back and they want another 10 percent, another 15 percent, even once they’ve agreed to a price.”

Chandler stated that the bids would probably go out in the next month on the electrical work—the backup generator system. The City’s new electrical system engineers helped design a system based on a single large generator.

Major observed that it would take 16 months to get the generator.

Braun made a motion to adopt Resolution 22-19, Adopting the Water System Master Plan. Vick seconded the motion and it passed by unanimous show of hands (6:0).

6.0 CONSENT AGENDA

The Council considered the following items on the Consent Agenda:

6.1 APPROVAL OF COUNCIL MINUTES

6.1.1 City Council Meetings

- July 11, 2022 Regular Meeting
- July 18, 2022 Work Session
- August 1, 2002 Regular Meeting

6.2 REVIEWING OF COMMISSION AND COMMITTEE MINUTES

6.2.1 Planning Commission Meetings

- July 21, 2022 Regular Meeting
- August 25, 2022 Regular Meeting

6.3 INFORMATION ONLY: DEPARTMENT REPORTS

6.3.1 Accounts Payable Report for July 2022

6.3.2 Library Report for July 2022

6.3.3 Public Works Report for August 2022

6.3.4 Community Center and Sprague Theater Report for August and September 2022

6.3.5 Planning Department Report for August 2022

6.3.6 Police Department Report for August 2022

6.3.7 Finance Department Report for July 2022

6.3.8 Consolidated Municipal Utility Report

6.4 INFORMATION ONLY: OTHER ITEMS

6.4.1 Appointment to Committee for Community Involvement

- Leslie Thomas

6.5 EASEMENTS AND RIGHTS-OF-WAY (none)

6.6 COMMITTEE/COMMISSION DIRECTION AND REPORTS (none)

Schamehorn hoped to receive more of a narrative report for the monthly Community Center/Theater Report in the future, in addition to a calendar of events and activities. She noticed on the current report’s calendar that there was a memorial listed on August 20, but it did not say that there was another event booked at the same time. Schamehorn attended the memorial for Larry Sabin, who served on the Bandon Rural Fire District Board for many years. It was held in one half of the meeting space and a baby shower was taking place in the other half of the space. The side where the memorial was held was posted for a maximum of 69 people, but Schamehorn said people were “wall-to-wall” on that side.

Schamehorn asked if the Library Board was meeting every two months and was now being called the Library Advisory Board.

Chandler responded that the names of some boards and commissions had been changed in 2020 to reflect that they were advisory to the City Council. The Council was the actual governing body for the Bandon Library.

Schamehorn pointed out that the Planning Department Report announced that an application for a new Grocery Outlet store had come in. She said that was good news to share with the community.

Braun moved to approve the Consent Agenda and Vick seconded the motion. By unanimous show of hands, the motion passed (6:0).

7.0 PUBLIC COMMENT

Denise Frazier, 1259 Wavecrest Lane SW, Bandon, OR 97411

Knowing that Vacation Rental Dwellings (VRDs) would be discussed at the Council's upcoming Work Session with the Planning Commission, Frazier encouraged the Councilors to amend the City's 2018 VRD Ordinance to address the unintended consequences of text changes made at that time. She specifically asked to have nonconforming VRDs included in the saturation ratio calculation when a new VRD application was being considered.

Frazier also proposed a review of the formula used to calculate VRD density, because it did not include the applicant's property, resulting at times in a ratio greater than the 30 percent allowed by the ordinance. She cited the example of two VRDs recently approved on Cleveland Avenue SW. Frazier thought two VRDs on Cleveland out of five single-family dwellings within 250 feet of those VRDs meant a saturation ratio of 40 percent. She believed the saturation ratio was intended to prevent VRD neighborhoods from forming and to minimize the impact of VRDs on existing homes in the CD (Controlled Development) Zones.

Bill Frey, 1235 Wavecrest Lane SW, Bandon, OR 97411

Frey noted the great job Bandon Police had been doing in issuing speeding citations. In a conversation with a friend in Port Orford, Frey had been told that the Council in that town had discovered that the processing of speeding tickets was not being done diligently. He said, "When they rectified that situation, they found an unintended consequence of \$200,000 in revenue." Frey wondered if Bandon had a monthly or quarterly report that the public could access showing the source of the funds that go into the General Fund or if there was an audit that ensured speeding fines were being collected and processed diligently.

Chandler responded that there was a report that he reviewed every month and the overall funds were audited once a year. He also saw a large whiteboard in June Hinojosa's office where every ticket was written down and processed.

Frey added that he would appreciate a priority given to modifying the VRD ordinance as Frazier had previously recommended.

Procetto asked Schamehorn if appointees to committees such as the Committee for Community Involvement (CCI) could come to a Council meeting so the Councilors could meet them. She noted that Frey was a CCI member in attendance at the meeting.

Schamehorn thought the Councilors probably did not know most of the members of the Parks and Recreation Commission, either. She said Councilors were free to go to any of the commission or committee meetings and meet the members.

8.0 OTHER: COUNCIL/MAYOR/STAFF REMARKS

Nichols thought something could be organized to bring the Council and all the commissions together. She thought it was a nice idea.

Chandler thanked the voters for supporting the Transient Occupancy Tax increase. “We plan to put that money to good use and be very transparent about what we do with it.” He said there had been a lot of requests for a trolley, and Staff was in the process of looking for used trolleys and pricing them out. There were not very many around the country and they seemed to be in places like Florida and Virginia. Staff looked for ones with aluminum bodies that would not rust in Bandon’s climate and would only select a trolley that was Americans with Disabilities Act (ADA) compliant.

In the near term, Chandler said the City was dedicating some funds to the cleanup of Old Town, including curb painting, sidewalk washing, and a general cleanup of the public spaces there. He stated that making Bandon a better town for visitors “means it’s a better town for all of us as well.”

Vick commented that he had heard positive and negative things about the recent Cranberry Festival. He thought the festival should be split up between City Park and Old Town. “This year, the weather was exceptional, the crowds were huge, the parade was great, but I think Old Town was kind of just dead,” he stated. He added, “I don’t think it would really hurt to move at least part of the festival—car show, whatever—down to Old Town.” Vick heard complaints that people could not get food at the festival or find a place to park.

Procetto remarked that she had attended the coronation of the Cranberry Queen, “and it was a lovely ceremony. The master of ceremonies was great and the princesses and the queen did absolutely beautifully, and I’m very proud of them and I’m sure their parents are, too.”

Seymour shared that her mother, Patricia Seidler, was pleased to have been co-grand marshal of the parade but was a little disappointed that she did not get to see all of the parade. She did spend a few hours in the park and was exhausted when she got home. Seymour received a number of negative comments from people who thought the park was dirty or did not like the parking. “I thought it was a great Cranberry Festival,” she said. “I wish that...somehow there could have been a few more food trucks, because the lines were so long.” While at the park, Seymour had heard that the traffic jam of people going to the park on 11th Street after the parade was backed up to the hospital, and she wanted to hear from anyone who was part of that.

Seymour thanked Major for his report on the Water System Master Plan.

“I think the Festival Association, with as...few people as they have working on it, I think they did an excellent job,” Schamehorn stated. She did think the parking could have been better, and she mentioned the lack of a handicapped parking area. If the City had a trolley next year, Schamehorn felt that could alleviate some of the traffic and parking issues. She did not think older people would want to walk for blocks to get to the festival and she liked Vick’s suggestion of splitting up some of the activities.

“People I talked to seemed happy with it,” Schamehorn summarized, although, “I did see one thread on Facebook about the political signs and the political groups that were in the parade, and they were all focused on one political party, but the other political party was in the parade, too.” She added, “When you get right down to it, with Madeline and I riding, if you say, ‘no politics,’ then maybe we shouldn’t be riding either. You don’t know where to draw the line.”

Seymour noted, “We purposely don’t put signage on the car we’re in.”

Vick chimed in, saying, “Way back in the early eighties when I ran for City Council, I did the cleanup after the equestrian units and I had a sign on my wheelbarrow that said, ‘Vote for Vick’ on each side.” He concluded, “Politics is politics. Get over it!”

Braun thanked the Volunteer of the Month and he encouraged those who had comments, criticism, and feedback about the Cranberry Festival to get involved in helping implement the festival. He emphasized, “It takes a lot of work to do that festival.”

Powell agreed with Braun and noted that the festival preparation would begin in late January or early February. “If you didn’t like what was happening,” he urged, “get involved!”

Seymour reported that the VFW (Veterans of Foreign Wars) craft fair and bake sale was extremely successful. She said the VFW thanked everyone in town and all the tourists who came by.

Frazier asked if it helped the Old Town merchants to have the festival at the park. She drove through Bandon on the day of the festival and thought it looked pretty busy.

There was a mixed reaction to Frazier’s question, but Powell responded that it was crazy at his bakery and staff was busy until the parade started. “Busiest day in the year,” he proclaimed.

Procetto observed that there was no place to park when she went to Old Town that day.

Schamehorn advised anyone with concerns to talk to the Bandon Chamber of Commerce, because it was their festival.

9.0 ADJOURN

Schamehorn adjourned the City Council’s Regular Meeting at 8:39 p.m.

City Council Regular Meeting Minutes
Submitted by Richard Taylor, Minutes Clerk