

CITY OF BANDON

CITY COUNCIL AGENDA DOCUMENTATION

DATE: November 2, 2020

SUBJECT: Resolution 20-27. Addressing Out of City Water Service

ITEM NO. 5.3.1

BACKGROUND:

The City of Bandon has provided water service to properties outside city limits. Properties receiving water sign a consent to annex, and waiver of remonstrance against the formation of a local improvement district. Recently, the city has received a very high number of requests for out of city water service.

The City obtains its entire water supply from Ferry and Geiger Creeks. In periods of extreme drought Ferry and Geiger Creeks may not provide sufficient water to the supply the City without an alternative supply or significant additional storage. The City does not have funds to construct the proposed off-channel reservoir, and cannot obtain loans without rate-setting authority.;

Moreover, there is a fairness issue at play. Properties outside city limits use city roads, streets, library and public safety services but do not pay city taxes. Many properties outside city limits are operated as vacation rentals. These properties benefit from city-funded tourism development efforts, but do not pay transient occupancy tax that supports those efforts.

Finally, out of city water service requests are using significant resources to process applications. The city is working to speed up our development review process and needs to focus on on-city applications in the near term.

This resolution creates a temporary "pause" in out of city water applications and directs staff to provide a report by January 2021 addressing these issues.

FISCAL IMPACT:

There will be a short-term reduction in connection fees and land use application fees, but there will be little long-term fiscal impact from this 6-month pause.

RECOMMENDATION:

Approve Resolution 20-27

SUBMITTED BY:



Dan Chandler City Manager

RESOLUTION NO. 20-27

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF BANDON, OREGON, REGARDING THE PROVISION OF OUT OF CITY WATER SERVICE.

Whereas, the City of Bandon ("City") has provided water service to properties outside city limits; and

Whereas, persons and properties outside city limits use city roads, streets and public safety services but do not pay City taxes; and

Whereas, a proliferation of vacation rentals outside city limits compete with providers within the City and benefit from tourism development funds, but do not pay transient occupancy tax; and

Whereas, the City obtains its entire water supply from Ferry and Geiger Creeks; and

Whereas, in periods of extreme drought Ferry and Geiger Creeks may not provide sufficient water to the supply the City without an alternative supply or significant additional storage; and

Whereas, the City does not have funds to construct the proposed off-channel reservoir, and cannot obtain loans without rate-setting authority; and

Whereas, the City is in the process of reviewing its water system master plan including revised population projections:

Now Therefore the City Council of the City of Bandon resolves as follows:

1. The City will not provide water service outside city limits for a period of 6 months from the date of this resolution unless it is sooner terminated.
2. The City Manager is directed to provide a report or reports to city council no later than January 18, 2021, or as soon thereafter as the City Council holds a work session on the following issues:
 - a. Financial issues related to the provision of water outside of city limits, including the possibility of annexation, appropriate connection charges the possibility of service fees and equity for city residents and businesses.
 - b. Water supply alternatives for extreme drought situations.

- c. A supplemental report to the water system master plan that accounts for faster growth scenarios.
3. Paragraph 1 above shall not apply to persons who have previously paid water system systems development charges to the city.

ADOPTED by the City Council and APPROVED by the Mayor of the City of Bandon, this 2nd day of November, 2020.

Mary Schamehorn, Mayor

ATTEST:

Denise Russell, City Recorder