



MINUTES
City Council Work Session
July 23, 2024 at 6:00 PM
Coburg City Hall
91136 N Willamette Street

MEMBERS PRESENT: Nancy Bell; Mayor, Cathy Engebretson, Claire Smith, John Lehmann, Alan Wells, Jaymason Bouwman

MEMBERS ABSENT: John Fox

STAFF PRESENT: Adam Hanks; City Administrator, Sammy Egbert; City Recorder, Brian Harmon; Public Works Director

RECORDED BY: Madison Balcom; Administrative Assistant

CALL TO ORDER

Mayor, Nancy Bell called the meeting to order at 6:05pm.

ROLL CALL

City Recorder, Sammy Egbert called roll. A quorum was present.

DISCUSSION ITEMS

Mr. Hanks briefly reviewed the items in the packet.

1. Water Capacity Analysis Review

Mr. Hanks said that the current water supply allows the city to add Premier RV to the system with no issues and successfully take on the projected residential and commercial growth, which does include well #3 in its capacity analysis. Hanks explained that the city's current water capacity is in good shape for now, but by 2030 they will have to look at additional water supply. He provided some further details and timelines of water capacity and needed future production of additional water supply.

Mr. Lehmann asked what the capacity is for the two current wells. Mr. Harmon said 1 million gallons, producing 1000 gallons per minute. On average, during the peak of the year, the city uses about 750,000 gallons a day. Mr. Harmon said that water supply outweighs storage as far as importance.

Mr. Hanks said that there are other options, besides adding wells, including the possible use of EWEB water services, and explained some of those options, including details on funding, lifespan, restrictions, and overall availability. Mr. Harmon also mentioned his concerns for drilling more wells and most likely having many test areas and failed attempts before reaching the needed level of water supply and number of producing wells. Mr. Hanks wanted a go ahead from Council to further look into and explore the current options, which council did provide.

2. Water Project Status Update

Mr. Hanks gave a brief report on the water projects, and where they currently sit with project statuses and completions, including project funding and priorities. There is some movement allowed for the order of the projects, some of which relate or are directly impacted by water supply.

3. Water Loan Status Update

Mr. Hanks said there is about \$1.5 million left of the loan, which will be mostly used for finishing the well #3 project, and the SCATA equipment for the well, and possibly some not tied to the well. That data will help largely improve the water master plan. Once they've exhausted all the funds, the first debt service payment will be due, December 1st.

This ties into water rates, because water rates pay for maintenance and operations, some future capital, and existing debt service. To maintain lower rates, it constrains the ability to complete these projects, because it cannot constrain operations and maintenance or service levels. Operations and maintenance require a 2-4% rate increase annually, and other rate increases on top of that are for capital related work.

4. Water Conservation Management Plan Update

Mr. Hanks said that Mr. Harmon is working on this directly with Branch. The conservation management plan is a companion piece to the water master plan, and forces the conversation on conservation and wise use of the resource, from both the system and consumer sides.

Mr. Harmon added that administration uses the water master plan and operations uses the water conservation management plan. It is a 10 year plan, and on year 5 they have to do a benchmark to show what they have done inside the water conservation management plan. This plan is not tethered to funding sources but has a direct correlation with getting funding in certain aspects of the water system. The document is about 90% completed and will be finished soon.

5. Water rates Review and Options

Mr. Hanks explained more on water rates and their intended revenue. Relatively soon, they will need to have a significant rate analysis because the projected rate modeling will not keep pace with the planned capital expenditures. The rate model expected a rate increase of 7% by July 1, 2024, with an expected 4-year increase of 3.25% and a 2% increase from then on. That takes into account the planned new debt and planned rate funded capital. Staff is looking at that possible 7% increase, and a possible change in the rate schedule, with a tiered consumption system. Mr. Hanks went over the process, timeline, options, challenges, and necessity with rate increases. Council had no issues with staff looking into the rate and tier changes.

ADJOURNMENT

Mayor Bell adjourned the meeting at 8:07 pm.

APPROVED by the City Council of the City of Coburg on this ____ day of _____, 2024.

Nancy Bell, Mayor of Coburg

ATTEST: _____
Sammy L. Egbert, City Recorder

DRAFT