



Public Infrastructure Committee Meeting Minutes

December 8, 2025

Mayor Primmer called the meeting to order at 6:00pm. Councilor McCarthy was present. City staff in attendance included: City Manager Byron Smith, Assistant City Manager Mark Morgan, Recycled Water Superintendent Bill Schmitte, Street Superintendent Ron Sivey, Street Foreman Robert Herrera, Water Superintendent Roy Bicknell, and Planning Assistant Heather La Beau. Also present were Anderson Perry engineers Joshua Lott and Alan Davis. Councilor Roberts was excused.

2026 Water/Sewer Rate Adjustment

Using the attached PowerPoint, Assistant City Manager Morgan presented background information on how utility rates have historically been structured. The city restructured rates in 2018 to use an "inclining block rate" meaning the more water used, the higher the rate. City policy adjusts rates annually according to the Engineering News Record's Construction Cost Index to provide stable and predictable rates. The inflation rate in 2020 was over 7%, therefore the city chose to use a three-year average that year to determine the adopted utility rate. This year's rate adjustment recommendation is also a three-year average of a 2.34% increase. The adjustment will be presented to the council at the first meeting in January.

Low Income Utility Rate Assistance Program

The previous utility assistance program was limited to 50 accounts and applicants had to be at or below the federal poverty level. Current qualification is 175% of Federal Poverty Level. Accounts in the program are charged ½ of the base charge for both water and sewer, while usage charges are at the normal rate. Evidence of the prior year's income is submitted with the application. An income tax statement is helpful as it indicates the number of people in the household. The 50-account cap remains. No changes to the current program are proposed.

Regional Water System

The regional water system is operated by the City of Hermiston. The Port of Umatilla adopts the rates. Since its establishment, the regional rate has been set on a cost recovery basis, using prior usage. The reserve fund target is \$1,000,000. An assessment has been added to all customers for a backup generator. The regional water system users agreed to the assessment in 2024. The regional water rate is increasing this year, due to the impact of users shutting down operations for extended periods, using less water. Water usage is expected to increase over the next several years as water is bought to store as part of the aquifer storage and recovery project. The annual regional water system users meeting is scheduled for Friday, December 12.

Anderson Perry & Associates has been drafting a regional water system master plan for the past fifteen months. The plan addresses expansion possibilities, mitigating infrastructure risks, water rights, etc. Additional information will be forthcoming at a future Public Infrastructure Committee meeting.

Street Capital Projects Manager

Street Superintendent Ron Sivey is retiring at the end of the month after 39 years of service. Roberto Herrera has been hired as a Streets Foreman and will manage street maintenance with the street crew. Roberto worked in the Street Department prior to transferring to the Recycled Water Department several years ago. Cameron Meade has been hired as the Streets/Capital Projects Manager. He is set to start work mid-January and will oversee the Street Department budget and Capital Improvement Plan projects.

Capital Improvement Projects (CIP) Capital Projects Update



Where Life is Sweet

Public Infrastructure Committee

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- NW 2nd St paving NW 2nd St & W Dogwood Ave- design work almost complete, out to bid next several months, construction in spring/summer
- W Orchard Ave Replacing aged and undersized waterlines in Orchard from 7th St to 11th St and a small branch onto 9th a couple blocks south- includes resurfacing the top 2 inches of the entire street width and filling in missing sidewalk segments- currently in design, bid in winter 2025 & completed by fall end 2026
- Geer & Harper Realignment- design work continues, being bid in winter with work in the spring/summer of 2026. The rail crossing and the intersection will be closed for several months at a time. Businesses were mailed a notice in September, project information has been posted on the CIP website, and large signs have been installed at the site.
- Well #6 Chlorination Structure- larger structure will be built in 2026
- Well #4 Control System- contractor is in place, project should be complete and the well fully operational prior to the next irrigation season.
- Lift #7 Reconstruction- sewer lift station will be fully reconstructed in 2026
- RWTP Chlorination Improvements- result of permit changes to discharge water to river and chlorine byproducts. To reduce chlorine usage, a UV treatment system will be installed.

Adjourn

Mayor Primmer adjourned the meeting at 6:50pm.

DRAFT

A wide-angle, aerial photograph of a small town or city. The town is nestled in a valley with rolling hills. There are several roads, a river winding through the valley, and a mix of residential and commercial buildings. The surrounding landscape is a mix of green fields and dry, brownish hills. The sky is clear and blue.

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Water & Sewer Utility Rates

- Background

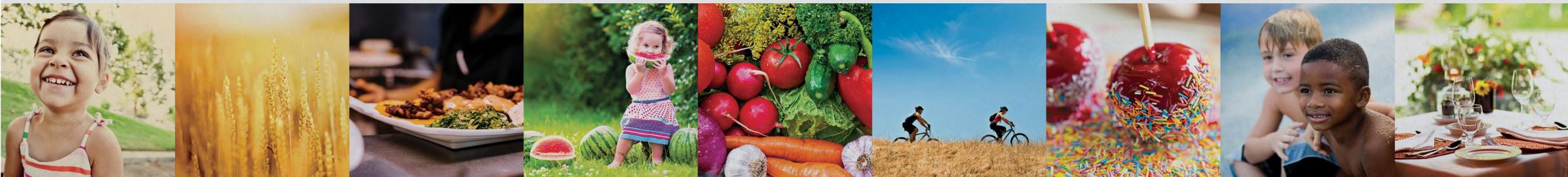
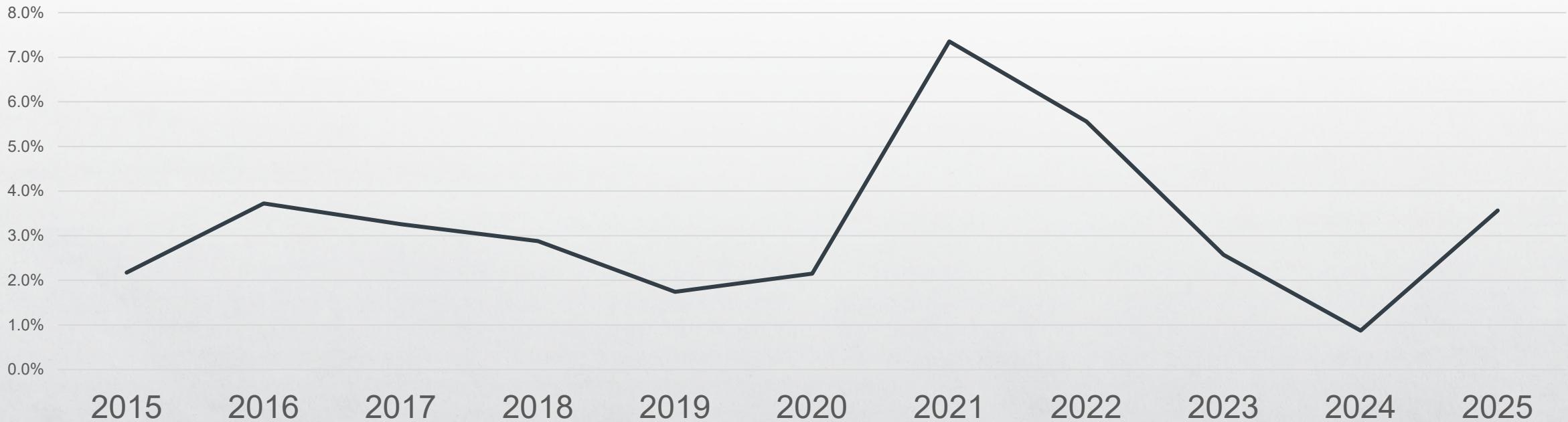
- 2016: Borrowed \$1M to Dredge Lagoon
- 2017: Developed Capital Improvement Plan
- Pay-as-you-Go vs. Debt
- 2018: Rate Re Structure → “Inclining Block Rate”
- Stable & Predictable: Engineering News Record’s Construction Cost Index (ENRCCI)





10-Year Inflation

Construction Annual Inflation





Construction Inflation

- 2023: 2.6%
- 2024: 0.9%
- 2025: 3.6%
- 3Yr Av: 2.34%

- Median Residential Customer: \$2.72/Month





Low Income Utility Rate Assistance Programs

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Background

- Pre-2019: Almost Non-Existent
- Current Qualifications
 - **175% Federal Poverty Level**
- $\frac{1}{2}$ Base Charge – Usage Charge is Normal
- Cost to Other Rate-Payers Limited to only 50





Compliance Considerations

- “Chronically Low Income”?
- Household?
- Means Testing?





Cost of Assistance

- Must be Recouped from Other Rate-Payers
- 2026 Cost of 50 Users:
 - **Benefit Per -Recipient:** **\$477.78**
 - **Cost to Utility:** **\$23,889**
 - **Cost per Customer:** **\$0.33 per month**





Cost of Assistance

- Must be Recouped from Other Rate-Payers
- 2026 Cost of 100 Users:
 - **Benefit Per -Recipient:** **\$477.78**
 - **Cost to Utility:** **\$47,778**
 - **Cost per Customer:** **\$0.66 per month**





Regional Water System

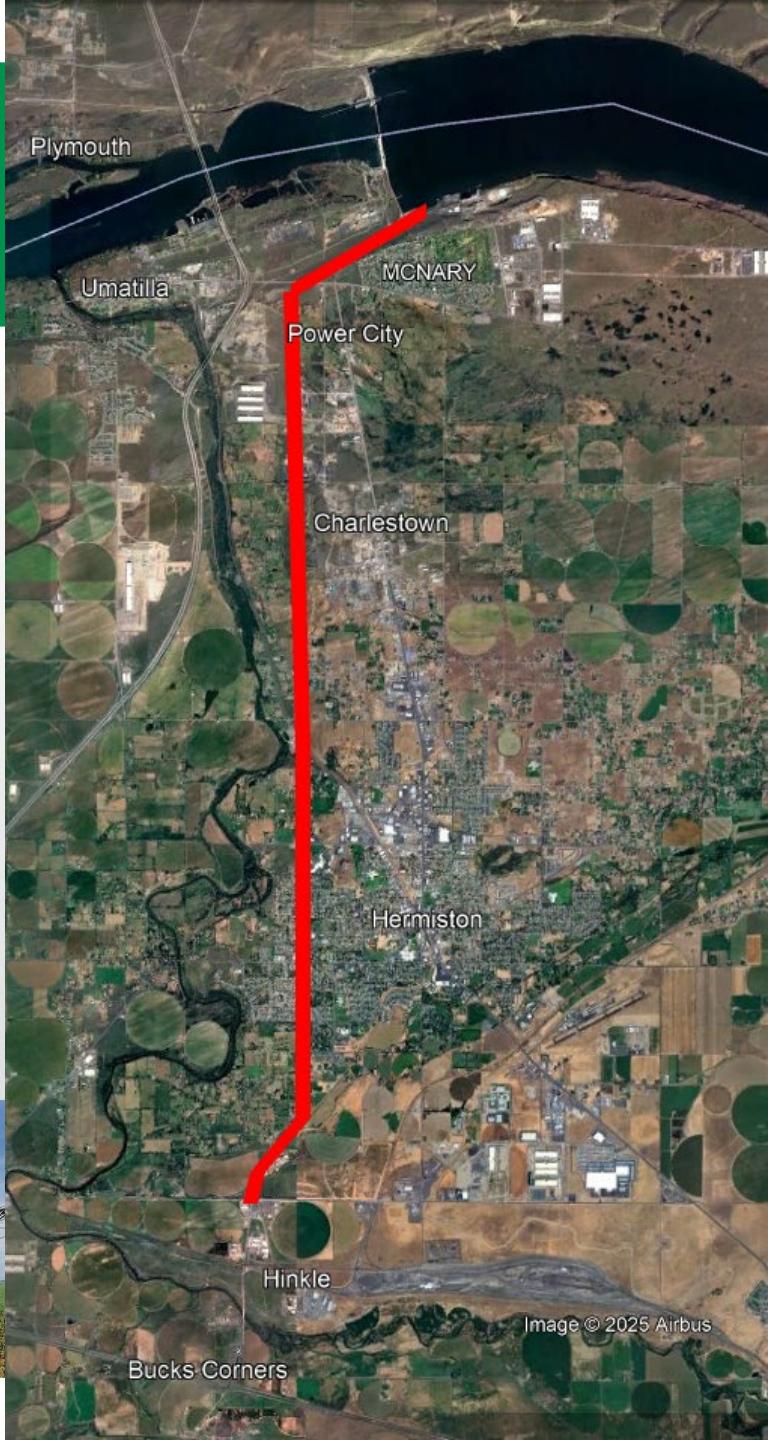
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RWS Rates

- System Operated by City of Hermiston
- Port of Umatilla Adopts Rates
- Cost Recovery Based on Prior Usage
- Reserve Target: \$1M
- Backup Generator Assessment
- Annual Meeting Friday



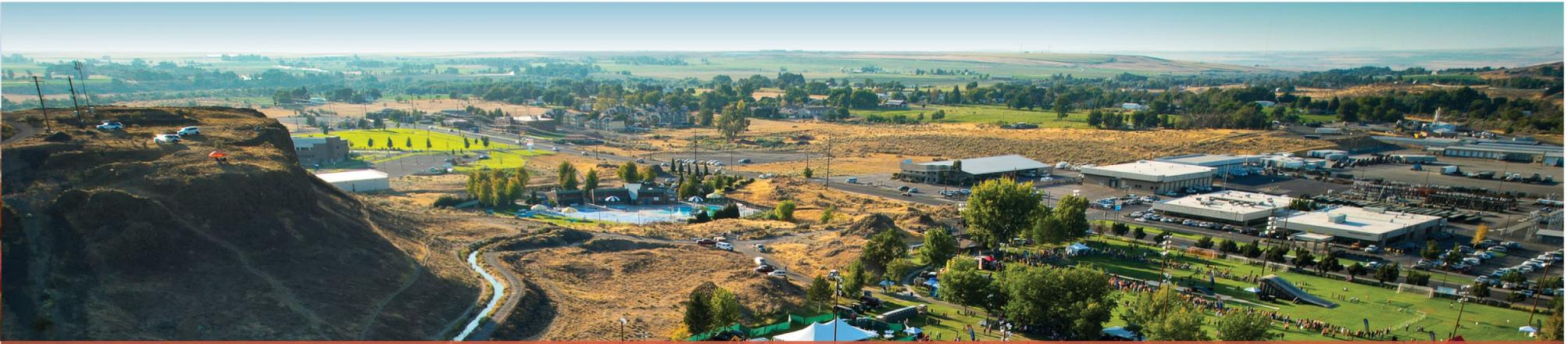


RWS Master Plan

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Project Updates

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NW 2^d Street



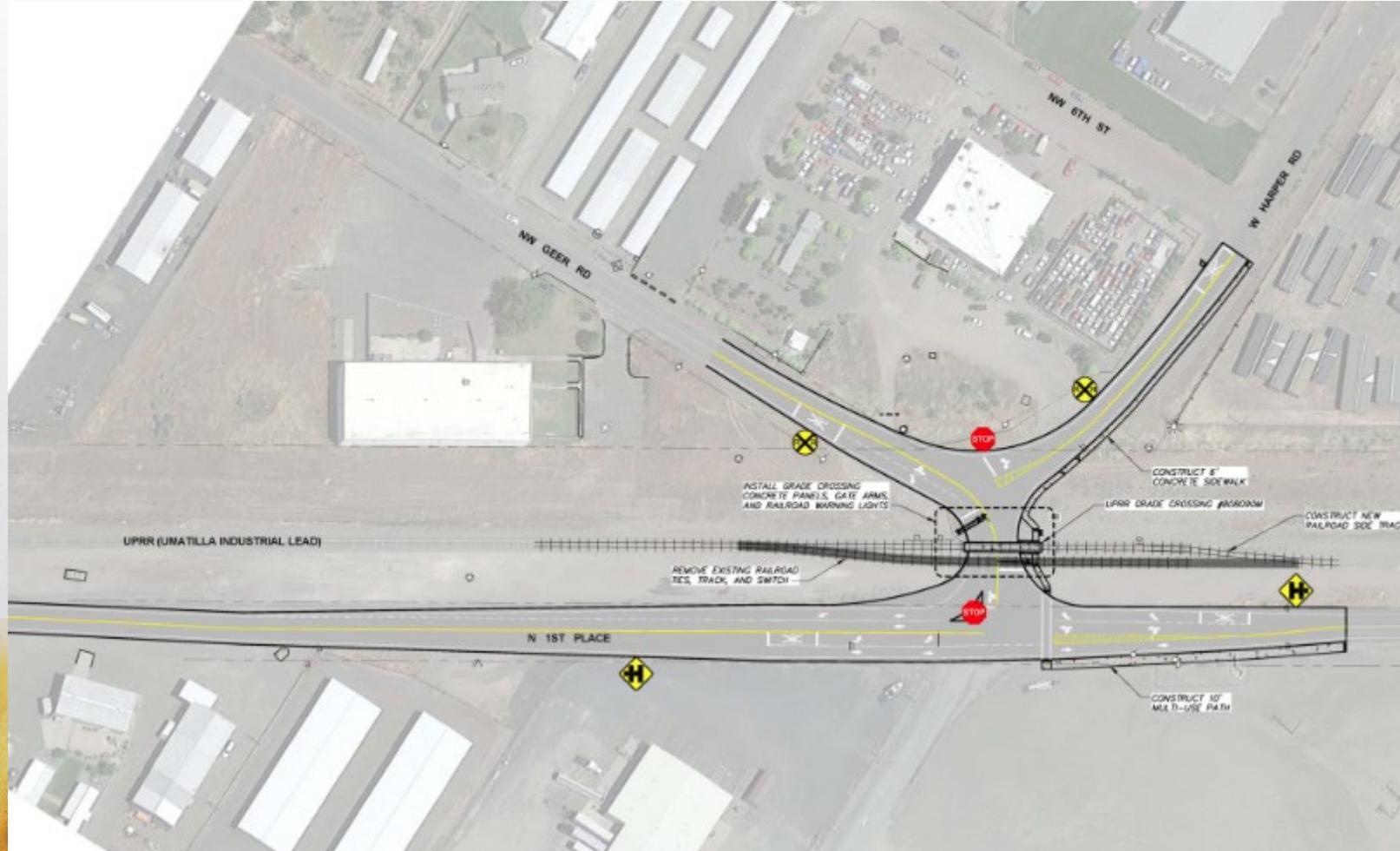


Orchard Ave. Water Line





Geer/Harper Realignment





Well #6 Chlorination Structure





Well #4 Control System





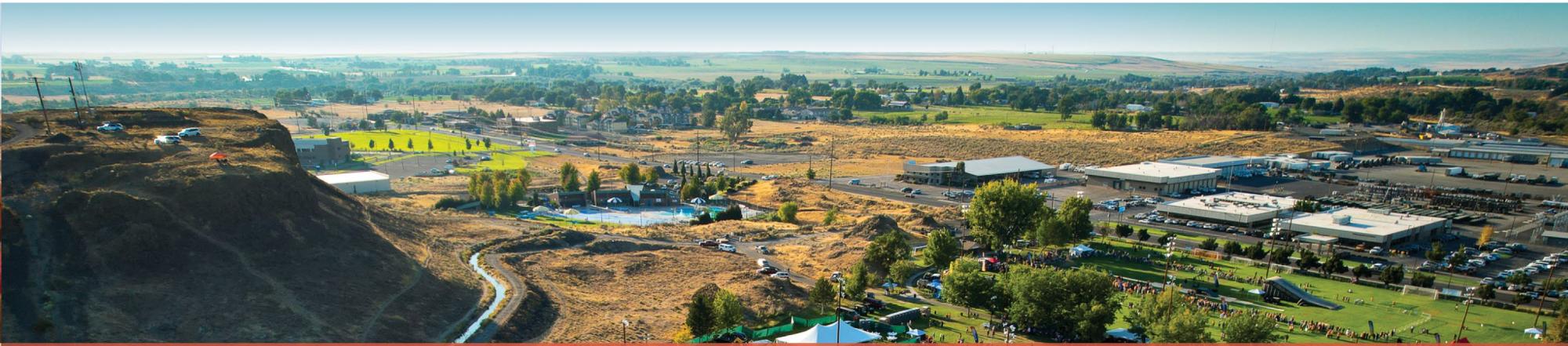
Lift #7 Reconstruction





RWTP Chlorination Improvement





Public Works Staff Changes

Summary





Streets/Capital Project Manager

- Ron Sivey Retiring as Street Superintendent
 - Cameron Meade: Streets/Capital Projects Manager
 - Roberto Herrera: Streets Foreman
- Streets/Capital Project Manager
 - Oversee Street Department
 - Deliver CIP Projects for Water/Sewer /Streets

