

1. 10:00 A.M. Agenda

Documents:

[2024-05-07 Finance Committee Agenda.pdf](#)

2. Meeting Material

Documents:

[Moore Submission 255 For City Of Yachats Volunteer Agreement_Redacted.pdf](#)

3. Utility Rate Models & Information

Documents:

[Mtng Summary_4252024.Pdf](#)

[Utility Rate Model.pdf](#)

[Rate Model-2.Pdf](#)



CITY OF YACHATS
FINANCE COMMITTEE WORK SESSION MEETING
Tuesday May 7, 2024 at 10:00am
To Be Held Via Zoom & In Person Located at:
Commons Building, Civic Meeting Room 1
441 Hwy 101 N., Yachats OR 97498

Join Zoom Meeting

<https://us02web.zoom.us/j/86120535365>

Meeting ID: 861 2053 5365

- I. Meeting Called to Order
- II. Announcements and Correspondence
- III. Citizens' Concerns (limited to items not on the agenda, 5-minute limitation per person)
- VI. New Business
 - a. Interview – Applicant John Moore
 - b. Utility Rates
 - c. Budget Review
- VII. Ongoing Business
 - a. Tax Collection Code Amendment
 - b. Vacation Rental Code Amendment
- VIII. Other Business
 - a. From Staff
 - b. From Staff

The Yachats City meetings are open to the public and being held via Zoom. These are open meetings under Oregon law. Meetings are audio-recorded. The meeting are accessible to persons with disabilities. For accommodations, please call (541) 547-3565, or Oregon Relay 1-800-735-2900 (TDD) two days in advance. City of Yachats does not discriminate on the basis of race, color, religion, creed, gender, national origin, age, disability, marital or veteran status, sexual orientation, or any other legally protected status. Sign language or foreign language interpreter may be available, with advance notice. Call City Hall at 541-547-3565 or Oregon Relay 1-800-735-2900 (TDD) two days in advance.

POSTED 04/30/24 By: Kimmie Jackson, Deputy City Recorder

From: [Bobbi Price](#)
To: [Kimmie Jackson](#)
Subject: Fw: Online Form Submission #255 for City of Yachats Volunteer Agreement
Date: Tuesday, April 9, 2024 10:50:20 AM

From: Kimmie Jackson <recorder@YachatsMail.org>
Sent: Wednesday, March 6, 2024 12:48 PM
To: Bobbi Price <citymanager@YachatsMail.org>
Subject: FW: Online Form Submission #255 for City of Yachats Volunteer Agreement

[See below](#)



Kimmie Jackson
Deputy City Recorder / Utilities / Notary
City of Yachats

Phone: 541-547-3565 ext. 101
Fax : 541-547-3063
Email: kimmie@yachatsmail.org

501 Highway 101 N
PO Box 345 Yachats, OR 97498

www.yachatsoregon.org

From: noreply@civicplus.com <noreply@civicplus.com>
Sent: Wednesday, March 6, 2024 12:48 PM
To: City Hall <cityhall@YachatsMail.org>; Kimmie Jackson <recorder@YachatsMail.org>
Subject: Online Form Submission #255 for City of Yachats Volunteer Agreement

City of Yachats Volunteer Agreement

City of Yachats

501 Highway 101 N

PO Box 345

Yachats, OR 97498

Phone: 541-547-3565
Fax: 541-547-3063

Thank you for your interest in volunteering for City of Yachats. We look forward to partnerships with volunteers to enable us to effectively serve the citizens of our community. In order to ensure the safety of our volunteers and protect the interests of City of Yachats, we require potential volunteers to complete this questionnaire form and participate in a background check. Thank you for volunteering.

First Name	W John
Last Name	Moore
Address	
City	Yachats
State	or
Zip Code	97498
Daytime Phone	
Evening Phone	

(Section Break)

Volunteer Activity

Please describe the type of volunteer work you are interested in performing or activity/event you wish to volunteer for.	Finance Committee and Budget Committee
Please list the date(s) or range of dates for which you would like to volunteer	Field not completed.
Statement of Interest or Related Experience for Commissions &	I have served on the Yachats Finance Committee for 6 years; the Budget Committee for 5 years (3 years as chair); served 2 years as Mayor, 3 years on the Parks and Commons Commission (2 as chair); 1 1/2 yrs chair Public Works & Streets Commission

Committees

Upload document, if needed	<i>Field not completed.</i>
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(Section Break)

References

*Please list two references that are **not related to you** and that have knowledge of your relevant experience for the type of volunteer activity you are interested in.*

Reference 1

First Name	Tom
Last Name	Lauritzen
Address	<i>Field not completed.</i>
City	<i>Field not completed.</i>
State	<i>Field not completed.</i>
Zip Code	<i>Field not completed.</i>
Phone Number	<i>Field not completed.</i>
Relationship	Finance Committee
Years Known	7

Reference 2

First Name	Max
Last Name	Glenn
Address	<i>Field not completed.</i>
City	<i>Field not completed.</i>
State	<i>Field not completed.</i>
Zip Code	<i>Field not completed.</i>
Phone Number	<i>Field not completed.</i>

Relationship	Friend
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Years Known	8
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Emergency Information

Name and contact information for the person(s) to reach in the event of an emergency.

Name	Sara L. Moore
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Phone Number	
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Relationship	Wife
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Name	<i>Field not completed.</i>
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Phone Number	<i>Field not completed.</i>
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Relationship	<i>Field not completed.</i>
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I understand and agree to the following:

- I will keep all issues pertaining to city business confidential
- I may be subject to background and motor vehicle record checks.
- I will adhere by Oregon Occupational Safety and Health Division (OR-OSHA) safety standards and training I am provided.
- I have read and understand the Volunteer Policy.

I hereby certify that the facts set forth in this volunteer registration are true to the best of my knowledge. I agree that if the information given in my registration, resume, or any other materials, or during any interview, is found to be false in any way, it shall be considered sufficient cause for denial of volunteer status.

I understand that City of Yachats is not obligated to appoint me to a volunteer position and that nothing contained in the volunteer registration form is intended to create a contract between City of Yachats and me. In addition to the above items, I agree to comply with the policies, rules, regulations, and procedures of City of Yachats, which I understand may change at any time and I understand that my volunteer status can be terminated with or without cause or notice, at any time, at the option of either me or City of Yachats.

Signature	W. John Moore
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Date	3/6/2024
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Required for all Minors: Parent or Guardian's Authorization for Medical Care &

Consent to Agreement

I PARENT/GUARDIAN as parent or legal guardian, hereby grant permission for MINOR to do volunteer work for City of Yachats. In the event of an emergency, accident, or illness, I authorize City of Yachats and its employees to administer emergency medical care to my child and/or, if deemed necessary, to secure emergency medical services and incur expenses for which I will be responsible for payment. My signature in the following hereby represents that I have read, understand, and to this agreement.

Parent/Guardian	<i>Field not completed.</i>
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Minor	<i>Field not completed.</i>
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Signature	<i>Field not completed.</i>
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Date	<i>Field not completed.</i>
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Version 2022-10-01	
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Email not displaying correctly? [View it in your browser.](#)

Public Works Commission Rate Study Group Notes

4/30/2024

The Yachats utility rate model was designed around the commissions guiding principles discussed at the December 2023 commission regular meeting. The core concept was to use rates to address a long term rate equity problem.

A secondary objective was to give the city a tool to easily do rate analysis in the future. Historically the city has hired outside consultants to do rate studies. They generally have a poor understanding of Yachats history as it relates to Yachats demographics and infrastructure and tend to rely on “industry standards” which can result in greater rate inequities. The Yachats utility rate model, while not perfect, makes it considerably easier to experiment with different rate options and assess the impact on different rate groups once a couple of key data points are known like number of total accounts and total water sales for the previous 12 month period.

A secondary objectives was to simplify the rate calculation making it easier for non-technical people to understand and see various rate options. With the consumptive model, it can be said that every user’s utility bill is based on the same consumption rate per cubic foot of water, which greatly simplifies the understanding of the rate calculation model.

A minor consideration is the fact that Rick is likely to retire a couple of years. Transitioning to a simplified rate model now gives the commission time to become comfortable with a new model while Rick’s technical expertise is available to assist. The more eyeballs you have on the data and process, the more accurate the projections are likely to be and the greater the understanding of rates there will be within the commission and council.

A key indicator of rate equity in the spreadsheet is the fixed vs. variable ratios shown in the upper right hand area of the model. As the variable and fixed ratios approach 50%, the more it shifts toward an equitable rate structure for everyone. This calculation is base on just the water budget but is still largely representative of what is happening with both water and sewer rates given both use the same calculation logic.

The best way to understand the differences in the two rate models is to list all the things the new model includes. It is fair to say that many of these could be added to meter size model if someone wanted to invest some time. Here is a list of the major differences:

- The consumption model is a fully integrated approach with all the known variables. (budgets, inflation variable, capital transfers, # accounts without consumption, unit consumption rates, # of no charge units, ready to serve charge, base rate)

- Calculations show the impact for both sewer and water rates.
- The consumption model significantly simplifies the rate calculation.
- Includes transfer options for capital items and sustainability reserves.
- There is some rudimentary analysis like the relationship between fixed and variable ratios and budget balances (positive & negative).
- There is a cost of living variable for budget expenses.
- Added a ready to serve charge for accounts with zero consumption. Important for decoupling these accounts from the base rate so that it can include some level of water consumption. The new model base rate has zero consumption.
- Every account with consumption pays the same water rate on every unit of water used.

I think this is a list of the major items. The unanswered question is how does each model meet the guiding principles? As long as the city uses meter size for part of the calculation, significant leverage for conservation is lost. To create a major incentive for conservation, the cost of using more water has to be noticeably significant.

Focusing of topics like commercial or residential and fixed and variable costs all become moot when the rate calculation becomes the same for all accounts. With the large accounts paying the same base rate as the smallest account, we need to shift the bulk of large user calculation to consumption. If the base rate is \$50 for water and sewer yielding a total of \$100 for all accounts that is still a big deal of residential customers because you still have to add the consumption cost. For big accounts, the base rate is a minor footnote. For things to balance out, the consumption rate needs to be higher than is currently the case. An additional advantage of this approach is it eliminates all attempts at gaming the system. I believe the simplest measurement of equity is the ratio of fixed to variable revenue. As the ratio for water and sewer approaches 50%, the model is saying the two major user groups (small consumers and large consumers) are equally contributing to support the city's utility system.

Prepared by: Greg Scott

			Yachats Utility Rate Consumption Model		4/30/2024
	Cu. Ft.	Gallons	Red text indicates values to be entered or changed.		
			Do not change any cells with black numbers.	7.480519	gal in a cu. ft.
			Combined Bills		
7	\$100	\$100	Residential Customer monthly bill	Fixed	Variable
8	\$2,593	\$2,593	Accounts at 10,000 cu. ft. / month or more	52.4%	47.6%
9	\$6,408	\$6,408	Largest Customer monthly bill		
10				Budget Ratio	12.8%
11	200	2992	monthly consumption value in cu. ft. & gallons	Budget Amt	2,059,100
12	\$100	\$100	Enter a consumption value to see the bill.	Revenue Amount	\$2,059,100
13				Deviation Amt	\$262,624
14			Yachats Water Rates		
15				Average Monthly Revenue	
16	6,161,117	46,088,356	Annual Water Sales 2022 - verified	Water	Sewer
17	1,812,000	13,554,700	Consumption included in base rate	\$83,854	\$87,738
18	4,349,117	32,533,656	Adjusted Sales		
19	926	926	# of water accounts - verified		
20					
21	\$725,000	\$725,000	Annual 23-24 Water Budget	Water Sold 2022 - 23	
22	\$761,250	\$761,250	Budget adjusted for inflation		
23	\$250,000	\$250,000	Annual Capital Transfer	46,088,356	water sold
24	\$5,000	\$5,000	Other Income		
25	5%	5%	Operating inflation rate		
26					
27	200	1,496	Residential monthly consumption		
28	10,000	74,805	Large monthly consumption		
29	25,000	187,013	Largest monthly Consumption		
30					
31	\$0.1272	\$0.0170	Unit Water Charge 1 cu. ft. & 1 gallon		
32	200	200	No charge units		
33	\$50.00	\$50.00	Base Rate for water		
34	\$50.00	\$50.00	Ready to Serve Charge - no consumption		
35	171	171	# accounts with no consumption - verified		
36	7	7	# accounts with over 10,000 cu. ft. use		
37					
38	\$553,072	\$553,072	Annual Sales Revenue		
39	\$154,790	\$154,790	Ready to Serve Charge - no consumption		
40	\$453,000	\$453,000	Base Rate Revenue with consumption		
41	\$1,160,862	\$1,160,862	Total Revenue		
42					
43	\$1,006,250	\$1,006,250	Total Revenue Needed		
44					
45	\$154,612	\$154,612	Budget Target Deviation. A positive number is desirable.		
46					
47	\$50	\$50	Residential Customer monthly water bill		
48	\$3,204	\$3,204	Large Customer monthly bill		
49	\$1,296	\$1,296	Accounts at 10,000 cu. ft. / month more		
50					
51	200	1496	monthly consumption value in cu. ft. & gallons		
52	\$50	\$50	Water portion of the bill		
53					
54					
55			Yachats Sewer Rates		
56					
57	6,161,117	46,088,356	Annual Water Sales 2022 - verified		
58	1,812,000	13,554,700	Consumption included in base rate		
59	4,349,117	32,533,656	Adjusted Sales		
60	926	926	# of water accounts - verified		
61					
62	\$767,000	\$767,000	Annual 23-24 Sewer Budget		
63	\$805,350	\$805,350	Budget adjusted for inflation		
64	\$250,000	\$250,000	Annual Capital Transfer		
65	\$2,500	2,500	Other Income		
66	5%	5%	Operating inflation rate		
67					
68	200	1496	Residential Customer monthly consumption		
69	10,000	74,805	Customers with the largest monthly consumption		
70	25,000	187,013	Largest Customer monthly Consumption		
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72	\$0.1272	\$0.0170	Unit Sewer Charge 1 cu. ft. & 1 gallon		
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80	\$453,000	\$453,000	Base Rate Revenue with consumption		
81	\$1,160,862	\$1,160,862	Total Revenue		
82					
83	\$1,052,850	\$1,052,850	Total Revenue Needed		
84					
85	\$108,012	\$108,012	Budget Target Deviation. A positive number is desirable.		
86					
87	\$50	\$50	Residential Customer monthly sewer bill		
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89	\$1,296	\$1,296	Accounts at 10,000 cu. ft. / month or more		
90					
91	200	1496	monthly consumption value in cu. ft. & gallons		
92	\$50	\$50	Sewer portion of the bill		

Table 1

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77						
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