



City of Yachats

PUBLIC WORKS & STREETS COMMISSION

March 12, 2019

Approved Minutes

I. Call to Order

Chair Bob Bennett called the March 12, 2019 regular meeting of the Public Works and Streets Commission to order at 3:02 pm in Room 1 of the Yachats Commons. Members present: Larry Nixon, Bob Bennett, Tom Bedell, Ann Stott, Ron Urban, Tom Fisher, and Don Groth. Absent: none. Staff present: Wastewater Plant Lead Dave Buckwald. Audience: 6.

II. Minutes of February 12, 2019

Commissioner Bedell moved to approve the February 12, 2019 minutes as presented: Aye – 7; No – 0.

III. Reports

A. Public Works Department

Wastewater Plant Lead Dave Buckwald reported:

1. Issues at the main pump station have been resolved. Two of the three pumps were being repaired. One was still under repair and the other was back in service.
2. There were no issues with DEQ with the recent power outage
3. Installed a new hydrant at the Adobe, replacing a 1971 model
4. Bucket truck had an hydraulic component repaired
5. Ford Ranger needed a new clutch
6. F250 truck had brakes repaired.
7. Public Works was finishing work on Ocean View Drive in preparation for the road transfer
8. Still working on the Pole Building CIP
9. Were able to complete some I&I testing.

Bennett noted to the water efficiency data was included in the report and the numbers were good. Urban clarified that anything over 90% in water efficiency was good. Commissioner Nixon explained efficiency was calculated by dividing the amount of water sold by the water produced at the Water Plant, noting the plant had a meter that measured water leaving the plant. Bedell clarified that a meter was placed on a fire hydrant when it was tested to account for that loss of water.

B. Solid Waste District Advisory Council

Nixon reported the discussion on banning single-use plastic bags was ongoing. There was a lengthy discussion with the haulers the ramifications of loss of sales of recycled materials.

1 Bedell asked about education on what constitutes clean recyclables. Nixon added the County
2 was continuing work on plans for biosolids disposal.

3 4 **C. Emergency Preparedness Committee**

5 Nixon reported the Emergency Preparedness Committee has been working on getting assembly
6 area signage, correct tsunami signage, and the EOP to Council. Bennett indicated he has a clean
7 draft of the document that incorporated all comments to date. He indicated the City Council
8 would review it at their April 2019 meeting. He also noted Council approved the requests for
9 changing out and installing signage.

10 11 **D. Financial Report**

12 Bennett clarified spending on streets was already over budget. Commissioner Groth noted the
13 County delayed the Ocean View Drive transfer and the Finance Committee would look at streets
14 at their meeting tomorrow.

15
16 Groth noted the January and February revenue data was not included. Bennett stated they would
17 likely end up close to the budgeted amount.

18
19 Bennett noted the Tools and Small Equipment line item only included some of the recent repairs.
20 The Professional Services line item likely included some IT and legal work.

21
22 Commissioner Stott asked for clarification on the task of looking at the budget. Bennett stated
23 their task was to review the record, identify anomalies, and find explanations. If something
24 could not be explained, they would bring it to the attention of the City Manager and Council.

25 26 **IV. Current Business**

27 **A. Welcome New Commissioners**

28 Bennett welcomed Ann Stott, Ron Urban and Tom Fisher to the Commission.

29 30 **B. Presentation on Utility Billing – Tom Lauritzen**

31 Lauritzen stated he would be explaining the YEU system and conversion. He reported:

- 32
33 • Starting in 2014, plans for a new utility billing software system and a new water/sewer rate
34 plan merged.
- 35 • In 2016, a system using base rates was implemented.
- 36 • At that time when base rates were implemented, there were 10 customers identified to have
37 high usage. Customers who used over 64 units were subject to Yachats Equivalent Unit
38 (YEU), and every 32 units above that 64 paid an additional YEU. He attached the
39 September 14, 2006 Council minutes establishing the YEU. The YEU for the large users
40 was calculated using the previous 12 months of usage.
- 41 • The logic behind the base rate was to get homes that were only occupied for a short period
42 of time during the year to contribute more to the system.
- 43 • A base rate of 2 units was established and implemented in 2016.
- 44 • Water loss reports were discontinued in 2014
- 45 • When he was hired to develop a financial plan for the City, he noted there were two large
46 users that were not paying the correct YEUs.

- There were various meetings with himself, the City Manager, and the Public Works and Streets Commission Chair and a conclusion was reached that they needed to address the issue now.
- City staff pulled the 12 months of data prior to implementing the new rate structure in order to compare usage and billing. From this data, he calculated what the YEU should have been.
- He compared water volumes from the property database to the volumes used to create the new rate system. He concluded the property database information was correct.
- When the water loss was last calculated the loss rate was 27%, where the current Public Works report indicated a loss of 9%. He had concern such as a water line break versus unknown losses.
- YEUs were going down while tourism and water use was going up as of September 2014.
- He explained on his Handout #5 how he calculated what the YEU should have been and the amount being undercharged.
- He estimated a total amount of undercharges to be approximately \$24,000.

Lauritzen stated the issue before the Commission was how they wanted to proceed with handling this under-billing. He also noted there might be more customers exceeding 64 units which need to be assessed YEUs.

Bennett clarified that current billings were still based on incorrect data. Stott clarified there were two issues to be addressed: (1) Should they go back to collect under-billings? and (2) How do they get the correct numbers in place so billings going forward are accurate?

Bennett stated he received from Clerk Jackson the last six months of water billings on all 830 accounts. He suggested he go through this data to assess what should be collected on these accounts. Commission discussed whether they should reevaluate all water accounts.

Bennett explained when last discussed billings with the Council, there was not great support continuing with the YEU. Lauritzen disagreed with this assertion.

The Commission agreed they needed to develop a policy to determine how to identify new high users.

Bennett suggested he process all the data into a model. Bennett indicated he was reluctant to retroactively collect for the miscalculations. Nixon did not want to retroactively charge customers. Bennett added that if they were going to try to recover these charges, they would have to meet with each customer. Bedell asked if the business knew of the issue. Lauritzen suggested considering refunding the overcharges. Fisher agreed it was not a good idea to collect back-charges, especially given their bills would likely go up in the future. Lauritzen expressed a strong opinion that they needed to collect/refund the mistakes. Groth agreed with not going back to collect the under-charges but wanted to consider refunding the overcharges. Bedell did not agree with the approach to treat overcharges and under-billings the same. Stott suggested that business might know they were getting a good deal. She suggested the Federal government would require her to pay back a check if they sent it to her in error. She thought it was fairer to correct the back billings. Stott noted it was obvious that they needed to make the correction from

1 this point forward. Urban agreed that the correction needed be made now going forward. Urban
2 stated they needed to refund the overcharges but was not certain about asking customers to pay
3 for the City's error. Fisher suggested they could meet with the business and find out what their
4 suggestion would be.

5
6 Greg Scott (480 Combs Circle) indicated he conducted the early rate analysis and noted there
7 was an equity issue between residents and large users, where residents were essentially
8 subsidizing the large users. He recalled he introduced the YEU. He stressed that residents have
9 been overpaying for years.

10
11 Anderson (77 E 8th St) stated the billing system calculations were obviously very complicated
12 and speculated not many people understood the system. She questions why they would continue
13 to use the YEU system and suggested they used a tiered system with higher rates per unit as
14 usage increases.

15
16 Bennett explained the issues with adjusting the base rates for vacation rentals and the homes that
17 are only partly occupied. The two unit base rate helped to spread the costs among all customers.

18
19 Anderson suggested using a rate system based on per unit would eliminate the need to manually
20 input the YEUs. Lauritzen asserted the commercial customers pushed back against a graduated
21 rate. Anderson argued a tiered rate would encourage residents to conserve water. Bedell
22 suggested a tiered rate would encourage customers to switch to more efficient equipment.

23
24 Lauritzen noted the top ten users were using 44% of the water but only contributing 25% of the
25 revenue. At that time, he estimated the large users would need to pay another \$10,000 per year
26 to get up to 44% of the revenues.

27
28 Bennett summarized that he heard a refund would not be a bad idea, there was mixed input on
29 whether to collect the back charges, and everyone agreed the system needed to be fixed going
30 forward.

31
32 Bennett suggested they analyze the data they have for July through December 2018 to assess
33 what users paid versus what they should have paid.

34
35 Groth moved to proceed with using the July to December 2018 water data to develop model to
36 compute an amount owed based on current billing rates and the correct YEU calculations and to
37 compare this amount to actual billings: Aye – 7; No – 0.

38
39 Bedell suggested that they needed to see the data from the comparison before deciding whether
40 to refund or back-charge.

41
42 Fisher agreed to help Bennett making the calculations.

43 44 **C. CIP and FY20 Budget**

45 Groth suggested the Commission get input from the Finance Committee meeting on March 13,
46 2019 before making additional recommendations.

1
2 Bennett recalled he sent Commissioners a draft of a statement that would be included in the
3 budget document and be used to assess working relationships between Council and
4 Commissions. Bennett noted he suggested that the Commission review the CIP and budget
5 information each month. Groth agreed to send information to Bennett after the Finance meeting
6
7

8 **V. New Business**

9 **A. June Clean Sweep**

10 Bennett indicated they needed to set a date for Clean Sweep. Bennett reported that they had
11 difficulty last year in staffing the shifts and suggested they do a better job of recruiting citizens to
12 help with shifts. Bedell noted last year they contacted Dahl to determine the dates they were
13 available.
14

15 The Commission agreed to investigate June 20-23 and 27-30, 2019 as potential dates.
16

17 **VI. Other Business**

18 **A. From the Commission - none**

19
20 **B. From the Floor - none**
21

22 With no further business before the commission, Bennett adjourned meeting at 4:49 pm.
23
24
25
26
27

28 _____
29 Bob Bennett, Chair

Date

30
31 Minutes prepared by H.H. Anderson on March 17, 2019.
32
33