



Public Works Committee

Thursday, April 18, 2024 at 6:00 pm

Notice of Meeting

320 N Main St. Falls City, OR 97344

Committee Members

Mike McConnell - Tony Meier - Jeff Propp - Gordon Hanson - Guy Mack - Cliff Lauder - Tracy young

1. Call to Order
2. Pledge of Allegiance
3. Motion to Adopt the Entire Agenda
4. Consent Agenda - Motion Action Approving Consent Agenda Items
 - a. February 22,2024 Minutes

Attachments:

- **Minutes** (UAB02-22-24.pdf)

5. Public Comments
6. New Business
 - a. Backflow Testing Fee Update

Attachments:

- **Staff Report** (2024.4.18_SR_Reinstatement_of_BackFlow_Device_Fee_Resolution.pdf)
- **Resolution 12-2017** (BFR_-_Resolution_12-2017_Water_Sewer_Fees___Rates.pdf)
- **Resolution 09-2023** (BFR_-_Resolution_09-2023_Water_Sewer_Fees___Rates.pdf)

7. Old Business
8. Correspondence, Comments and Ex-Officio Reports
9. Committee Announcements
10. Adjourn

Contact: Jeremy Teal (jteal@fallscityoregon.gov 5037873631) | Agenda published on 04/17/2024 at 10:25 AM

City of Falls City
Public Works Committee Meeting
Thursday February 22, 2024 6:00PM
Meeting Location: 320 N. Main Street

Committee Members Present

Tony Meier, Tracy Young, Cliff Lauder, Jeff Propp Guy Mack, Gordon Hanson arrived at 6:08.

1) Call to Order

Vice-Chair Meier called the meeting to order at 6:00 PM, took roll call.

2) Pledge of Allegiance

Vice-Chair Meier led the Committee in the Pledge of Allegiance.

3) Motion to Adopt the entire Agenda

Member Young moved and member Mack seconded: **that we approve the entire agenda.** Motion carried 4-0-0. Ayes: Tony Meier, Cliff Lauder, Tracy Young, Guy Mack.

4) Consent Agenda: Motion Action Approving Consent Agenda Items

Member Mack moved and member Young seconded: **that we approve Consent Agenda Item, PWC Minutes December 21, 2023.** Motion carried 4-0-0. Ayes: Tony Meier, Tracy Young, Cliff Lauder, Guy Mack.

5) Public Comment - None

6) New Business

a. Dutch Creek/Mitchell Street Project Updates

PWC reviewed and discussed the information provided by City Staff. Vice-Chair Meier informed the Committee that City Council agreed to the tree harvesting and right of way donation but had no other involvement in the execution of the Agreement. The consensus of the Committee was that City Council should have had greater input and approval of the Agreement.

b. Infrastructure Projects Updates

PWC appreciated update and member Young mentioned that better (bigger?) signage might be needed to deter car passage when work in progress.

7) Old Business - None

8) Correspondence, Comments and Ex-Officio Reports

a. Member Lauder is concerned about the water that flows across, and along the north side, of east North Main from Frink's' driveway and west. PWC recommends that the City address this situation as soon as possible with either a drainage ditch, culvert or other solution.

b. Member Propp mentioned his concern about homeless encampment(s), garbage, etc. on the north side of the Little Luckiamute River, between the City's Park and the McAllister property, on private property owned by Mr. Dieter Wehner. Repeated calls to Mr. Wehner haven't done any good and the PWC wondered if the City, County or State could provide a solution. The property is not only unsightly but also unsanitary and needs attention and removal. Perhaps the City could sponsor and organize a volunteer Clean Up day of homeless encampments or provide other solutions to this ongoing problem. A long term housing solution would be preferable.

9) Committee Announcements

Next meeting to be held March 21, 2024 at 6:00pm.

10) Adjourn

Member Mack moved and member Lauder seconded: **that we adjourn**. Motion carried 6-0-0 Ayes. Tony Meier, Cliff Lauder, Tracy Young, Jeff Propp, Gordon Hanson, Guy Mack. Meeting adjourned at 6:45.

_____ Public Works Committee Chair McConnell

Attested: _____ Public Works Committee Member

STAFF REPORT

TO: PUBLIC WORKS COMMITTEE
FROM: CITY MANAGER, AJ FOSCOLI
SUBJECT: REINSTATEMENT OF BACK-FLOW DEVICE FEE RESOLUTION
DATE: APRIL 18, 2024

SUMMARY

The city will reinstate the backflow device fee outlined in Resolution 12-2017.

BACKGROUND

According to previous ordinance, the city was responsible for backflow testing of all water connections (commercial AND residential), which is in excess of State standards (Commercial ONLY), and the \$2.25 additional backflow testing fee charged to residents was not keeping up with contractor costs to carry out this program. As this program is expensive (\$11,799 in 2024), and its costs were only covered up to \$2.25 per month/per water account, the ordinance was repealed by resolution to eliminate the backflow fee cost to individual residents. Since the beginning of the year, city staff have received numerous complaints from residents about their new responsibility of having to have their own backflow devices checked annually. In addition, the local contractors that perform this testing have shared that their services are almost always more expensive than a contract with the city for an entire community's annual testing. This has led the city to pursue reversing its decision on the backflow testing ordinance, with some amendments to make sure that the cost to the city will be covered going forward through resident fees.

FINANCIAL IMPLICATIONS

The reinstatement of the \$2.25 monthly backflow fee, plus an additional \$.25 in year 1 (2024). As part of the resolution, an annual increase of \$.25 will be built into the resolution, to account for annual cost increases. IF, based on the previous year's vendor costs, those costs do NOT increase, the council will vote to pause the annual increase, until the next year that it is warranted.

ATTACHMENTS

Exhibit A – Resolution 12-2017
Exhibit B – Resolution 09-2023

RESOLUTION NO. 12 -2017

A RESOLUTION DETAILING FEES FOR WATER AND SEWER SERVICE AND RELATED CHARGES; AND WATER AND SEWER CONNECTION FEES; AND REPEALING PRIOR RESOLUTIONS

Findings:

1. Municipal Code Section 51 Water, Section 09 Water Rates and Charges, authorizes the City Council to establish, by resolution, and from time to time amend, water rates to be charged for each class of service, including minimum charges, charges for water consumption, service connection charges and all other related fees and charges.
2. Municipal Code Section 50 Sewer, Section 25 Generally, subsection (D) authorizes the City Council to establish, by resolution, and from time to time amend, sewer user rate per equivalent residential unit (ERU).
3. Municipal Code Section 50 Sewer, Section 6 Connection Fees, subsection (A) authorizes the City Council to establish, by resolution, and from time to time amend, sewer connections fees.
4. The City maintains two Enterprise Fund accounts for Water and Sewer activities. Enterprise fund revenues are restricted to be spent only on enterprise activities relating to their revenue source. For example water rate revenue can only be spent on water activities and projects.
5. An Enterprise fund is a fund established to account for operations, including debt service that are financed and operated similarly to private businesses where the intent is the service is self-sufficient, with all costs supported predominantly by user charges. Through charges, and fees, an equitable and fair system of recovering water system costs is established.
6. Staff audited several utility charges and fees and found that several categories are not billed equitably to customers to cover the cost of operations for services rendered for these categories:
 - a. Water Shutoff notice
 - b. Water Reconnection fee
 - c. Utility Returned Check Fee
 - d. Charges for the installation for a simple and complex water meter
7. Cost of operations for Public Works staff, salary plus benefits, is approximately \$30-\$32 an hour. Cost of operations for Administration staff, salary plus benefits, is approximately \$25-\$28 an hour. The salary of city staff is proportionally allocated to Funds.
8. Shutoff notices inequitably
 - a. In April 2017, Public Works staff delivered forty-seven (47) shutoff notices (green tags) throughout the service area for delinquent balances which required two and one half (2 ½) hours each for two Public Works staff. A similar number of shutoff notices are distributed each month, equaling an estimated 60 hours annually; the cost to the Water Fund is approximately \$1,800 annually for Public Works staff time.

- b. It requires approximately three (3) hours a month for Administrative staff to generate shutoff notices, equaling an estimated 36 hours annually; the cost to the Water Fund is approximately \$972 annually.
 - c. Many customers have commented to City staff, that they wait for the delivery of the shutoff notice to remind them to pay their utility bill.
 - d. Because cost of the Water Fund is recovered by rates and charges, and because the City does not charge a fee for a shutoff notice, customers who do not receive shutoff notices are subsidizing those customers who receive shutoff notices monthly.
 - e. Staff recommends that the City Council approve the elimination of physical shutoff notices and replace with a shutoff notice provide by mail, beginning on July 16, 2017, and after public notification in the June Newsletter, notification in the June 26 and July utility billing statement message, and with a public announcement at the June and July Regular City Council meetings. Mailing shutoff notices will save an estimated \$1,500 annual, after considering the cost of postage and the elimination of Public Works staff time to deliver shutoff notices to the service address.
9. Water Reconnection fee inequitably
- a. Reconnection fees are charged to customers when reconnecting water service after receiving full payment of a delinquent utility account.
 - b. A reconnection fee is not charged to reconnect service after a seasonal shutoff or to temporarily reconnect water service for a home inspection, home repair, property cleaning or similar activities, yet the same amount of time and work is required by Public Works staff for all water reconnections.
 - c. On May 18, 2017 the Falls City Public Works Committee compared Falls City Fall City water service fees against fees from similar sized communities and recommended that the City Council adopt a water reconnection fee for any and all water reconnections.
10. Utility returned check fee inequitably
- a. The current charge of \$25 for a returned check does not cover costs.
 - b. The bank charges \$12 per returned check.
 - c. Processing a returned check on average requires forty-five (45) minutes for Administrative staff, amounting to approximately \$21. Tasks include account review, customer letter, handwritten shut-off notice, utility system accounting adjustment, preparation of exception processing accounting backup with distribution to the bookkeeper, the original and daily accounting batch documents, and the adjustment log. The delivery of the shut-off notice by Public Works staff amounts to approximately \$14. The total staff cost is \$35.
 - d. Staff recommends that the City Council adopt an increase of the \$25 Returned Check Fee to \$35 to for cost recovery.

11. Charge for the installation for a simple and complex water meter connection inequitably
 - a. Current charges for the installation of a water meter, both simple and complex, do not cover the actual costs.
 - Simple Water Connection: the water main line runs on the right-of-way in front of the property.
 - Complex Water Connection: the water line runs along the right-of-way on the opposite side of the road which requires repairs to the street surface
 - b. Staff recently tracked the actual cost to install a Simple Water Connection, including parts, materials and staff time. The total cost was \$1,867.
 - c. Staff recommends that the City Council adopt an increase of the \$1,250/base rate for a Simple Water Connection to \$1800/base or actual cost if greater.
 - d. Staff recommends that the City Council adopt an increase of the \$1,500/base rate for a Complexed Water Connection to \$2,100/base or actual cost if greater. The cost for each Complexed Water Connection is unique because the connection crossed a public street.
12. Defining Public Works staff work hours for the Water Service Reconnection Fee
 - a. Public Works staff typically starts their weekday work at 7:00 AM and end at 4:00 PM.
 - b. Public Works staff is on call 24/7.
 - c. The prior rate resolution charged a different fee for business hours and “other than business hours” but did not define.
 - d. Staff recommends that the City Council adopt wording that defines hours and days for each classification.
13. Sewer service rates have been included in this rate resolution to further merge utility rates, fees and charges to a single rate resolution.
14. The Falls City Council has determined that the rates and charges set forth in this resolution are appropriate and in the best interest of the City.

NOW THEREFORE, THE CITY OF FALLS CITY RESOLVES AS FOLLOWS:

Section 1. Water furnished to water districts, cooperatives or corporations, organized and existing under the laws of the State of Oregon and receiving water through a master meter, shall pay therefor such amount as may be established by agreement between the City and the water districts, cooperatives or corporations, fire districts or departments, or other persons or entities prior to receiving such water.

- (a) Where an agreement is not in place, and where bulk water is needed, the Bulk Water Rate will be \$5.00 per unit (1000 gallons) charged according to the size of the tanker truck or vessel; and

- (b) Payment in advance is required for the sale of bulk water where a written agreement is not in place; and
- (c) Sale of bulk water without a written agreement is a privilege and can be denied or revoked at any time.

Section 2. In addition to the monthly fees established herein, Exhibit 1, the following service fees are hereby established:

- (a) **Reconnection fee during between 7 AM and 4 PM weekdays** \$35.00
- (b) **Reconnection fee afterhours, on weekends or on holidays** \$65.00
- (c) Setup connection fee for sale of bulk water where a written agreement is not in place \$80.00
- (d) **Returned check fee** **\$35.00**
- (e) Payment Late fee \$10.00

Section 3. In addition to monthly fees established herein, Exhibit 1, the following utility connection fees are hereby established:

- (a) Sewer Connection fee:
Base Facility rate of \$3,250.00, plus customer will be responsible for all costs to connect to the system (Municipal Code 50.06 (A)).
- (b) **Water Connection Fee Simple:**
Base Facility rate of \$1,800.00, or actual cost if greater.
- (c) **Water Connection Fee Complex:**
Base Facility rate of \$2,100.00, or actual cost if greater
- (d) Additional Water Connection fees where the length of service exceeds 100 feet:
The applicant shall pay the extra cost of the line on the basis of actual cost to the Water department for labor, materials and equipment plus 15% (Municipal Code 51.07).

Section 4. In addition to the monthly fees established herein, Exhibit 1 **and Exhibit 2**, a Capital Improvement Fee shall be assessed any service with a water meter or sewer connection, active or inactive, in the amount of \$10.00. When both a residence and a commercial operation or development exist on a property zoned Commercial Residential, the Capital Improvement Fee will be assessed separately for both the residence and the commercial operation or development.

Section 5. In addition to the monthly fees established herein, Exhibit 1 **and Exhibit 2**, a Backflow Testing Fee shall be assessed each month on each water meter service account in the amount of \$2.25 from July 1, 2014 through June 30, 2018.

Section 6. Water furnished to multi-unit properties where the property owner desires one (1) water meter to serve all units shall be charged at the following;

- (a) Multi-unit properties serviced by one (1) meter will be charged a multiplier based on the meter size multiplied by the number of dwelling units.
- (b) Charged a multiplier by amount of units for the Capitol Improvement Fee.

Section 7. Resolution 02-2017 and Resolution 2010-07 are repealed on the effective date of this resolution. All other resolutions and parts of resolutions relating to water use rates and related charges not repealed or amended expressly or by implication by resolution shall continue in full force and effect.

Section 8. Pursuant to ORS 294.160, the Council held a public hearing on June 8, 2017 to consider public comment on the proposed procedural changes and the fee increases.

ADOPTED BY THE FALLS CITY COUNCIL ON THIS 8th DAY OF June, 2017.

VOTE: AYE ____ NAY ____ ABSTAIN ____ ABSENT ____

Terry Ungricht, Mayor

Date

ATTEST:

Domenica Protheroe, City Clerk

Date

RESOLUTION NO. 09-2023

A RESOLUTION DETAILING FEES FOR WATER AND SEWER SERVICE AND RELATED CHARGES; AND WATER AND SEWER CONNECTION FEES; AND REPEALING PRIOR RESOLUTIONS

Findings:

1. Municipal Code Section 51 Water, Section 09 Water Rates and Charges, authorizes the City Council to establish, by resolution, and from time to time amend, water rates to be charged for each class of service, including minimum charges, charges for water consumption, service connection charges and all other related fees and charges.
2. Municipal Code Section 50 Sewer, Section 25 Generally, subsection (D) authorizes the City Council to establish, by resolution, and from time to time amend, sewer user rate per equivalent residential unit (ERU).
3. Municipal Code Section 50 Sewer, Section 6 Connection Fees, subsection (A) authorizes the City Council to establish, by resolution, and from time to time amend, sewer connections fees.
4. The City maintains two Enterprise Fund accounts for Water and Sewer activities. Enterprise fund revenues are restricted to be spent only on enterprise activities relating to their revenue source. For example water rate revenue can only be spent on water activities and projects.
5. An Enterprise fund is a fund established to account for operations, including debt service that are financed and operated similarly to private businesses where the intent is the service is self-sufficient, with all costs supported predominantly by user charges. Through charges, and fees, an equitable and fair system of recovering water system costs is established.
6. Staff audited several utility charges and fees and found that several categories are not billed equitably to customers to cover the cost of operations for services rendered for these categories:
 - a. Water Shutoff notice
 - b. Water Reconnection fee
 - c. Utility Returned Check Fee
 - d. Charges for the installation for a simple and complex water meter
7. Cost of operations for Public Works staff, salary plus benefits, is approximately \$30-\$32 an hour. Cost of operations for Administration staff, salary plus benefits, is approximately \$25-\$28 an hour. The salary of city staff is proportionally allocated to Funds.
8. Shutoff notices inequitably
 - a. In April 2017, Public Works staff delivered forty-seven (47) shutoff notices (green tags) throughout the service area for delinquent balances which required two and one half (2 ½) hours each for two Public Works staff. A similar number of shutoff notices are distributed each month, equaling an estimated 60 hours annually; the cost to the Water Fund is approximately \$1,800 annually for Public Works staff time.

- b. It requires approximately three (3) hours a month for Administrative staff to generate shutoff notices, equaling an estimated 36 hours annually; the cost to the Water Fund is approximately \$972 annually.
 - c. Many customers have commented to City staff, that they wait for the delivery of the shutoff notice to remind them to pay their utility bill.
 - d. Because cost of the Water Fund is recovered by rates and charges, and because the City does not charge a fee for a shutoff notice, customers who do not receive shutoff notices are subsidizing those customers who receive shutoff notices monthly.
 - e. Staff recommends that the City Council approve the elimination of physical shutoff notices and replace with a shutoff notice provide by mail, beginning on July 16, 2017, and after public notification in the June Newsletter, notification in the June 26 and July utility billing statement message, and with a public announcement at the June and July Regular City Council meetings. Mailing shutoff notices will save an estimated \$1,500 annual, after considering the cost of postage and the elimination of Public Works staff time to deliver shutoff notices to the service address.
9. Water Reconnection fee inequitably
- a. Reconnection fees are charged to customers when reconnecting water service after receiving full payment of a delinquent utility account.
 - b. A reconnection fee is not charged to reconnect service after a seasonal shutoff or to temporarily reconnect water service for a home inspection, home repair, property cleaning or similar activities, yet the same amount of time and work is required by Public Works staff for all water reconnections.
 - c. On May 18, 2017 the Falls City Public Works Committee compared Falls City Fall City water service fees against fees from similar sized communities and recommended that the City Council adopt a water reconnection fee for any and all water reconnections.
10. Utility returned check fee inequitably
- a. The current charge of \$25 for a returned check does not cover costs.
 - b. The bank charges \$12 per returned check.
 - c. Processing a returned check on average requires forty-five (45) minutes for Administrative staff, amounting to approximately \$21. Tasks include account review, customer letter, handwritten shut-off notice, utility system accounting adjustment, preparation of exception processing accounting backup with distribution to the bookkeeper, the original and daily accounting batch documents, and the adjustment log. The delivery of the shut-off notice by Public Works staff amounts to approximately \$14. The total staff cost is \$35.
 - d. Staff recommends that the City Council adopt an increase of the \$25 Returned Check Fee to \$35 to for cost recovery.

11. Charge for the installation for a simple and complex water meter connection inequitably
 - a. Current charges for the installation of a water meter, both simple and complex, do not cover the actual costs.
 - Simple Water Connection: the water main line runs on the right-of-way in front of the property.
 - Complex Water Connection: the water line runs along the right-of-way on the opposite side of the road which requires repairs to the street surface
 - b. Staff recently tracked the actual cost to install a Simple Water Connection, including parts, materials and staff time. The total cost was \$1,867.
 - c. Staff recommends that the City Council adopt an increase of the \$1,250/base rate for a Simple Water Connection to \$1800/base or actual cost if greater.
 - d. Staff recommends that the City Council adopt an increase of the \$1,500/base rate for a Complexed Water Connection to \$2,100/base or actual cost if greater. The cost for each Complexed Water Connection is unique because the connection crossed a public street.
12. Defining Public Works staff work hours for the Water Service Reconnection Fee
 - a. Public Works staff typically starts their weekday work at 7:00 AM and end at 4:00 PM.
 - b. Public Works staff is on call 24/7.
 - c. The prior rate resolution charged a different fee for business hours and “other than business hours” but did not define.
 - d. Staff recommends that the City Council adopt wording that defines hours and days for each classification.
13. Sewer service rates have been included in this rate resolution to further merge utility rates, fees and charges to a single rate resolution.
14. The Falls City Council has determined that the rates and charges set forth in this resolution are appropriate and in the best interest of the City.

NOW THEREFORE, THE CITY OF FALLS CITY RESOLVES AS FOLLOWS:

Section 1. Water furnished to water districts, cooperatives or corporations, organized and existing under the laws of the State of Oregon and receiving water through a master meter, shall pay therefor such amount as may be established by agreement between the City and the water districts, cooperatives or corporations, fire districts or departments, or other persons or entities prior to receiving such water.

- (a) Where an agreement is not in place, and where bulk water is needed, the Bulk Water Rate will be \$5.00 per unit (1000 gallons) charged according to the size of the tanker truck or vessel; and

- (b) Payment in advance is required for the sale of bulk water where a written agreement is not in place; and
- (c) Sale of bulk water without a written agreement is a privilege and can be denied or revoked at any time.

Section 2. In addition to the monthly fees established herein, Exhibit 1, the following service fees are hereby established:

- (a) **Reconnection fee during between 7 AM and 4 PM weekdays** \$35.00
- (b) **Reconnection fee afterhours, on weekends or on holidays** \$65.00
- (c) Setup connection fee for sale of bulk water where a written agreement is not in place \$80.00
- (d) **Returned check fee** **\$35.00**
- (e) Payment Late fee \$10.00

Section 3. In addition to monthly fees established herein, Exhibit 1, the following utility connection fees are hereby established:

- (a) Sewer Connection fee:
Base Facility rate of \$3,250.00, plus customer will be responsible for all costs to connect to the system (Municipal Code 50.06 (A)).
- (b) **Water Connection Fee Simple:**
Base Facility rate of \$1,800.00, or actual cost if greater.
- (c) **Water Connection Fee Complex:**
Base Facility rate of \$2,100.00, or actual cost if greater
- (d) Additional Water Connection fees where the length of service exceeds 100 feet:
The applicant shall pay the extra cost of the line on the basis of actual cost to the Water department for labor, materials and equipment plus 15% (Municipal Code 51.07).

Section 4. In addition to the monthly fees established herein, Exhibit 1 **and Exhibit 2**, a Capital Improvement Fee shall be assessed any service with a water meter or sewer connection, active or inactive, in the amount of \$10.00. When both a residence and a commercial operation or development exist on a property zoned Commercial Residential, the Capital Improvement Fee will be assessed separately for both the residence and the commercial operation or development.

Section 5. Water furnished to multi-unit properties where the property owner desires one (1) water meter to serve all units shall be charged at the following;

- (a) Multi-unit properties serviced by one (1) meter will be charged a multiplier based on the meter size multiplied by the number of dwelling units.
- (b) Charged a multiplier by amount of units for the Capitol Improvement Fee.

Section 6. Resolution 02-2017 and Resolution 2010-07 are repealed on the effective date of this resolution. All other resolutions and parts of resolutions relating to water use rates and related charges not repealed or amended expressly or by implication by resolution shall continue in full force and effect.

