



## **CITY COUNCIL WORK SESSION**

**\*\*\*Hybrid Meeting\*\*\***

**Tuesday, July 12, 2022, at 6:00 pm**

**City Council Chambers**

**13680 NW Main Street**

**Banks, OR 97106**

### **AGENDA**

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Work Sessions provide the City Council an opportunity to conduct informal communications with each other, review their meeting agenda and identify questions they may have for staff before their scheduled meeting. Work Session meetings are open to the public but do not include an opportunity for public comment or communication with the City Council. The City Council typically asks citizens attending the Work Session meetings to hold their Work Session agenda comments and questions for the regular public meeting. The regular Council meeting following the Work Session includes time for public testimony on agenda items, as well as public comment on Council Meeting non-agenda items.

#### **TO LISTEN TO THIS MEETING LIVE**

**Use the ZOOM App on your electronic device and the following link:**

<https://us02web.zoom.us/j/83825871197?pwd=Y0c2Ym00WFBXajFEa0o0RVgrdG1FQT09>

**Meeting ID: 838 2587 1197**

**Passcode: 500522**

**If using phone only (no internet) call 1-253-215-8782**

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**Passcode: 500522**

#### **CALL TO ORDER**

#### **INFORMATION AND DISCUSSION ITEMS**

1. Staff response to Councilor questions about any of the July 12, 2022, Council Meeting Agenda items.
2. Water Rate Study Discussion – Tim Tice with OAWU (Oregon Association of Water Utilities)

#### **COUNCILOR COMMITTEE REPORTS**

3. Mayor Jones
  - CDBG – Community Development Block Grant/Policy Advisory Board (PAB) (Alt. Councilor Kirk)
  - WCCC – Washington County Coordinating Committee (Alt. Councilor Kirk)
  - City Manager Performance Review Sub-Committee
4. Councilor Kirk
  - Col-PAC EDD – Columbia-Pacific Economic Development Directors (Alt. Mayor Jones)

Next City Council Work Session: August 9, 2022 @ 6:00 pm

- NWACTION – Northwest Area Commission on Transportation (Alt. Mayor Jones)
  - Sunset Park Association Liaison (Alt. Mayor Jones)
  - Banks Historical Society Liaison (Alt. VACANT)
  - Internal Audit Sub-Committee
5. Councilor Thompson
    - Banks School District #13 Board Liaison (Alt. VACANT)
    - City of Banks Park, Recreation and Tree Board Liaison (Alt. VACANT)
  6. VACANT
    - West Tuality Habitat for Humanity (Alt. Councilor Thompson)
    - Internal Audit Sub-Committee
    - City Manager Performance Review Sub-Committee
  7. Councilor Edison
    - City of Banks Economic Development Commission (Alt. Councilor Kirk)
    - City of Banks Library Board Liaison (Alt. VACANT)
    - City Manager Performance Review Sub-Committee
  8. VACANT
    - Banks Fire District #13 Board Liaison (Alt. Councilor Thompson)
    - MACC – Metropolitan Area Communications Commission (Alt. Councilor Gregg)
  9. Councilor Gregg
    - WCCCA – Washington County Consolidated Communications Agency (911) (Alt. VACANT)
    - Internal Audit Sub-Committee
    - PSWCC – Partners for a Sustainable Washington County Executive Sponsor Team (Alt. VACANT)

**ADJOURN**

# CITY OF BANKS

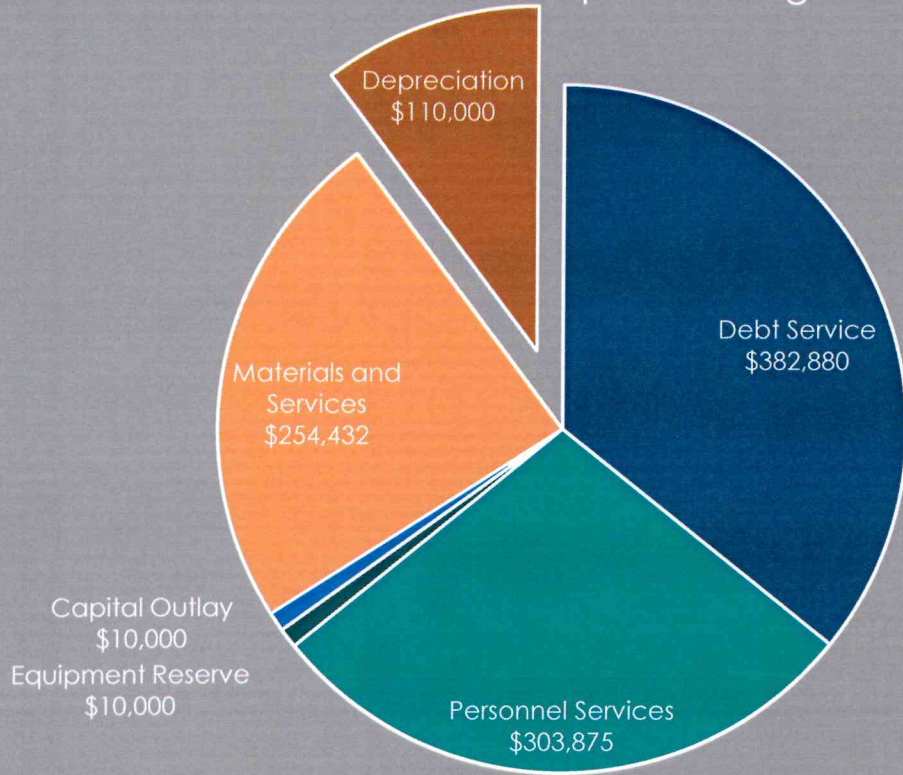
## PRELIMINARY WATER RATES DISCUSSION

July 12, 2022

- ▶ Recap of purpose for the rate study
  - ▶ Asset management plan
    - ▶ Goal to transfer between \$100k and \$150k to depreciation
  - ▶ Bridge gap between expenses and revenue
    - ▶ Conform to AWWA standards; bring base rates to 65%-75% of revenue
  - ▶ Help conservation efforts
  - ▶ More fair rates across different meter sizes

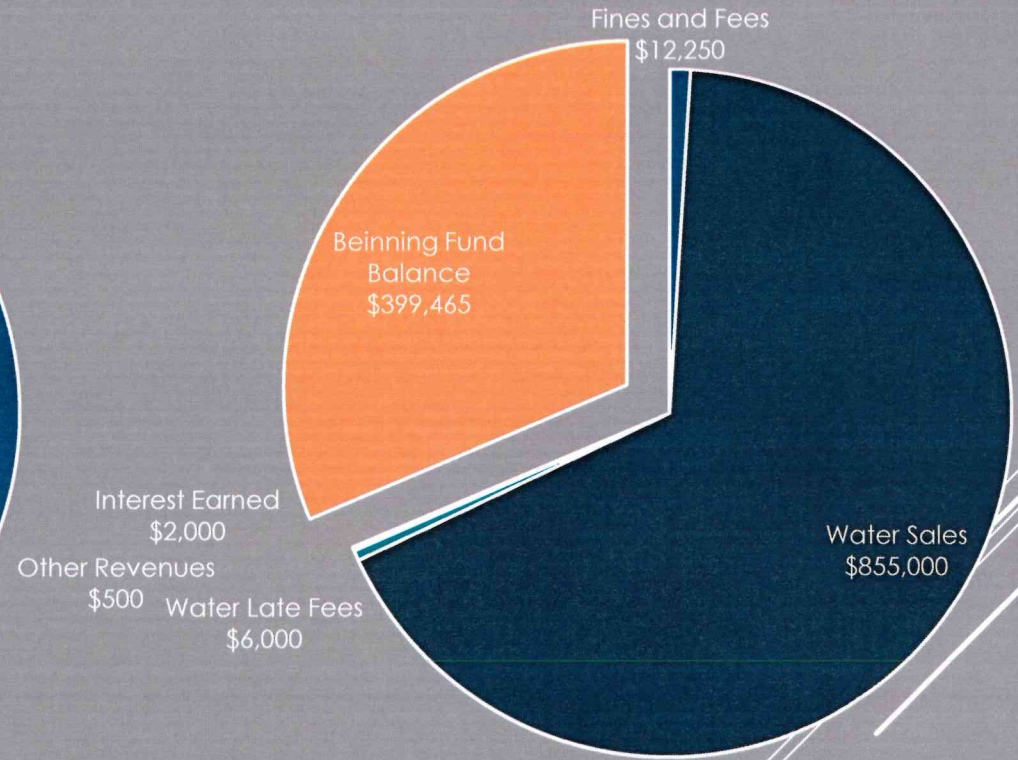
## PURPOSE OF RATE STUDY

### 22-23 Annual Expense Budget



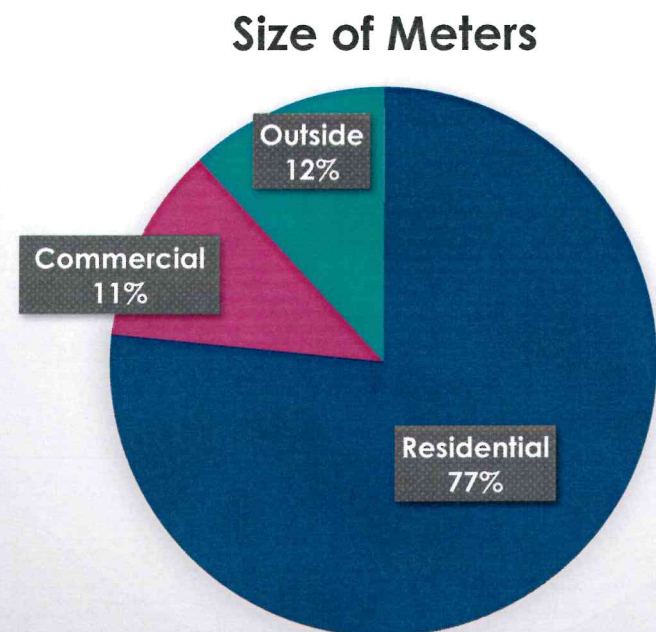
Total Expenses  
Minus Depreciation: \$961,187

### 22-23 Annual Revenue Budget



Total Revenue  
Minus Beginning Fund: \$875,750

	Residential	Commercial	Outside
3/4"	557	58	0
3/4"	0	0	85
1"	0	8	0
1"	0	0	1
1 1/2"	0	11	0
2"	0	3	0
3"	0	3	0
10"	0	1	0
<b>Total - 727</b>	<b>557</b>	<b>84</b>	<b>86</b>



## SIZE AND NUMBER OF SERVICE CONNECTIONS

<b>3/4" Service Charges</b>	<b>Current Rates</b>	<b>Option #1</b>
		<b>Flat Rate Options</b>
<b>Cubic Feet Included in Base Rate</b>	400 cf	400 cf
<b>Base Rates (Inside)</b>	\$53.20	\$53.20
<b>Base Rates (Outside)</b>	\$79.81	\$79.81
<b>Consumption Rate</b>	<b>\$7.42</b>	<b>\$12.00</b>
<b>Cost per User Inside (400 cf) (2,992 gals)</b>	<b>\$53.20</b>	<b>\$53.20</b>
<b>Cost per User Outside (400 cf)</b>	<b>\$79.81</b>	<b>\$79.81</b>

<b>¾" Service Charges</b>	<b>Current Rates</b>	<b>Option #2</b>	
		<b>Tiered Rate Options</b>	
<b>Cubic Feet Included in Base Rate</b>	400 cf	200 cf ↓	
<b>Base Rates (Inside)</b>	\$53.20	\$61.45	
<b>Base Rates (Outside)</b>	\$79.81	\$92.18	
<b>Consumption Rate</b>	<b>\$7.42</b>	<b>\$6.25</b>	
<b>Cost per User Inside (400 cf)</b>	<b>\$53.20</b>	<b>\$73.95</b>	
<b>Cost per User Outside (400 cf)</b>	<b>\$79.81</b>	<b>\$107.18</b>	
		<b>Cost/100 cf Option #2</b>	<b>Range of cf <sup>1</sup></b>
		Tier One	\$6.25 201 – 400 cf
		Tier Two	\$8.00 401 cf – 800 cf
		Tier Three	\$9.75 801 cf +
1 – Tier range is set for ¾ - inch service line			

Base Tiered Options	Base Rate Multiplier	Base Rate Included	Base Rate Cost
3/4"	2	200 cf (1,496 Gallons)	\$61.45
1"	2.8	280 cf (2,094 Gallons)	\$86.03
1 1/2"	3.6	360 cf (2,693 Gallons)	\$110.61
2"	5.8	580 cf (4,338 Gallons)	\$178.21
3"	22	2,200 cf (16,456 Gallons)	\$675.97
10"	74	7,400 cf (55,352 Gallons)	\$2,273.71

Base Rate	3/4"	1.0"	1.5"	2.0"	3.0"	10.0"
Cubic Ft	200 cf	280 cf	360 cf	580 cf	2,200 cf	7,400 cf

Tier One	3/4"	1.0"	1.5"	2.0"	3.0"	10.0"
Cubic Ft	201-400	281-560	361-720	581-1,160	2,201-4,420	7401-14,800

Tier Two	3/4"	1.0"	1.5"	2.0"	3.0"	10.0"
Cubic Ft	401-800	561-1,120	721-1,440	1,161-2,320	4,421-8,840	14,801-29,600

Tier Three	3/4"	1.0"	1.5"	2.0"	3.0"	10.0"
Cubic Ft	801+	1,121+	1,441+	2,321+	8,841+	29,601+


Notes						
<i>3/4 - inch meters reflect 700 customers or 96 percent (58 commercial accounts)</i>						

	Current Rates	Option #1	Option #2
		Flat Rate Options	Tiered Rate Options
<b>CF Included in Base Rate</b>	400 cf	400 cf	↓ 200 cf
<b>Base Rates (Inside)</b>	\$53.20	\$53.20	\$61.45
<b>Base Rates (Outside)</b>	\$79.81	\$79.81	\$92.18
<b>Consumption Rate</b>	<b>\$7.42</b>	<b>\$12.00</b>	<b>\$6.25</b>
<b>¾" Inside – 2,600 cf</b>	<b>\$216.44</b>	<b>\$317.20</b>	<b>\$281.45</b>
<b>1" Inside – 500 cf</b>	<b>\$60.62</b>	<b>\$65.20</b>	<b>\$80.20</b>
<b>3" Inside – 2,100 cf</b>	<b>\$179.34</b>	<b>\$257.20</b>	<b>\$675.97</b>
<b>10" Inside – 9,600 cf</b>	<b>\$735.84</b>	<b>\$1,157.20</b>	<b>\$2,411.21</b>

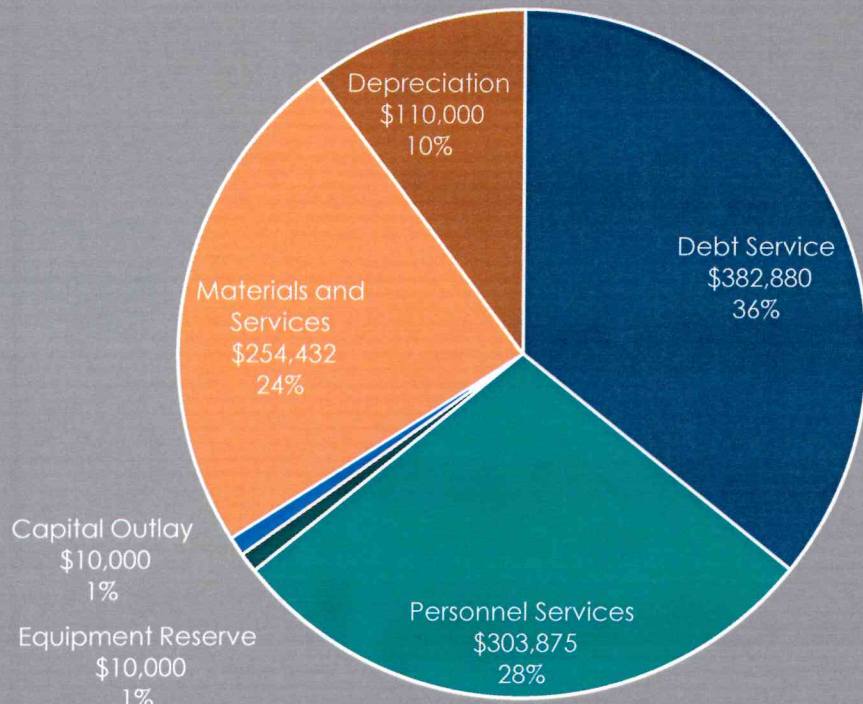
- ✓ Various examples of sized service connections and various volumes of consumed water
- ✓ With each base rate and allowance of water, every customer is identical in cost
- ✓ Cost per unit in tiers is identical for all users, difference between inside and outside users

	Cost/100 cf Option #2	Range of cf <sup>1</sup>
Tier One	\$6.25	201 – 400 cf
Tier Two	\$8.00	401 cf – 800 cf
Tier Three	\$9.75	801 cf +

1 – Tier range is set for ¾ - inch service line

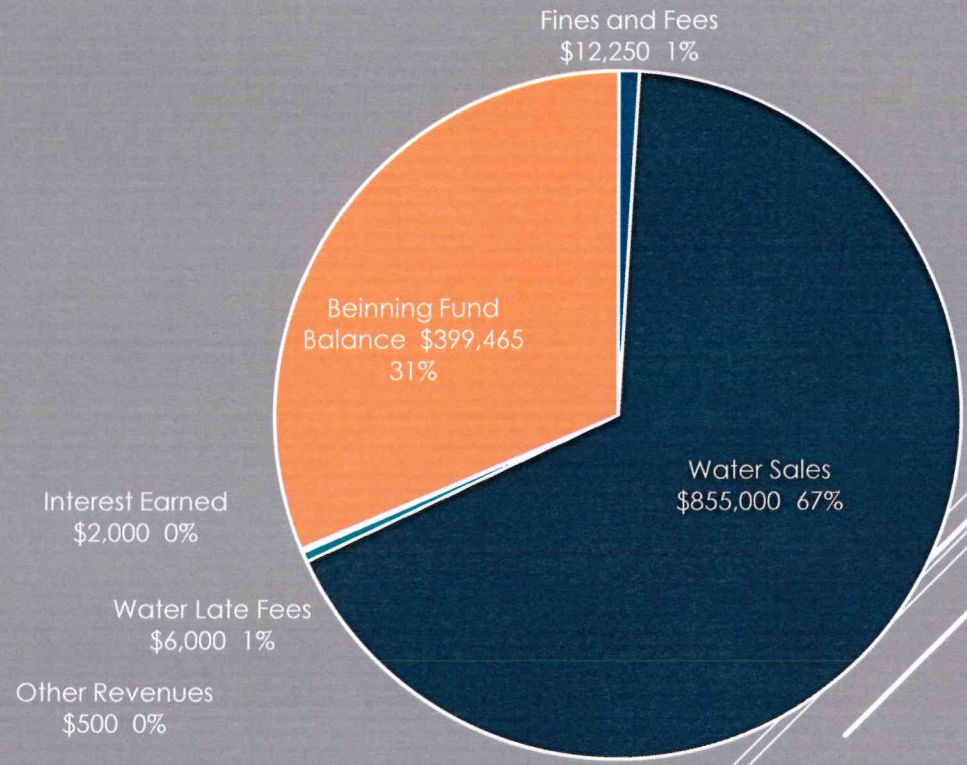
Budget	Current Rates	Option #1	Option #2
<b>\$974,735.00</b>		Flat Rate Options	Tiered Rate Options
Cubic Feet Included in Base Rate	400 cf	400 cf	 200 cf
Base Rates (Inside)	\$53.20	\$53.20	\$61.45
Base Rates (Outside)	\$79.81	\$79.81	\$92.18
Consumption Rate	\$7.42	<b>\$12.00</b>	\$6.25
Cost per User Inside (700 cf)	\$75.46	\$89.20	\$97.95
Cost per User Outside (700 cf)	\$113.14	\$123.01	\$128.68
Budget Revenues - \$950,000 Needed	<b>\$825,000</b>	<b>\$981,274</b>	<b>\$983,703</b>

## 22-23 Annual Expense Budget



Total Expenses  
Minus Depreciation: \$961,187

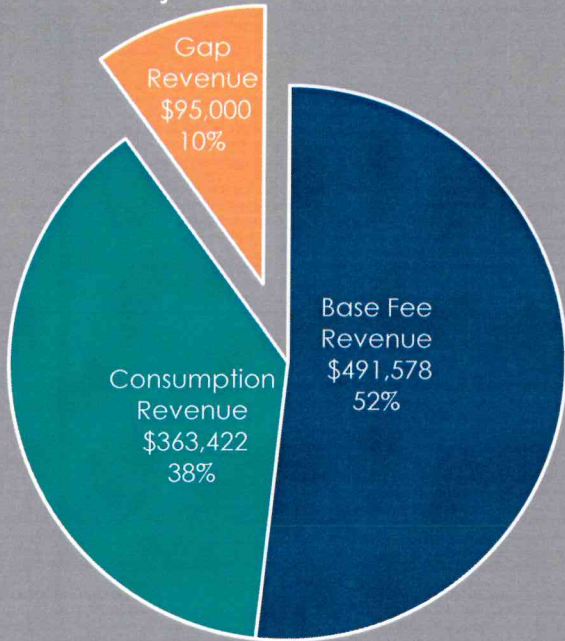
## 22-23 Annual Revenue Budget



Total Revenue  
Minus Beginning Fund: \$875,750

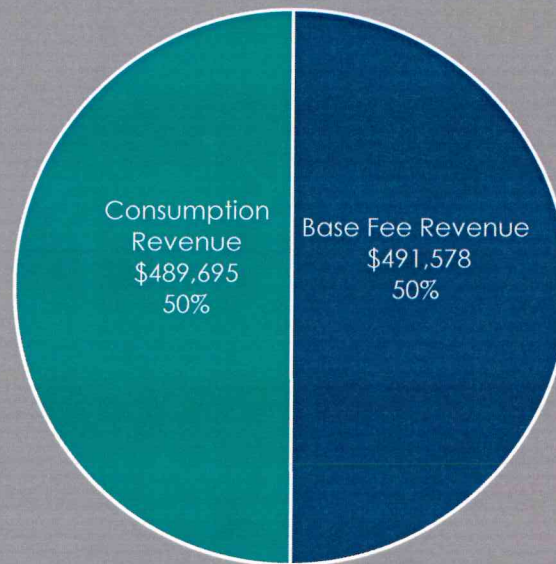
**-\$85,437 Difference**

Current  
Projected Revenue



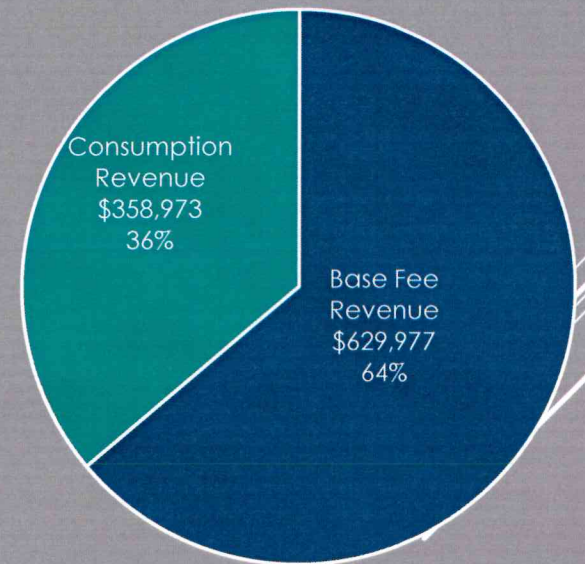
Total - \$855,000

Option #1  
Projected Revenue



Total - \$981,274

Option #2  
Projected Revenue



Total - \$988,950

**AWWA Recommends Base Rates = 60%-75% Annual Revenue**