

CITY OF MOSIER
small enough to make a difference

CITY COUNCIL MEETING
Wednesday, October 21, 2020 6:30 P.M.

Please join the meeting from your computer, tablet or smartphone.

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United States (Toll Free): [1 866 899 4679](tel:18668994679)

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Access Code: 718-957-813

6:30pm	I	Call to Order/Roll Call – Mayor Burns
	II	Agenda corrections or additions
6:35pm	III	Business from the Audience
6:45pm	IV	Approval of: 09/23/2020 Council Meeting Minutes
	V	BUSINESS
6:50 pm	1.	Mosier Ballot Box – Lisa Gambee, Wasco County Clerk
7:00 pm	2.	Parks Opening Date – Renee Tkach, Friends of the Gorge
7:30 pm	3.	Rate Study Update – John Grim, FCSG
8:00 pm	4.	Mayor / Council Member Winter Absences – Mayor, Council President
8:15 pm	VI.	ANNOUNCEMENTS <ul style="list-style-type: none">• Reminder – Current State of Emergency ends 12/17/20• Winter staff hours
8:20 pm	VII.	ADJOURN

CITY COUNCIL MEETING

September 23, 2020 at 6:30 P.M.

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6:30 Call meeting to order: Mayor Burns

Attendance: Mayor Burns, Lacy Gries, Acasia Berry, Ron Wright, Peny Wallace, Witt Anderson, Charlie Cannon

Colleen Coleman City Manager, John Grim City Engineer, Jayme Bennett City Recorder

Guests: Dough Gabbard and Zech Hazel of FCSG

Corrections or additions to Agenda: Colleen Coleman would like to add an agenda item for the UPRR settlement – item number III

Business from the Audience: N/A

Corrections to September 09, 2020 Mosier City Council Meeting Minutes:

Monty Junker (spelling not Funker), double entry page 3, “to request”

Motion to keep the trail closed was tied to community concern on fire issues, with unknown relative humidity etc, also wait for Friends of the Gorge to have signs completed, however we are acknowledging the community generally would like it open.

Motion to approve minutes:

1st : Lacy Gries

2nd: Peny Wallace

All in favor, no opposition, motion passes 6:36

Rate Study Presentation: (See attached PDF of slide show presented at meeting)

Presentation of the rate study: review of the two types of expenses driving rate increases: operating costs (regular and ongoing, predictable over time) and capital (large, irregular, come at unusual times) – challenge for setting rates.

Rate setting is about achieving a balance, common objectives and always maintaining minimum fund balance.

The revenue requirement study is not about shifting the slice of pie, percentage rate increases talked about tonight are to be applied across all the base and volumetric tiers.

Water SDC is typically part of the study, but even if we did that simultaneously, we use the assumption of a static rate.

Zech: The assumptions built into the model: general cost inflation, salaries and inflationary adjustments thereof, construction costs are factored, and two recent contracts are modeled (HR billing 3% and Jacob's 60k annual).

2029: Small project for replacement of pipeline – colleen requests explanation, Witt Anderson requests further explanation on PSU population study as well.

Council asks questions about mitigating impact of rate increase, or smoothing the curve if possible, waiting further information on assumptions.

0.94% growth rate

SDC revenue: 2 specific years there is assumption from staff that growth would outpace assumption from FCSG.

Charlie Cannon comment: regarding our current infrastructure: what we have compared to our population, is it that our population can't support the infrastructure as easily as a larger city can? Less people to spread the burden?

Doug: Smaller utilities tend to be a luxury good, lower customer base to spread the expense, the other part is your particular infrastructure.

John Grim speaks to the small base, and two large projects, one in sewer and one in water.

Acasia Berry: The reserve at the end of 2039 is 700k – is this too high? What is the basis of that?

Mayor Burns: Is there a ratio that is considered best practice that we can reference?

FCSG: No.

Arlene Can you break it down?

Discussion around water rate proportionality

Mayor Burns inquires into debt payments to try to prevent long term financial exposure to debt.

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Further Council inquiries into reserves, capital improvements, rate reduction, water supply etc.

The rate increases rest on the assumption that the structure overall remains unchanged.

Mayor Burns- if we have a more stable base- could we use the inverse block rate increase to reduce the impact on the base?

Witt Anderson: should we do a sensitivity analysis on growth rate if this is a key indicator of the growth model?

FCSG: It would take a couple hours to show different analysis – rebalance the rate increases.

Further discussion on rate increases and options to reconsider or consider ensuring our community isn't disproportionately negatively impacted.

FCSG reviews sewer fund and massive project in 2029: Contingency and operating requirements, debt coverage (1.05), volumetric winter average is explored, and determined not a viable option.

Annual SDC revenue discussed, and concern over the growth model reviewed again.

It is determined FCSG will do a sensitivity analysis regarding the growth model, as it is a key factor in forecasting rates. They will report back to Mosier City Council with final tweaks and to address any remaining concerns.

City of Hood River Utility Contract (IGA): Any objections:

Lacy Gries: one of the documents – “act of god” is used– is this standard language or something we should consider?

It is determined it is standard language.

Approval to implement the IGA

Motion to proceed with the IGA with Hood River for utility billing:

1st : Peny Wallace

2nd: Ron Wright

All in favor, no opposition, motion passes 8:52

Motion to Finalize Jacob's Contract:

1st:

2nd: Witt Anderson

All in favor, no opposition, motion passes 8:53

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Motion to appoint Witt Anderson and Arlene Burns to lead discussion with UPRR:

1st: Witt Anderson

Discussion: Acasia: does this still include restoration of the site?

Colleen: yes, this is a conversation around the public restroom facility and other amenities, Mike Igo will be instrumental in the restoration still.

2nd: Lacy Gries

All in favor, no opposition, motion passes 9:08

Meeting Adjourned 9:15 PM

DR





**BALLOT
DROP
BOX**

**BALLOT
DROP
BOX**

Water Rates under Alternate Scenarios	2021	2022	2023	2024	2025	2026	2027	2028	2029
Low Growth (0.36%, about 1 home per year)	12.0%	11.0%	11.0%	4.0%	4.0%	2.0%	1.5%	1.5%	1.5%
Base Growth (0.94%)	11.0%	11.0%	10.0%	3.0%	2.0%	2.0%	1.5%	1.5%	1.5%
High Growth (1.31%, about 4 homes per year)	11.0%	10.0%	10.0%	3.0%	1.5%	1.5%	1.5%	1.5%	1.5%
<i>Minimum rate increase is 1.5%.</i>									

Sewer Rates under Alternate Scenarios	2021	2022	2023	2024	2025	2026	2027	2028	2029
Low Growth (0.36%, about 1 home per year)	2.0%	2.0%	2.0%	2.0%	2.0%	1.5%	1.5%	1.5%	1.5%
Base Growth (0.94%)	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
High Growth (1.31%, about 4 homes per year)	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
<i>Minimum rate increase is 1.5%.</i>									

City of Mosier

Utility Rate Study, Rate Design, and SDC Calculation: Water Utility - Low Growth

Water Rate Schedule

Across-the-Board Rate Schedule	Existing 2020	ATB 2021	ATB 2022	ATB 2023	ATB 2024	ATB 2025	ATB 2026	ATB 2027	ATB 2028	ATB 2029
Annual System-Wide Rate Increase		12.00%	11.00%	11.00%	4.00%	4.00%	2.00%	1.50%	1.50%	1.50%
	<i>Implementation date:</i>	1/1/2021	7/1/2021	7/1/2022	7/1/2023	7/1/2024	7/1/2025	7/1/2026	7/1/2027	7/1/2028
Fixed Monthly Charge by Meter										
3/4 Inch	\$35.59	\$39.86	\$44.25	\$49.11	\$51.08	\$53.12	\$54.18	\$55.00	\$55.82	\$56.66
1 Inch	\$88.97	\$99.65	\$110.61	\$122.77	\$127.69	\$132.79	\$135.45	\$137.48	\$139.54	\$141.64
1.5 Inch	\$177.94	\$199.29	\$221.22	\$245.55	\$255.37	\$265.59	\$270.90	\$274.96	\$279.09	\$283.27
2 Inch	\$283.63	\$317.67	\$352.61	\$391.40	\$407.05	\$423.33	\$431.80	\$438.28	\$444.85	\$451.52
3 Inch	\$569.42	\$637.75	\$707.90	\$785.77	\$817.20	\$849.89	\$866.89	\$879.89	\$893.09	\$906.49
4 Inch	\$889.71	\$996.48	\$1,106.09	\$1,227.76	\$1,276.87	\$1,327.94	\$1,354.50	\$1,374.82	\$1,395.44	\$1,416.37
6 Inch	\$1,779.42	\$1,992.95	\$2,212.17	\$2,455.51	\$2,553.73	\$2,655.88	\$2,709.00	\$2,749.64	\$2,790.88	\$2,832.74
8 Inch	\$2,847.05	\$3,188.70	\$3,539.45	\$3,928.79	\$4,085.94	\$4,249.38	\$4,334.37	\$4,399.38	\$4,465.38	\$4,532.36
Volume Charge: per 1,000 gallons										
0-6,000 gallons	\$1.58	\$1.77	\$1.97	\$2.18	\$2.27	\$2.36	\$2.41	\$2.44	\$2.48	\$2.52
6,000-14,000 gallons	\$2.10	\$2.35	\$2.61	\$2.90	\$3.02	\$3.14	\$3.20	\$3.25	\$3.30	\$3.35
14,000+ gallons	\$2.63	\$2.95	\$3.27	\$3.63	\$3.78	\$3.93	\$4.01	\$4.07	\$4.13	\$4.19

Note: "Across-the-Board" (ATB) means that all stated rates increase by the same percentage (both the fixed and volume charges), which maintains the existing rate structure.

\$9.49	\$10.62	\$11.79	\$13.09	\$13.61	\$14.16	\$14.44	\$14.66	\$14.88	\$15.10
21%	21%	21%	21%	21%	21%	21%	21%	21%	21%

City of Mosier

Utility Rate Study, Rate Design, and SDC Calculation: Water Utility - Medium Growth

Water Rate Schedule

Across-the-Board Rate Schedule	Existing 2020	ATB 2021	ATB 2022	ATB 2023	ATB 2024	ATB 2025	ATB 2026	ATB 2027	ATB 2028	ATB 2029
Annual System-Wide Rate Increase		11.00%	11.00%	10.00%	3.00%	2.00%	2.00%	1.50%	1.50%	1.50%
	<i>Implementation date:</i>	1/1/2021	7/1/2021	7/1/2022	7/1/2023	7/1/2024	7/1/2025	7/1/2026	7/1/2027	7/1/2028
Fixed Monthly Charge by Meter										
3/4 Inch	\$35.59	\$39.50	\$43.85	\$48.24	\$49.68	\$50.68	\$51.69	\$52.47	\$53.25	\$54.05
1 Inch	\$88.97	\$98.76	\$109.62	\$120.58	\$124.20	\$126.68	\$129.22	\$131.16	\$133.12	\$135.12
1.5 Inch	\$177.94	\$197.51	\$219.24	\$241.16	\$248.40	\$253.37	\$258.43	\$262.31	\$266.25	\$270.24
2 Inch	\$283.63	\$314.83	\$349.46	\$384.41	\$395.94	\$403.86	\$411.93	\$418.11	\$424.39	\$430.75
3 Inch	\$569.42	\$632.06	\$701.58	\$771.74	\$794.89	\$810.79	\$827.01	\$839.41	\$852.00	\$864.78
4 Inch	\$889.71	\$987.58	\$1,096.21	\$1,205.83	\$1,242.01	\$1,266.85	\$1,292.18	\$1,311.57	\$1,331.24	\$1,351.21
6 Inch	\$1,779.42	\$1,975.16	\$2,192.42	\$2,411.67	\$2,484.02	\$2,533.70	\$2,584.37	\$2,623.14	\$2,662.48	\$2,702.42
8 Inch	\$2,847.05	\$3,160.23	\$3,507.85	\$3,858.64	\$3,974.39	\$4,053.88	\$4,134.96	\$4,196.98	\$4,259.94	\$4,323.84
Volume Charge: per 1,000 gallons										
0-6,000 gallons	\$1.58	\$1.76	\$1.95	\$2.14	\$2.21	\$2.25	\$2.30	\$2.33	\$2.37	\$2.40
6,000-14,000 gallons	\$2.10	\$2.33	\$2.59	\$2.85	\$2.93	\$2.99	\$3.05	\$3.10	\$3.14	\$3.19
14,000+ gallons	\$2.63	\$2.92	\$3.24	\$3.57	\$3.67	\$3.75	\$3.82	\$3.88	\$3.94	\$4.00

Note: "Across-the-Board" (ATB) means that all stated rates increase by the same percentage (both the fixed and volume charges), which maintains the existing rate structure.

\$9.49	\$10.53	\$11.69	\$12.86	\$13.24	\$13.51	\$13.78	\$13.98	\$14.19	\$14.41
21%	21%	21%	21%	21%	21%	21%	21%	21%	21%

City of Mosier

Utility Rate Study, Rate Design, and SDC Calculation: Water Utility - High Growth

Water Rate Schedule

Across-the-Board Rate Schedule	Existing 2020	ATB 2021	ATB 2022	ATB 2023	ATB 2024	ATB 2025	ATB 2026	ATB 2027	ATB 2028	ATB 2029
Annual System-Wide Rate Increase		11.00%	10.00%	10.00%	3.00%	1.50%	1.50%	1.50%	1.50%	1.50%
	<i>Implementation date:</i>	1/1/2021	7/1/2021	7/1/2022	7/1/2023	7/1/2024	7/1/2025	7/1/2026	7/1/2027	7/1/2028
Fixed Monthly Charge by Meter										
3/4 Inch	\$35.59	\$39.50	\$43.46	\$47.80	\$49.23	\$49.97	\$50.72	\$51.48	\$52.26	\$53.04
1 Inch	\$88.97	\$98.76	\$108.63	\$119.50	\$123.08	\$124.93	\$126.80	\$128.70	\$130.63	\$132.59
1.5 Inch	\$177.94	\$197.51	\$217.26	\$238.99	\$246.16	\$249.85	\$253.60	\$257.41	\$261.27	\$265.19
2 Inch	\$283.63	\$314.83	\$346.31	\$380.94	\$392.37	\$398.26	\$404.23	\$410.29	\$416.45	\$422.70
3 Inch	\$569.42	\$632.06	\$695.26	\$764.79	\$787.73	\$799.55	\$811.54	\$823.71	\$836.07	\$848.61
4 Inch	\$889.71	\$987.58	\$1,086.34	\$1,194.97	\$1,230.82	\$1,249.28	\$1,268.02	\$1,287.04	\$1,306.35	\$1,325.94
6 Inch	\$1,779.42	\$1,975.16	\$2,172.67	\$2,389.94	\$2,461.64	\$2,498.56	\$2,536.04	\$2,574.08	\$2,612.69	\$2,651.88
8 Inch	\$2,847.05	\$3,160.23	\$3,476.25	\$3,823.87	\$3,938.59	\$3,997.67	\$4,057.63	\$4,118.50	\$4,180.27	\$4,242.98
Volume Charge: per 1,000 gallons										
0-6,000 gallons	\$1.58	\$1.76	\$1.93	\$2.12	\$2.19	\$2.22	\$2.25	\$2.29	\$2.32	\$2.36
6,000-14,000 gallons	\$2.10	\$2.33	\$2.57	\$2.82	\$2.91	\$2.95	\$2.99	\$3.04	\$3.09	\$3.13
14,000+ gallons	\$2.63	\$2.92	\$3.21	\$3.53	\$3.64	\$3.70	\$3.75	\$3.81	\$3.86	\$3.92

Note: "Across-the-Board" (ATB) means that all stated rates increase by the same percentage (both the fixed and volume charges), which maintains the existing rate structure.

\$9.49	\$10.53	\$11.58	\$12.74	\$13.12	\$13.32	\$13.52	\$13.72	\$13.93	\$14.14
21%	21%	21%	21%	21%	21%	21%	21%	21%	21%

Rate Increases for Alternate Scenarios	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Low Growth (0.36%, about 1 home per year)	0.0%	12.0%	11.0%	11.0%	4.0%	4.0%	2.0%	1.5%	1.5%	1.5%
Base Growth (0.94%)	0.0%	11.0%	11.0%	10.0%	3.0%	2.0%	2.0%	1.5%	1.5%	1.5%
High Growth (1.31 %, about 4 homes per year)	0.0%	11.0%	10.0%	10.0%	3.0%	1.5%	1.5%	1.5%	1.5%	1.5%