

MINUTES

REGULAR COUNCIL MEETING
OF
NOVEMBER 26, 2012
5:30 P.M.
THE DALLES CITY HALL
313 COURT STREET
THE DALLES, OREGON

PRESIDING: Mayor Jim Wilcox

COUNCIL PRESENT: Bill Dick, Carolyn Wood, Dan Spatz, Tim McGlothlin

COUNCIL ABSENT: Brian Ahier

STAFF PRESENT: City Manager Nolan Young, City Attorney Gene Parker, City Clerk Julie Krueger, Police Chief Jay Waterbury, Public Works Director Dave Anderson, Finance Director Kate Mast, Administrative Fellow Garrett Chrostek, Planning Director Dick Gassman, Engineer Dale McCabe, Wastewater Collection Manager Steve Byers

CALL TO ORDER

Mayor Wilcox called the meeting to order at 5:32 p.m.

ROLL CALL

Roll call was conducted by City Clerk Krueger; Councilor Ahier absent.

PLEDGE OF ALLEGIANCE

Mayor Wilcox invited the audience to join in the Pledge of Allegiance.

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APPROVAL OF AGENDA

Mayor Wilcox asked to add the School District 21 report to the agenda, under Presentations. It was moved by Spatz and seconded by Wood to approve the agenda as amended. The motion carried unanimously, Ahier absent.

PRESENTATIONS/PROCLAMATIONS

School District 21 Report

Anne Evans, Chenoweth Elementary School Principal, provided a report regarding the school's efforts to respond to the priority school designation they received. Evans said they had looked at practices and evaluated programs. She said they were working to do what was best for the students. Evans said she had an excellent staff and great parent and community involvement. She talked about a recent awards ceremony in which 126 students were recognized and mentioned the creation of a new booster club. Evans said data monitoring was showing that changes were already making a difference.

Canvas the Vote Proclamation

Mayor Wilcox read the Proclamation, proclaiming Steve Lawrence elected as Mayor; Carolyn Wood elected as Councilor at Large; Dan Spatz elected as Councilor, Position #2; and Linda Miller elected as Councilor, Position #4.

Presentation of Fiscal Year 2011-12 Audit

Finance Director Mast introduced the City's Auditor Tonya Moffitt. Ms. Moffitt said they were pleased to provide a clean opinion for the City. She reviewed the Executive Summary and noted there were no findings on the single audit they prepared for the federal funding.

It was moved by Wood and seconded by Dick to accept the 2011-12 audit as presented. The motion carried unanimously, Ahier absent.

Councilor Wood said the City had received the highest award for financial reporting for 17 years and said the City's finances were well managed.

RECESS TO URBAN RENEWAL AGENCY MEETING

Mayor Wilcox recessed the meeting at 5:50 p.m. to convene as the Urban Renewal Agency.

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Reconvene City Council Meeting

The City Council meeting reconvened at 6:14 p.m.

AUDIENCE PARTICIPATION

None.

CITY MANAGER REPORT

City Manager Young reported the Dog Control Officer position had been filled on a part-time basis. He said the new employee was Chelsee Hudson. Young asked to be excused from the December 10 Council meeting because he needed to be away. He said City Attorney Parker would serve as Acting City Manager in his absence.

CITY ATTORNEY REPORT

City Attorney Parker reported he had several items on upcoming Council agendas, including the demolition of a dangerous building, leases at the Airport, and a land use appeal.

CITY COUNCIL REPORTS

Councilor Wood said she had attended the Airport open house and was pleased to see the new hangar. She said it would be used for aircraft maintenance during the winter so there would be a heated place to work.

Councilor McGlothlin said the Traffic Safety Commission had met on November 21 and the primary discussion was in regard to the Kelly Avenue traffic study. He said many changes were discussed but no action was taken.

Councilor Dick said he attended the November 20 Urban Renewal Advisory Committee meeting and said the Committee supported the extension of the Granada Block memorandum of understanding.

Councilor Spatz said the Mid Columbia Economic Development District had hosted a bi-state forum last week and discussed affordable housing, National Scenic Area economic funds, and education and training. He said the focus was on treating the Gorge in a regional manner to discuss issues and opportunities in common.

Mayor Wilcox said he had been pleased with the turn out for the airport open house and noted the restaurant would re-open in the near future. Wilcox said he would be participating as a judge in the upcoming robotics-lego competition, with 57 teams competing this year. He reported he had participated in the Starlight Parade and would be attending the Community Outreach Team meeting on Friday, November 30.

CONSENT AGENDA

It was moved by Wood and seconded by Spatz to approve the Consent Agenda as presented. The motion carried unanimously, Ahier absent.

Items approved by Consent Agenda were: 1) approval of October 22, 2012 regular City Council meeting minutes; and 2) approval to declare Public Works Department equipment as surplus property.

PUBLIC HEARINGS

Public Hearing to Consider Remonstrances Regarding the West First Street and Bargeway Road Reconstruction Local Improvement District, Phase 2

Mayor Wilcox reviewed the procedures to be followed for the public hearing.

The staff report was reviewed by Public Works Director Anderson. In response to a written remonstrance from Gerald Risberg, Anderson said the City had investigated the catch basin on his property and was not able to verify its status. He said when the project is underway, the City will determine whether the storm line could be connected and if so, would remove it from the project cost assessed to the property owner.

Anderson said one other letter was received, but it was not a valid remonstrance. He said though the property did not have frontage on Bargeway Road, it was accessed by easement from Bargeway Road and had the benefit of infrastructure and transportation needs. He said two properties within the proposed district would be assessed for 50 feet of frontage which was the minimum allowed by zoning requirements. Anderson said those two properties would also be assessed for storm water drainage from one half of the street width.

Councilor McGlothlin retired from the meeting at 6:35 p.m.

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Testimony

Gerald Risberg testified in opposition to the proposed local improvement district. He said he had been told the storm sewer would be installed shortly after he purchased the property in 1988 and he installed the catch basin and line to the road. Risberg said he assumed the storm had been connected to the City's system. He spoke in opposition to the cost of the project, saying the cost for the improvements was nearly equal to the current value of his property and he questioned the acreage stated in the report, noting he owned two acres, not 2.37 acres. Mr. Risberg said it was difficult to find a tenant and he was not able to charge market rent due to the poor economy. He said Bargeway Road did not need to be reconstructed because it was in good condition.

Hearing no further testimony, the public hearing was closed.

Resolution No. 12-023 Accepting the Preliminary Report of the City Engineer, Announcing the Formation of a Local Improvement District for West First Street, Terminal Way and Bargeway Road Reconstruction Project, Phase 2

It was moved by Spatz and seconded by Wood to adopt Resolution No. 12-023 accepting the preliminary report of the City Engineer, announcing the formation of a local improvement district for West First Street, Terminal Way and Bargeway Road Reconstruction Project, Phase 2. The motion carried unanimously, Ahier and McGlothlin absent.

Public Hearing to Consider Testimony Regarding Annexation of Properties Located in the Urban Growth Boundary Pursuant to ORS 222.750 and Land Use Development Ordinance Chapter 14

Mayor Wilcox reviewed the procedures to be followed for the hearing.

Planning Director Gassman reviewed the staff report.

Testimony

Michael Held, Port of The Dalles Development Specialist, testified that the Port was in support of the annexation. He said the Port had a concept design for the property and utilities needed to be provided to the site to move project planning forward. He said annexation would help the Port with the State's site readiness process.

Hearing no further testimony, the public hearing was closed.

Councilor Dick said he did legal work for the Port of The Dalles, but was not involved with the annexation application and would not receive any economic gain from the proposed annexation.

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City Attorney Parker said there was no conflict of interest for Councilor Dick.

It was moved by Dick and seconded by Spatz to approve the proposed consent annexations for the property at 3821 West Tenth Street and three adjacent lots owned by the Port of The Dalles north of Chenoweth Creek and direct staff to prepare an ordinance declaring the properties to be annexed, for adoption at a future Council meeting. The motion carried unanimously, Ahier and McGlothlin absent.

Public Hearing to Receive Testimony Regarding a Supplemental Budget for the 2012-13 Fiscal Year

Mayor Wilcox reviewed the procedures to be followed for the hearing.

Finance Director Mast reviewed the staff report.

Testimony

No testimony was presented. The public hearing was closed.

Resolution No. 12-021 Adopting a Supplemental Budget for Fiscal Year 2012-13, Making Appropriations and Authorizing Expenditures From and Within Various Funds

It was moved by Wood and seconded by Spatz to adopt Resolution No. 12-021 adopting a supplemental budget for fiscal year 2012-13, making appropriations and authorizing expenditures from and within various funds. The motion carried unanimously, Ahier and McGlothlin absent.

Resolution No. 12-022 Authorizing Transfers of Funds Between Categories of Various Funds, Making Appropriations and Authorizing Expenditures for Fiscal Year Ending June 30, 2013

It was moved by Spatz and seconded by Dick to adopt Resolution No. 12-022 authorizing transfers of funds between categories of various funds, making appropriations and authorizing expenditures for fiscal year ending June 30, 2013. The motion carried unanimously, Ahier and McGlothlin absent.

Recess

Mayor Wilcox called a recess at 7:08 p.m. to allow staff to set up equipment for the next agenda item.

Reconvene

The meeting reconvened at 7:15 p.m.

DISCUSSION ITEMS

Updated Wastewater Facility Capital Improvement Plan and Associated Funding

Public Works Director Anderson reviewed the staff report and introduced Wayne Gresh and Rick Shanley of Carollo Engineers and John Ghilarducci of FCS Group.

A power point presentation was provided (attached as Exhibit "A"), reviewing projected growth, service area, summary of projected flows, the model used for collection system analysis, the list of proposed Capital Improvement Plan (CIP) projects, and an evaluation of the treatment facility. It was noted the CIP was proposed to be completed in phases. Mr. Gresh said the first phase would address capacity, redundancy, odor issues and improve the appearance of the plant. He said Phase 2 would address capacity and redundancy issues, and Phase 3 would further address capacity, redundancy, asset and site management and future regulatory requirements.

It was noted that through the review process, ten projects were able to be removed from the current CIP at a savings of approximately \$2.4 million. It was also explained that co-generation of the methane was determined to not be cost effective at this time, but that staff would continue to work with the PUD to determine if they were interested in continuing to pursue that project. Mr. Gresh said the methane was being used to heat the digesters at this time.

Councilor Spatz asked if it was possible to work with the Cherry Growers to determine if landscaping could be extended across their property at the same time the treatment plant landscaping project was completed.

In response to a question, Public Works Director Anderson said the improvements would not require any additional staffing at the facility.

John Ghilarducci provided a power point presentation regarding the financial element of the CIP (attached as Exhibit "B"). He said rates should provide enough revenue to sustain the system, charge for services provided, recover costs and achieve City objectives. Ghilarducci provided three rate scenarios. The first scenario was for rate increases without any new debt; smoothed rate increases without new debt; and smoothed rate increases with additional revenue bonds. It was explained the use of revenue bonds would create the lowest and most stable rate increases, approximately 3% per year.

Regarding proposed systems development charges (SDC's), the methodology was explained and a calculation summary presented. Mr. Ghilarducci said the current wastewater SDC was \$1,789, but based on the calculations, the SDC could be as much as \$2,572.

The City Council asked staff to provide examples of recent commercial developments with the proposed SDC applied and compared to the current SDC's. It was the consensus of the Council to proceed with implementation of the CIP, to work toward adopting the rates as outlined in scenario #3, and to gather additional information regarding the proposed SDC increase .

Councilor Spatz asked if staff could provide information comparing operation of the wastewater treatment plant by contract vs. in-house.

Councilor Wood said when OMI took over operations, they made repairs, improvements, and have operated the plant very professionally. She said it would be difficult to find that expertise and said she would not support the City taking back operations of the plant.

ADJOURNMENT

Being no further business, the meeting adjourned at 8:30 p.m.

Submitted by/
Julie Krueger, MMC
City Clerk

SIGNED:


James L. Wilcox, Mayor

ATTEST:


Julie Krueger, MMC, City Clerk



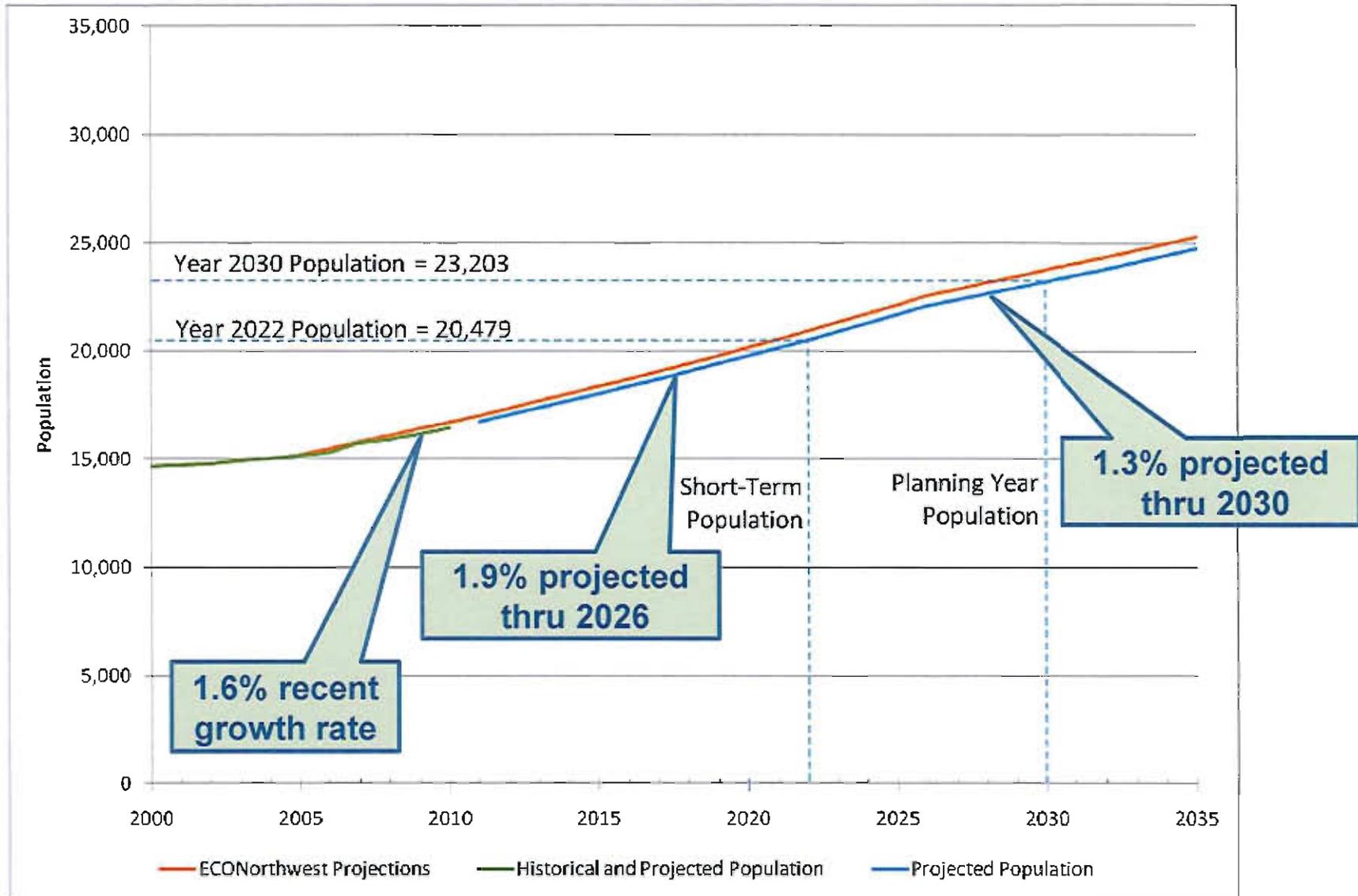
Presentation to City Council November 26, 2012

Wastewater Facility Master Plan UPDATE

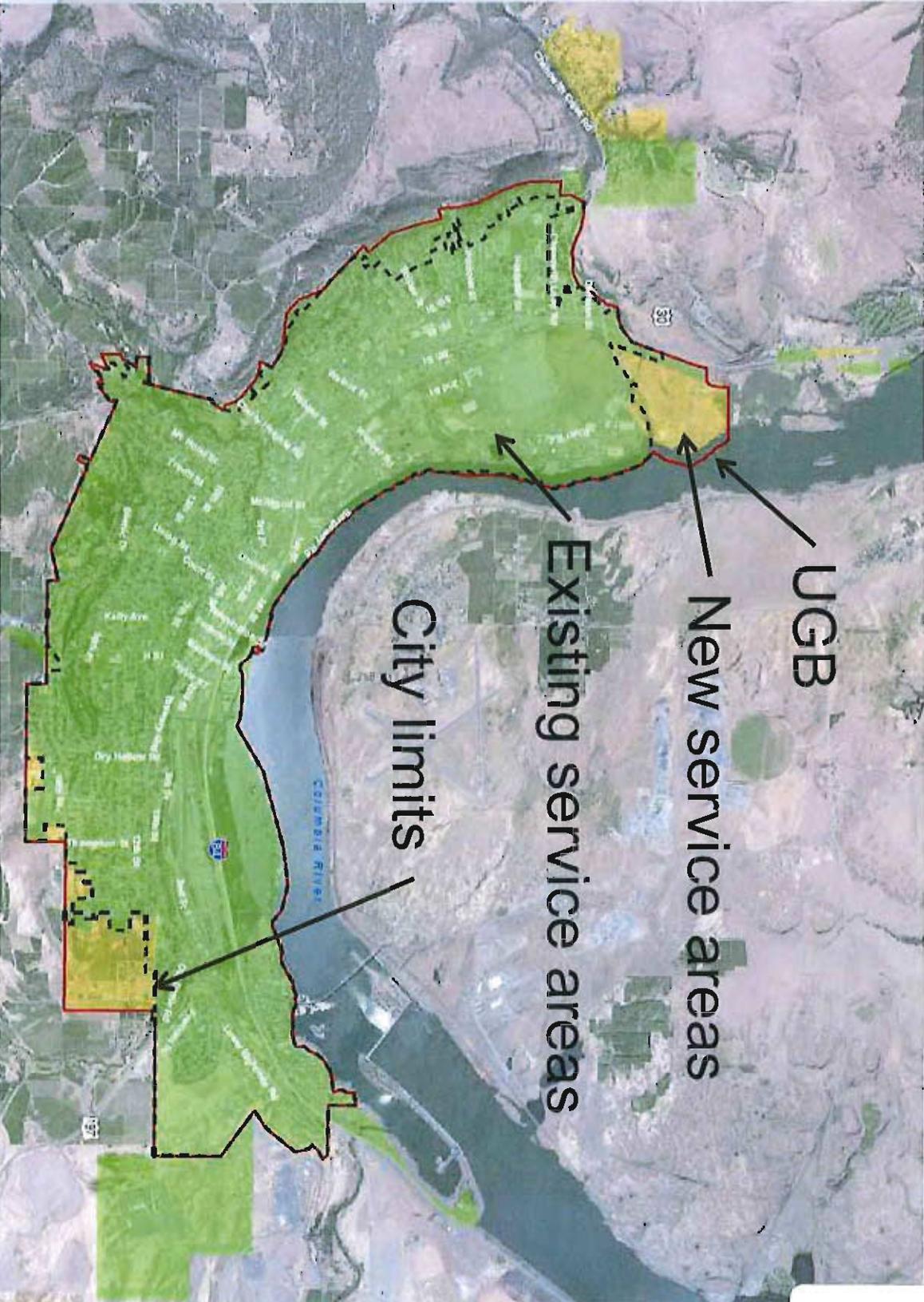
Wastewater Facility Master Plan Update provides a comprehensive 20 year plan for the collection system and treatment facility to:

- Accommodate growth
- Maintain assets
- Meet regulatory requirements
- Improve treatment facility:
 - Appearance
 - Odor control
 - Beneficial use of resources

Growth projected through 2030:



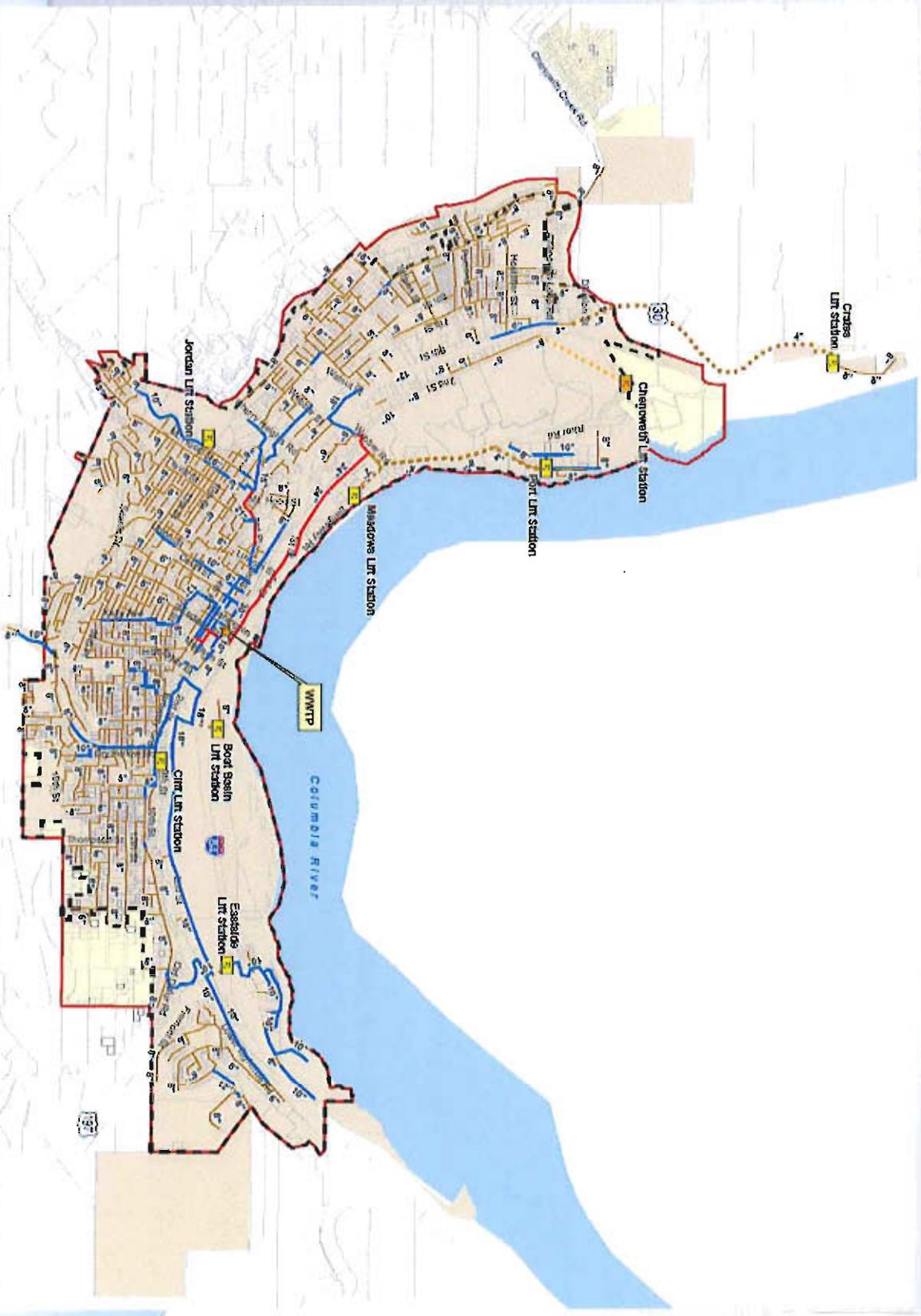
Service area includes UGB and areas planned for future service:



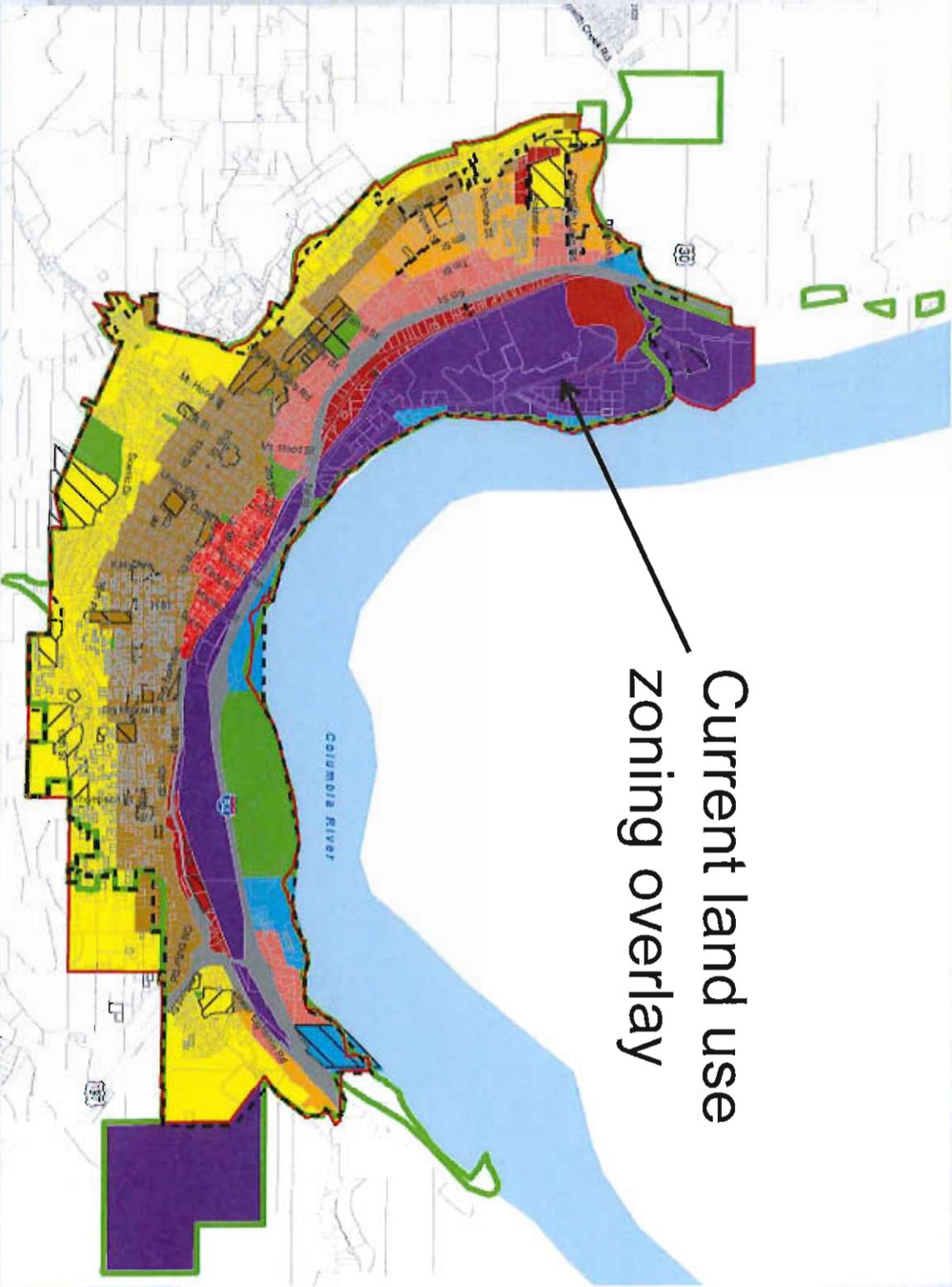
Summary of projected flows

Flow Parameter (mgd)	Current	2022	2030
Base Wastewater Flow (BWF)	2.0	3.0	3.5
Average Annual Flow (AAF)	2.3	3.5	4.0
Average Dry Weather Flow (ADWF)	2.0	3.1	3.6
Average Wet Weather Flow (AWWF)	2.6	3.9	4.5
Maximum Month Dry Weather Flow (MMDWF)	2.5	3.7	4.3
Maximum Month Wet Weather Flow (MMWWF)	3.4	5.0	5.7
Peak Daily Average Flow (PDAF)	6.1	8.5	9.3
Peak Instantaneous Flow (PIF)	7.7	10.8	11.9

Comprehensive H2O SWMM Model provides sound planning tool:



GIS integration allows modeling when zoning changes occur

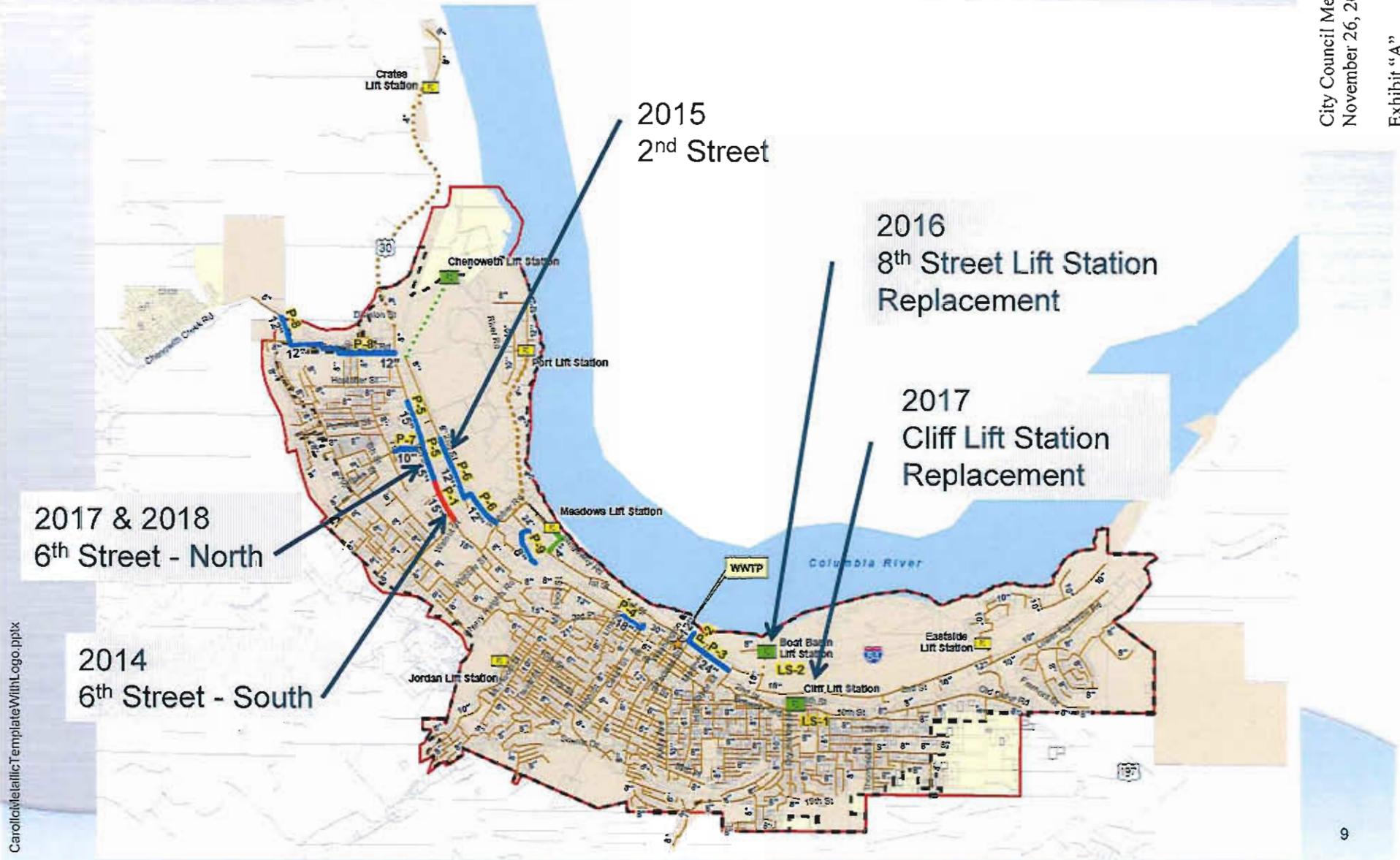


Current land use
zoning overlay

Model used for comprehensive collection system analysis that included:

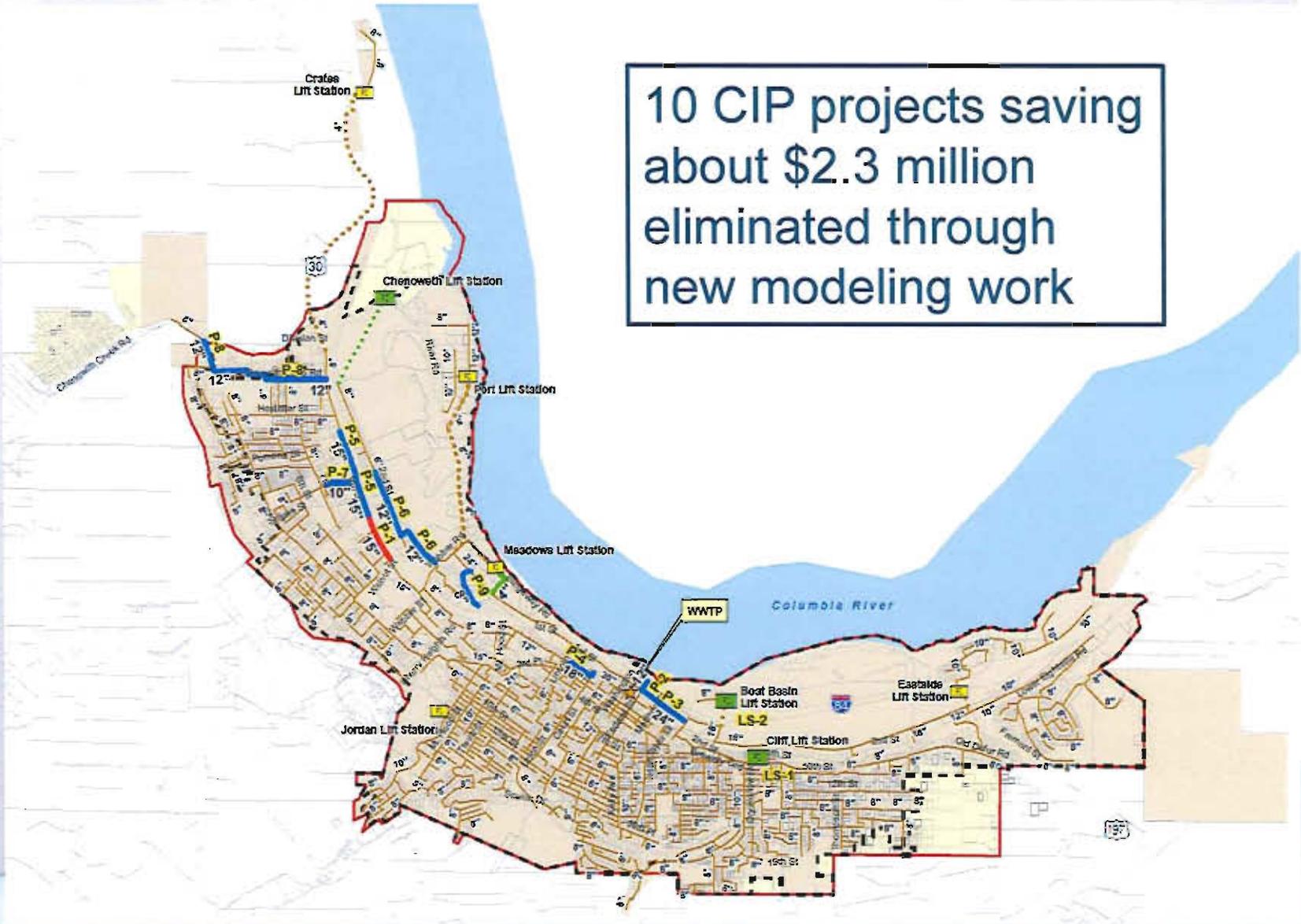
- Calibrating the model through:
 - Flow monitoring
 - Correlating with existing flow data
- Identifying the design storm
- Analyzing inflow and infiltration rates
- Analyzing lift station capacities
- Identifying deficiencies
- Identifying capital improvements

Nine collection system improvements identified:



Nine collection system improvements identified:

10 CIP projects saving about \$2.3 million eliminated through new modeling work

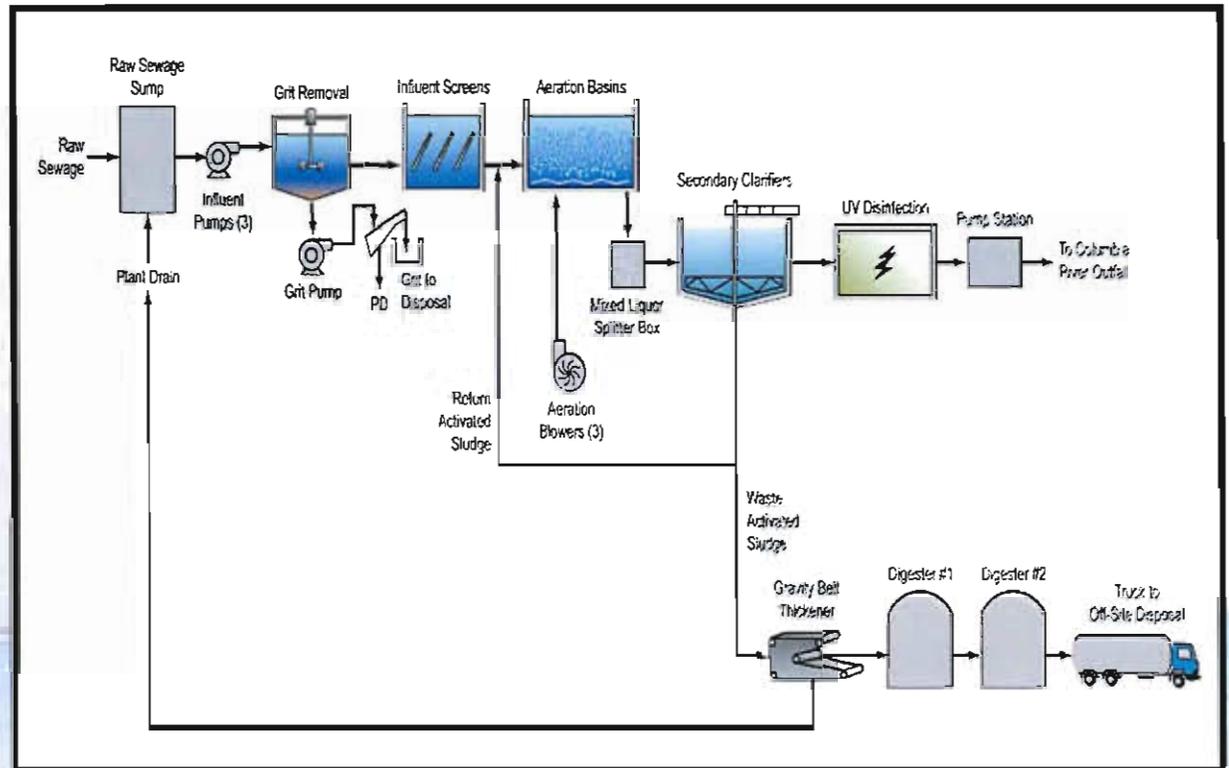


Collection system CIP:

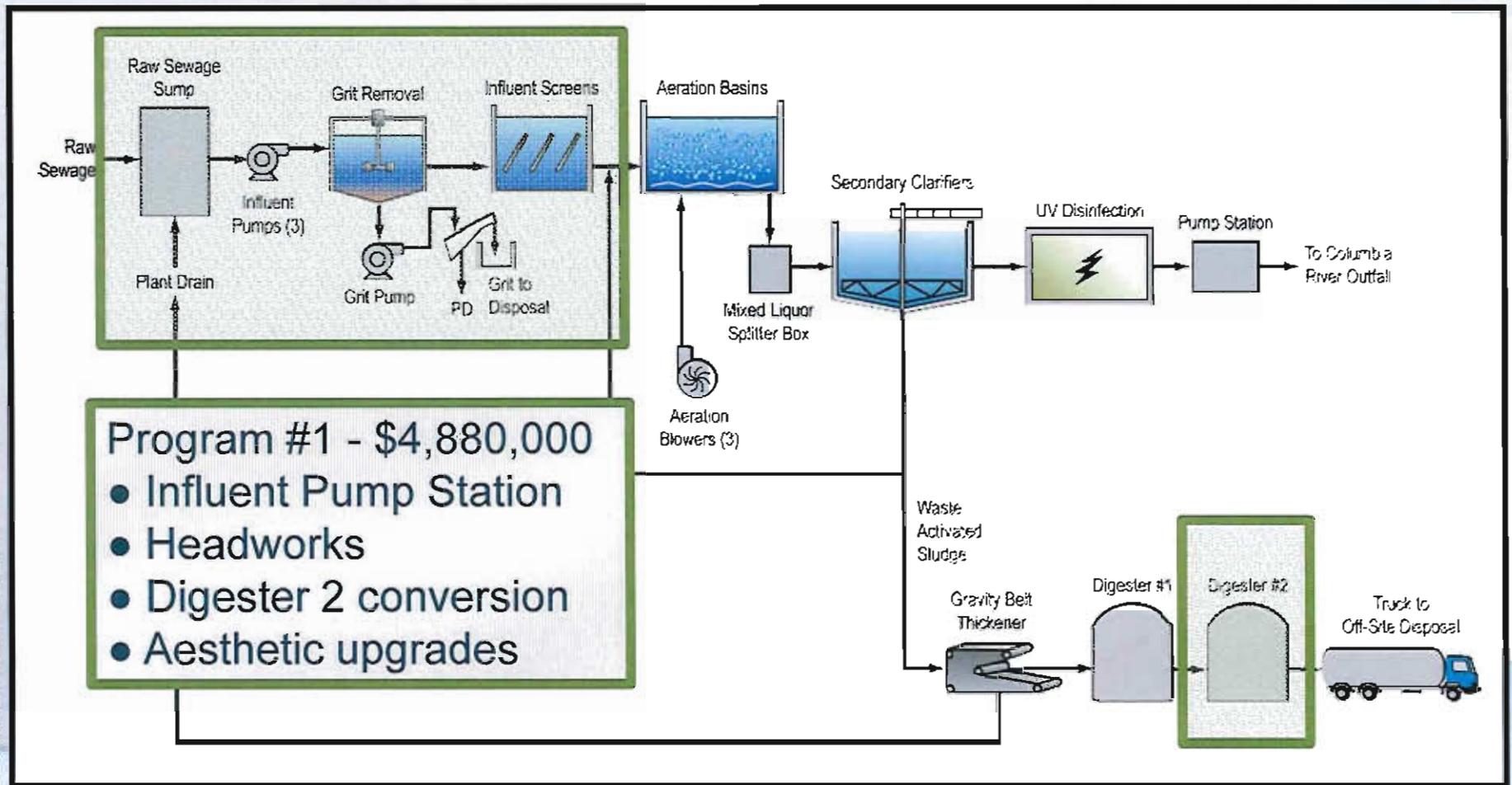
CIP Project	\$	Fiscal Year
6 th Street – South	290,000	2014
2 nd Street	650,000	2015
8 th St Lift Station Replacement	340,000	2016
Cliff Lift Station Replacement	340,000	2017
6 th Street – North	610,000	2017 & 2018
Laughlin Street	240,000	2021
8" Sewer to serve Septic Area	250,000	2022
Chenowith Loop Rd / Irvine St / 10 th St	850,000	2022 & 2023
Snipes Street	120,000	2023
Union Street / 2 nd Street	180,000	2027
Near 1 st Street	390,000	2028 & 2029
Total Collection System CIP	4,260,000	

Treatment facility evaluation included:

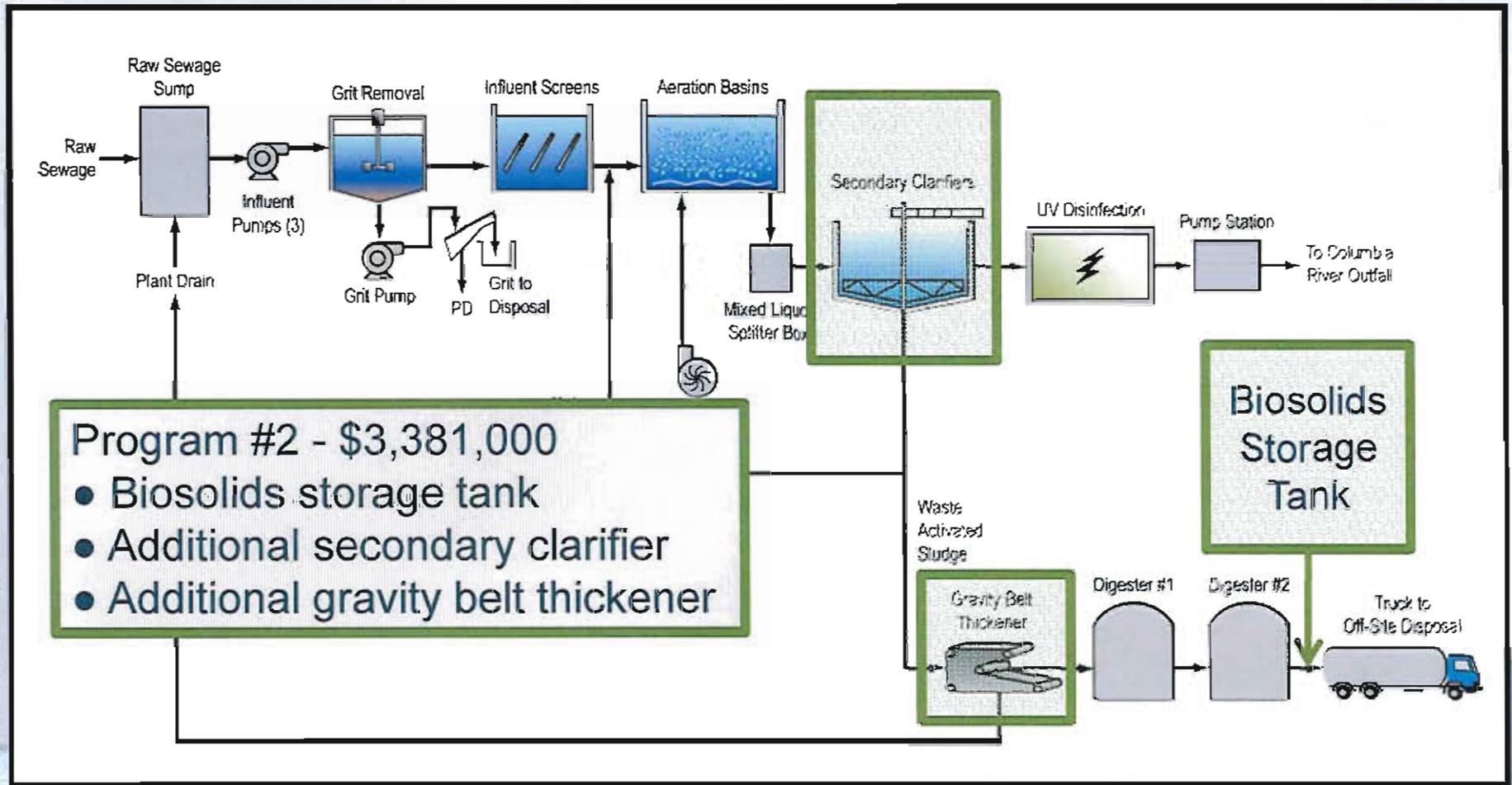
- Capacity & condition assessments
- Aesthetic improvements
- Odor control upgrades
- Benefits of Cogeneration
- Regulatory scenarios for effluent discharge and biosolids reuse



Program #1 addresses capacity, redundancy, and odor issues and improves plant appearance



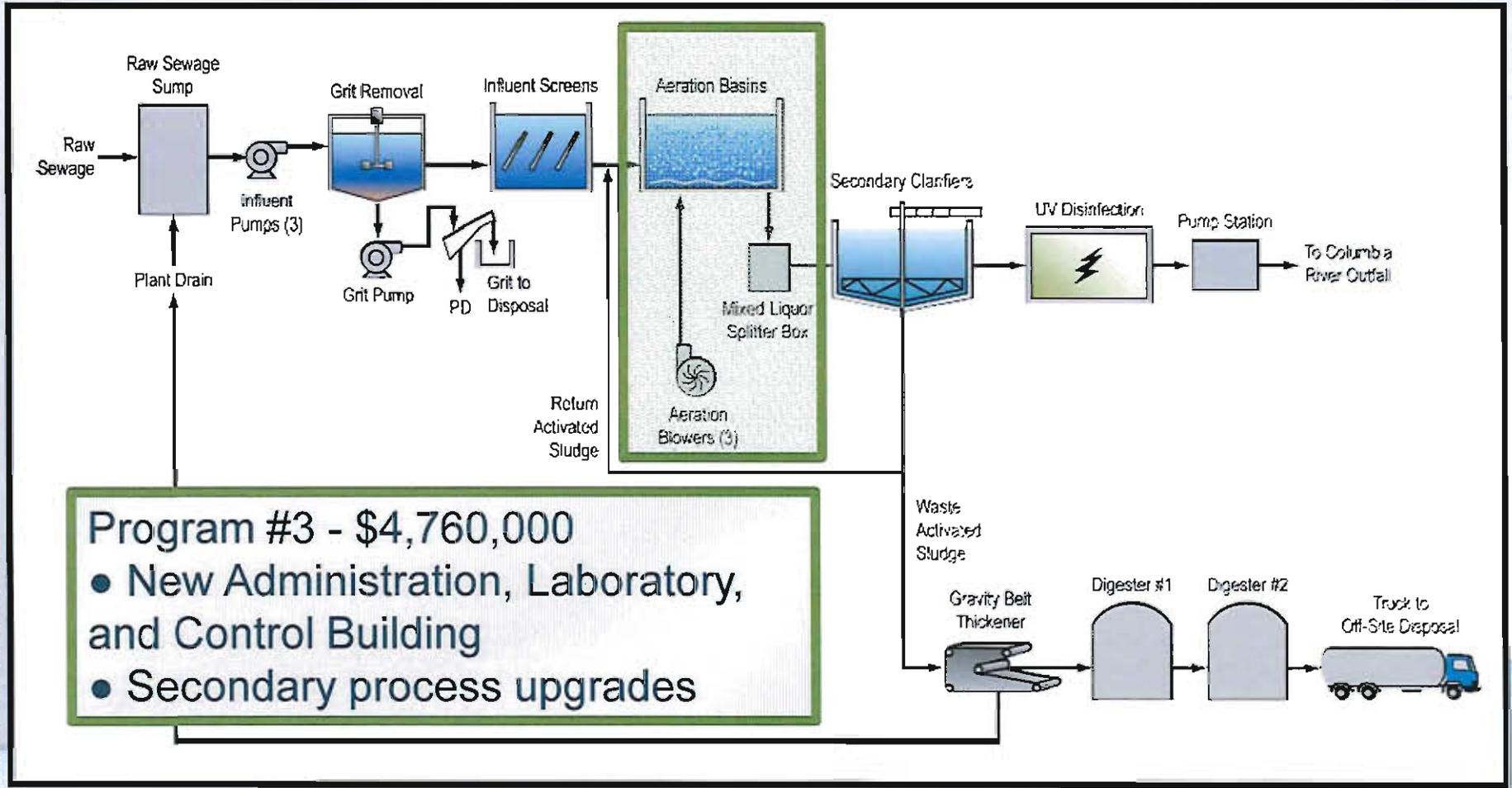
Program #2 addresses capacity and redundancy issues



Program #2 - \$3,381,000

- Biosolids storage tank
- Additional secondary clarifier
- Additional gravity belt thickener

Program #3 addresses capacity, redundancy, asset and site management, and future regulatory requirements



Program #3 - \$4,760,000

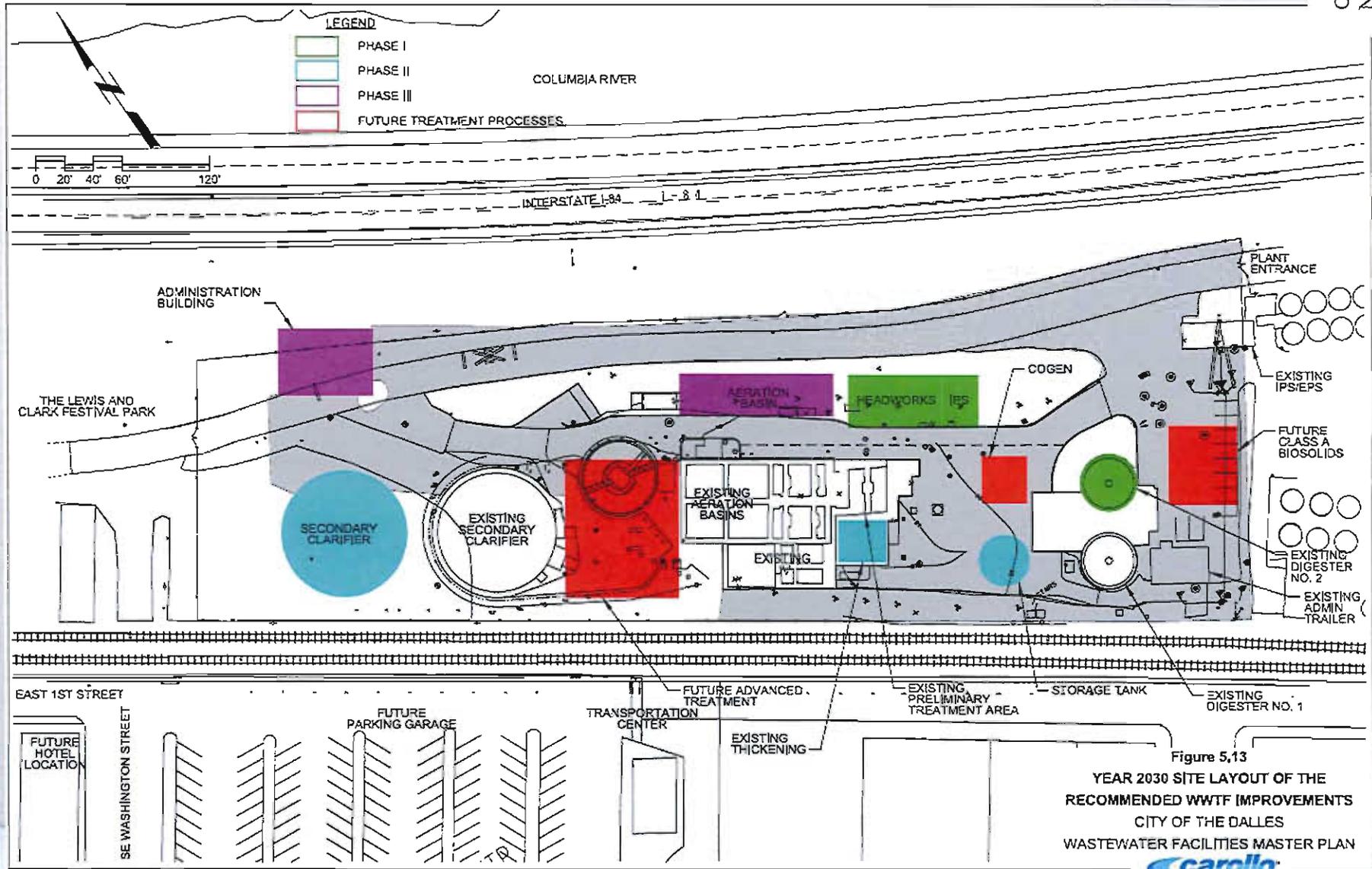
- New Administration, Laboratory, and Control Building
- Secondary process upgrades

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Treatment Facility CIP:

CIP Project	\$	Fiscal Years
Program #1	4,880,000	2014 - 2016
Influent Pump Station	1,660,000	
Headworks	2,320,000	
Digester 2 Conversion	690,000	
Aesthetic Improvements	210,000	
Program #2	3,381,000	2017 - 2019
Biosolids Storage Tank	920,000	
Secondary Clarifier	1,791,000	
Gravity Belt Thickener	670,000	
Program #3	4,760,000	2020 - 2022
New Administration, Lab, and Control Bldg	1,200,000	
Secondary Process Improvements	3,560,000	

Treatment facilities strategically located on existing site:



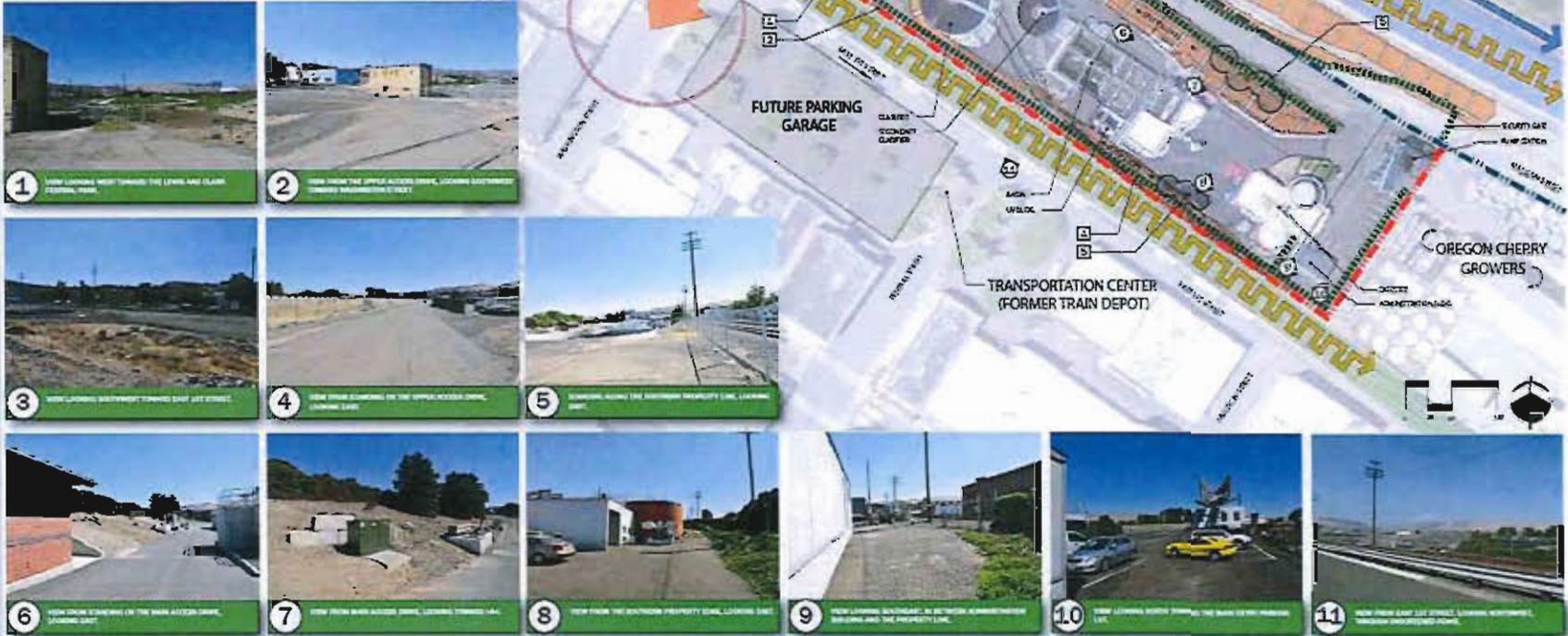
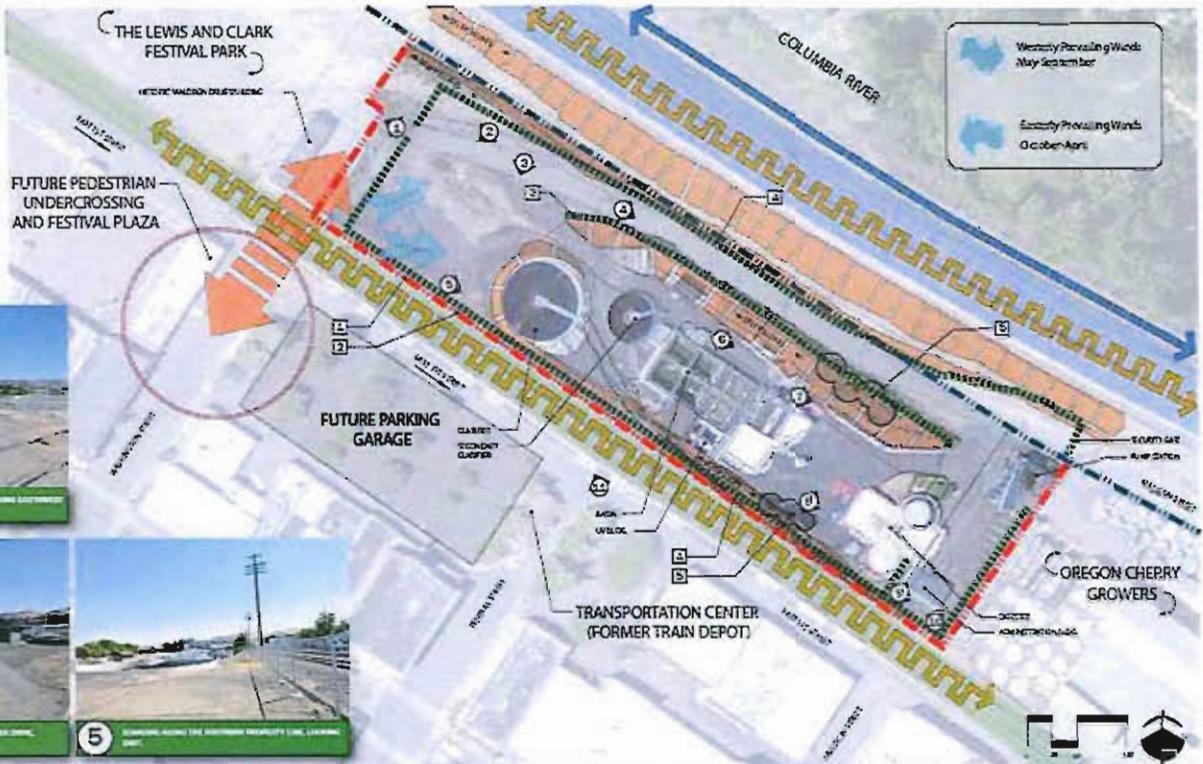
Aesthetic improvements consistent with downtown development plans

SYMBOL LEGEND

- PROPERTY LINE
- NEW RIGHT OF WAY
- CHALKLINE FENCE
- NEW COLUMBIA RIVER HIGHWAY
- UNION PACIFIC RAILROAD
- COLUMBIA RIVER PROMENADE PEDESTRIAN TRAIL
- MS&E
- ROUTE UNDERCROSSING PATH
- STOP SLOPES
- PAVEMENT

KEY NOTE LEGEND

- CHALKLINE FENCE WITH NO PLANT SCREENING
- CHALKLINE GARDEN SCREENING
- CHALKLINE FENCE WITH IVY, SLATS, AND SHREDS
- CHALKLINE FENCE WITH DOGWOOD
- EXISTING SPURVE TREES



Site Inventory/Analysis
 City of The Dalles
 WWTP FACILITIES PLAN

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Both concepts improve appearance:

EXISTING CONDITIONS
View from Lewis and Clark Festival Park



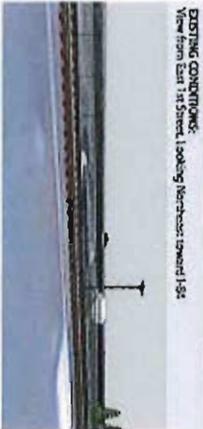
EXISTING CONDITIONS
View from Future Herd, 5th Floor



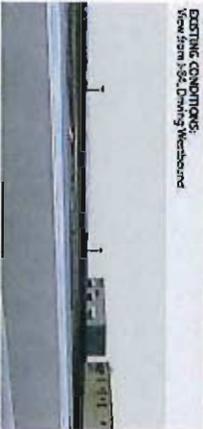
EXISTING CONDITIONS
View from East 1st Street, Looking East



EXISTING CONDITIONS
View from East 1st Street, Looking Northeast toward 1564



EXISTING CONDITIONS
View from 1564, Driving Westbound



OPTION 1:
View from Lewis and Clark Festival Park



OPTION 1:
View from Future Herd, 5th Floor



OPTION 1:
View from East 1st Street, Looking East



OPTION 1:
View from East 1st Street, Looking Northeast toward 1564



OPTION 1:
View from 1564, Driving Westbound



OPTION 2:
View from Lewis and Clark Festival Park



OPTION 2:
View from Future Herd, 5th Floor



OPTION 2:
View from East 1st Street, Looking East



OPTION 2:
View from East 1st Street, Looking Northeast toward 1564



OPTION 2:
View from 1564, Driving Westbound



3D Model - Before and After Vignettes

City of The Dalles

WWTP FACILITIES PLAN

Conclusions of the evaluation:

- Influent Pump Station
 - Insufficient firm capacity
 - Aged asset
- Grit Basin
 - Insufficient capacity within the planning period
 - Redundancy needed to maintain asset
- Screens
 - Redundancy needed to maintain asset

Recommended:

Influent Pump Station and
Headworks Facility with Improved
Odor Control

Conclusions of the evaluation, cont'd:

- Aeration Basins
 - Capacity adequate to ~2020
- Secondary Clarifiers
 - Total capacity adequate to ~2021
 - Insufficient redundancy to maintain assets

Recommended:

80' diameter secondary clarifier

Plan for aeration basin/secondary upgrades in 2020.

Conclusions of the evaluation, cont'd:

- UV Basins, EPS, Outfall
 - Adequate capacity and redundancy available
- Alternative permitting scenarios
 - Reserve space for future advanced primary and secondary treatment and Class A biosolids.
- Administration, Laboratory, Storage, and Maintenance Facility
 - Replace aged facilities with new facility fronting park

Recommended:

Administration, Laboratory, and Control building

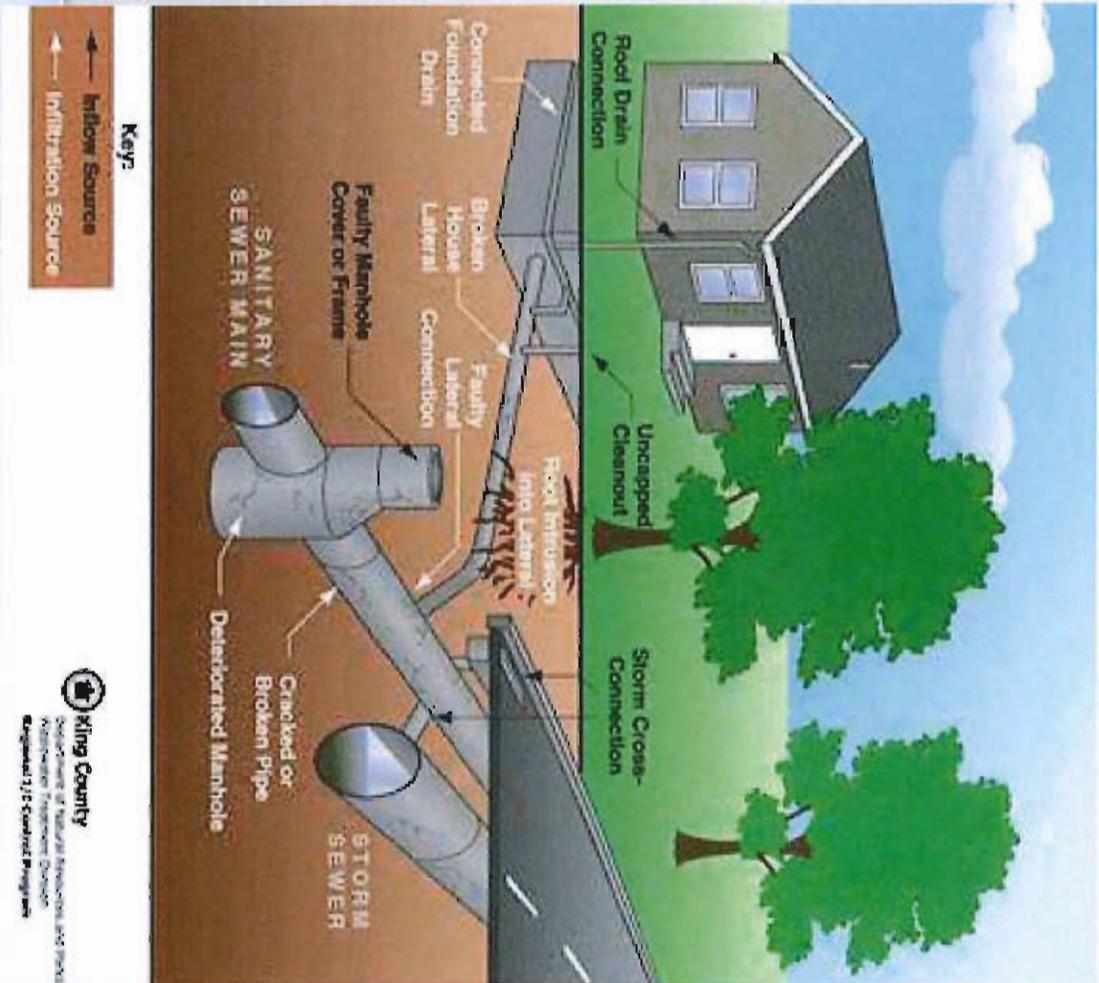
Conclusions of the evaluation, cont'd:

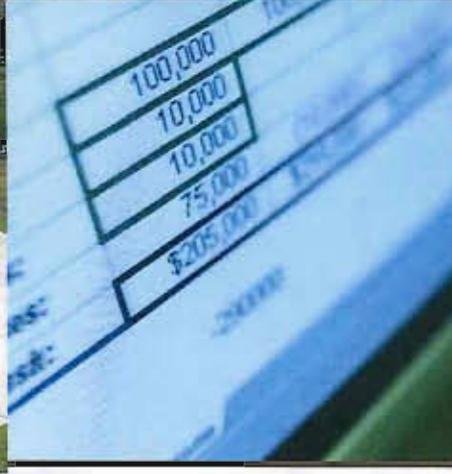
- Thickening
 - Capacity available through build-out
 - Insufficient redundancy beyond 2022
- Anaerobic Digestion
 - Insufficient capacity and redundancy
- Storage
 - Insufficient storage
- Cogeneration
 - Leave room on site for future facility

Recommended:

Convert Digester 2 to active digester
Biosolids storage tank
Additional Gravity Belt Thickener

Possible Sources of I/I in Sanitary Sewer





**City of The Dalles,
Oregon**

Wastewater Plan: Financial Element

City Council Meeting

John Ghilarducci

November 26, 2012



4380 SW Macadam Avenue, Suite 220, Portland, OR 97239 ■ 503-841-6543

Presentation Outline

1. Rate Findings

- Background
- Key Assumptions
- Rate Scenarios

2. SDC Findings

- Background
- SDC Calculation Summary
- Comparable SDCs

What Should Rates Do?

- Generate sufficient revenues to sustain the utility system
- Charge for services provided
- Recover costs equitably
- Achieve City objectives
 - Revenue stability
 - Maintain minimum fund balances and meet other fiscal policies

Key Assumptions

- Annual cost escalation
 - 5.1% for personal services (historical rate)
 - 3.2% for materials and services (CPI)
 - 3.1% for capital outlay (*ENR CCI*)
- Operating fund maintains 45-90 days of expenditures
- Minimum revenue bond coverage ratio of 1.25
- New debt modeled at 4.0% for 20 years

Rate Scenario 1

Minimum Required Rate Increases without New Debt

Category	Fiscal Year Ended							
	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020
Operating fund revenues								
Rate revenues	\$ 4,643,056	\$ 4,643,056	\$ 4,987,881	\$ 5,821,700	\$ 6,153,243	\$ 6,628,156	\$ 7,272,384	\$ 7,308,746
Non-rate revenues	249,801	250,410	250,545	248,607	248,689	248,985	247,725	251,050
Total operating fund revenues	<u>\$ 4,892,857</u>	<u>\$ 4,893,466</u>	<u>\$ 5,238,426</u>	<u>\$ 6,070,307</u>	<u>\$ 6,401,932</u>	<u>\$ 6,877,141</u>	<u>\$ 7,520,109</u>	<u>\$ 7,559,796</u>
Operating fund expenditures								
Operations and maintenance	\$ 3,462,977	\$ 3,651,544	\$ 3,793,651	\$ 3,964,477	\$ 4,076,565	\$ 4,249,564	\$ 4,434,547	\$ 4,608,507
Capital outlay	-	-	1,495,466	1,458,474	1,604,627	2,440,074	733,470	799,058
Debt service	621,635	623,267	618,270	618,894	618,689	622,405	619,530	620,767
Total operating fund expenditures	<u>\$ 4,084,612</u>	<u>\$ 4,274,811</u>	<u>\$ 5,907,386</u>	<u>\$ 6,041,845</u>	<u>\$ 6,299,881</u>	<u>\$ 7,312,043</u>	<u>\$ 5,787,548</u>	<u>\$ 6,028,333</u>
Capital expenditures outside operating fund	\$ 2,171,785	\$ 1,734,450	\$ 1,846,075	\$ 5,348	\$ 80,664	\$ 81,285	\$ 81,692	\$ 667,000
Rate adjustment on March 1	0.00%	0.00%	22.28%	6.09%	3.44%	14.42%	0.00%	0.00%
Monthly rate at year-end (currently \$41.85)	\$ 41.85	\$ 41.85	\$ 51.17	\$ 54.29	\$ 56.16	\$ 64.25	\$ 64.25	\$ 64.25
Revenue bond coverage ratio (1.25 minimum)	2.60	2.25	2.63	3.81	4.21	4.73	5.58	5.33

Rate Scenario 2

Smoothed Rate Increases without New Debt

Category	Fiscal Year Ended							
	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020
Operating fund revenues								
Rate revenues	\$ 4,748,022	\$ 5,070,038	\$ 5,413,894	\$ 5,809,975	\$ 6,235,034	\$ 6,691,191	\$ 7,021,974	\$ 7,057,084
Non-rate revenues	249,801	250,410	250,545	250,639	250,744	250,817	250,817	251,050
Total operating fund revenues	<u>\$ 4,997,823</u>	<u>\$ 5,320,448</u>	<u>\$ 5,664,439</u>	<u>\$ 6,060,614</u>	<u>\$ 6,485,778</u>	<u>\$ 6,942,008</u>	<u>\$ 7,272,791</u>	<u>\$ 7,308,134</u>
Operating fund expenditures								
Operations and maintenance	\$ 3,466,126	\$ 3,664,354	\$ 3,806,431	\$ 3,964,126	\$ 4,079,019	\$ 4,251,455	\$ 4,427,035	\$ 4,600,958
Capital outlay	-	-	979,181	1,228,911	1,391,404	2,068,148	732,393	-
Debt service	621,635	623,267	618,270	618,894	618,689	622,405	619,530	620,767
Total operating fund expenditures	<u>\$ 4,087,761</u>	<u>\$ 4,287,621</u>	<u>\$ 5,403,882</u>	<u>\$ 5,811,931</u>	<u>\$ 6,089,112</u>	<u>\$ 6,942,008</u>	<u>\$ 5,778,958</u>	<u>\$ 5,221,725</u>
Capital expenditures outside operating fund	\$ 2,171,785	\$ 1,734,450	\$ 2,362,359	\$ 234,911	\$ 293,887	\$ 453,211	\$ 82,770	\$ 1,466,058
Rate adjustment on March 1	6.78%	6.78%	6.78%	6.78%	6.78%	6.78%	0.00%	0.00%
Monthly rate at year-end (currently \$41.85)	\$ 44.69	\$ 47.72	\$ 50.96	\$ 54.41	\$ 58.10	\$ 62.04	\$ 62.04	\$ 62.04
Revenue bond coverage ratio (1.25 minimum)	2.79	2.99	3.38	3.80	4.36	4.85	5.15	4.90

Rate Scenario 3

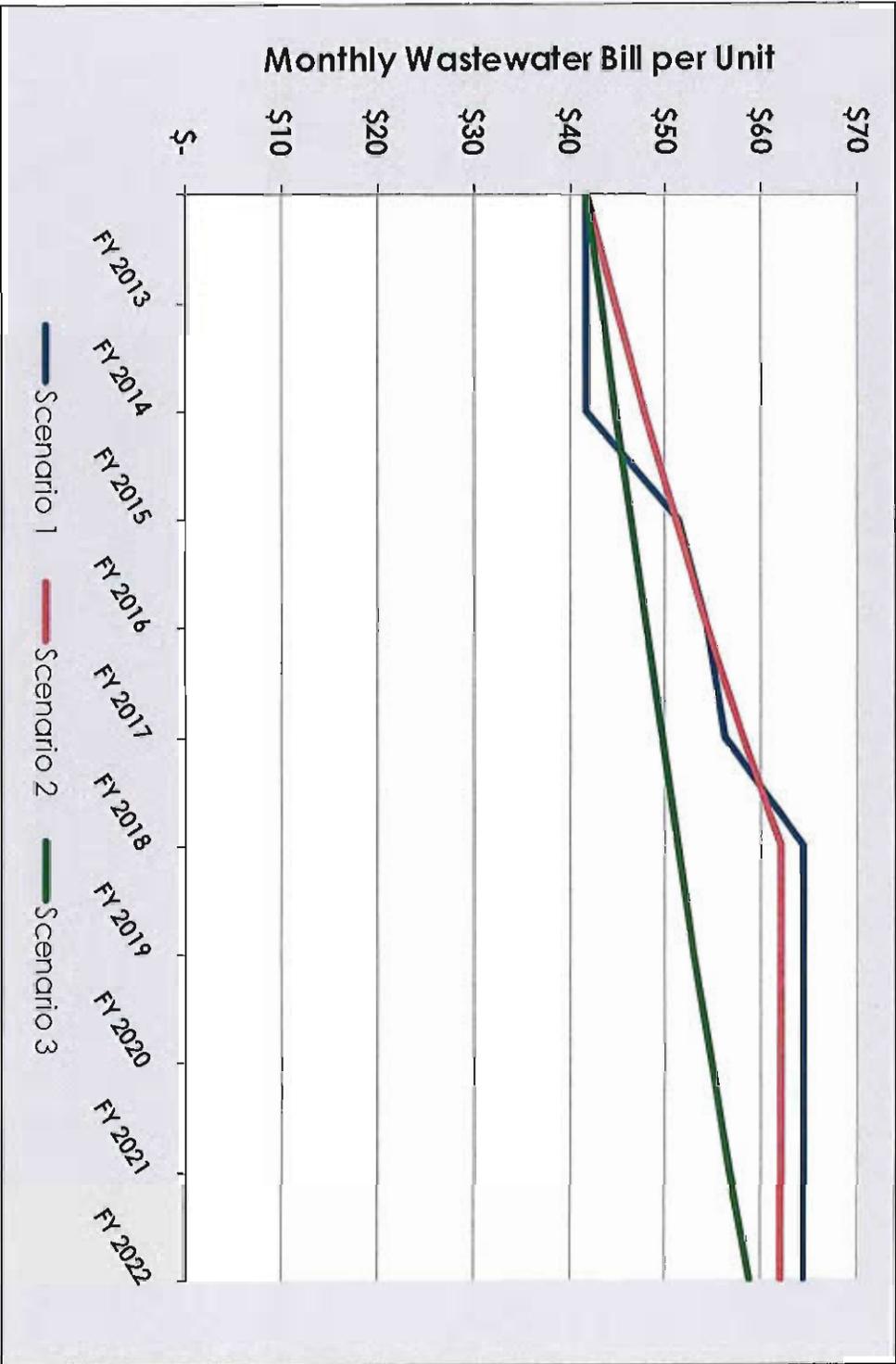
City Council Meeting Minutes
November 26, 2012

Exhibit "B"
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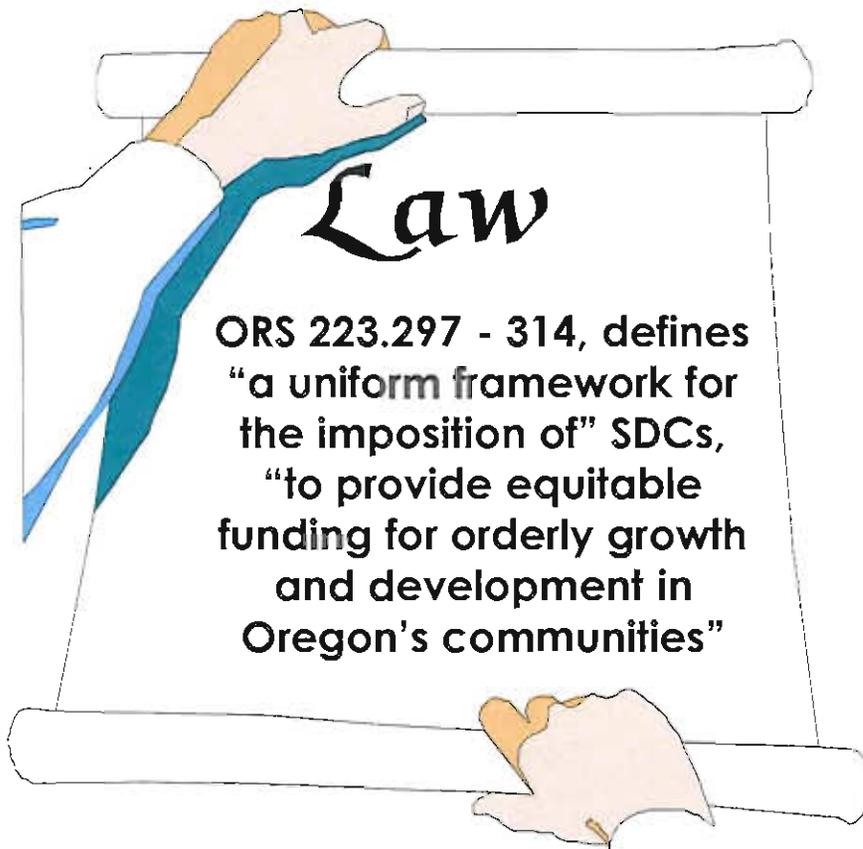
Smoothed Rate Increases with Additional Revenue Bonds

Category	Fiscal Year Ended							
	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020
Operating fund revenues								
Rate revenues	\$ 4,696,261	\$ 4,857,707	\$ 5,024,702	\$ 5,223,425	\$ 5,430,008	\$ 5,644,761	\$ 5,868,007	\$ 6,100,083
Non-rate revenues	249,801	250,410	251,390	251,484	251,589	252,508	252,622	252,741
Total operating fund revenues	<u>\$ 4,946,062</u>	<u>\$ 5,108,117</u>	<u>\$ 5,276,092</u>	<u>\$ 5,474,910</u>	<u>\$ 5,681,597</u>	<u>\$ 5,897,269</u>	<u>\$ 6,120,629</u>	<u>\$ 6,352,823</u>
Operating fund expenditures								
Operations and maintenance	\$ 3,464,573	\$ 3,657,984	\$ 3,794,755	\$ 3,946,529	\$ 4,054,868	\$ 4,220,062	\$ 4,392,416	\$ 4,572,248
Capital outlay	-	-	-	-	-	-	-	-
Debt service	621,635	915,029	910,032	910,656	1,202,214	1,205,930	1,203,055	1,496,054
Total operating fund expenditures	<u>\$ 4,086,208</u>	<u>\$ 4,573,013</u>	<u>\$ 4,704,788</u>	<u>\$ 4,857,185</u>	<u>\$ 5,257,082</u>	<u>\$ 5,425,992</u>	<u>\$ 5,595,471</u>	<u>\$ 6,068,302</u>
Capital expenditures outside operating fund	\$ 2,171,785	\$ 1,734,450	\$ 3,341,541	\$ 1,463,823	\$ 1,685,291	\$ 2,521,359	\$ 815,162	\$ 1,466,058
Rate adjustment on March 1	3.44%	3.44%	3.44%	3.44%	3.44%	3.44%	3.44%	3.44%
Monthly rate at year-end (currently \$41.85)	\$ 43.29	\$ 44.78	\$ 46.32	\$ 47.91	\$ 49.56	\$ 51.26	\$ 53.02	\$ 54.84
Revenue bond coverage ratio (1.25 minimum)	2.70	1.72	1.77	1.82	1.44	1.48	1.53	1.25

Scenario Comparison



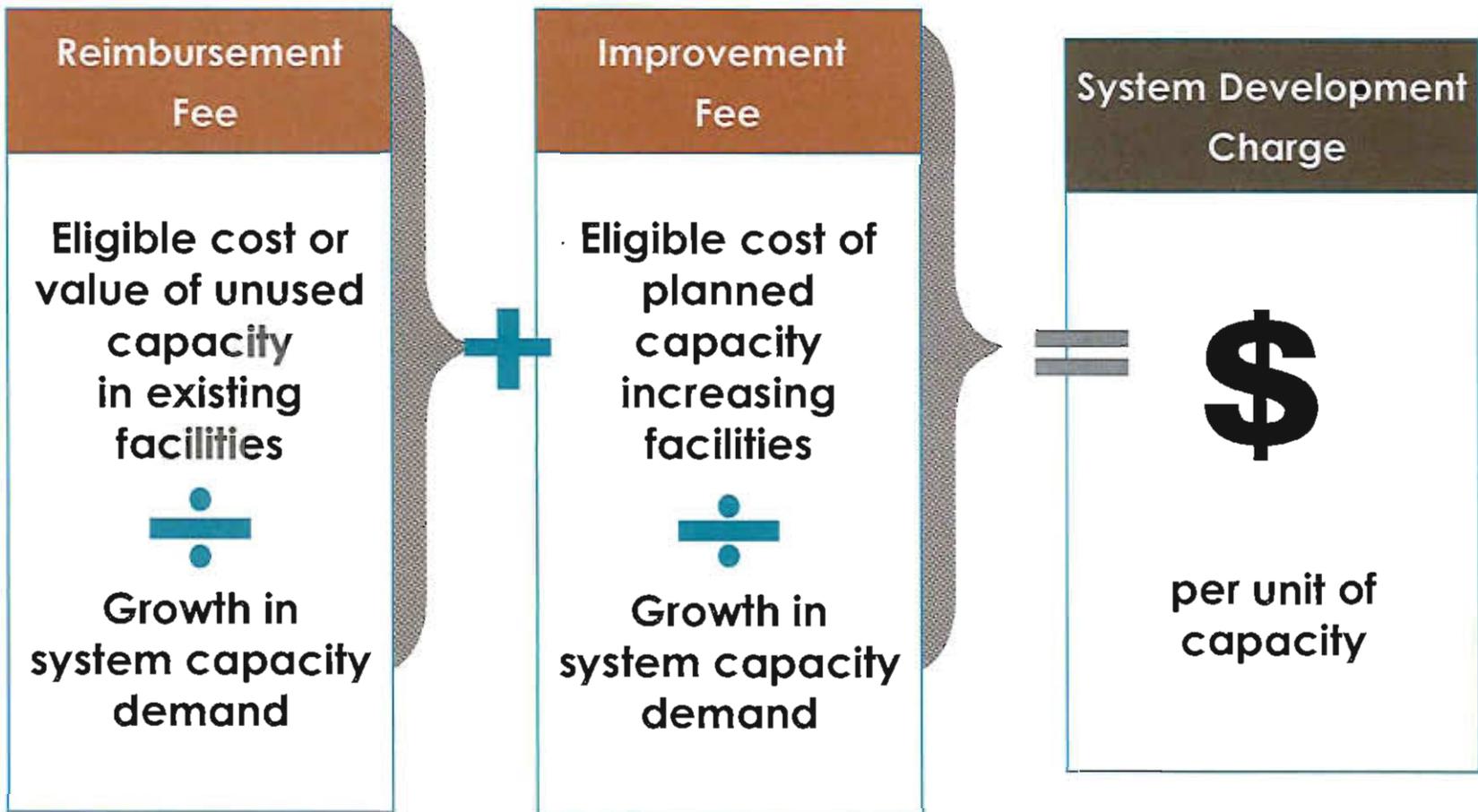
SDC Background



Key Characteristics

1. SDCs are one-time charges, not ongoing rates.
2. SDCs are for capital only, in both their calculation and in their use.
3. Properties which are already developed do not pay SDCs unless they “redevelop”.
4. SDCs include both future and existing cost components.
5. SDCs are for general facilities, not “local” facilities.

SDC Methodology



SDC Calculation Summary

SDC Components

Description	Amount
Reimbursement fee	\$ 343
Improvement fee	2,305
Adjustment	(76)
Total fee per customer unit	<u>\$ 2,572</u>
Current wastewater SDC	<u>\$ 1,789</u>

Comparable SDCs

SDCs per Single-Family Residence

City	Water	Wastewater	Stormwater	Transportation	Parks	Total
Estacada	\$3,730	\$ 3,206	\$ 853	\$ 2,025	\$2,104	\$11,918
Madras	\$ 771	\$ 4,634	\$ 193	\$ 3,240	\$1,639	\$10,477
Hood River	\$3,883	\$ 1,508	\$ 650	\$ 705	\$1,733	\$ 8,479
The Dalles, potential	\$2,317	\$ 2,572	\$ 342	\$ 1,500	\$1,552	\$ 8,283
The Dalles, existing	\$2,317	\$ 1,789	\$ 342	\$ 1,500	\$1,552	\$ 7,500
Sandy	\$1,525	\$ 1,834		\$ 1,943	\$2,000	\$ 7,302

Source: League of Oregon Cities (2010), City websites and staff