

# LA PINE UTILITIES COMMITTEE WORK SESSION AGENDA

Tuesday, January 18, 2011 - 5:00 p.m.  
51340 Highway 97, La Pine, Oregon 97739  
South County Building Meeting Room

1. Call to Order
2. Pledge of Allegiance
3. Introductions
4. Approval of Minutes  
December 21, 2010 - Utilities Committee Meeting Minutes
5. Added Agenda Items  
Any matters added to the Agenda at this time will be discussed during the "Other Matters" portion of this Agenda or such other time selected by the Utilities Committee
6. RCAC Presentation regarding rates and how to set them – Jake Salcone
7. Continued discussion on Water and Sewer Districts Withdrawal
8. Public Comments for Items Not on the Agenda
9. Other Matters  
Only those matters properly added to this Agenda under line item No. 5 will be discussed at this time.
10. Adjourn

Pursuant to ORS 192.640, this notice includes a list of the principal subjects anticipated to be considered or discussed at the above-referenced meeting. This notice does not limit the ability of the Utilities Committee to consider or discuss additional subjects. The meeting is subject to cancellation without notice. The meeting is open to the public and interested citizens are invited to attend. The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to Patti Morgan at (541) 536-1432.

# LA PINE UTILITIES COMMITTEE WORK SESSION MINUTES

Tuesday, January 18, 2011 - 5:00 p.m.  
51340 Highway 97, La Pine, Oregon 97739  
South County Building Meeting Room

1. Call to Order

Chair Ted Scholer called the meeting to order at 5:02 pm.

2. Pledge of Allegiance

Not done

3. Introductions

The following people attended the meeting: City Manager Rick Allen, Ted Scholer, Jayne Benner, Councilors Varcoe and Martinez, Vicky Jackson and Kitty Shields.

4. Approval of Minutes

December 21, 2010 - Utilities Committee Meeting Minutes

Due to lack of a quorum the Approval of Minutes will be at the next Utility Meeting on February 15<sup>th</sup>.

5. Added Agenda Items

Any matters added to the Agenda at this time will be discussed during the "Other Matters" portion of this Agenda or such other time selected by the Utilities Committee

None due to lack of a quorum.

6. RCAC Presentation regarding rates and how to set them – Jake Salcone

Jake Salcone, from Rural Communities Assistance Corporation, and they provide training and technical assistance to rural communities on infrastructure, finance, management and help with funding applications to asset management and meeting regulatory requirements.

He said that the Community Work Plan with the City of La Pine outlined the following duties:

- Participate with the Utility Advisory Committee
- Education the Council and committee on utility budgeting and rate setting
- If necessary have community meetings for a public education program about what is going on with the utilities and what will be going on in the future
- Help with the technical aspects of transferring the management of the Districts to the City of La Pine if some type of agreement is reached.

Jake Salcone also recommended a third party mediation between the Districts and the City so they could achieve some common ground that eliminated the need for legal action it would save a lot of money for both entities.

Some of the areas Mr. Salcone covered in his presentation were:

- Physical capital, human capital and finance management
- Responsibility of the Board/Council is to serve customers, protect public health and stay in business
- Safe drinking act regulates the water system and the clean water act which regulates the environmental/sewer act.
- It is the Board's responsibility to select the Engineer that will be doing a project
- Utility should be run like a business
- Determine your rates through your budget, how much does it cost to run your system
- Plan on at least a 3% inflation rate
- Every lender will require a reserve in the budget
- Usually it is five to ten years of savings for large projects
- Budget has to be approved by the State for the next 12 months
- He said it takes him three to six months to do a rate study.
- He uses a work sheet to fund a capital improvement plan based on which projects are the most pressing project.
- Every city has a different system for determining their rates based on the budget
- Every City needs to be able to explain to their customers why the rates are what they are
- Rate policy refers not to what the number is but how the revenue is distributed
- EDU – average water usage per household per month
- Commercial water users are usually based on a number of EDU's.
- He said there are a lot of requirements about what can be considered a system development charge
- He said more communities are going to an average commercial use for the winter and that will be their sewer bill for the next 12 months
- Rates are related to how much grant you can get in a project funding
- Each utility makes their own policy decisions on System Development Charges based on a number of factors.
- He said each person uses 70 gallons of water each day (for inside the home only).
- Determine you budget then set your rates
- Plan for your aging equipment years in advance

7. Continued discussion on Water and Sewer Districts Withdrawal

Carried over to the next meeting.

8. Public Comments for Items Not on the Agenda

None

9. Other Matters

Only those matters properly added to this Agenda under line item No. 5 will be discussed at this time.

None

10. Adjourn

Chair Scholer adjourned the meeting at 6:27 pm.



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Chair Ted Scholer

Attest:



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City Manager/City Recorder Rick Allen