

**WALDPORT CITY COUNCIL
JANUARY 14, 2016
MEETING NOTICE AND AGENDA**

The Waldport City Council will meet at 2:00 p.m. on Thursday, January 14, 2016 in the City Council Meeting Room, 125 Alsea Highway to take up the following agenda:

1. CALL TO ORDER
2. MINUTES: *December 10, 2015*
3. PUBLIC COMMENTS/PRESENTATIONS
4. DISCUSSION/ACTION ITEMS
 - A) *Planning Commission*
 - 1) *Letters of Interest from Ruth Stole and James Rolfe*
 - 2) *Consideration of Ordinance Amending Municipal Code Chapter 2.04 "Planning Commission"*
 - B) *Consideration of Proposed Schedule for 2016/2017 Budget*
 - C) *Southwest Lincoln County Water District Petition to Form PUD*
 - D) *Other Issues*
5. COUNCIL COMMENTS AND CONCERNS
6. REPORTS
 - City Manager**
 - Public Works Director*
 - City Planner*
 - Code Compliance Officer*
7. GOOD OF THE ORDER
8. ADJOURNMENT

The City Council Meeting Room is accessible to all individuals. If you will need special accommodations to attend this meeting, please call City Hall, (541)264-7417, during normal office hours.

* Denotes no material in packet

Notice given this 8th day of January, 2016 - Reda Q. Eckerman, City Recorder

(Note: Immediately following the Council meeting, the Councilors will be joining members of the Planning Commission and other invited guests in a holiday celebration)

**WALDPORT CITY COUNCIL
DECEMBER 10, 2015
MEETING MINUTES**

1. **CALL TO ORDER AND ROLL CALL:** Mayor Woodruff called the meeting to order at 2:00 p.m. Mayor Woodruff and Councilors O'Brien, Gates, Christenson, Campbell and Cutter answered the roll. Councilor Holland was absent. A quorum was present.

2. **MINUTES:** The Council considered the minutes from the November 12, 2015 meeting. Councilor Cutter **moved** to approve the minutes as presented. Councilor Campbell **seconded**, and the motion **carried** unanimously.

3. **PUBLIC COMMENTS/PRESENTATIONS:** Tom Cropper addressed the Council regarding natural disasters.

4. **DISCUSSION/ACTION ITEMS:**

Noting the presence of additional candidates for the vacant position, Mayor Woodruff moved Item B up on the agenda. Letters of interest from Ms. Stole and Mr. Dunn were distributed at the meeting. Following a brief discussion, Councilor Cutter **moved** to table the discussion until the January meeting, and asked that all the candidates be invited to attend. Councilor Christenson **seconded**, and the motion **carried** unanimously. With regard to the proposed ordinance language, **consensus** of the Council was to bring a revision to the next Council meeting that would state that each Commissioner would be appointed to a four-year term, commencing on the date of appointment, and that no Commissioner would serve in excess of twelve consecutive years.

A. **PERS State & Local Government Rate Pool (SLGRP):** City Manager Kemp reviewed the options of either remaining independent or joining the pool. It was noted that the opportunity was available every two years, but the decision to join is irrevocable once made. Currently the City's rate is much lower than the pool's. Following discussion, Councilor Cutter **moved** to have the City remain independent for the next two years. Councilor Campbell **seconded**, and the motion **carried** unanimously.

B. **Planning Commission:** Previously addressed.

C. **Other Issues:** None.

5. **COUNCIL COMMENTS AND CONCERNS:** Councilor Campbell noted appreciation should be given to John Hockema for the donation of the Community Christmas tree, and to Pioneer Telephone and the City's Public Works department, who were responsible for putting it up and decorating it with lights. Councilor Cutter suggested that staff consider looking into grants for putting up flashing lights at pedestrian crossings. Mayor Woodruff mentioned that the Transit committee had obtained agreement from Lincoln County Transit to make stops at the new clinic. She also reported that she had been part of an ad hoc committee that met with the CEO of Ray's Market to discuss consideration of the needs of the community with regard to retail pricing.

6. **REPORTS:** The written reports from the City Librarian, Public Works Director and City Planner were included in the packet materials. City Manager Kemp reported that

Southwest Lincoln Water District has filed a petition to form a people's utility district, and the issue is anticipated to be on the May, 2016 ballot, which may have an effect on the City's ability to provide utilities within the City limits that are also within the District's boundaries. He indicated that he would keep the Council apprised. Mr. Kemp noted that the City had been successful in obtaining a \$60,000 grant from the Department of Land Conservation and Development for the Industrial Park master plan, which brings the total grant allocation for the plan to \$120,000. Letters have been sent to the affected property owners about the process.

7. GOOD OF THE ORDER: Nothing further.

8. ADJOURNMENT: At 3:31 p.m., there being no further business to come before the Council, the meeting was adjourned. The Council then joined with members of the Planning Commission, the Library Board, and the City employees for a holiday celebration.

Respectfully submitted,



Reda Q. Eckerman, City Recorder

APPROVED by the Waldport City Council this ____ day of _____, 2016.

SIGNED by the Mayor this ____ day of _____, 2016.

Susan Woodruff, Mayor

12-9-15

City of Waldport

Re: Planning Committee seat

I am very interested
in being a member of our
planning for Waldport &
hope my late application
will be considered. I am
a resident of Waldport
and own a business
here -

Kath Stole

Cell 503-260-7654
Bus. 541-563-3064

Waldport City Council
Waldport, Oregon
ATTENTION REDA ECKERMAN

Dear Waldport City Council members,
Please consider me as a candidate for an open Waldport Planning Commission position. I have lived in Waldport since 1997 and have been retired since 2009. I would enjoy being more involved in the development of Waldport's future and growth.

Sincerely,

James (Jim) Rolfe,
945 Skyline Terrace,
(P.O. Box 2044)
Waldport, OR., 97394

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF WALDPOR, OREGON, AMENDING THE WALDPOR MUNICIPAL CODE AND DECLARING AN EMERGENCY.

WHEREAS, the City Council of the City of Waldport has determined that the language in the Waldport Municipal Code, Chapter 2.04 "Planning Commission" is in need of updating and revision

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WALDPOR ORDAINS AS FOLLOWS:

Section 1. There is hereby adopted "Chapter 2.04, Planning Commission" as attached hereto as "Exhibit A" and incorporated herein by reference to replace the current section so entitled in the Waldport Municipal Code.

Section 2. Constitutionality. If any section, subsection, sentence, clause or phrase of this chapter is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this Chapter.

Section 3. Emergency Clause. Inasmuch as it is the duty of the City Council to maintain the public health, safety and welfare, and because it is important to implement this Chapter as soon as practicable to avoid confusion, and to resolve any issues of which language applies, now, therefore, an emergency is declared to exist and this Ordinance shall go into full force and effect immediately upon its passage and approval.

FIRST read to the Council this ____ day of _____, 2016.

PASSED by the Common Council of the City of Waldport this ____ day of _____, 2015.

SIGNED by the Mayor this ____ day of _____, 2016.

Susan Woodruff, Mayor

ATTEST:

Reda Eckerman, City Recorder

EXHIBIT "A"

Chapter 2.04

PLANNING COMMISSION

Sections:

- 2.04.010 Establishment.
- 2.04.020 Membership.
- 2.04.030 Term of office.
- 2.04.040 Removal from office.
- 2.04.050 Presiding members.
- 2.04.060 Chairperson—Limits on authority.
- 2.04.070 Secretary.
- 2.04.080 Meetings.
- 2.04.090 Powers and duties.

2.04.010 Establishment.

There is established a city planning commission for the city of Waldport, Oregon.

2.04.020 Membership.

The commission shall consist of seven members who are not officials or employees of the city. All members of the commission shall reside within the city limits, or own and actively operate a business within the city limits and reside in Lincoln County, or reside within the urban growth boundary of the city of Waldport, and must have done so for a period of at least one year prior to the appointment. No more than one member may be an individual residing within the urban growth boundary of the city of Waldport but outside the municipal boundaries of the city of Waldport, or an individual residing outside the city who owns and actively operates a business within the boundary of the city and resides within Lincoln County.

The letter of interest for application to the planning commission shall state the principal occupation of the applicant, the principal residency and/or business address of the applicant, and the number of years of residency or business ownership. Additional information regarding qualifications may also be included.

No more than two members of the commission may engage principally in the buying, selling or developing of real estate for profit as individuals, or be members of any partnership, or officers or employees of any corporation, that engages principally in the buying, selling or developing of real estate for profit. No more than two members shall be engaged in the same kind of occupation, business, trade or profession.

2.04.030 Term of office.

Members of the planning commission shall be appointed by the city council for an initial term of four years, effective on the date of appointment. Reappointments will be made on the expiration of the four-year term. If a vacancy occurs, the four-year term for the replacement will be effective on the date of appointment. No commissioner shall serve a continuous period in office of more than twelve years.

2.04.040 Removal from office.

A member may be removed by the city council for misconduct, nonperformance of duty, or any other reason. A member who is absent from three consecutive meetings without an excuse as approved by the planning commission is rebuttably presumed to be in nonperformance of duty, and the city council may declare the position vacant.

2.04.050 Presiding members.

The commission shall elect a chairperson and vice-chairperson to serve two-year terms. No member may serve more than six consecutive terms as chairperson of the commission. The election shall take place at the first meeting of that calendar year.

2.04.060 Chairperson—Limits on authority.

The chairperson of the planning commission does not have authority to:

- A. Independently review building permits on behalf of the city to determine if such permits comply with the city zoning ordinance; or
- B. Perform any function independent of the planning commission.

2.04.070 Secretary.

The city recorder shall serve as secretary to the planning commission and shall keep a record of commission proceedings.

2.04.080 Meetings.

A majority of the members of the planning commission shall constitute a quorum. Meetings of the commission shall be open to the public, and will normally be held once a month, unless cancelled or otherwise noticed. Meetings other than at regularly scheduled times may be announced at a prior meeting and thereby be made a part of the meeting records. The chairperson upon his or her own motion may, or at the request of three members of the commission shall, by giving notice to members of the commission, call a previously unannounced special meeting of the commission for a time not earlier than twenty-four (24) hours after the notice is given. Notice of a previously unannounced meeting shall be provided to and properly publicized by news media as specified by the law. Only matters set forth in the notice of the meeting shall be discussed at such meeting.

2.04.090 Powers and duties.

The commission shall have the powers and duties which are now or may hereafter be assigned to it by charter, ordinances or resolutions of this city and general laws of this state.

**CITY OF WALDPORT
PROPOSED SCHEDULE
FOR 2016/2017 BUDGET**

- 14 Jan 2016** **Amend or approve budget schedule. Appoint budget committee members as needed.**

- 15 Jan 2016 Notify committee members of budget meeting dates.
Distribute preliminary budget worksheets to department heads.

- 11 Feb 2016** **Review goals with City Council, Urban Renewal Board, and department heads.**

- 3 Mar 2016 Submit department budgets to finance.

- 8 Mar 2016 Department heads meet with Budget Officer to review and revise.

- 29 Mar 2016 Submit complete proposed budget to finance for compilation, printing, and binding.

- 5 Apr 2016 Distribute proposed budget to committee members. Publish notice of budget committee hearing on city's website (10 to 30 days before the meeting).

- 13 Apr 2016 Publish notice of budget committee hearing, as well as state revenue sharing, in News Times (10 to 30 days before the meeting)).

- 26 Apr 2016** **Hold budget meeting, from 1:30pm to 5pm, give budget message, and hold public hearings.**

- 25 May 2016 Publish financial summary, notice of budget hearing, and notice of state revenue sharing in News Times (5 to 30 days before the hearing).

- 9 Jun 2016** **Hold budget hearing and deliberations. Adopt budget, make appropriations, declare and categorize taxes, and elect to receive state revenue sharing.**

- 30 Jun 2016 Submit tax certification to County Assessor. Send complete budget documentation to County Clerk.

Budget Committee Members

Vacancy	Vacancy	Alan Canfield
Vacancy	Scott Perkins	Herman Welch
Vacancy		



CITY COUNCIL MEETING AGENDA COVER SHEET FOR DISCUSSION / ACTION

TITLE OF ISSUE: Southwest Lincoln County Water District Petition to Form PUD
REQUESTED BY: City Manager
FOR MEETING DATE: January 14, 2016

SUMMARY OF ISSUE:

The City of Waldport ("City") was incorporated in 1911, and has been providing potable water to its citizens over the last century (the exact date of the first hookup is unknown). The Southwest Lincoln County Water District ("District") was formed in 1945. The District boundaries and City limits and Urban Growth Boundary overlap, as shown on the attached map.

The District is petitioning to become a People's Utility District ("PUD"), which could have certain advantages to the District, and may have certain impacts on the City of Waldport. Advantages of forming a PUD may include flexibility regarding public contracting and wage laws, and ensuring that the District will be a long-term entity. What this also means is that apparently the City will no longer be able to unilaterally take on providing services to properties when they are annexed. The City and District will still, however, be able to negotiate services on a case-by-case basis.

The State Department of Energy ("DOE") is to hold a public hearing, which is scheduled by DOE for February 4, 2016, at 6 p.m. at Waldport City Hall. After that the DOE will issue its report, which must be within 60 days of the filing of the petition by the District. In February the County will hold a hearing and issue its order, with a District-wide vote possibly in May.

STAFF RECOMMENDATION or ACTION REQUESTED:

Review and discuss the affairs of City of Waldport and Southwest Lincoln County Water District, including potential formation of a People's Utility District.

BACKGROUND:

The District has been in existence for seven decades, with the City and District commencing relations soon thereafter. Over time the two agencies worked together to serve the areas to the south of the main town of Waldport. The City also commenced annexing properties and withdrawing territories from the District, which led to a court action in 2000, which ends in 2027 (unless extended with subsequent loans). The judgment defines both the District and City demarcations, as shown on the attached map. Appendix A includes a historical summary, and Appendix B provides current information, including a comparison of water rates.

More recently, there are three actions of note:

1. The City annexed land via Ordinance #749 on June 12, 2014. The property in question was already developed and receiving water from the District. If the Stipulated Judgment was not in place, the City presumably could have withdrawn this property from the District.

2. Samaritan Health was developing a new medical clinic on Range Drive. The property, which is on the border of the District and City service areas, needed water service. While the District could have provided domestic water service to the clinic, to do so would have required costly improvements in order to be able to route water uphill to the site (which would have been borne by the developer). Even if this was practical, the District does not have the capacity to provide domestic and fire service (lack of water volume and pressure, reservoir size), meaning the City would need to provide fire protection service. The District therefore ceded water services to the City (both domestic and fire), and the City and District approved a Memorandum of Understanding to this effect, with City action taken at the Council meeting January 8, 2015.
3. The service is split at the new Waldport High School on Crestline, whereby the District is providing domestic water and the City is providing fire protection coverage, which demanded two sets of infrastructure and added costs.

People's Utility District Formation

The District had the requisite number of petitioners to initiate proceedings to become a PUD. The next step is for the State Department of Energy ("DOE") to hold a public hearing, which is currently scheduled at 6 p.m. on February 4, 2016, at Waldport City Hall. This hearing is necessary since there is already a PUD (Central Lincoln) that covers the area of the District. City staff is advised that a PUD is able to provide both water and power, and Central Lincoln already does the latter. After the hearing, the DOE will submit its report to Lincoln County about a week later. The County is tentatively scheduled to hold a hearing on February 17, with adoption of an order on February 24 (assuming that all is copacetic with the proceedings at that time). Then the formation will go on the May ballot (if possible). The County is researching the issue of balloting, as it appears that there may be two ballots (with the same language)—one for within the District and one for within the City. The County is also researching what could happen if the measure passes in one and not in the other area.

Advantages to the District may include flexibility regarding public contracting and wage laws, and ensuring the District's long-term viability. As a water supply district, the City has the ability to annex properties and withdraw them from the District, taking over water services in that area. If a PUD is formed then the City will no longer be able to withdraw territories in this manner, and District infrastructure may be protected from being turned over to the City (for example, Dick's Fork infrastructure is a District installation that is located within the City's UGB). However, as a PUD, the City and District will still be able to negotiate agreements services within the City.

Annexations and Withdrawals

The City is authorized to annex properties into the City, as well as withdraw annexed properties from the District so long as it is a water district. The City may also be able to withdraw properties that have been previously incorporated or annexed. There are statutes regarding assuming existing assets, liabilities and indebtedness tied to the properties being withdrawn (please see Appendix A). Becoming a PUD eliminates withdrawals, leaving agreements as the only option.

There may be federal law at play that eliminates the ability of the City to withdraw properties without restitution, depending on federal loans or other debt. This may have been a factor that led to the stipulated judgment demarcating the District and City boundaries, at least until 2027.

Service Delivery to Properties within City Limits

There are three options for servicing areas that are within District boundaries and City limits:

1. The District provides domestic and fire protection water services
2. The District provides domestic and the City provides fire protection water services
3. The City provides domestic and fire protection water services

Following are issues or questions regarding these options.

Infrastructure Capacity and System Overlap

Should the District provide services (due to growth within the City), would it have the capacity to provide these services with existing infrastructure, or would new infrastructure be needed? The District, in a memo dated January 4, 2016, states that it has adequate water rights and plant capacity to handle expansion within the City limits and UGB. The District also states that it has funding options and plans for infrastructure expansion. These statements should be verified. Even if this is so, as noted above for the new clinic, there may be additional demands on property owners and developers in order to develop the localized infrastructure that is needed. Part of this need is driven by the fact that the City is able to serve many nearby areas via gravity, and the District needs to route water from lower elevations.

Similarly, if the City was to provide water services for these areas, would it have the capacity? The City would have enough water rights, and by enlarging our filters our capacity will double, but to accommodate growth the City would need to expand the system.

The City is embarking on a feasibility study and master plan of the Industrial Park on Crestline, which offers an opportunity to assess potential growth in the area, and the utilities demanded to accommodate this growth. All of this area is located in the City, but served by the District.

There are also concerns with overlapping systems. If one agency is providing domestic water and the other is providing water for fire protection, development is discouraged if added infrastructure is required. In addition, there could be problems with detecting the source of leaks due to the unconnected pipe systems. Also, if one agency is providing water (both domestic and fire) and the other sewer, then there is an additional public health risk due to the potential for cross-connection between potable and non-potable water.

Financial Considerations

The District does not assess property taxes, most all of its revenues come from service fees. Because it does not currently assess rates for operations or debt there isn't an issue such as has occurred between the City of Newport and Seal Rock Water District. In that case, city water users were continuing to pay property taxes to the district. However, the District may impose operating or local option tax rates in the future, or issue more debt and assess ratepayers.

In instances where the City provides both water and sewer, the City has the ability to shut off water for delinquent accounts. In instances where the District is providing water service and the City is providing sewer, there is no similar mechanism.

Should the District and City split services (whether it's domestic/fire or water/sewer), this would increase the amount of infrastructure, adding to the cost. For example, in the case of the new

high school the school district had to install a new pump station. Also, if the City is providing fire protection only, we still need to store water to accommodate this potential need, but the customer does not use the water, and therefore we receive no revenue from it. Domestic water usage generates revenues to help make up the cost of providing fire protection.

Should the City and District negotiate for the City to assume services within City boundaries (whether existing or annexed in the future), then the City and District would need to come to terms on the financial compensation for same, as the District would have amortized capital costs and loss of revenue to pay off debt or other obligations. Any expanded systems needed to accommodate growth would also need a source of funding.

Rates

As noted in Appendix B, rates for the two agencies are based on water units (each unit being 748 gallons, or one cubic foot of water). However, the emphasis is different depending on meter size and water use, as shown in the comparative charts in Appendix B. Given these variations, the following general assumption can be deduced: The City's rates skew lower for small and large meters and greater consumption, and the District's rates skew lower towards mid-size meters and less consumption. This is illustrated below:

<u>Size</u>	<u>Units</u>	<u>City Base</u>	<u>City Use</u>	<u>Total City</u>	<u>District Base</u>	<u>District Use</u>	<u>Total District</u>
5/8 - 3/4	4	\$21.55	\$9.16	\$30.71	\$38.55	\$8.05	\$46.60
2	8	\$172.40	\$18.32	\$190.72	\$101.65	\$21.05	\$122.70

This is a notable "snapshot" of rates as it shows the differences between the same theoretical user and what they would pay to either agency. Weighted averages are another base rate indicator (weighted taking into account the number of users for each meter size). The weighted averages are \$24.25 for the City, \$40.22 for the District, and \$65.58 for District users inside the City (since most large District accounts are located within the City).

City SDCs are fairly average for a city, but greater than the District's, perhaps because the District comprises less infrastructure. Further analysis is needed to understand the disparity.

Potential for a Franchise Agreement

The City has existing franchise agreements with the following utilities:

- Central Lincoln People's Utility District
- Alsea River Cable
- Charter Cable
- Coast Com
- Pioneer Telephone

The City does not have a franchise agreement with the District. Section 12.08.040 of the Waldport Municipal Code provides for the City granting permission to use public rights-of-way via franchises, licenses or permits. The City therefore should have the ability to enter into an agreement whereby the City is compensated for District use for infrastructure that services customers that are located within the City, but receive water from the District. (The City of

Florence has a non-exclusive franchise with Heceta Water District for five percent of revenues, an amount that is consistent with existing Waldport franchises (other than Central Lincoln).

District revenues are about \$750,000 district-wide according to its 2014 audit. Let's assume that 10 percent of the District's revenues are generated within City limits, or \$75,000 (according to the District the actual number for FY 2014-15 is \$70,132.30). A franchise fee of five percent would equal \$3,750. However, as mentioned above, most District growth will be within City limits (or UGB). Therefore, a franchise fee could greatly increase over time based on growth.

In concept, the franchise would only apply for use of rights-of-way within the overlapped District and City limits, and therefore only revenues generated within these limits would be subject to the fee. If the City annexes property from within or outside its UGB that is served by the District, then the franchise would apply for the added territory.

Conclusions

Some conclusions may be drawn from this report, and there may be others as well:

1. The City has the ability to withdraw territory from the District, so long as it is a water district and not a PUD. Withdrawals could potentially include future annexations and also apparently properties previously annexed (the latter would need to be confirmed by legal counsel). These properties are outlined in yellow on the two attached maps.
2. If territory is withdrawn, there are statutory provisions related to the "optional" assuming of obligations and the division of installations (assets/infrastructure). These are provided for in ORS Sections 222.520 and 222.540, respectively. There may be federal law in effect that overrides state law regarding withdrawals, restricting this possibility.
3. The City and District can negotiate service provisions in the City and enter into an agreement for same, regardless of whether the District is a PUD or a water district.
4. The preference should be for one agency to provide both domestic and fire protection water. Otherwise, there are potentially added costs, redundancy, and operational issues.
5. If the District provides water and the City provides sewer, there is a potential additional public health risk, and the City has no "shut-off" mechanism for delinquent payments.
6. The City currently represents approximately ten percent or less of the District's area, connections, and revenue. The area of the District outside the City is restricted by zoning and lack of sewer. The area within the City and its UGB represents the greatest growth potential for the District, substantially increasing its connections and revenue.
7. Regardless of which agency is servicing this growth, infrastructure will be needed.
8. The feasibility study and master planning of the Industrial Area presents an opportunity to evaluate demand and improvements needed to provide water and sewer for growth.
9. District and City rate structures have a different emphasis placed on user characteristics, and SDCs are currently less in the District than the City. Further evaluation may be warranted to better understand these differences.
10. The City should be able to enter into a franchise agreement with the District for its use of City rights-of-way.

Attachments: Map of District Boundaries
Appendix A: Historical Summary (including map)
Appendix B: Existing Conditions

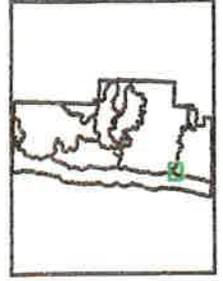
WATER SERVICE PROVIDERS WITHIN WALDPORT CITY LIMITS

**Lincoln County
Geographic Info System**

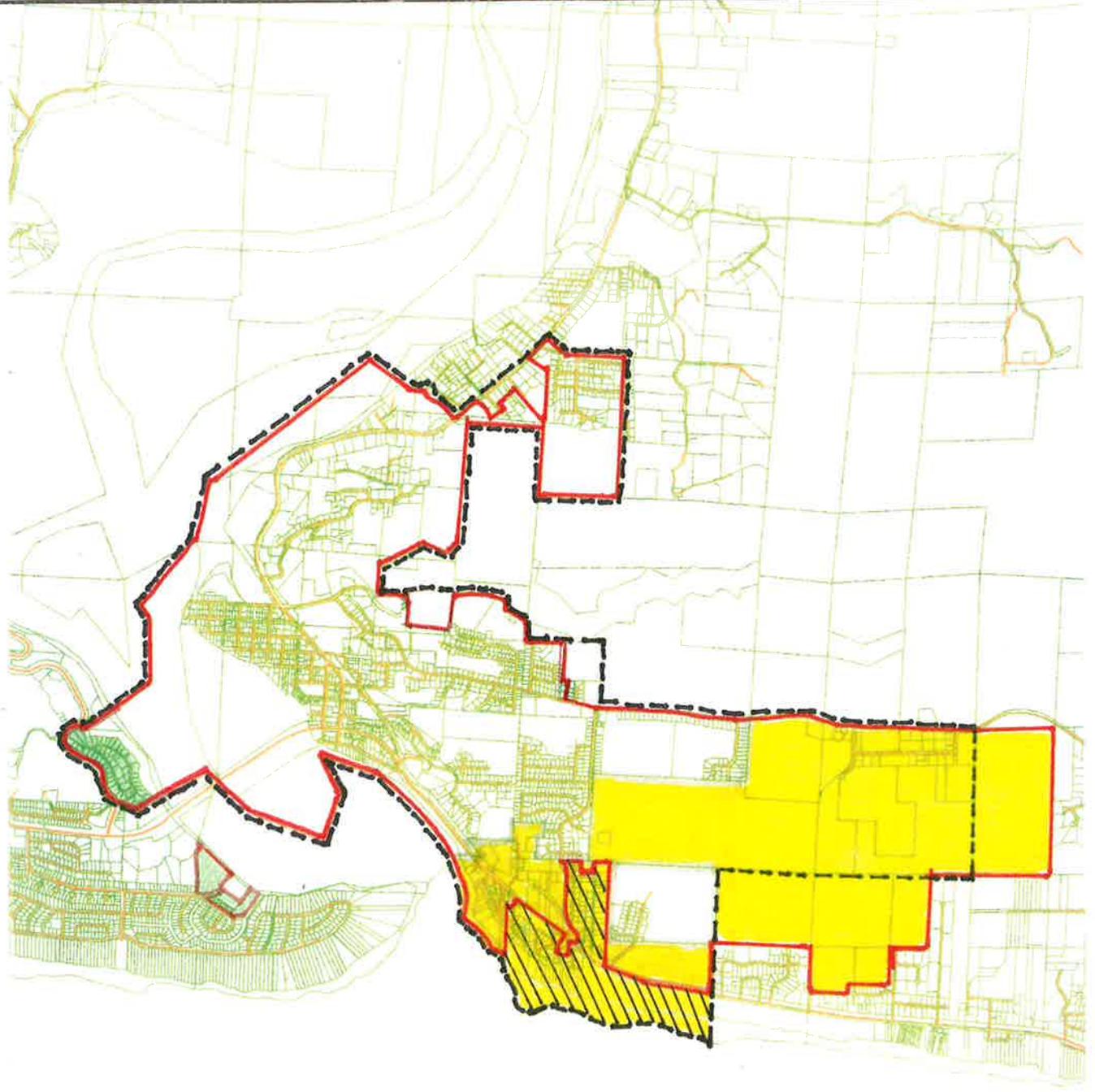
Roads
Taxlot
Taxlot
ugb

- CITY LIMITS** ———
- URBAN GROWTH BOUNDARY (UGB)** - - - -
- SW LINCOLN CO. WATER DISTRICT** [Yellow box]
- SEAL ROCK WATER DISTRICT** [Green box]
- AREA OUTSIDE CITY LIMITS WITHIN UGB** [Hatched box]

Area within City Limits/UGB that is not shaded yellow or green is within the City of Waldport water service area.



9/22/2014



1 in. = 2700 ft.

Lincoln County government use only. Use for any other purpose is entirely at the risk of the user. This product is for informational purposes and may not have been prepared for, or be suitable for, legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.

Appendix A Southwest Lincoln County Water District Historical Summary

The City was incorporated in 1911, and subsequently began providing potable water to its residents. There historically was difficulty in serving customers in the growing areas of the City to the south to Yaquina John Point ("YJP") and beyond. According to records, the matter of an extension of the city water main to YJP first came up for consideration in 1933. Eight years later, a petition was presented by south Waldport merchants requesting ways and means of extending the six-inch water main to the south. Nothing was decided, although over the ensuing years water sources to the south were evaluated.

The District was formed in 1945. In December of that year it approached the City to request water filings be turned over to the District, and the motion carried. In 1946 the City decided to look into forming a water district, taking in the south highway to Big Creek. Also in 1946, a property owner spoke regarding water to YJP, and the City turned over the filings on Big Creek to the District. The District then filed for water rights on Big Creek and Starr Creek.

In 1948 there was quite a bit of interaction between the District and City. There were issues regarding borrowing and offering of pipe. The District offered the City surplus water, which the City reviewed and apparently counteroffered, which the District rebuffed. Residents of YJP then petitioned to annex into the water district and after an election in August they were annexed.

In 1949, the City sold the District about 455 feet of pipe located on YJP for \$55.00. At the same meeting the City approved a motion to draw up a contract between the City and District regarding opening and closing the valve that connects the two water systems. One apparently was entered into, and in August 1951 a new one was adopted, to be in effect until cancelled by either party upon 30 days' notice. An emergency water resolution was adopted in 1959.

Over the ensuing decades the District and City have had many interactions, mostly dealing with infrastructure needs or conflicts in the area, boundary lines separating the two, or annexations and withdrawals (see attached map). During this process, the City would annex properties into the City and withdraw them from the District, taking over its infrastructure (see ORS 222.540) and keeping the District from providing services and receiving revenues. The first noted instance of this occurred in 1964, with subsequent withdrawals in 1968, 1981, 1982, 1984, and 2000. The City did incur some liability for these withdrawals: In 1985 the City paid the District for withdrawals associated with ordinances from 1968 – 1982 pursuant to ORS 222.520¹.

¹ 2013 ORS § 222.520

Annexation of less than entire district

• assumption of liabilities by city optional

(1)

Whenever a part less than the entire area of a district named in ORS 222.510 (Annexation of entire district) becomes incorporated as or annexed to a city in accordance with law and the city, after the incorporation or annexation, will provide for the service to the part of the district that the district provided before the incorporation or annexation, the city may cause the part to be withdrawn from the district in the manner set forth in ORS 222.120 (Procedure without election by city electors) or at any time after the incorporation or annexation in the manner set forth in ORS 222.524 (Procedure for withdrawal of part of district from district). Until withdrawn, the part of the district incorporated as or annexed to the city shall continue to be a part of the district.

(2)

The part withdrawn pursuant to subsection (1) of this section is not relieved from liabilities and indebtedness previously contracted by the district. For the purposes of paying the liabilities and indebtedness of the district, property in the part withdrawn shall continue to be subject to assessment and taxation uniformly with property in the area remaining in the district. The city of which it became a part shall, however, assume such obligations if the

Appendix A
Southwest Lincoln County Water District
Historical Summary

Also, note that the 1984 withdrawn area is still being serviced by the District, even though it was withdrawn from by the City (this is the area shaded in orange on the map). There are other cases where the City annexed properties without withdrawing, shown in yellow on the map.

The accumulation of annexations and withdrawals compelled the District to seek relief from the Court. On July 27, 2000, the US District Court issued a Stipulated Judgment, which definitively set forth the boundaries of both the City and District, as shown on the District map. The stipulations shall continue throughout the loan of the District, or any replacement or substitution loan. The debt is payable on or before December 11, 2027.

There is an existing Cooperative Agreement/Urban Services Agreement between the parties from 1998. This agreement deals primarily with cooperating and communicating during planning efforts and land use actions and reviews. The District is required to coordinate with the City for certain actions. Potential formation of a PUD is not one of them. The agreement also has a mechanism for negotiating with each other to provide service outside of each other's territory.

Sources: District history and City files and records.

obligations assumed do not bring the total of the city's obligations above any applicable limitations prescribed by statute. When the city assumes the obligations it shall be liable to the district for one of the following, at the option of the city:

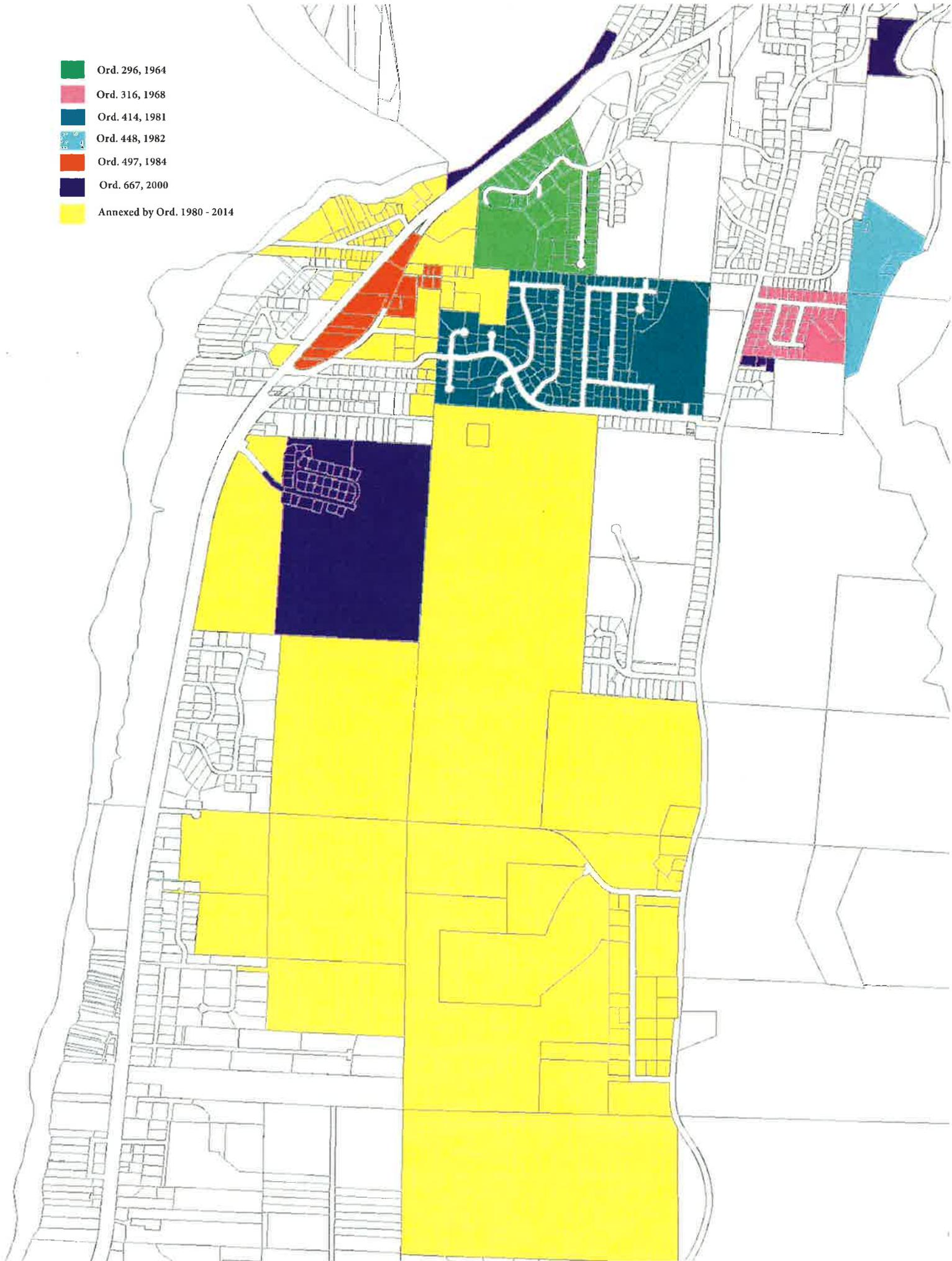
(a)

The amount of taxes that otherwise would be extended each year for the obligations against the property in the part withdrawn; or

(b)

Payment annually, as the bonds of the district that were outstanding on the effective date of the withdrawal mature, of the same proportion of the outstanding bonds, and the interest on the bonds, as the assessed valuation of the part withdrawn bears to the assessed valuation of the entire district on the effective date of the withdrawal. After the city agrees to make payments under this paragraph, neither the city nor the part withdrawn shall be charged by the district with any future liabilities, obligations or functions of the district. [Amended by 1955 c.471 §2; 1957 c.401 §1; 1963 c.347 §2; 1965 c.509 §2; 1967 c.624 §17; 1985 c.702 §13; 2013 c.277 §1]

- Ord. 296, 1964
- Ord. 316, 1968
- Ord. 414, 1981
- Ord. 448, 1982
- Ord. 497, 1984
- Ord. 667, 2000
- Annexed by Ord. 1980 - 2014



Appendix B
Southwest Lincoln County Water District
Existing Conditions

Southwest Lincoln County Water District – Existing Conditions²

There are 1255 accounts serving an estimated population of 2,250 people over 8,640 acres (an average of 6.88 acres per account). Of the total, 86 accounts are located with the City (about 7 percent). Over 95 percent of the District's connections are residential customers.

The District has permits or certificates to divert water from four creeks totaling 2.30 cubic feet per second (cfs), of which 0.4 cfs cannot be diverted in July.

There are two treatment plants, one at Dicks Fork and the other at Blodgett, with the latter servicing 90 percent of the District's customers. Operational constraints limit normal production to between 0.79 and 0.87 million gallons per day (mgd). Enlarging the plant will eliminate this limitation. The distribution system includes over 100,000 feet of pipe. Water is stored in five tanks. The 100,000 gallon Seabrook tank is the one closest to Waldport, and the District has in its plans a future minimum 500,000 gallon tank near Wakonda Beach Road. There is also a pump station at Seabrook for pumping into the reservoir.

The WMCP states that due to County zoning restrictions and lack of sewer, the District is relatively built out, outside of City limits. Most of the future growth in the District would occur within the City or its UGB. The WMCP estimates the growth within City limits to be approximately 200-300 homes within the next ten years.

District Financials and Accounts

The District has \$4.5 million in assets, including \$3.8 million in plant and equipment. It has liabilities of \$1.5 million. Total operating revenues are \$747,000, and operating expenses are \$746,000. The District receives approximately 10 percent of its revenue from accounts that are located within the City (\$70,132.30 in FY 2014-15).

The District issues 1997 Revenue Bonds with a principal amount of \$2.1 million. This is the loan referenced in the Stipulated Judgment (and noted in Appendix A). The interest rate is 4.5 percent, with an annual payment of \$128,941. The outstanding balance is approximately \$1.25 million as of June 30, 2015, with maturity in FY 2027-28.

The District served 1,255 accounts in 2014, and currently serves 86 accounts within City limits:

Meter Size	Total District Accounts	Inside City Accounts	Inside City/Total District
5/8	1231	66	5.36%
1	11	8	72.73%
1 1/2	4	3	75%
2	7	6	85.71%
3	0	0	0
4	0	1	N/A
6	2	2	100%
Totals	1255	86	6.85%

² Sources: 2014 Water Management and Conservation Plan ("WMCP"); District Audit as of June 30, 2014; Email from District January 6, 2016; City files and records

Appendix B
Southwest Lincoln County Water District
Existing Conditions

Although less than seven percent of the District's accounts are within City limits, these accounts represent nearly ten percent of revenues. There are 775 acres within the City and District, of which 665 is within City limits and 110 within the UGG, but outside the City.

Water Rates Comparison

Below is a comparison of water rates for the City and District (outside City and outside District rates are not included for sake of brevity.)

Base Rates

Meter Size	Inside City Accounts	Inside City Base Rates	Inside District Accounts	Inside District Base Rates*
5/8	1045	\$21.55	1231	\$38.55
1	21	\$53.88	11	\$50.55
1 1/2	5	\$107.75	4	\$64.30
2	12	\$172.40	7	\$101.65
3	0	\$323.25	0	\$393.05
6	0	N/A	2	\$747.65
Totals	1083		1255	

*includes bond surcharge ranging from \$9.20 - \$193.20

Usage Rates (100 cubic feet or units)

Units	Inside City	Inside District
1	\$2.29	-
2	\$4.58	\$2.40
3	\$6.87	\$4.80
4	\$9.16	\$8.05
5	\$11.45	\$11.30
6	\$13.74	\$14.55
7	\$16.03	\$17.80
8	\$18.32	\$21.05
9	\$20.61	\$24.30
10	\$22.90	\$27.55

SDC Rates

Meter Size	Inside City	Inside District
5/8 x 3/4	\$3,487	\$2,468
1	\$8,718	\$3,450
1 1/2	\$17,435	\$4,220
2	\$27,896	\$7,150
3	\$52,305	\$27,080
6	N/A	51,723

Public Works Department

Report for the month of December 2015

Water Treatment Plant

Plant Production:	<u>6.98</u>	MG
Rainfall:	<u>27.4</u>	inches

Wastewater Treatment Facility

Effluent Flow:	<u>15.6</u>	MG
Rainfall:	<u>27.6</u>	Inches

Public Works Dept.

Alarm call outs:	<u>5</u>
Locates:	<u>11</u>
Sewer plugs:	<u>2</u>
Water service installations:	<u>0</u>
Sewer connections:	<u>0</u>
Water Leaks:	<u>2</u>

Department General Overview

The City of Waldport Public Works Department is excited to report the progress they have made the last month. We spent December working on many projects that ensure clean water, maintained equipment, up kept streets. Due to the departments diligence in keeping maintenance up, we had no storm related situations that could have been avoided with further maintenance. Most of December was spent reacting to unusually high rainfall. One project for example was the Eckman Creek flooding which the public works crew reacted to very well.

The plant operators are doing an exceptional job operating and maintaining the city's water treatment facilities. Both plants are continuing to do a great job processing great standards in water quality.

Administratively, Mike and I have been working very hard planning our future and direction as a successfully operating department. Other projects that we are working on include the first phase of the Water Plant study, and updating our soon to be operational Beehive mapping software.

**City of Waldport
2015 LAND USE / BUILDING PERMIT ACTIVITY**

Date	Application/ Activity	Applicant	Zoning	Tax Map/Lot Location	Description	Status
For the Period <u>December 1, 2015</u> through <u>December 31, 2015</u>						
12/17/15	On-site Waste Management Permit	Randy & Danny Guidry	R-3	13-11-29AB/600 2280 Merten Dr	Septic tank replacement	Approved 12/18/15
12/23/15	Building Permit	Paul Wilson	R-3	13-11-19AB/4100 780 Bay St	Replace pier pads, add stem wall, new floor	Approved 12/28/15
12/30/15	Land Use Compatibility Statement (LUCS)	Pauline Gates	D-D	13-11-19BD/7500 250 Hwy 101	LUCS for marijuana facility	Approved 1/4/16



City of Waldport

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December 31, 2015

Subject: Monthly Report-December 2015

As of today, there have been 112 ordinance cases opened in 2015. Of these 91 have been worked to completion.

These cases breakdown into the following:

Attractive Nuisances	54 (Misc. junk on property)
Nuisance Vehicles	23 (Unlicensed/Inoperable vehicles left on public streets)
Structure/Buildings	6 (Dilapidated/Improperly Maintained)
Others	29 (Vegetation, Business License, Fences, Zoning, ect)

In addition to this there are 3 cases open from 2014 for a total of 24 cases being actively worked at this time.

Gutters and Downspouts: The municipal code requires that all structures have gutters to collect rainwater from the roof and downspouts that direct that water either to the street or into a proper catch basin. Improperly maintained or missing gutters and downspouts can cause damage to structures and erosion to property.

Code Enforcement works with property owners to ensure structures have gutters and downspouts that are in proper working order and that collected water is properly directed to prevent erosion and damage to adjacent properties.

