

OTTER ROCK WATER DISTRICT

APPROVED MEETING MINUTES

Board Meeting - December 18, 2018

A. Call to Order: A Special Board Meeting of the Otter Rock Water District was held on December 18, 2018. The meeting convened at 6:00 p.m., with Commissioner Jerry Davis, Water Board Vice President, presiding.

B. Members In Attendance: Commissioners Anderson, Gleason, Davis, and Bradley were present. Commissioner Zawalski was not present.

Staff Members Present: Water Superintendent Osburn and Office Manager//Bookkeeper and Secretary (OM/B/S) Erskine were present.

Public Attendance: Attorney Appicello, Stan Hart, Mike Mullin, Pat Anderson, Buz Backenstow, Kenny Hunt, Paul Erskine, Joknee DeMott

C. Consent Agenda:

Approval of Minutes:

Motion to approve the December 6, 2018 meeting minutes was made by Commissioner Anderson and seconded by Commissioner Gleason. **Motion carried.**

Motion to approve the December 8, 2018 meeting minutes was made by Commissioner Anderson and seconded by Commissioner Gleason. **Motion carried.**

D. Public Hearing or Comment Items:

None.

E. Ordinances:

1. System Development Charge Ordinance Number 2018-05 - Second Reading:

The System Development Charge (SDC) is a charge paid when a property owner pulls a permit at the county for a new residential or commercial building. The property owners is paying the water district his/her fair share of the Capital Improvement Plan (CIP) that is scheduled. The charge is based upon the Master Plan as modified by the Board through an updated CIP.

The purpose of this meeting is to adopt the ordinance. At the January 8, 2019 Board meeting, the rate will be set.

Public Concerns or Questions:

Question 1: If we have a home already, and there is a fire or earthquake which destroys our home, would we have to pay the SDC when we rebuilt our home? Also, what if the current home was remodeled?

Answer 1: Under 11-C Exemptions, If the rebuild/remodel doesn't change the building use, then it is except from the SDC charge. But if the property owner builds a duplex or triplex, he/she would pay for the extra spaces(s).

Question 2: What if one wants to change the footprint of the house?

Answer 2: If the homeowner is not changing from a single residence to a duplex or triplex, he/she would not be subject to the SDC.

Question 3: Who establishes how much a person pays?

Answer 3: The Board establishes, by Resolution, the SDC rate, which is based upon the methodology that has been adopted. The ORWD methodology was written by Civil West and was based on \$3.5 million of capital improvements. Since the initial feasibility study was conducted, the Board has moved the figure down to \$2.3 million. The SDC rate will likely be around \$11,000, but this rate still needs to be confirmed by Civil West. It will be discussed at the January 8, 2019 Board meeting.

Question 4: What if a homeowner already has a water connection on the lot?

Answer 4: Even if water is already connected on a lot, the property owner still subject to the SDC when a residential or commercial structure permit is pulled. If a lot has water and perhaps a trailer on the lot, ORWD is not going to be checking for permits. That is the County's responsibility. The County has just hired a compliance officer, however, so more attention may be paid to building permits.

Question 5: Section 3-C gives a definition of "development." It means all improvements on the site, including other structures, parking, loading areas, landscaping, paved areas, etc. How does this definition affect whether or not you are charged?

Answer 5: The ORWD SDC ordinance is based on a model ordinance. ORWD may not have to include the definition of "development." You do have to pay when you pull a new building permit; but

it doesn't mean you pay for all development. "Development" is defined that way under State Land Use Planning laws, but it may not be necessary in this ordinance.

Some deletions have already been made (e.g. sewer and installment payments), so this definition of Development could be deleted, as well.

In addition, it was recommended that Section 9-2 be removed, which would eliminate the SDC payment upon the issuance of a development permit.

Concern: Some of the sixteen pages of the ordinance may not need to be included. That is, it's a model ordinance, but not all parts may be relevant to Otter Rock. Future Boards may not interpret the ordinance in the way the current Board does. The Board might want to streamline the ordinance to better fit the actual needs of Otter Rock.

Concern: The ORWD is a small operation with limited staff. ORWD wants to create an intergovernmental agreement with Lincoln County to administer our SDC, but it can't be a part of the ordinance. The agreement will need to be established, if the SDC Ordinance is approved by this Board. It would not be much to have the county collect the SDC, as a separate account. Probably very few would be issued yearly.

Concern: Currently the ORWD Capital Improvement Plan is about \$2.3 million. The issue is with the asbestos lines and replacing valves in those lines. If we opt for a \$2 million General Obligation Bond, requiring every property owner to pay via taxes, a vote is required. We are going to get push-back from those who think they got a water connection when they paid \$750 for the water application fee. We need to be transparent, so people know the SDC is happening. We have sent emails and the information is on the website.

Concern: How does the SDC fit into our present operating system. When people pay the water application fee and connect water to their property, they may leave it vacant, or turn the water on and then off again for a few years, or they may build immediately. Will all these possibilities be thrown out?

Responses:

* If you have water to your vacant lot, it doesn't exempt you from this ordinance. The SDC is made when you pull a building permit.

* The Board could form a Local Improvement District (LID) and assess every buildable lot in Otter Rock and divide the \$2.3 million equally. This ordinance simply ensures that when a developer comes in to build house, they pay their fair share. How the current residents are

going to pay their fair share still hasn't been figured out yet. There could be the LID or a General Obligation bond or grants may be available.

* The big difference between a connection and a building permit is impact. There's a big impact when someone is going to build a structure and start using water regularly.

* Some of the people paying the SDC would also be voting on the General Obligation Bond. They would be paying extra ... the SDC as well as the Bond measure. If the Board chooses to go after a General Obligation Bond, which needs to get voter approval, the Board could give credit to those that have paid the SDC, since we do not want to double-charge people. And if people aren't going to have to pay twice, the Board should let them know that.

* If a person cancels their permit, they would be reimbursed for the SDC.

* The Board can also change the SDC rate. If a grant was received, we could lower the SDC.

* If we did a General Obligation Bond, the SDAO would help administer the bond, which would relieve pressure on staff.

A motion was made by Commissioner Anderson and seconded by Commission Gleason to approve the 2nd Reading and adopt the ordinance with the change as indicated. The change was the deletion of Sections 9A - 2, eliminating the SDC payment upon the issuance of a development permit. **The motion carried unanimously.**

Commissioner Davis thanked community members for their questions and comments about the SDC tonight.

Action Items: Sign and deliver the ORWD SDC Ordinance, with voted-on changes, to the Lincoln County Courthouse to be recorded. (Jerry Davis)

2. Curtailment Ordinance:

At the January 8, 2019 Board meeting, the water curtailment ordinance will be discussed. Although the curtailment discussion was not on this meeting's agenda, the Board agreed to take the testimony of Buz Backenstow, as he may not be able to attend the January meeting. Volunteer Backenstow read his recommendations to the Board, and his notes are included at the end of these minutes as Attachment A. They will also be included in the Board's detailed discussion in January.

F. Resolutions: None

G. Special Order of Business: None

H. Reports and Announcements: None.

J. Announcements or Comments by Commission Members, Attorney and Staff: None.

The next Water Board Meeting is scheduled for January 8, 2018, at 6:00 p.m., in the Otter Rock Community Center.

The meeting was adjourned at 6:40 p.m.

Respectfully Submitted by OM/B/S Whitney Erskine and Communications Advisor, Joknee DeMott

Date of Approval: January 8, 2019

Approved Board Meeting Minutes placed on the ORWD website on January 9, 2018.

Action Items Summary: Sign and deliver the ORWD SDC Ordinance, with voted-on changes, to the Lincoln County Courthouse to be recorded. (Jerry Davis)

Future Meeting Items: Authorize President to sign S17005 Otter Rock Feasibility Study - Project Completion/closeout.

ATTACHMENT A: Comments Concerning the Proposed Water Curtailment Ordinance - Buz Backenstow December, 18, 2018.

1. We are currently through the dry spell, and Spring 3 proved adequate for supplying our needs.
2. We don't know if the voluntary rationing was necessary, because we don't know how much we could have pumped from Spring 3. Apparently, it was still running strong and still had an overflow while being pumped, by the time the rains came and the dry spell was over.
3. Therefore, it is suggested that we hold off on promulgating this ordinance until we can find out more about Spring 3.
4. I suggest that we:
 - a. Install a simple "V" notch weir below the Spring 3 pump gallery to measure overflow. When the dry spell starts, it will tell us what overflow we have when the pump is running and when it is not running.
 - b. Estimate the flow rate from Spring 3 pump by measuring how quickly it tops off the tank(s).
5. With overflow and pump data, we should be able to predict, within a few weeks or so, when there'll be no overflow from Spring 3. It is at this exact time that serious water curtailment measures will become necessary. Until then, depending on how many gallons we are able to pump each day, there should be sufficient water to serve domestic flow requirements and irrigation without adverse limitations.
6. This should provide enough information for us to write a meaningful ordinance and eliminate much of the verbosity in the proposed ordinance; particularly the discussion of the "Voluntary", "Phase 1",

“Phase 2” and “Serious” stages. Also, a sunset clause should be included to review, revise or rescind the ordinance after each year for the first few years while we are learning about our water system.

7. If we accomplish this task and if we have to threaten a user with shutting off their water, we will have some actual numbers as back-up.

8. The proposed ordinance says “the Superintendent shall personally deliver a notice of violation to the occupant at the premises where the violation has occurred.” Our water superintendent has a full plate with maintenance, repair and installation of meters. He should not be the designated enforcer. Perhaps the Water Board can assemble a group of volunteers to carry out this task.