



City Hall
206 N. Main St.
Toledo, Oregon 97391
6:00 p.m.

TOLEDO CITY COUNCIL
REGULAR MEETING – Via Zoom Meeting Platform
August 5, 2020

Virtual Meeting: Due to the governor’s “Stay Home, Stay Healthy” order, the City Council will hold the meeting through the Zoom video meeting platform. The public is invited to attend the meeting electronically. E-mail lisa.figueroa@cityoftoledo.org to receive the meeting login information.

Public Comments: The City Council may take limited verbal comments during the meeting. Written comments may be submitted by email to lisa.figueroa@cityoftoledo.org 3:00 p.m. the day of the meeting to be included in the record. Comments received will be shared with the City Council and included in the record.

1. Call to Order and roll call

2. Presentations

Proclamation – National Health Center Week August 9-15, 2020

3. Visitors/Public Comment

(The public comment period provides the public with an opportunity to address the City Council regarding items not on the agenda. Please limit your comments to three (3) minutes).

4. Consent Agenda

- Minutes from the Regular Meetings held May 6, 2020; May 20, 2020 and June 17, 2020
- Appoint a Voting Delegate on behalf of the City of Toledo for the Annual League of Oregon Cities membership meeting

5. Discussion Items

- Review of the Final Draft of the Water and Sewer Rate Studies as prepared by Civil West Engineering
- Wholesale Utility Rates discussion
- Update on dangerous stairwell at apartment building at 109-115 SE 1st Street
- Consider uses for the Coronavirus Relief Fund dollars allocated to the City of Toledo
- Committee updates

6. Decision Items

- Letter to Karen Gerttula
- City Enhancement & In-Kind Services Program funding recommendations for Fiscal Year 2020-2021
- Resolution No. 1450, A resolution of the Toledo City Council extending the State of Emergency declaration to September 2, 2020
- *Select Legislative Priorities for the League of Oregon Cities 2021
Legislative Agenda
- *Authorize the expenditure of up to \$45,000 for the hauling of solid waste materials to Coffin Butte waste management facility
- *Contract Award – Award Contract for Street and Utility Improvements to Arcadia & Spruce Streets

7. Reports and Comments

8. Adjournment



City of Toledo
PROCLAMATION
National Health Center Week

WHEREAS, National Health Center Week offers the opportunity to recognize America’s Health Centers, their dedicated staff, board members, and all those responsible for their continued success and growth since the first health centers opened their doors more than 55 years ago; and

WHEREAS, Lincoln Community Health Center, with locations across Lincoln County, is celebrating its fourteenth year of providing high quality primary care, behavioral health, immunization, and maternity case management services to members of the community; and

WHEREAS, Health Centers deserve to be recognized and supported for their efforts in expanding capacity and providing individuals in underserved communities and underserved populations with equal access to essential health care services, regardless of their ability to pay; and

WHEREAS, The Community Health Center model continues to prove an effective means of overcoming barriers to healthcare access, including geography, income and insurance status - improving health care outcomes and reducing health care system costs; and

WHEREAS, In Lincoln County, the Lincoln Community Health Center operates six sites and, in the most recent year, treated more than 5,000 individuals for primary care and mental health needs.

NOW THEREFORE, BE IT RESOLVED THAT I, Mayor Cross do hereby proclaim **AUGUST 9-15, 2020** as:

National Health Center Week

As such, I offer our Council’s thanks and appreciation to the Lincoln Community Health Center for its contributions to the health and wellness of our community.

Mayor Rod Cross

Date

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**TOLEDO CITY COUNCIL
REGULAR MEETING**

May 6, 2020
6:00 p.m.

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1. **CALL TO ORDER AND ROLL CALL**

Mayor Rod Cross called the meeting to order at 6:00 p.m.

Present	Absent	
<u>X</u>		<u>Mayor Rod Cross</u>
	<u>X</u>	<u>Council President Joshua Smith</u>
	<u>X</u>	<u>Councilor Jackie Kauffman</u>
<u>X</u>		<u>Councilor Heather Jukich</u>
<u>X</u>		<u>Councilor Bill Dalbey</u>
<u>X</u>		<u>Councilor Stu Strom</u>
<u>X</u>		<u>Councilor Betty Kamikawa</u>

Staff present: City Manager (CM) Judy Richter, City Recorder (CR) Lisa Figueroa, Police Chief (PC) Michael Pace, Public Works Supervisor (PWS) Bill Zuspan, City Attorney (CA) David Robinson, Co-Fire Chief (FC) Joe Ammons

2. **VISITORS/PUBLIC COMMENT**

There were no comments.

3. **CONSENT AGENDA**

Minutes from the Work Session held April 22, 2020

Motion – It was moved and seconded (Strom/Jukich) to adopt the Consent Agenda as presented and the motion carried unanimously.

4. **DISCUSSION ITEMS**

Municipal Court presentation

Municipal Court Judge Heidi Sternhagen said she assumed the position in September of 2019 and has tried to follow the same philosophy as former Judge Demarest. She reviewed the information included in the packet and indicated there were 316 total violations in 2019. She said she is excited for the new case management system because in the future, they will be able to provide more detailed data to the Council such as how many citations turn into convictions, what is dismissed or deferred, etc. She reviewed the Court process and indicated she tries to be lenient to allow people time to pay off fines and/or obtain necessary documentation such as a license and/or insurance. She said she requires them to provide proof to her before any final action is made on the case. She stated there is currently a statute that requires courts to notify the Department of Motor Vehicles to suspend a defendant's license if they do not pay their fine but there is push to remove the suspension for nonpayment. She said COVID-19 has impacted court and they have not had a session since March 12 but will resume on May 28 and staff will need to consider how to reinstate court while ensuring the safety of the public and staff. There was discussion of the truck route and the signage required along the truck route.

1 **Committee updates**

2 Mayor Cross indicated he spoke with Dave Price of Oregon Coast Community College Small
3 Business Development Center. He said Mr. Price indicated at least one bank in the County has
4 provided several million dollar loans.

5
6 **5. DECISION ITEMS**

7 **Property Abatement consideration**

8 FC Ammons provided an update to the Council. He said the deck has deteriorated enough to be
9 considered dangerous for the residents. He said the Fire Department contacted the property
10 owner, who has not shown interest in repairing the stairs. CA Robinson noted the owner
11 responded by letter stating he cannot fix the stairs due to a medical condition that prevents him
12 from traveling to Toledo from Portland. He stated the City never indicated the owner must fix it
13 but rather the stairs just needed to be repaired. FC Ammons said the Fire Department has had to
14 transport one of the residents from that location and they limit the number of personnel and
15 weight on the stairs for their own safety. The Council reviewed the information and there was a
16 consensus to schedule a Public Hearing.

17
18 **Motion** – It was moved and seconded (Dalbey/Strom) to schedule a hearing to hear evidence for
19 a property abatement under TMC 15.12. The Council discussed when to hold the hearing and
20 decided to hold it on June 3, 2020. Following discussion the motion carried unanimously.

21
22 **Resolution No. 1438, A resolution increasing the water and sewer rates, amending**
23 **Resolution 1318 section 3 and repealing Resolution no. 1421**

24 CM Richter summarized the Council report and said the rates adjust annually on May 21. She
25 said in 2019, the Council voted to adjust the sewer rate by 2%, but did not increase the water
26 rate. She said the rate increase for water is currently 1.25%, and the rate increase for sewer is
27 2%. She said recently, Council requested staff present a resolution with a 3% increase for both
28 water and sewer rates. She said this does not include Seal Rock because their rate was adjusted in
29 January. There was discussion about infrastructure needs, the H2O process and the impact of
30 COVID-19 on residents and businesses.

31
32 **Motion** – It was moved and seconded (Dalbey/Strom) to adopt Resolution No. 1438, a
33 Resolution of the Toledo City Council increasing the water and sewer rates, amending
34 Resolution 1318 Section 3 and repealing Resolution No. 1421 and the motion carried four to one
35 with Councilor Jukich opposed.

36
37 **Draft Ordinance Chronic Nuisance Property**

38 CA Robinson summarized the Council report. He said this ordinance would serve as a tool to
39 address properties that are chronic nuisances or have frequent criminal activities. He said there
40 have been amendments based on the previous discussion. The Council discussed the ordinance
41 and expressed concern for victims of domestic violence being evicted. CA Robinson noted
42 Oregon Statutes prohibit landlords from evicting victims of domestic violence and include other
43 protections as well. There was discussion about adding a mediation component and CA
44 Robinson said it is included in the proposed ordinance between the police and property owner
45 before it is referred to Court. Chief Pace indicated he favors having it go before the Municipal
46 Court so that both sides can argue their case. A consensus of the Council determined to have a

1 workgroup of stakeholders and not more than two Councilors to review the ordinance before it
2 comes back to the Council for consideration and adoption.

3
4 **Ratification of Amending Resolution No. 1436, declaring a state of emergency**

5 CM Richter indicated the Council took a vote at the Joint Meeting with the Lincoln County
6 Board of Commissioners on April 27 and staff felt the vote should be ratified by the Council for
7 transparency.

8
9 **Motion** – It was moved and seconded (Strom/Jukich) to ratify the Council’s vote amending
10 Resolution No. 1436 extending the state of emergency to May 31, 2020 and the motion carried
11 unanimously.

12
13 **6. REPORTS AND COMMUNICATION**

14 Chief Pace summarized the department report included in the Council packet. He said he
15 compared the statistics from this year to [the same time] last year to see if there are any impacts
16 from COVID-19 and noted person crimes have increased, societal crimes increased by 21% and
17 property crimes stayed the same.

18
19 PWS Zuspan said the flower baskets will go up this week and the crew is working on several
20 tasks including the projects in the Mutual Agreement and Order for the Department of
21 Environmental Quality.

22
23 CM Richter said staff completed interviews for the Public Works Director position today. She
24 reported FC Ammons, FC Inman and Captain Musil spoke with Mr. Krause [property owner]
25 about his property on Main Street and they came to an agreement in regards to implementing
26 safety mechanisms for the resident in that space.

27
28 Councilor Kamikawa noted the City needs a plan to re-open and suggested the City move
29 forward with the Strategic Plan. There was discussion about the process to reopen and whether it
30 will be managed at the County level or the municipal level.

31
32 Councilor Dalbey noted he would like to see some funds added back to the unallocated funds and
33 would like to see the City prepared to provide assistance where the Council sees the need. There
34 was discussion in regards to reopening and both Mayor Cross and Councilor Kamikawa
35 expressed interest in working with staff to develop a reopening process/strategy.

36
37 **7. ADJOURNMENT**

38 The meeting adjourned at 7:58 p.m.

39
40 ATTEST:

APPROVE:

41
42
43
44 _____
City Recorder Lisa Figueroa

45 _____
Mayor Rod Cross

TOLEDO CITY COUNCIL
REGULAR MEETING
May 20, 2020
6:00 p.m.

1. CALL TO ORDER

Mayor Rod Cross called the meeting to order at 6:10 p.m.

Present	Absent	
X	_____	Mayor Rod Cross
X	_____	Council President Joshua Smith
_____	X	Councilor Jackie Kauffman
X	_____	Councilor Heather Jukich
_____	X	Councilor Bill Dalbey
X	_____	Councilor Stu Strom
X	_____	Councilor Betty Kamikawa

Staff present: City Manager (CM) Judy Richter, Public Works Director (PWD) Bill Zuspan, City Recorder (CR) Lisa Figueroa, City Attorney (CA) David Robinson, Police Chief (PC) Mike Pace, LD Trusty, Co-Fire Chief (FC) Joe Ammons

Visitors present: Nancy Bryant, Kathy Crane, Craig Lash, Liza Newcomb, Brigetta Olson, Teresa Hanford

CP Smith arrived at 6:12 p.m.

2. PRESENTATIONS

Proclamation – National Public Works Week

Mayor read a proclamation and declared May 13-17, 2020 National Public Works Week.

Fiscal Year 2018-2019 audit presentation

Owner Teresa Hanford addressed the Council. She indicated CM Richter and the Staff were really easy to work with in handling the audit. She said the City has made good progress, the internal controls have improved and the City is in very good shape. She indicated there will be one finding, which noted it is issued in every audit because she prepared the financial statements. The Council thanked staff for improving the internal controls and asked clarification questions. Ms. Hanford said the City actually increased approximately \$350,000 in fund balances.

Community Development Block Grant presentation

Chief Operating Officer Brigetta Olson provided a presentation to the Council in regards to home repair services. She said the program was formerly known as NEDCO and it offers financial education and counseling in addition to the home repair program. Home Repair Manager Liza Newcomb explained the home repair program and provided pictures as examples of some of the repairs that have been made through the program. Ms. Olson indicated the home repair program currently offers zero interest loans up to \$35,000 to existing home owners to ensure the home is safe and healthy to live in. Ms. Newcomb indicated Lincoln County has over \$500,000 available

1 and there is approximately \$144,000 available in funding for Toledo. It was suggested that staff
2 work with Code Enforcement to identify homes in need of assistance.

3
4 **3. VISITORS/PUBLIC COMMENT**

5 Chamber of Commerce Executive Director Kathy Crane commented that the Port of Toledo
6 denied the Chamber's request to hold the Waterfront Market on the Port property. Mayor Cross
7 inquired whether she requests to use Memorial Field and added it to the agenda for consideration
8 later in this meeting.

9
10 **4. CONSENT AGENDA**

11 **Minutes from the Work Session held October 23, 2019 and Regular Meeting held February**
12 **5, 2020; Resolution No. 1439, A resolution to receive the 2018-2019 financial audit;**
13 **Consideration of annual Liquor License renewals; Accept the Lincoln County Board of**
14 **Commissioners Order 5-20-136**

15
16 **Motion** – It was moved and seconded (Smith/Strom) to approve the Consent Agenda as
17 presented. Councilor Strom asked for clarification in regards to the businesses that have paid for
18 their liquor license. Following discussion the motion carried four to zero and Councilor Jukich
19 abstained.

20
21 **5. DISCUSSION ITEMS**

22 There were no updates.

23
24 **6. DECISION ITEMS**

25 **Approve Contract with Dyer Partnership for engineering services for Arcadia & Spruce**
26 **Street Improvements**

27 CM Richter provided the Council report and said this decision item would approve a contract
28 with Dyer Partnership who would prepare the bid paperwork for the Arcadia and Spruce Streets
29 improvement projects. The Council asked clarification questions in regards to the timeline of the
30 project.

31
32 **Motion** – It was moved and seconded (Smith/Strom) to approve Amendment No. 2 to Task
33 Order No.4 City of Toledo, Arcadia & Spruce Street Improvements Project and authorize the
34 City Manager to execute the contract with Dyer Partnership for \$53,090 and the motion carried
35 unanimously.

36
37 **Update on condition of stairway at 109-115 SE 1st Street. Decision regarding appropriate**
38 **action moving forward**

39 CM Richter provided the Council report and indicated Council had a previous discussion about
40 the deteriorated deck/stairway on this property and scheduled a Public hearing for June. She said
41 since that discussion, Fire Department staff has been to the property, noticed several boards
42 broken off and expressed concern for the safety of the residents. She said staff determined that a
43 professional assessment was needed and Captain Musil was able to contact a structural engineer
44 to review the deck/stairway. She said the engineer's report was included in the packet, which
45 stated plywood needed to be laid down on the deck/stairway immediately. She noted CA
46 Robinson and she determined the City could not do the work because it would become a liability

1 for the City. She noted two letters were received from the property owner after the packet was
2 distributed.

3
4 CA Robinson referred to the Council packet and noted the Municipal Code abatement process is
5 outlined in the Council report. There was discussion in regards to whether the residents must
6 move out in order for the repairs to be completed. CA Robinson noted if the City Council
7 authorizes the plywood be laid down; he suggested the Council also make a finding that due to
8 the housing state of emergency declared statewide it is not an (summary)abatement that needs to
9 be done to keep the residents housed. PWD Zuspan indicated there is a way to repair it so that
10 the residents have access to their apartments.

11
12 **Motion** – It was moved and seconded (Cross/Smith) due to the current condition of the upper
13 walkway on the property and the current state of the housing emergency within the state of
14 Oregon, that the Council authorize a temporary surface be placed on the deck to facilitate some
15 assemblance of safety for the residents. CM Richter clarified she would call CIS in the morning
16 to determine whether the City should do the minor repair or hire a contractor if CIS does not
17 recommend the City make the repairs. Following discussion, the motion carried unanimously.

18
19 **Chamber of Commerce request to use Memorial Field for the Waterfront Market**

20 Ms. Crane indicated the Port of Toledo has denied the Chamber’s request to use the Port
21 property for the Waterfront Market and requested to use Memorial Field for the first few market
22 dates. She said she already advertised the Market and noted Farmers Markets have been
23 considered essential and many continue to operate. She said they will offer masks at the
24 manager’s booth. The Council outlined criteria for the Chamber to submit with their application:

- 25
- 26 • Provide a plan to operate it the entire month of June
 - 27 • Include the Governor’s guidelines and the rules that have been discussed with the
28 vendors
 - 29 • Show ingress and egress

30 **Motion** – It was moved and seconded (Strom/Smith) to allow the use of Memorial Field for the
31 Waterfront Market for the month of June and the motion carried unanimously.

32
33 **7. REPORTS AND COMMENTS**

34 PWD Zuspan said Public Works continues to work on Inflow & Infiltration projects. He noted
35 there will be a pipeline installed on Graham Street this week.

36
37 LD Trusty indicated she received \$5,000 from a grant, which will be used to renovate the
38 downstairs community room. She noted the library has conducted limited deliveries and will
39 offer curbside pickup. She indicated the catalog is available under the Library page of the City
40 website. She said staff has been handing out fliers for the summer reading program.

41
42 CM Richter indicated the parks are open and signage has been posted in regards to the cleaning
43 schedule. She noted Lincoln County Counsel Wayne Belmont will provide an update to the
44 Council about the status of the Strategic Investment Program for Georgia Pacific. She announced
45 there is a vacancy on the Planning Commission and encouraged the Council to recruit citizens
46 for the Commission.

1 Councilor Strom commented on the new building at the Port of Toledo.

2
3 Councilor Kamikawa indicated Grace Wins Haven will receive \$1,000 for food and said she will
4 approach the city to find a location for another community garden.

5
6 CP Smith thanked Public Works for the parking alignment along Graham Street.

7
8 Mayor Cross noted the bushes along the intersection of Main Street and Business 20 have
9 overgrown and requested they be trimmed. He reported there may be some funding opportunities
10 for small businesses and more information will be presented in a future meeting. He said there
11 has been discussion about options for reopening school and sports in the fall.

12
13 **8. ADJOURNMENT**

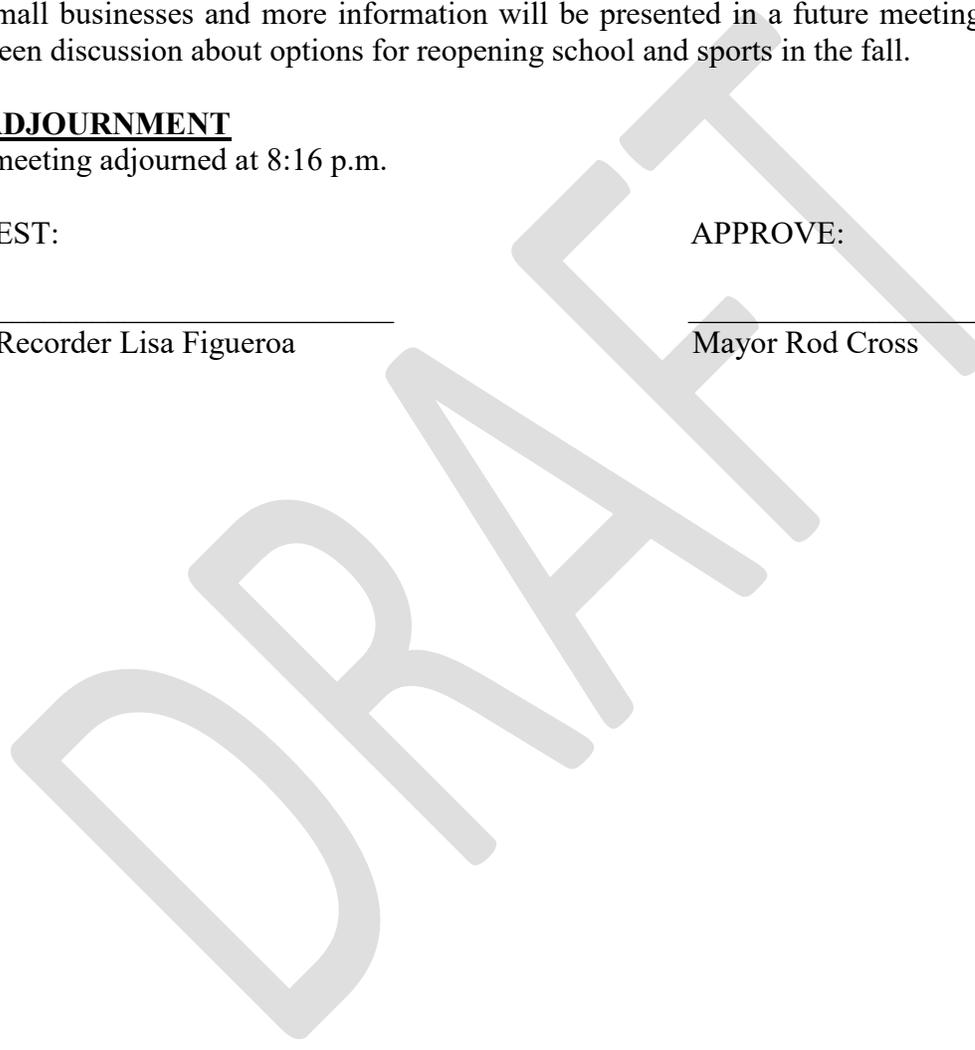
14 The meeting adjourned at 8:16 p.m.

15
16 ATTEST:

APPROVE:

17
18 _____
19 City Recorder Lisa Figueroa

Mayor Rod Cross



TOLEDO CITY COUNCIL
REGULAR MEETING
June 17, 2020
6:00 p.m.

1. CALL TO ORDER

Mayor Rod Cross called the meeting to order at 6:00 p.m.

Present	Absent	
<u>X</u>	<u> </u>	<u>Mayor Rod Cross</u>
<u>X</u>	<u> </u>	<u>Council President Joshua Smith</u>
<u>X</u>	<u> </u>	<u>Councilor Jackie Kauffman</u>
<u>X</u>	<u> </u>	<u>Councilor Heather Jukich</u>
<u> </u>	<u>X</u>	<u>Councilor Bill Dalbey</u>
<u>X</u>	<u> </u>	<u>Councilor Stu Strom</u>
<u>X</u>	<u> </u>	<u>Councilor Betty Kamikawa</u>

Staff present: City Manager (CM) Judy Richter, City Recorder (CR) Lisa Figueroa, Police Chief (PC) Michael Pace, Public Works Director (PWD) Bill Zuspan, Fire Chief (FC) Larry Robeson, City Attorney (CA) David Robinson, Library Director (LD) Deborah Trusty, Captain (C) Musil, Co-Fire Chief (FC) Joe Ammons

Visitors present: Nancy Bryant, Craig Lash, Chuck Lerwick, Joe Cook

2. OATH OF OFFICE

Oath of Office – Swear in Detective Michael Henderson

PC Pace announced Officer Michael Henderson has been promoted to Detective and performed an Oath of Office.

3. VISITORS/PUBLIC COMMENT

There were no comments.

4. CONSENT AGENDA

Minutes from the Work Sessions held January 22, 2020 and May 27, 2020 and the Regular Meeting held June 3, 2020

Motion – It was moved and seconded (Strom/Smith) to approve the Consent Agenda as presented and the motion carried five to one with Councilor Jukich opposed.

5. DISCUSSION ITEMS

Discussion regarding mandatory face coverings being worn in public places

CM Richter indicated she included this on the Agenda in anticipation of consideration at the County level on Friday, June 19 and wanted to provide the Council an opportunity to discuss it before the discussion on Friday. The Council discussed the issue and considered whether it would be enforceable. There was a consensus of the Council to not mandate face coverings in public

1 places but to highly recommend the use of face coverings. Following this discussion the Mayor
2 asked Council members if they were in favor of reducing the social gathering limit from 25 to 10
3 people and a consensus of the Council indicated they would leave it at 25 and decrease it to 10.
4

5 **Review Insurance renewal report for insurance agent, Gary Eastlund**

6 CM Richter provided the Council report and said this is for information only. She said a majority
7 of the claims were no fault of the City. She indicated Mr. Eastlund receives a commission from
8 what the City pays. The Council asked clarification questions in regards to the services provided.
9

10 **6. DECISION ITEMS**

11 **Resolution No. 1446, a resolution approving a rate increase for Solid Waste Disposal Services
12 provided by Dahl Disposal**

13 CM Richter summarized the Council report and said she prepared a resolution in case the Council
14 decided to adopt an increase and noted Dahl provided an option to not raise the rates due to the
15 pandemic. Operations Manager Chuck Lerwick and General Manager Joe Cook addressed the
16 Council and said they considered waiting some time before implementing an increase. CP Smith
17 asked if the Council could amend the Resolution to adopt the rate increase as of September 1,
18 2020. Mr. Lerwick replied yes.
19

20 **Motion** – It was moved and seconded (Smith/Kamikawa) to adopt Resolution No. 1446, a
21 resolution of the Toledo City Council approving a rate increase for Solid Waste Disposal Services
22 provided by Dahl Disposal and that rate is to become effective September 1, 2020 and the motion
23 carried four to two with Councilors Jukich and Kauffman opposed.
24

25 **Continue Public Hearing: Abatement of dangerous stairwell at apartment building located
26 at 109-115 SE 1st Street**

27 Mayor Cross opened the Public Hearing at 6:52 p.m. and asked members of the Council if they
28 wish to declare any conflicts of interest or ex parte contact since the last meeting. CM Richter
29 provided the report and said a structural report was conducted and provided to the Council
30 yesterday by e-mail. Captain Musil reviewed the repairs that were done to the deck/stairway and
31 said there were still some exposed areas and the wood used was not pressure treated as required in
32 the engineer's report. He indicated he confirmed with the engineer that the wood must be pressure
33 treated. The Council reviewed the information.
34

35 Mayor Cross closed the Public Hearing at 7:02 p.m.
36

37 The Council deliberated options and conditions and believed the property owner should complete
38 the repairs by August 1, 2020 including paying for one of the inspections or a lien would be
39 assessed on the property. CP Smith referenced the letter submitted by the property owner, which
40 stated safety is their top priority. He said this is the responsibility of the business owner; now the
41 issue is going through a third inspection and the taxpayers should not subsidize the repairs needed
42 on this property.
43

44 After further discussion, Mayor Cross outlined the conditions of the Order for the property owner:
45

- 46 • A dangerous condition exists located at 109-115 SE 1st St. Toledo, OR 97391.

- 1 • That the stairs must be rendered safe within 42 days and must meet inspection by the
2 engineer on or before August 1, 2020.
- 3 • The property owner will incur the costs of the initial inspection and the second inspection.
4 If the stairwell passes the third inspection, the City will pay for the third inspection.
5 Otherwise all costs belong to the property owner.
- 6 • Violation of this order constitutes a class A infraction punishable by a fine of \$1,000 and
7 will be deemed as a continuing violation pursuant to Toledo Municipal Code 1.20.150 if
8 the stairs are not rendered safe within 42 days, the Council will impose this fine.

9
10 **Motion** – It was moved and seconded (Cross/Smith) that the Council declare the stairs are a
11 nuisance in accordance with Toledo Municipal Code 15.12.020 and the evidentiary findings are
12 adopted as listed previously.

13
14 CA Robinson noted:

- 15 • If the property owner, Wayne Burkland fails to do any remediation then the City Council
16 may order an Abatement and Assessment by the City pursuant to Toledo Municipal Code
17 Chapters 15.12.070 – Abatement by City and 15.12.080 – Assessment to determine the
18 total cost of the work performed, including an administrative cost of twenty (20) percent if
19 the city performs the work, and assess that cost against the property on which the building
20 is situated. The assessment shall be declared by resolution, entered in the docket of city
21 liens, and shall then become a lien against the property.

22
23 Mayor Cross amended his motion to include that the cost of abatement will be assessed as a lien
24 against the property and CP Smith seconded the amended motion. Following discussion, the
25 motion carried unanimously.

26
27 **Resolution No. 1442, authorizing the expenditure of funds from the City Council Strategic
28 Reserve Fund to make small business loans available to businesses in Toledo**

29 CM Richter reported she has not received the answers to the questions the Council had from the
30 previous discussion and recommended this be moved to the next meeting. A consensus of the
31 Council concurred with CM Richter.

32
33 **Motion** – It was moved and seconded (Smith/Jukich) to move the item to the next meeting and the
34 motion carried unanimously.

35
36 **Resolution No. 1443, a resolution to transfer funds to correct Budget appropriations for
37 Fiscal Year 2019-2020**

38 CM Richter summarized the Council report and said this will transfer some dollars within the
39 current fiscal year. She said in some instances contract services were used instead of payroll costs
40 for example the Contract Planner and noted there is no net effect.

41
42 **Motion** – It was moved and seconded (Smith/Kamikawa) to approve Resolution No. 1443, A
43 resolution to transfer funds to correct budget appropriation for Fiscal Year 2019-2020 and the
44 motion carried unanimously.

1 **Public Hearing: Resolution No. 1444, a resolution declaring the City’s election to receive**
2 **State Shared Revenues for Fiscal Year 2020-2021**

3 Mayor Cross opened the Public Hearing at 7:36 p.m.
4

5 CM Richter provided a staff report and reviewed the resolution. Mayor Cross opened the floor for
6 public comment. After hearing no comments, he closed the Public Hearing at 7:38 p.m.
7

8 **Motion** – It was moved and seconded (Strom/Smith) to adopt Resolution No. 1444, a resolution
9 of the Toledo City Council declaring the City’s Election to receive State Shared Revenues for
10 fiscal 2020-2021 and the motion carried unanimously.
11

12 **Public Hearing: Resolution No. 1445, a resolution adopting the Budget appropriating funds**
13 **and levying taxes for Fiscal Year 2020-2021**

14 Mayor Cross opened the Public Hearing at 7:39 p.m.
15

16 CM Richter provided a staff report and noted for the record that there was scrivener’s error within
17 the Library Department budget. She said it does not affect the total dollar amount of the budget.
18 She reviewed the two changes of \$10,000 each in the adoption of the budget. She said one was
19 under General Fund, Library Department, the total of the transfers should be \$35,000 and the other
20 is under the General Fund, Unappropriated Surplus total should be \$610,149. Mayor Cross opened
21 the floor for public comment. After hearing no comments, he closed the Public Hearing at 7:41
22 p.m.
23

24 **Motion** – It was moved and seconded (Smith/Jukich) to accept the amendments as presented and
25 the motion carried unanimously.
26

27 **Motion** – It was moved and seconded (Smith/Strom) to adopt Resolution No. 1445, a resolution
28 of the Toledo City Council adopting the Budget, appropriating funds and levying taxes for the
29 Fiscal Year 2020-2021 and the motion carried five to one with Councilor Jukich opposed.
30

31 **Resolution No. 1447, extending the state of emergency declaration to July 1, 2020**

32 CM Richter indicated the current declaration will expire today and recommended it be extended.
33 The Council concurred and suggested it be extended to August 1.
34

35 **Motion** – It was moved and seconded (Smith/Jukich) to approve Resolution No. 1447, a resolution
36 of the Toledo City Council extending the state of emergency declaration to August 1, 2020 and
37 the motion carried unanimously.
38

39 **Surplus Fire vehicles and equipment for disposition**

40 FC Ammons provided the Council report and the Council asked clarification questions. FC
41 Ammons said any money received for the surplus equipment could be used to update any outdated
42 equipment for the Fire Department.
43

44 **Motion** – It was moved and seconded (Smith/Kamikawa) to declare fleet vehicles surplus and
45 dispose of them as allowed within the adopted City of Toledo Purchasing Manual and the motion
46 carried unanimously.

1 **7. REPORTS AND COMMENTS**

2 LD Trusty reported the Library continues to provide curbside service. Councilor Strom asked if
3 the Library provides books to the small library along Main Street. LD Trusty said they do not but
4 would be willing to supply some books.

5
6 FC Ammons reported the City received 4,000 masks from Lincoln County to be distributed to City
7 staff and/or the public. It was noted there will be another mask distribution event soon, date to be
8 determined.

9
10 PC Pace noted there will be professional standards webinars provided by the DPSST. He
11 recommended Council members sign up even if they cannot attend so they can access the recorded
12 webinars. He said a neighborhood watch group has started in the community.

13
14 PWD Zuspan said ballards will be installed in front of the Police department this week and there
15 was a broken line last night near SE 5th Street. Mayor Cross thanked the Public Works staff for
16 posting the banners along Main Street and Business 20 for the graduating class.

17
18 CR Figueroa reported the General Election is scheduled for November 3, 2020, there will be three
19 Council positions and the Mayor position up for election. She noted the filing period for candidacy
20 is currently open and there are two ways to file; by fee or by signature petition. She said
21 information is available on the City website along with her contact phone number for anyone who
22 has questions.

23
24 CM Richter reminded the Council there are two openings on the Planning Commission. The
25 Council inquired whether a person can reside within the Urban Growth Boundary (UGB). CR
26 Figueroa noted the Code says two Commissioners may be non-residents, but it does not specify
27 they must reside within the UGB. She noted one of the terms is currently occupied by a non-
28 resident.

29
30 The Council discussed whether they will continue to host meetings via Zoom if City Hall opens
31 up and meetings happen in person again. CM Richter indicated she is not considering opening City
32 Hall unless the County enters Phase 2.

33
34 CP Smith said he will not be available for the next meeting.

35
36 Councilor Kamikawa reported on the community gardens and indicated another location has been
37 selected.

38
39 Mayor Cross commented on being able to assist the community and local businesses, which is a
40 struggle for many other small communities. He said the League of Oregon Cities has announced
41 the annual conference and said it will be virtual. He said the Lincoln County School District
42 determined they will begin the next school year in a hybrid format.

1 **8. ADJOURNMENT**
2 The meeting adjourned at 8:24 p.m.

3
4 ATTEST:
5
6
7
8 _____
9 City Recorder Lisa Figueroa

APPROVE:

Mayor Rod Cross

DRAFT

	Meeting Date:	Agenda Topic:
	August 5, 2020	Appoint a Voting Delegate on behalf of the City of Toledo for the Annual League of Oregon Cities membership meeting
Council Goal:	Agenda Type:	
Not applicable	Consent Agenda	
Prepared by:	Reviewed by:	Approved by:
City Recorder L. Figueroa	City Manager Judy Richter	City Manager Judy Richter

Recommendation:

Motion to appoint Mayor Cross as the Voting Delegate on behalf of Toledo at the annual League of Oregon Cities membership meeting on October 15, 2020.

Background:

Each year, the League of Oregon Cities (LOC) holds a membership meeting during its annual conference. This year, the meeting is scheduled for Thursday, October 15, 2020. Each city is entitled to cast one vote at the membership meeting and LOC recommends cities in attendance appoint one voting delegate and one alternate for the meeting.

The City must submit its delegate to the LOC no later than Friday, August 28. Mayor Cross will attend the LOC’s annual conference this year and staff recommends [proposed motion] appointing him as voting delegate. Attached is a copy of the e-mail from LOC.

Fiscal Impact:	Fiscal Year:	GL Number:
N/A	2020-2021	N/A

Attachment:

1. July 24, 2020 LOC e-mail

From: [Jenna Jones](#)
Subject: City Voting Delegates for the LOC Annual Membership Meeting
Date: Friday, July 24, 2020 10:28:30 PM

Dear City Chief Administrative Official and City Recorder –

In concert with the 95th LOC Annual Conference, the LOC’s Annual Membership Meeting is scheduled for Thursday, October 15, at 2:15 p.m. This public meeting is open to all. Each member city is entitled to cast one vote at the membership meeting. City officials do not need to be registered for the LOC’s conference to attend the membership meeting. However, all cities are encouraged to attend the membership meeting. Members will vote on the LOC Board of Directors for 2021. If you have officials who plan to attend the meeting this year, please [complete the form online by clicking here](#). Your completed form is due by **Friday, August 28**.

The voting delegate form tells us who will be voting on behalf of your city during the Annual Membership Meeting on Thursday afternoon, October 15. Please note that delegates may not vote without giving the LOC their email and cell phone number on the electronic form. Voting by proxy is not permitted. Voting will happen live at the meeting. Since we are voting virtually, we ask that the city consider someone who is comfortable with many mediums of technology to be their voting delegate. Delegates will receive specific voting instructions prior to the membership meeting.

Thank you, and please let me know if you have any questions.



Jenna Jones, *Legislative Analyst*

503-588-6550 direct: 503-540-6608; cell: 971-707-0304
1201 Court St. NE, Suite 200, Salem, OR 97301-4194
www.orcities.org



	Meeting Date:	Agenda Topic:
	August 5, 2020	Review of the Final Draft of the Water and Sewer Rate Studies as prepared by Civil West Engineering
Council Goal:	Agenda Type:	
Not Applicable	Discussion and Information	
Prepared by:	Reviewed by:	Approved by:
City Manager J. Richter	City Manager Judy Richter	City Manager Judy Richter

Recommendation:

Review of the Final Draft of the Water and Sewer Rate Studies as prepared by Civil West Engineering

Background:

At the request of the City Council, Civil West Engineering prepared a water and sewer rate study with final draft dated July 24, 2020.

The study factored in the loss of revenue from Seal Rock building their own water supply and needed capital improvement projects as identified. Keven Shreeve from Civil West will be at our meeting on August 26 for any discussion and to answer any questions.

Fiscal Impact:	Fiscal Year:	GL Number:
N/A	2020-2021	N/A

Attachment:

1. Water & Sewer rate studies as prepared by Civil West dated July 24, 2020

City of Toledo

LINCOLN COUNTY, OREGON



WATER and SEWER RATE STUDIES

July 24, 2020



RENEWS: 06/30/20



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1. Executive Summary

1.1 **Background**

The City of Toledo authorized Civil West Engineering Services, Inc. to prepare the rate study for the City's water and sewer systems. The purpose of this study is to form a foundation for potential changes to the City's water and sewer rate structure in support of financial stability and for major infrastructure development. This study will also discuss the impact of losing a major water consumer, the Seal Rock Water District (SRWD), when they no longer purchase water from the City in the next couple of years.

Pricing of services should accurately reflect the true costs of providing high-quality water and sewer services to consumers to operate and maintain infrastructure and plan for upcoming repairs, rehabilitation, and replacement of that infrastructure. Rates must be sufficient enough to *maintain* and *sustain* reliable, safe, and efficient water and sewer service, now and into the future.

In general, it has been found the current rates for water and sewer services do not provide adequate capital to maintain a healthy and consistent balance in the water and sewer funds. Currently neither fund is in a deficit, but neither is sufficient for funding recommended needed improvements.

- The Water System fund balance currently has an upward account trend. However, in the past five years, some years finished "in the black," while others were "in the red." It is noted the expenses for all the years considered in this Study exceeded the revenue generated from the residents of the City of Toledo only (Figure 2.1). The water fund, due to the loss of SRWD, will be impacted.
- The Sewer System fund balance currently has an upward account trend. However, in the past three years expenditures have exceeded the revenues. The sewer system is in particularly in need of a rate adjustment.

This Study includes review of the 2014-2018 City Audits and the current 2019-20 budget. This Rate Study uses four City funds in this analysis:

1. Water Fund
2. Water Reserve Fund
3. Sewer Fund
4. Sewer Reserve Fund

Other funds, like the Water Construction Fund (fund used minimally) and System Development Fund (which deals with System Development Charges) were not included in this evaluation because of the nature and use of the Fund.

1.2 Current Water Rate Structure

The City of Toledo implemented the current water rate structure in May of 2019. For a typical residential water customer (5/8” meter) the base charge is \$29.47/month (facility charge of \$24.04 plus service charge of \$5.43) for no water allotment. The first thousand gallons and every thousand gallons thereafter is charged at \$4.61/month. For the past few years, the City has been increasing rates annually at 2%. Figure 2.2 shows the fund essentially breaking even. Table 2.3 presents the water rate schedule and is placed here for convenience to the reader.

Table 2.3 Current Water Rate Structure Effective May 21, 2019

City of Toledo		Facilities Charge	Service Charge	Usage Charge per 1,000 gallons
		\$24.04	\$5.43	\$4.61
Flat Rates by Meter Size				
Meter Size	Multiplier	Facilities Charge	plus Service Charge	Outside City
5/8	1.0	\$24.04	\$29.47	\$58.95
3/4	1.5	\$36.06	\$41.49	\$82.99
1	2.6	\$62.50	\$67.94	\$135.87
1.25	4.1	\$98.56	\$104.00	\$207.99
1.5	5.9	\$141.84	\$147.27	\$294.54
2	10.5	\$252.42	\$257.85	\$515.70
3	23.6	\$567.34	\$572.78	\$1,145.55
4	41.9	\$1,007.27	\$1,012.71	\$2,025.41
6	94.3	\$2,266.96	\$2,272.40	\$4,544.79
8	167.5	\$4,026.69	\$4,032.12	\$8,064.24
10	261.0	\$6,274.42	\$6,279.85	\$12,559.70
12	377.0	\$9,063.05	\$9,068.48	\$18,136.96
Seal Rock Water District		\$3.67 per 1,000 gallons		

The average residential connection (5/8” meter) water consumption is near 4,000 gallons per month (Water Master Plan Update 2017). Based on 4,000 gallons per month, a typical average residential monthly water bill in Toledo is:

$$\begin{aligned} \text{Current Base Rate (Facilities+Service Charges)} &= \$29.47 \text{ per month per EDU (no water included)} \\ \text{Current Usage Charge (Consumption Rate)} &= \$4.61 \text{ per 1,000 gallons of water consumed} \\ \text{Current Average Water Charge} &= \$47.91 \text{ based on 4,000 gallons of use per month} \end{aligned}$$

Note the following aspects of the above rate structure:

1. A fixed base rate (“Facilities Charge + Service Charge”) is used but varies for the size of meter.
2. A flat rate usage charge is consistent to every user regardless of the meter size. Customers pay the same amount per 1,000-gallons regardless of quantity of water used.

3. There are many customers who live outside the City limits – “Outside City” users base rate is doubled but the same flat rate is applied. “Outside City” users do not include Seal Rock Water District (SRWD).
4. SRWD has their own rate and is charged a straight flat usage charge per 1,000 gallons.

The City has a Capital Improvement Plan (Water Master Plan Update 2017) with the first two phases already completed. The remaining recommended projects are:

- Phase 3 – refurbishment of two water storage tanks.
- Phase 4 – replacement of the Mill Creek Pump Station and transmission piping. The 2017 Plan Update indicates a cost share with Seal Rock Water District for the Mill Creek improvements. However, with this customer soon leaving, the burden of finishing the CIP projects will fall entirely upon the City of Toledo.
- The total estimated capital project cost is nearly \$15,000,000.

Contrary to the 2017 Water Master Plan, the City has since determined the best long-term approach is total replacement of the Ammon Road Storage Tank and to maintain refurbishment of the Graham Street Storage Tank. Tank replacement is expected to be nearly \$1,200,000. The total capital project, taking into account replacement of one tank, becomes \$16,000,000.

1.3 Current Sewer Rate Structure

The City of Toledo implemented the current sewer structure in May of 2019. For a typical residential sewer customer, the base charge is \$17.10/month for the first 1,000 gallons of water. The second thousand gallons and every thousand gallons thereafter is charged a flat rate of \$15.99/month. For the past few years, the City has been increasing rates annually at 2%. Sewer flows are based on metered water consumption from January to April. The sewer rate schedule is presented in Table 2.4, shown for convenience to the reader.

Table 2.4 Current Sewer Rate Structure Effective May 21, 2019

Base rate includes first thousand gallons. Rate per thousand based on average usage January - April	
Base rate	Flat Rate per thousand
\$17.10	\$15.99

The past year the City, recognizing the need for additional sewer revenue, redirected \$5/month from the street lighting fund to the sewer fund. Based on 4,000 gallons per month of water consumption, a typical average residential monthly sewer bill in Toledo is:

$$\begin{aligned}
 \text{Current Base Rate} &= \$17.10 \text{ per month per EDU (1,000 gallons incl.)} \\
 \text{Street Lighting Fund} &= \$ 5.00 \text{ per month} \\
 \text{Current Usage Charge (Consumption Rate)} &= \underline{\$15.99 \text{ per 1,000 gallons of water consumed after the first}} \\
 \text{Current Average Sewer Charge} &= \underline{\$70.07 \text{ based on 4,000 gallons of use per month}}
 \end{aligned}$$

Having such a low base rate with a relatively high consumption rate can make for an inconsistent revenue stream, which would be reduced considerably if people started to use less water.

Regardless of water used, the cost of sewage treatment does not reduce significantly if people use less water.

The City has a Capital Improvement Plan (Wastewater Facilities Plan 2014) with improvement projects listed. The City has completed, or currently completing, a few of the projects. Taking into account inflation and subtracting the completed projects from the CIP, there is over \$8,000,000 worth of priority improvements to make.

1.4 Philosophy

The City is a business that must generate revenue. How that is done varies from City to City and from user to user. Fairness and equity is a goal, but what is fair to one may be perceived as not fair to another. The rate study analysis contained herein considers the financial requirements of the City for operation and maintenance of the systems. It also considers the financial requirements that will occur when the City undertakes the planned CIP projects. The following criteria were considered in this study:

1. Rates fair and equitable to all customers
2. Account for current times and future projections (CIPs, changes and needs, loss of Seal Rock WD)
3. Revenue reflective of usage
4. Goal: Pay-As-You-Go for smaller capital projects

The new rates and projected revenues provide the City with the necessary revenue required to support operations and improvement plans as well as provide the requisite debt service coverage for the lending institutions.

1.5 Proposed Rate Increase

1.5.1. Water Rate

Based upon discussions with City elected officials and staff, analysis of the City's financial situation, and experience in other communities, the following new water rate structure is recommended to the City:

New water base rate	\$60.30 per EDU per month
<u>New consumption rate</u>	<u>\$5.00 per 1,000 gallons</u>
Proposed average new rate	\$80.30 per month / EDU based on 4,000 gal/month

The rate increase can be incremental over several years as discussed later.

The City may choose to set aside money to fund a hardship water rate program. The details about who will qualify for this program and how it will be administered will be determined outside of this rate study.

It is also recommended the City adopt an annual rate increase philosophy to counteract the effects of inflation. It was determined a minimum annual rate increase of 3% per EDU should be

part of the City's water rate program. The increase is recommended to be applied directly to both the base rate and the consumption rate.

By setting and maintaining an adequate water rate, the City will not have to defer maintenance and work to catch up on deficiencies in the future when improvements will cost more.

1.5.2. Sewer Rate

Sewer and water rates can be treated differently. Because collection and treatment costs of sewer, to a point, don't fluctuate greatly based on flow (e.g. treatment doesn't get much cheaper if people use less water), it is recommended there be a single base rate with no consumption component. Based upon discussions with staff, analysis of the City's financial situation, and experience in other communities, the following new sewer rate structure is recommended to the City:

Proposed sewer base rate\$103.44 per EDU per month

The rate increase can be incremental over several years as discussed later.

1.6 Conclusions

Based on our analysis of the financial records and other information and taking into account conservative considerations and assumptions as set forth in this report, we conclude and are of the opinion that:

1. The City's current rate structures are not adequate to support a healthy and stable water and sewer system operation in Toledo nor is it capable of supporting planned CIP upgrades as set forth in the City's Water Master Plan and Wastewater Facility Plan Capital Improvement Plans. Therefore, rate increases are recommended to be implemented.
2. Based on the analysis herein, the City should increase water rates by around \$30 per month per EDU and sewer rates by \$33 per month per EDU. This will allow the City to continue to make improvements outlined in the CIPs, put the City on a firm financial footing moving forward, and provide a conservative level of lien coverage to satisfy the funding institutions. Any changes to the forecast or conditions of assumptions outlined in this analysis could change these conclusions.
3. An annual rate increase of 3% should be implemented to help the water and sewer fund keep up with potential inflationary impacts.
4. By implementing the proposed rate increases, the City's water and sewer systems should be healthy, solvent, and capable of meeting all of their debts and obligations in a responsible way.

2. Introduction to Rate Study

The City of Toledo is located approximately 10 miles due east of Newport and 45 miles west of Corvallis on Highway 20, in Lincoln County. The City owns and operates a water and sewer system comprised of the following components:

Water Infrastructure:

- Two raw water intakes
- Miles of raw water piping
- Water Treatment Facility
- Two treated water storage tanks
- Miles of treated water distribution piping
- Booster pump stations, and other related facilities.

Sewer Infrastructure:

- Miles of gravity collection piping
- Manholes
- Wastewater Treatment Facility
- Lift Stations
- Miles of pressure force main

Summaries of the financial history of the water and sewer funds from 2014-2019 and current budget are presented below in Tables 2.1 and 2.2 respectively and accompanying graphs.

2.1 Historical and Existing Water System

2.1.1. Water Revenue

Revenues for the water fund are obtained from a variety of sources. These include customer payments, connection fees, service charges, and other minor income sources. Most revenues to the water fund are derived from local customers in Toledo and from revenue received from the Seal Rock Water District (note: SRWD will soon be leaving as a customer). The City also serves as the wholesale supplier of finished water the Wright Creek Road Water Improvement District.

As indicated in Table 2.1, the amount of revenue received from all users has ranged from \$1.64M to over \$1.75M. Revenue projections for 2019-2020 assumed revenues from Toledo will essentially remain the same.

Table 2.1 also indicates revenues received from the SRWD, which have averaged around \$390k historically. The budget forecast for 2019-2020 suggests nearly \$347k in revenues to be received from SRWD.

2.1.2. Water Obligations / Expenditure

Obligations for the City's water fund include personnel, materials, and services for the water plant as well as for the distribution system. Other obligations for the account include operational costs, engineering and professional services support, repairs and maintenance, and many other categories of expenditures.

As indicated in Table 2.1, total expenditures for the Water Funds have historically ranged from \$1.39M to as high as \$1.90M. In year 18-19 the City started paying personnel directly from the water fund (rather than making transfers to other funds to pay for the personnel). In year 16-17

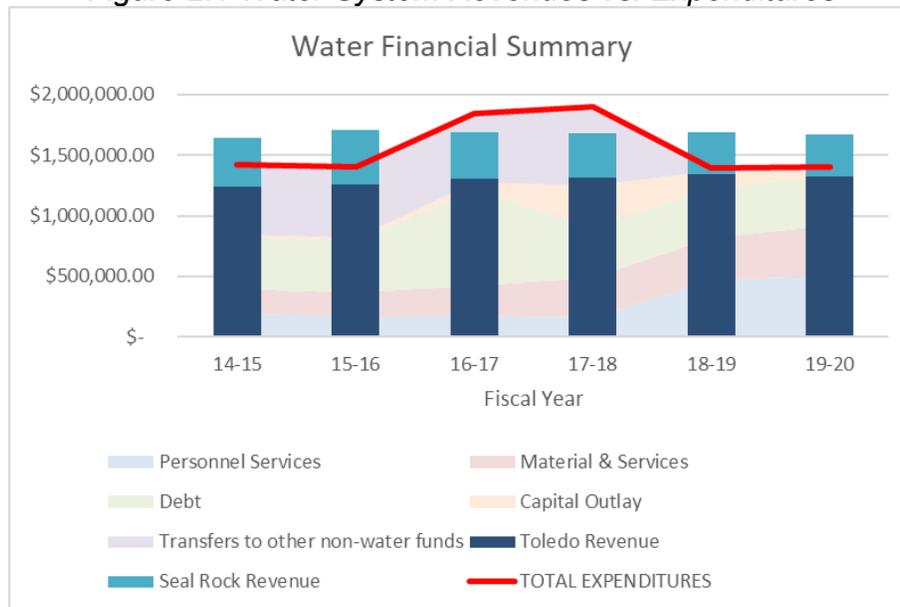
the City refinanced their debt and additional money was spent. Expenditures for 2020 are projected to essentially be the same as in prior years.

Table 2.1 Water System Revenues and Obligations

Description	Fiscal Year					Budget
	14-15	15-16	16-17	17-18	18-19	19-20
Toledo Revenue (General Fund)	\$ 1,235,463.10	\$ 1,256,886.24	\$ 1,301,594.90	\$ 1,313,110.60	\$ 1,346,514.11	\$1,323,485.00
Toledo Revenue (Reserve)	\$ 3,769.69	\$ 48,490.76	\$ 12,711.77	\$ 38,927.77	\$ 645.41	\$
Seal Rock Revenue	\$ 404,195.87	\$ 446,284.55	\$ 384,428.30	\$ 370,913.90	\$ 342,026.40	\$ 346,985.00
TOTAL REVENUE	\$ 1,643,428.66	\$ 1,751,661.55	\$ 1,698,734.97	\$ 1,722,952.27	\$ 1,689,185.92	\$1,670,470.00
Transfers to other non-water funds	\$ 574,730.17	\$ 582,989.98	\$ 562,976.84	\$ 651,047.98	\$ 18,760.00	\$22,500.00
Personnel Services	\$ 192,393.83	\$ 170,511.94	\$ 181,617.29	\$ 162,830.91	\$ 464,857.52	\$509,684.00
Material & Services	\$ 208,232.02	\$ 196,053.44	\$ 243,797.74	\$ 331,147.29	\$ 350,375.49	\$409,622.00
Debt	\$ 422,432.50	\$ 422,932.50	\$ 786,508.89	\$ 414,191.13	\$ 417,555.00	\$417,562.00
Capital Outlay	\$ 23,492.47	\$ 28,254.74	\$ 66,760.69	\$ 344,701.26	\$ 140,906.61	\$45,575.00
TOTAL EXPENDITURES	\$ 1,421,280.99	\$ 1,400,742.60	\$ 1,841,661.45	\$ 1,903,918.57	\$ 1,392,454.62	\$1,404,943.00
SURPLUS / (SHORTFALL)	\$ 222,147.67	\$ 350,918.95	\$(142,926.48)	\$(180,966.30)	\$ 296,731.30	\$ 265,527.00
Beginning Balance						
Water Fund	\$ 747,337.66	\$ 740,007.97	\$ 849,398.90	\$ 429,307.57	\$ 304,189.66	\$ 404,190.00
Water Reserve Fund	\$ 639,841.58	\$ 869,318.94	\$ 1,110,846.96	\$ 1,388,011.81	\$ 1,332,163.42	\$ 2,001,880.42
TOTAL CASH IN HAND	\$ 1,387,179.24	\$ 1,609,326.91	\$ 1,960,245.86	\$ 1,817,319.38	\$ 1,636,353.08	\$ 2,406,070.42

Figure 2.1 illustrates the historical revenues (illustrated as revenue from Toledo and Seal Rock WD) and expenditures from the City of Toledo Water Fund for the past 5-years plus this budget year.

Figure 2.1 Water System Revenues vs. Expenditures



2.1.3. Water Fund Surplus / Shortfall

The history of shortfall and surplus for the water fund for the past several years is summarized below in Figure 2.2. As illustrated, the City has experienced a pattern of “up years” and “down years;” however, the 6-year trend is level, meaning there has essentially been sufficient revenue

to offset expenditures. While up and down years are not uncommon, the City should develop a revenue stream to avoid annual shortfalls that reduce the City’s capacity to respond to emergencies and properly maintain and improve their water system.

Figure 2.2 Water Surplus and Shortfall History

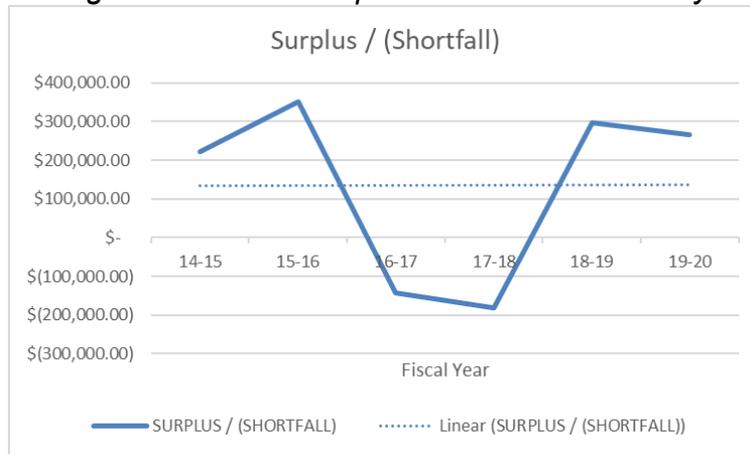
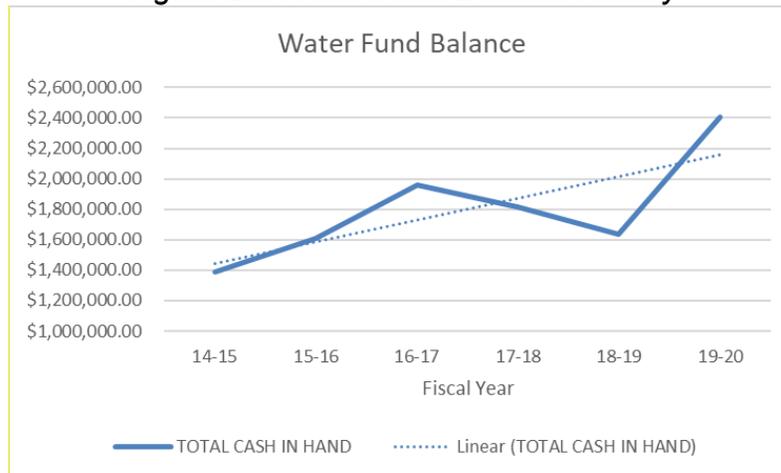


Figure 2.3 illustrates the recent history of the water fund balance (cash-in-hand) in Toledo. The 6-year trend shows the fund increasing.

Figure 2.3 Water Fund Balance History



2.2 Historical and Existing Sewer System

2.2.1. Sewer Revenue

Revenues for the sewer fund are obtained from a variety of sources. These include customer payments, connection fees, service charges, and other minor income sources.

As indicated in Table 2.2, the amount of sewer revenue received from Toledo patrons has ranged from around \$985k to nearly \$1.09M. Revenue projections for 2019-2020 assumed revenues from Toledo will essentially remain the same.

2.2.2. Sewer Obligations / Expenditures

Obligations for the City’s sewer fund include personnel, materials, and services for the wastewater treatment plant as well as for the collection system. Other obligations for the account include operational costs, engineering and professional services support, repairs and maintenance, and many other categories of expenditures.

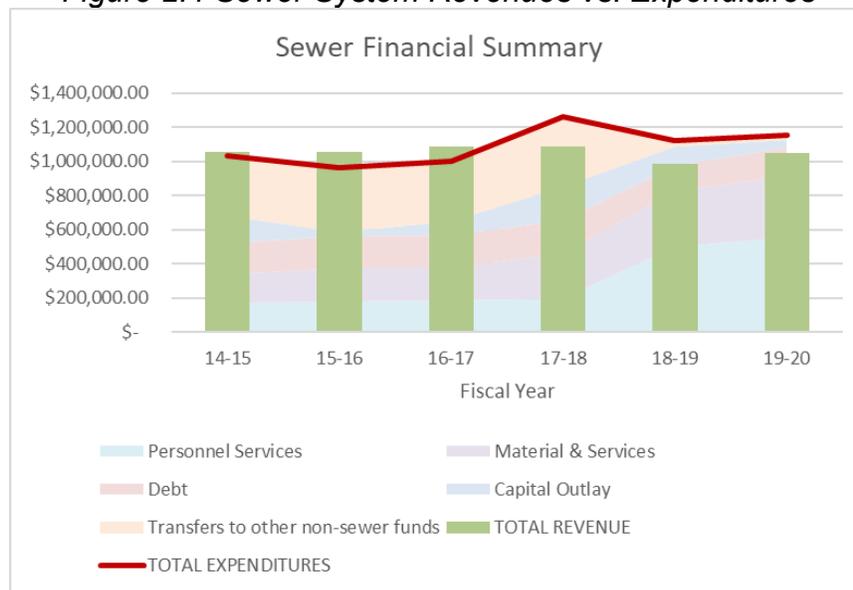
As indicated in Table 2.2, total expenditures for the Sewer Funds have historically ranged from \$960k to as high as \$1.26M. Revenue projections for 2020 have assumed that revenues from Toledo will essentially remain the same.

Table 2.2 Sewer System Revenues and Obligations

Description	Fiscal Year					Budget
	14-15	15-16	16-17	17-18	18-19	19-20
Toledo Revenue (General Fund)	\$ 1,046,051.67	\$ 1,054,477.82	\$ 1,085,645.60	\$ 1,079,601.35	\$ 984,019.55	\$1,161,590.00
Toledo Revenue (Reserve)	\$ 7,809.44	\$ 1,222.73	\$ 3,253.75	\$ 4,323.52	\$ 1,769.02	
TOTAL REVENUE	\$ 1,053,861.11	\$ 1,055,700.55	\$ 1,088,899.35	\$ 1,083,924.87	\$ 985,788.57	\$1,161,590.00
Transfers to other non-sewer funds	\$ 351,509.04	\$ 375,406.72	\$ 350,659.25	\$ 408,622.73	\$ 33,760.00	\$25,000.00
Personnel Services	\$ 170,204.54	\$ 181,035.52	\$ 185,604.49	\$ 200,405.61	\$ 500,431.18	\$553,579.00
Material & Services	\$ 164,034.34	\$ 191,591.44	\$ 192,109.40	\$ 264,844.80	\$ 323,010.37	\$362,575.00
Debt	\$ 188,952.00	\$ 188,952.00	\$ 188,977.29	\$ 190,021.97	\$ 148,245.00	\$164,438.00
Capital Outlay	\$ 159,708.98	\$ 23,671.54	\$ 83,823.12	\$ 194,847.90	\$ 118,470.10	\$45,998.00
TOTAL EXPENDITURES	\$ 1,034,408.90	\$ 960,657.22	\$ 1,001,173.55	\$ 1,258,743.01	\$ 1,123,916.65	\$1,151,590.00
SURPLUS / (SHORTFALL)	\$ 19,452.21	\$ 95,043.33	\$ 87,725.80	\$ (174,818.14)	\$ (138,128.08)	\$ 10,000.00
Beginning Balance						
Sewer Fund	\$ 111,848.98	\$ 226,879.35	\$ 199,162.49	\$ 224,330.95	\$ 134,540.98	\$ 110,490.00
Sewer Reserve Fund	\$ 315,258.32	\$ 219,680.16	\$ 342,440.35	\$ 404,997.69	\$ 319,969.52	\$ 319,969.52
TOTAL CASH IN HAND	\$ 427,107.30	\$ 446,559.51	\$ 541,602.84	\$ 629,328.64	\$ 454,510.50	\$ 430,459.52

Figure 2.4 illustrates the historical revenues and expenditures for the City of Toledo Sewer Fund for the past 5-years. In year 18-19 the City started paying personnel directly from the sewer fund (rather than making transfers to other funds). Expenses have exceeded revenue the past three years.

Figure 2.4 Sewer System Revenues vs. Expenditures



2.2.3. Sewer Fund Surplus / Shortfall

The history of shortfall and surplus for the sewer fund for the past several years is summarized below in Figure 2.5. The 6-year trend shows the sewer revenue not keeping up with expenditures. This graph (trend) alone warrants consideration to a sewer rate increase.

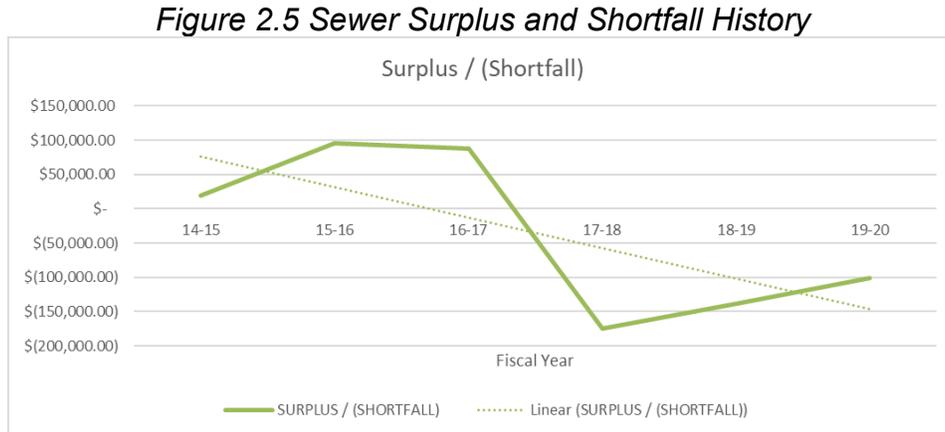
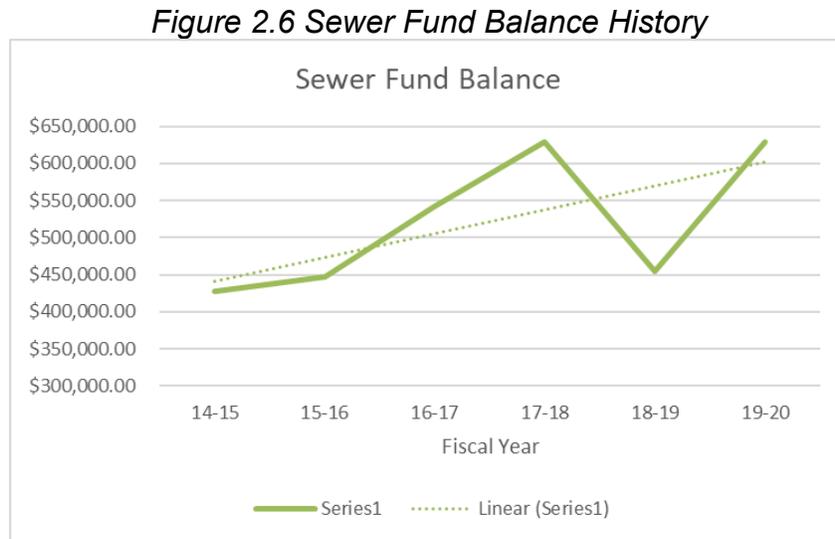


Figure 2.6 illustrates the recent history of the sewer fund balance. While the fund has a positive balance history, it's up and down performance should be leveled out with a more consistent revenue/expense ratio. The fund balance is very small, even at its highest point. The 6-year trend shows the fund increasing.



2.3 Rate Structures

2.3.1 Current Water Rate Structure (Fiscal Year 2019-2020)

The existing rate structure in the City of Toledo includes a base rate and a volumetric consumption rate. For larger customers, or commercial and industrial customers utilizing larger

meters, a unit multiplier is applied against the base rate to account for increased demand placed on the system by large users or the potential of such demand.

Table 2.3 summarizes the basic components of the existing water rate structure in Toledo. The facilities charge and the service charge make up the total base rate for the overall water rate structure. Currently, the base rate for a typical 5/8” meter residential connection is \$29.47. Users are also charged a flat consumption rate of \$4.61/1000 gallons of water used.

The standard meter size in Toledo is the 5/8” meter. The existing rate structure is built upon a system where the 5/8” meter is the common denominator resulting in a “multiplier” of 1.0 against the base rate. For larger meters, a multiplier is applied against the base rate to compensate for the actual or potential demand of the larger user (using a larger meter) on the overall water system.

The average water use, per the City’s Water Master Plan Update, February 2017, is approximately 4,000 gallons/month. Based on the rates below, the average water charge is calculated as follows:

$$\begin{aligned} \text{Base Rate} &= && \$29.47/\text{month} \\ \text{Consumption Rate} &= 4,000/1,000 \text{ gallons} \times \$4.61 = && \$18.44/\text{month} \\ \text{Total Average Residential Charge} &= && \$47.91/\text{month} \end{aligned}$$

Table 2.3 Current Water Rate Structure Effective May 21, 2019

		Facilities Charge	Service Charge	Usage Charge	
		\$24.04	\$5.43	\$4.61	
Meter Size	Multiplier	(A) Facilities Charge	(B) Facilities Charge + Service Charge (inside City)	(C) Facilities Charge + Service Charge (outside City)	Usage Charge (all users) \$/1000 gal
5/8"	1.0	\$24.04	\$29.47	\$58.95	\$4.61
3/4"	1.5	\$36.06	\$41.49	\$82.99	\$4.61
1"	2.6	\$62.50	\$67.93	\$135.87	\$4.61
1-1/4"	4.1	\$98.56	\$103.99	\$207.99	\$4.61
1-1/2"	5.9	\$141.84	\$147.27	\$294.54	\$4.61
2"	10.5	\$252.42	\$257.85	\$515.70	\$4.61
3"	23.6	\$567.34	\$572.77	\$1,145.55	\$4.61
4"	41.9	\$1,007.28	\$1,012.71	\$2,025.41	\$4.61
6"	94.3	\$2,266.97	\$2,272.40	\$4,544.79	\$4.61
8"	167.5	\$4,026.70	\$4,032.13	\$8,064.24	\$4.61
10"	261.0	\$6,274.44	\$6,279.87	\$12,559.70	\$4.61
12"	377.0	\$9,063.08	\$9,068.51	\$18,136.96	\$4.61

(A) = base facilities charge x multiplier (B) = A + Service Charge (C) = B x 2

Seal Rock Water District	\$3.67 per 1,000 gallons (effective January 1, 2020)
---------------------------------	--

The City also provides water to two wholesale water districts and several dozen water customers who are located outside of the City Limits but not within one of the wholesale districts. A

special rate is applied to these customers that doubles the base rate but charges the same consumption rate as all other customers.

2.3.2 Current Sewer Rate Structure (Fiscal Year 2019-2020)

The City currently uses metered “winter average” water consumption when calculating sewer fees. The fee rate is based on water usage during the winter (January to April). There is no differentiation as to the size of the meter or whether the customer is residential, commercial, or industrial. The Sewer Base Rate of \$17.10 includes the first thousand gallons and every thousand gallons thereafter is charged at \$15.99. For the past few years, the City has been increasing their rates annually at 2%. Table 2.4 summarizes the existing sewer rate structure in Toledo.

Table 2.4 Current Sewer Rate Structure Effective May 21, 2019

Base Rate includes first thousand gallons.	
Rate per thousand based on average usage January - April	
Base Rate	Rate per thousand
\$17.10	\$15.99
\$5/month/User from Street Lighting Fund transferred to Sewer	

The average water use, per the City’s Water Master Plan Update, February 2017, is approximately 4,000 gallons/month. Based on the rates below, the average sewer charge is calculated as follows:

Base Rate (includes first 1,000 gallons) =	\$17.10/month
Street Lighting Transfer =	\$ 5.00/month
Consumption Rate = 3,000/1,000 gallons x \$15.99 =	\$47.97/month
Total Average Residential Charge =	\$70.07/month

2.4 Needed Revenue Adjustment

2.4.1. Basic Rate Increase

Based on the above summary, it is apparent both systems are in need of a general rate adjustment. The water system needs to anticipate and account for the loss of the Seal Rock Water District. The sewer system has been struggling for a few years with expenses exceeding revenues.

2.4.2. Capital Improvement Plans (CIP)

Both systems have identified needed capital improvements. At this time, financing of these improvements has not been accounted for. Rate adjustments are necessary to pay the debt that will be incurred to pay for these improvements. The following Section 3 will summarize the identified CIP projects, the financial costs, and financing/funding scenarios. The project and financing costs will be summarized as the impact to an equivalent dwelling unit (EDU), Tables 3.5 and 3.6.

2.4.3. Annual System Replacements

The City does not have an active and aggressive system replacement program. The City is encouraged to include in their maintenance budget a revenue stream earmarked for various identified system component replacements. An aggressive and consistent replacement program will significantly reduce the need for capital projects and thereby, in the long run, save the citizens of Toledo money.

3. Capital Improvement Plan (CIP) Projects

3.1 CIP Water System

Recently, the City completed a comprehensive Water Master Plan (WMP) Update (Civil West, February 2017) that evaluated all the existing City water facilities, identified deficiencies, and developed projects to address those deficiencies over a 20-year planning horizon. The recommended projects were organized into priority groups listed in the order they should be undertaken. Together, this group of projects became the City’s Capital Improvement Plan for the water system.

A detailed description of each project, project cost estimates, and other information can be found in the City of Toledo Water Master Plan Update. The following projects (two phases) have not been completed and are recommended:

- Refurbishment of both the Ammon Road and Graham Street water storage tanks. Both tanks need interior refurbishment, with the larger Ammon Road tank needing both interior and exterior work. *However, due to the continuing severity of the condition of the Ammon Road tank, City staff has recently determined to seek to replace this tank as soon as possible. Tank replacement is expected to be nearly \$1,200,000.* The cost of replacement has been taken into account in this rate analysis.
- Replacement of the Mill Creek Pump Station and Transmission Piping. This project is high in cost but must be addressed to avoid potential disruption of service should a catastrophic line break occur. In the past year there has been some talk about changing the treatment type to membranes which would allow water to be used from the Siletz year-round. This change may be cheaper than replacing the entire Mill Creek Transmission Piping. A study and cost analysis are necessary to further consider the best alternative. For purposes here, the original pipeline replacement costs will be used.

Table 3.1 Water CIP Projects (WMP Update 2017)

Water CIP - Phase 3			Potential Cost Share Distribution	
Item	Description	Opinion of Probable Project Cost	Toledo Share	Seal Rock Share
S2	Ammon Rd. Storage Tank Refurbishment	\$318,000	\$318,000	\$0
S3	Graham St. Storage Tank Refurbishment	\$176,000	\$176,000	\$0
		\$494,000	\$494,000	\$0
Water CIP - Phase 4			Potential Cost Share Distribution	
Item	Description	Opinion of Probable Project Cost	Toledo Share	Seal Rock Share
WS3	Mill Creek Pump Station and Transmission Piping	\$11,300,000	\$5,650,000	\$5,650,000
		\$11,300,000	\$5,650,000	\$5,650,000

The table above summarizes the total estimated project costs associated with each remaining project on the CIP and the estimated share of each project between the City of Toledo and the Seal Rock Water District.

The City cannot undertake all projects simultaneously and not all projects are as critical as the next. Therefore, an effort was made to organize the projects into priority categories. It should be understood that all projects on the CIP are important and none should be considered as optional. However, if the City wishes to undertake projects in a systematic and orderly manner, a phasing plan was recommended in the Toledo Water Master Plan Update.

Accounting for 7-years of inflation, and increasing the cost due to replacement of the water tanks, it is estimated the total remaining Water CIP cost is approximately \$17.0M as shown in Table 3.2 (not taking into account any other identified improvements since the completion of the WMP).

Table 3.2 Water CIP Present Cost Projection

City of Toledo - Water 2017 CIP Priority Cost Adjustment	
Description	Item Cost
Phase 3:	
Ammon Rd. Storage Tank - Replace	\$ 1,200,000.00
Graham St. Storage Tank - Refurbish	\$ 176,000.00
Phase 4:	
Mill Creek Pump Station and Piping	\$ 11,300,000.00
<i>Total Identified CIP Costs (2017)</i>	<i>\$ 12,676,000.00</i>
Inflation Interest Rate (7-years)	2.5%
<i>Future Value (2024) rounded</i>	<i>\$ 15,100,000.00</i>
Project Interim Financing	\$ 900,000.00
Opinion of Probable Cost Total (rounded)	\$16,000,000.00

Depending on when projects are undertaken and how fast they are completed, the project costs will increase over time. As such, rates will need to be reviewed to confirm that the City has the revenue required to fund the projects over time.

3.2 CIP Sewer System

The City completed a comprehensive Wastewater Facilities Plan (WWFP) in March 2014 that evaluated all the existing City wastewater facilities, identified deficiencies, and developed projects to address those deficiencies over a 20-year planning horizon. The recommended projects were organized into priority groups and became the City’s Capital Improvement Plan for the sewer system. The following is only a summary of the projects that have not been completed since the WWFP was written. It is recommended the City consider an update to the WWFP (plans should be updated at least every five years).

- Wastewater Treatment Facility Improvements: Headworks, Effluent Booster Pumps, Outfall, Sludge Handling and Storage.
- Gravity Collection System Improvements: There were many improvement projects identified and prioritized in the Inflow and Infiltration (I&I) investigation study (May 2011). Projects involve completing necessary improvements to the City’s gravity

wastewater collection system. Many improvements have been made, or currently underway.

- Lift Station Improvements: Butler Bridge Station Improvements; Ammon Road Lift Station Improvements; “A” Street Lift Station Improvements and the “A” Street Lift Station Force Main; High School Lift Station Improvements; Lincoln Way Lift Station Improvements.

The projects vary in their criticality. A summary of the recommended projects costs (Year 2014 costs) are provided in the table below.

Table 3.3 Wastewater CIP Project Cost Summary

Recommended Improvements and Alternatives:			
Priority 1 Projects:			
Facility	Alternative, Recommendation	Description	Total Cost
Wastewater Treatment Plant	Headworks	New Flow Equalization Weir	\$25,000
	Outfall Pipe	Replace Portion of Outfall	\$207,230
	Effluent Booster Pumps	Install Effluent Booster pumps	\$246,935
	Sludge Alternative A	Sludge Storage Tank	\$514,829
Ammon Road Lift Station	Alternative B	New Wet Well	\$1,303,543
Butler Bridge Lift Station	Alternative B	New Wet Well	\$1,404,767
Butler Bridge Force Main	Recommendation	Replace Portion of Force Main	\$262,049
Collection System (Piping and Manholes)	I & I - Priority 1	Pipe Replacement, Lining, Bursting or Patching; Manhole Rehabilitation	\$380,935
Total Priority 1 Projects:			\$4,345,288
Priority 2 Projects:			
Facility	Alternative, Recommendation	Description	Total Cost
"A" Street Lift Station	Alternative A	Dry Pit Upgrade	\$671,248
"A" Street Lift Station Force Main	Recommendation	Replace Force Main	\$172,175
Collection System (Piping and Manholes)	I & I - Priority 2	Pipe Replacement, Lining, Bursting or Patching; Manhole Rehabilitation	\$565,400
Total Priority 2 Projects:			\$1,408,823
Priority 3 Projects:			
Facility	Alternative, Recommendation	Description	Total Cost
High School Lift Station	Alternative B	Upgrades and Life Extension Improvements	\$233,651
Hospital Lift Station	Alternative B	Upgrades and Life Extension Improvements	\$148,928
Collection System (Piping and Manholes)	I & I - Priority 3 & 4	Pipe Replacement, Lining, Bursting or Patching; Manhole Rehabilitation	\$490,340
Total Priority 3 Projects:			\$872,919
Total Overall Plan Cost:			\$6,627,030

Accounting for 10-years of inflation and realizing a few of the projects listed above (e.g. Butler Bridge Force Main and other I/I projects) have been completed, it is estimated the total remaining Sewer CIP cost is approximately \$8.17M as shown in Table 3.4 (not taking into account any other identified improvements since the completion of the WWFP).

Table 3.4 Sewer CIP Present Cost Projection

City of Toledo - Wastewater 2014 CIP Priority Cost Adjustment	
Priority	Cost
Priority 1 Projects	\$ 4,345,288.00
Butler Bridge FM completed	\$ (262,049.00)
I/I Improvements in progress	\$ (380,935.00)
Priority 2 Projects	\$ 1,408,823.00
Priority 3 Projects	\$ 872,919.00
<i>Total Identified CIP Costs (2014)</i>	<i>\$ 5,984,046.00</i>
Inflation Interest Rate (10-years)	2.5%
<i>Future Value (2024) rounded</i>	<i>\$ 7,670,000.00</i>
Project Interim Financing	\$ 500,000.00
Opinion of Probable Cost Total (rounded)	\$ 8,170,000.00

It should be understood all projects on the CIP are important and none should be considered as optional. Depending on when projects are undertaken and how fast they are completed, the project costs will increase over time. As such, rates will need to be reviewed to confirm that the City has the revenue required to fund the projects over time.

3.3 Background Data for Funding

Infrastructure funding for municipalities is usually accomplished through public finance, loans, grants, bonds, principle forgiveness, or a combination thereof. Funding agencies usually use certain parameters to assess the type and level of funding assistance that a community can receive. These parameters include:

- Local and State Median Household Income (MHI)
- Existing Debt Services
- Water and Sewer Uses Rates
- Low/Moderate Income Level Percentage
- Financial Stability
- Project Need

3.4 CIP Project Funding and Financing Options

The City has a variety of options available for funding water and sewer improvement projects. This section will briefly discuss the funding alternatives that are available to the City for funding water and sewer system upgrades.

Unfortunately, there are likely no grants that will pay for 100% of the needed improvements, the City will need to incur debt to complete the CIP projects, and other major projects that may develop. Based on recent history, the City could anticipate 20%-30% grant contribution, the remaining balance to be financed over the amount of time deemed reasonable and practical. Based on CIP project costs presented in Sections 3.1 and 3.2 above, the following tables present probable financing scenarios for both the water and sewer systems for 20- to 40-year debt service. Financing interest rate of 3.50% was used. The bottom line shows the monthly increase

per EDU (equivalent dwelling unit) if all the recommended CIP projects were done. A 30-year financing strategy is typical among many municipalities.

Table 3.5 Water CIP Financing Scenarios

Financial Components	Financing Years				
	20	25	30	35	40
Capital Cost	\$16,000,000	\$16,000,000	\$16,000,000	\$16,000,000	\$16,000,000
Net Capital Cost to City (assume 25% Grant Award)	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000
Total Payment per Year (3.50%)	\$844,333	\$728,088	\$652,456	\$599,980	\$561,927
Total Monthly Cost	\$70,361	\$60,674	\$54,371	\$49,998	\$46,827
Total Interest Cost over loan	\$4,886,658	\$2,202,211	\$3,573,679	\$4,999,306	\$6,477,095
Total Cost of Funding (P+I)	\$20,886,658	\$18,202,211	\$19,573,679	\$20,999,306	\$22,477,095
Monthly Share Per EDU	\$30.22	\$26.06	\$23.36	\$21.48	\$20.11

Table 3.6 Sewer CIP Financing Scenarios

Financial Components	Financing Years				
	20	25	30	35	40
Capital Cost	\$8,170,000	\$8,170,000	\$8,170,000	\$8,170,000	\$8,170,000
Net Capital Cost to City (assume 25% Grant Award)	\$6,127,500	\$6,127,500	\$6,127,500	\$6,127,500	\$6,127,500
Total Payment per Year (3.50%)	\$431,137	\$371,780	\$333,160	\$306,365	\$286,934
Total Monthly Cost	\$35,928	\$30,982	\$27,763	\$25,530	\$23,911
Total Interest Cost over loan	\$2,495,250	\$3,167,004	\$3,867,310	\$4,595,271	\$5,349,867
Total Cost of Funding (P+I)	\$10,665,250	\$11,337,004	\$12,037,310	\$12,765,271	\$13,519,867
Monthly Share Per EDU	\$23.47	\$20.24	\$18.13	\$16.68	\$15.62

Funding agencies generally require cities to include an additional 10 percent to the overall monthly loan payment to cover any incidental cost or any unanticipated decrease in water consumption. The City’s ability to obtain funding will greatly affect the rate increase applied to all customers.

3.4.1. Bond Sales

The City may choose to sell bonds to raise the capital necessary to make the system improvements. Two types of bonds are generally used for this purpose:

General Obligation Bonds. General obligation or GO bonds are municipal bonds that are “backed” by the full faith and credit of the issuer. GO bonds are generally repaid through an increase in property taxes. For a community such as Toledo, the GO bonds can be an attractive option as the property tax payments are tax deductible, are not based on use, and are collected whether a customer occupies the home full or part time. GO bonds guarantee a stable and consistent stream of revenue. As they are considered a lower risk investment, the interest rates on GO bonds issued are generally lower than other alternatives. GO bonds require voter approval for issuance.

Revenue Bonds. Revenue bonds differ from GO bonds in that they are repaid through a municipality's revenue stream or by user rates. The full faith of the issuer is not behind revenue bonds; therefore, the interest rate on revenue bonds is generally higher than GO bonds. One advantage of revenue bonds is that they do not require voter approval.

Bonds sales, regardless of type, have several requirements and processes that must be met for the bond sale to move forward. These requirements vary but generally include:

- Project documentation to prove feasibility of the project and the funding plan.
- Assistance from a bond counsel agent
- Retain a year of payments, in reserve, to provide a level of confidence that the City will not default on their debt payments.
- The bond process includes issuance costs and, many times, interim financing that increases the overall cost of a project.
- Other requirements and steps to negotiate the process of obtaining funding.

3.4.2. Bank Loans

In some cases, regular lending institutions will provide funding for public infrastructure projects. However, banks typically do not provide long term infrastructure funding. Banks generally seek to limit their funding to 5-7-year interim financing for public infrastructure projects.

3.4.3. Business Oregon (e.g. Infrastructure Finance Authority)

Business Oregon (BO) administers resources aimed at community development activities primarily in the water and sewer infrastructure sectors. Funding programs include:

- Community Development Block grants (CDBG)
- Safe Drinking Water Revolving Loan Fund (SDWRLF)
- Special Public Works Funds
- Water/Wastewater Financing

The SDWRLF provides below market interest rates and forgivable loan awards. Financial offerings vary based on factors including the community's median household income (MHI), current water rates, and how rates would be impacted when the project is complete. The MHI is based on the 5-Year American Community Survey (ACS) figure for the city or other more appropriate census statistical unit (e.g., census tract and/or block group) that is representative of the water system's users.

The SDWRLF generally must be used to address a health or compliance issue and could potentially provide a loan up to \$6 million per project. To receive a loan, the project must be ranked high enough on the Project Priority List in the Intended Use Plan developed by the State. A Letter of Interest (LOI) must be submitted before a project can be listed in the Intended Use Plan. The LOI Process is open all year long for submissions. Loan terms are typically 3-4% interest for 20 years; however, "Disadvantaged Communities" can potentially qualify for 1% loans for 30 years as well as partial principle forgiveness.

All recipients of SDWRLF awards need to complete an environmental review on every project in accordance with the State Environmental Review Process (SERP), pursuant to federal and state environmental laws. The Environmental Report typically required can cost \$25,000 to \$75,000 depending on the specific biological, cultural, waterway, and wetland issues that arise.

Loans and grant are available through the Special Public Works funds and Water/Wastewater Financing depending on need and financial reviews by Business Oregon.

Drawbacks of the SDWRLF program include:

- It is highly competitive.
- There is no guarantee the City will receive funding and grant awards are unlikely.
- There are extensive environmental and permitting requirements in the program that take time and money to obtain approval.
- The program is generally slow to materialize funding, with many variables affecting timing. Generally speaking, obtaining funding from the SDWRLF program is at least a two-year process.

3.4.4. Rural Development/Rural Utilities Services (RUS)

The United States Department of Agriculture (USDA) Rural Utilities Services (RUS) has a Water and Wastewater Programs Division which provides loans, guaranteed loans, and grants for water infrastructure projects for towns of less than 10,000 persons. Grants are only available when necessary to keep user costs at reasonable levels (very similar to BO threshold rates). Loans can be made with repayment periods up to 40 years. Interest rates vary but often are around 4% for design/construction loans. Environmental reporting is required similar to that for the SDWRLF but with slightly different criteria.

3.4.5. DEQ Clean Water State Revolving Fund (CWSRF)

The Clean Water State Revolving Fund (CWSRF) Loan Program administered by the Oregon Department of Environmental Quality (DEQ) provides low-cost loans for the planning, design, and construction of a variety of projects that address water pollution. The loans through the CWSRF program are available to Oregon's public agencies, including cities, counties, sanitary districts, soil and water conservation districts, irrigation districts and various special districts.

Congress established the CWSRF in 1987, to replace the Construction Grants program, which has provided direct grants to communities to complete sewer infrastructure projects. The CWSRF program provides several types of loans and varying interest rates. Loans may be available with terms of 5 years around 1.00% APR to 20 years around 2.50% APR.

There are six different types of loans available within the program. These include traditional planning design and construction loans. There are loans available for emergencies, urgent repairs and local community projects. Each of these types has different financial terms and is intended to provide communities with choices when financing water quality improvements. Interest rates of various loans are substantially discounted from the bond rate. For example, with a quarterly bond

rate of 5.0%, the CWSRF interest rates (depending on the type of loan) would range from 0.97% to 3.88%. Loan payback periods vary, ranging from 5 to 20 years. Loans do include an annual loan fee of 0.5% of the outstanding balance. Planning loans are exempt from this fee.

Eligible projects include:

- Wastewater system plans and studies
- Secondary or advanced wastewater treatment facilities
- Irrigation improvements
- Infiltration and inflow correction
- Major sewer replacement and rehabilitation
- Qualified storm water control
- Onsite wastewater system repairs
- Matching funds for some U.S. Department of Agriculture conservation programs
- Estuary management efforts
- Various nonprofit source projects (stream restorations, animal waste management, conservation easements)
- Qualified brownfields projects

All eligible proposed projects are ranked based upon their application information and entered on the program's Project Priority List. Points are assigned based on specific ranking criteria. Newly ranked projects are integrated into the priority list on a regular basis. The Project Priority List is incorporated within DEQ's annual Intended Use Plan which indicates the proposed use of the funds each year.

Projects are funded based on the availability of loan monies. If monies are insufficient to fund all the approved projects, funds are distributed to as many projects as possible based on the Project Priority List. Each time new monies become available, those monies are allocated to as many unfunded or partially funded projects as possible.

3.4.6. System Development Charges (SDC)

Portions of the project that are necessary or related to growth in the system or increases in capacity can be paid for through System Development Charge (SDC) contributions. The City has an active SDC program that collects SDC fees from new development or customers that require a significant increase or change in water consumption.

The drawback of utilizing SDC funds for payment of a major public infrastructure project is that the funding is not guaranteed to be in place. Because SDC collection requires development or growth in the system, it cannot be relied upon to provide funding for City projects.

For the purposes of this rate study, we are neglecting any potential funding that may, or may not be, available from SDC's. If additional funding becomes available through the collection of SDC's, and the selected project is SDC eligible, it can be utilized to accelerate loan payback or offset future rate increases where appropriate.

4. Proposed Water Rate Structure

The primary purpose of a water rate is to generate revenue for the City to cover the costs to deliver reliable water service to residents and businesses. There are a number of options available for establishing rates. The structure presented in this section relies on common methods and industry standards for rate structures.

4.1 **Rate Structure Options**

4.1.1. **Water Base Rate**

The base rate (or fixed regular service charge) is a charge to “customers even if they use no water at all. Most of the water system’s costs are fixed, so it makes sense that the base charge makes up most of a customer’s bill” (Oregon Health Authority (OHA) Drinking Water Services: Developing a Rate Structure).

The base rate may or may not include a usage allowance. If the base rate includes a certain amount of use, it means a higher base rate must be charged resulting in less control over the size of utility bill for the customer. However, it also means a steadier cash flow for the City.

Base rates that do not include consumption allow individual customers the freedom to lower their effective monthly rates by reducing consumption. Rates of this type also encourage conservation, and typically make customers more aware of their monthly water use. The City of Toledo currently has a base rate with no base allowance of consumption.

Generally speaking, a base rate should be developed that will cover all, or nearly all, of the City’s fixed obligations, administrative costs, and operating costs if little or no water is actually sold. The logic is that, regardless of water consumption, the City can meet their obligations and continue to operate the water system. An adequate base rate ensures a steady revenue stream regardless of whether people are using water or not. In practice, setting the base rate requires a balance of consideration of the users, both large and small, and actual water consumption.

In short, the base rate could account for the following *fixed expenses*:

- Personnel: Labor, Retirement, Training, Benefits
- Operation (daily/annual): Power, Supplies, Equipment
- Maintenance: Materials, Supplies, Equipment
- Loan Debt(s)
- Capital Improvements (short- and long-term)

4.1.2. **Water Consumption (Commodity) Rate**

The variable portion of a customer’s bill that tracks water consumption is the commodity rate. It is simplest to set one price per gallon (flat rate) for any amount of water used. However, tiered rates, discussed below, can be used if deemed appropriate and practical.

A consumption rate is a charge that is applied to defined units of water consumption in a community. Usually based on blocks of 100 cubic feet or 1,000 gallons, a water supplier can charge an equitable amount of water per unit based on what it costs to produce and provide water services for that unit of water. Many consider the consumption rate the best approach for water sales as those who use a great deal of water will pay an appropriate amount based on the water they used. Also, customers can relate to consumption billing as it compares to familiar practices for fuel, electricity, phone bills, and other common billing practices.

Historically, the City of Toledo has relied upon a combination base rate plus consumption rate (per 1,000 gallons of water consumed) to charge their customers. Through the utilization of an appropriate consumption rate charge, individual customers can lower their monthly water expense by using less water. Consumption rates also prevent small users from subsidizing larger users.

Consumption rates can be flat or tiered:

- Single Block or Flat. Regardless of the volume of water used, the usage rate remains the same. This rate is often coupled with a minimum base charge for having service available. Toledo currently uses a flat consumption rate coupled with a base charge.
- Decrease Block or Tiered. The price of water declines as the amount used increases. Each succeeding consumption block is cheaper. This structure is based on the assumption that costs decline as consumption goes up. A step-down rate structure may be justified for users like industries and businesses who employ local residents and otherwise support a community and provide beneficial uses.
- Increase Block or Tiered. The price of water increases as the amount used increases. Each succeeding consumption block is more expensive. Structure based on the assumption that water rates should promote water conservation and require high water use customers to bear the burden of increased capacity requirements.

In short, and whatever the type of rate used, the consumption rate should account for:

- Contingency / Emergency
- Savings

4.2 Reasonable and Affordable Water Rates

Public funding agencies adjust their interest rates, grant assistance, and other funding categories depending on the level of need or support a community has. The funding available through the funding agencies is limited, and therefore, the programs are highly competitive. Criteria are established to help determine who is in greater need of support. The agencies also do not want to subsidize systems that are not charging enough for their water. Therefore, defining what a “reasonable” water rate is requires an evaluation of each community and their particular circumstances.

“Affordability calculations can provide a general idea of the water bill’s impacts on a customer’s monthly budget. And these calculations can help determine eligibility for grants or low-interest loans” (OHA, Developing a Rate Structure). Two water system affordability rate comparisons can be used:

1. **Rate Comparisons.** In order to compare the City’s rates to the Oregon average, the unit cost of water is applied to a state average usage of 7,500 gallons of water per month. This is the Oregon standardized consumption rate which funding agencies typically use when awarding grants; this provides an “apples to apples” comparison. The current average water charge in the State of Oregon is around \$55/month based on an average water consumption of 7,500 gallons per month. Table 4.1 below shows a Toledo resident would be charged \$64.05/month for 7,500 gallons of usage at the City’s current rate. This fee exceeds the current average statewide fee of \$55.00.

Table 4.1 Reasonable Rates Based on Rate

Water Used (gal/month)	Base Charge	Consumption Charge	Total Monthly Charge
4,000	\$29.47	\$18.44	\$47.91
7,500	\$29.47	\$34.58	\$64.05
State of Oregon average (@ 7,500 gal.)			\$55.00

2. **Median Household Income (MHI).** The most common method is to consider what portion of the typical Median Household Income (MHI) is dedicated to paying the average water rate in a community. Each agency is different with the criteria ranging from 1.25% to 1.75%. If the average water bill in a community exceeds the MHI criteria, it is generally considered to be excessive or burdensome to the residents of the community. Business Oregon calculates an Affordability Rate by multiplying the water system MHI by 1.25% and dividing by 12 months. The Affordability Rate is compared to the monthly residential water charge per equivalent dwelling unit (EDU). Those communities with both an MHI below the state average and projected rates in excess of the affordability rate *at project completion* are potentially eligible for lower interest rates and the greatest amount of forgivable loan award. Table 4.2 below provides a summary of a monthly rate based on the MHI in Toledo.

Table 4.2 Reasonable Rates Based on MHI

Water Used (gal/month)	2017 Average Mean Household Income (MHI)*	Average Water Cost Based on Current Rate Structure	1.25% MHI
4,000	\$48,281.00	\$47.91	\$50.29

*2017 estimates from the US Census Bureau

Based upon the above analysis and realizing a rate increase is necessary as discussed within this report, the recommended rate increase will exceed the 1.25 % threshold. Toledo should qualify for the best financial assistance if they were to pursue project funding.

While passing the affordability test does not guarantee that a community would be eligible for grant assistance, it is one of the tools used by the funding agencies to determine what communities have the greatest needs.

4.3 Rate Methodology

When considering potential new rates for the City of Toledo, it was important to consider several key factors. These include:

1. How much revenue must be obtained by the new rate increase in order to meet the following expenses:
 - a) Offset the loss of Seal Rock Water District?
 - b) Replace equipment and materials?
 - c) Repayment of loans for CIP projects?
2. How will the historic water use practices affect the revenue production of the City?
3. How will the historic water consumption practices of the community change in the face of a significant rate increase?
4. What combination of base and consumption rate will work the best for the most people in the community (knowing that no rate increase or proposed rate structure will be met with approval from everyone)?

The City will require a certain amount of revenue each month to accomplish the following:

1. Offset the loss of SRWD.
2. Pay for the operation and maintenance of the water system including personnel, materials, services, etc.
3. Pay existing debt
4. Pay new debt resulting from undertaking projects on the CIP.
5. Annual routine replacement of pipelines and equipment.
6. Cover increases in costs due to inflation.

4.4 Justification for New Water Rate

In order to determine new rates for the water system, a determination of necessary revenues was required. Three issues exist: (1) the lost revenue from Seal Rock Water District must be made up; (2) new revenues are necessary to keep the system financially stable and able to make identified capital improvements; and (3) annual system replacements and upgrades. The proforma (Section 4.5) analysis determined the amount of new revenues that are required to set the water fund on a firm foundation.

4.4.1. Seal Rock Water District (SWRD) Impact

The loss of the Seal Rock Water District's revenue (approximately \$347,000/year) is the equivalent of increasing each current Toledo EDU's water rate approximately \$12.50/month. In other words, to absorb the revenue loss, at a minimum, Toledo users would be paying another \$12.50/month. The argument could be made that with the loss of SRWD less water is produced

and treated so therefore operation costs would decrease. This may be true, but the loss of revenue is significantly more noticeable than the operations saving. The City is losing net money by losing SRWD as a customer.

As noted earlier, the water system is generally fiscally sound. Although losing SRWD will be a significant impact, it is possible for the City to meet its day to day needs with little impact to the individual user. The proforma suggests the City needs to anticipate a minimum rate increase equivalent to 15% of the average SWRD revenue. A per Toledo EDU rate increase is calculated as follows:

- \$52,050/year (15% of \$347,000) = **\$1.86/month per Toledo EDU**.

4.4.2. Recommended CIP Projects

As developed in Section 3.1, the total anticipated CIP is approximately \$16,000,000. This amount of money would need to be borrowed with a means to pay back the debt. Table 3.5 showed financing scenarios based on an interest rate of 3.5%, 25% grant award, and 2,328 Toledo EDUs. As shown in the proforma, CIP revenue increase and spending are spread over three years. To accomplish all the CIP projects, as presented, the user rate increase for CIP work is:

- **\$23.36/month per EDU**

4.4.3. Annual Replacement

Annual system replacements of pipes, pumps, etc. due to normal wear-and-tear should be proactively anticipated and planned for. Table 4.3 shows the water system components and an annual upkeep cost of the system. The life expectancy of components and equipment is the driving force behind determining a replacement revenue stream.

Table 4.3 Life Expectancies and Annual Replacement

Component	Life Expectancy	Units	Unit Cost	Value	Annual Depreciation / Replacement Value
	Years				
Pipes	80	185,000	\$ 70	\$ 12,950,000	\$161,875
Treatment Plant	40			\$ 8,000,000	\$200,000
equipment	20			\$ 2,000,000	\$100,000
Booster Station	40	3	\$ 250,000	\$ 750,000	\$18,750
equipment, valves, PRV, etc.	20	3	\$ 250,000	\$ 750,000	\$37,500
Tank	40	3,350,000	\$ 1.25	\$ 4,187,500	\$104,688
Meters	12	1,486	\$ 300	\$ 445,800	\$37,150
Service Laterals	12	1,486	\$ 750	\$ 1,114,500	\$92,875
Intake on Siletz	40			\$ 4,000,000	\$100,000
Raw Water Pipeline from Siletz	80	30,000	\$ 100	\$ 3,000,000	\$37,500
Mill Creek Dam	100			\$ 4,600,000	\$46,000
Raw water Pipeline from Mill Creek Dam	80			\$ 10,000,000	\$125,000
TOTAL				\$ 51,797,800	\$1,061,338

On an average, per the above assumptions and calculations, the City should spend approximately \$1,061,338/year for maintenance and upkeep of the water system. This would equate to

approximately a \$38/month/EDU increase in the water rate, just for this category. This amount of money is significant. For purposes of this report, we recommend the City consider doing something rather than nothing. As such, we recommend the City budget a minimum of \$200,000 earmarked for maintenance and replacement. A user rate increase is calculated as follows:

- $\$200,000 / 2,328 \text{ EDUs} / 12 \text{ months} = \underline{\underline{\$7.16/\text{month per EDU}}}$

Table 4.4 summarizes the final end user rate based on the above discussion. It is not recommended the City immediately adjust the rate to this level. The proforma spreads the cost of CIP and system replacement over a few years. As such, rate increases can be incremental. Rather than a wide annual variation of rate adjustments, we recommend a systematic and incremental user rate increase to account for the above-described adjustments, approximately 7.2% each year for the next 6-years, as shown in Table 4.5 below.

Table 4.4 Potential New Average User Rate

Potential New Average User Rate			
	Revenue Source	Net Annual Increase	EDU/Month
	Current Avg. Use Rate		\$47.91
#1	SRWD Loss (2021)	\$52,050.00	\$1.86
#2	CIP (w 25% Grants) (2023-25)	\$652,455.98	\$23.36
#3	System Replacement (2022)	\$200,000.00	\$7.16
	Future New Rate	\$904,505.98	\$80.29

This proposed rate would place the City above the affordability threshold often used by funding agencies to determine grant needs for a community. The best funding options would be available to the City.

4.5 Water Proforma

A detailed proforma evaluation was completed for the water fund in Toledo for the next 20-year planning period. The goal of this proforma was to attempt to predict the performance and condition of the water fund while the City undertakes projects, repays debt, adjusts for inflation, and continues to provide water to their local and wholesale customers.

A number of conservative assumptions were made as part of this analysis. The purpose of the assumptions was to account for changing conditions and build in protection for the City resulting from the many unknown and uncertain variables that exist. Conservative assumptions that were built into the proforma include, but are not limited to, the following:

1. Inflation will increase steadily at a rate of 3% per year; therefore, rates are assumed to increase 3% each year to counteract the effects of inflation.
2. Population growth will be zero; therefore, there will be no income generated from new customers in the form of additional water sales or system development charges (SDCs).

With these assumptions in place, we will have considered an unlikely and, perhaps, worst case scenario for the City to ensure the finances of the City will be healthy under more likely

conditions. However, the financial health and the rate status of the water system should be regularly reviewed, and adjustments made as unknowns and assumptions become known and as conditions change.

Table 4.3 below summarizes the proforma analysis for the first 6 years of the planning cycle. A 20-year proforma can be found in the Appendix.

Table 4.5 Water System Proforma Summary (2019-2026)

7.2%	Incremental Rate Increase		\$51.36	\$55.06	\$59.02	\$63.27	\$67.83	\$72.71
	Average Monthly User Rate	\$47.91	\$50.84	\$55.23	\$55.04	\$62.74	\$70.48	\$72.04
	Annual % Revenue Increase		6.1%	8.6%	-0.4%	14.0%	12.3%	2.2%
Description		Budget	Budget	5-Year Fiscal Year Projections (3% Annual Revenue and Expenditure Increases)				
		19-20	20-21	21-22	22-23	23-24	24-25	25-26
	Annual Beginning Fund Balance	\$0	\$265,527	\$603,597	\$964,335	\$1,186,748	\$1,313,093	\$1,343,751
Line	Description							
Revenues								
1	Toledo Revenue Projections (w/ 3% annual increase)	\$1,323,485.00	\$1,363,189.55	\$1,404,085.24	\$1,446,207.79	\$1,489,594.03	\$1,534,281.85	\$1,580,310.30
2	Rate Increase #1 (SRWD Replace) (w/ 3% annual increase)		\$52,050.00	\$53,611.50	\$55,219.85	\$56,876.44	\$58,582.73	\$60,340.22
3	Rate Increase #2 (CIP w/ 25% Grants)				\$217,485.33	\$434,970.65	\$652,455.98	\$652,455.98
4	Rate Increase #3 (System Replace) (w/ 3% annual increase)			\$100,000.00	\$200,000.00	\$206,000.00	\$212,180.00	\$218,545.40
5	Seal Rock Revenue Projections	\$346,985.00	\$357,394.55	\$368,116.39				
Total Revenue		\$1,670,470.00	\$1,772,634.10	\$1,925,813.12	\$1,918,912.97	\$2,187,441.12	\$2,457,500.56	\$2,511,651.90
Expenses and Debt								
6	Transfers to other non-water funds	\$22,500	\$23,175.00	\$23,870.25	\$24,586.36	\$25,323.95	\$26,083.67	\$26,866.18
7	Personnel Services	\$509,684	\$524,974.52	\$540,723.76	\$556,945.47	\$573,653.83	\$590,863.45	\$608,589.35
8	Material & Services	\$409,622	\$421,910.66	\$434,567.98	\$447,605.02	\$461,033.17	\$474,864.16	\$489,110.09
9	Capital Outlay	\$45,575	\$46,942.25	\$48,350.52	\$49,801.03	\$51,295.06	\$52,833.92	\$54,418.93
10	Rate Increase #3 (System Replace) (w/ 3% annual increase)			\$100,000.00	\$200,000.00	\$206,000.00	\$212,180.00	\$218,545.40
	Sub-Total Typical Expenses	\$987,381.00	\$1,017,002.43	\$1,147,512.50	\$1,278,937.88	\$1,317,306.01	\$1,356,825.19	\$1,397,529.95
11	Existing debt service	\$417,562.00	\$417,562.00	\$417,562.00	\$417,562.00	\$417,562.00	\$417,562.00	\$417,562.00
12	Rate Increase #2 (CIP w/ 25% Grants)					\$326,227.99	\$652,455.98	\$652,455.98
	Sub-Total Annual Debt Service	\$417,562.00	\$417,562.00	\$417,562.00	\$417,562.00	\$743,789.99	\$1,070,017.98	\$1,070,017.98
Total Expenditures		\$1,404,943	\$1,434,564	\$1,565,075	\$1,696,500	\$2,061,096	\$2,426,843	\$2,467,548
Water System Fund Yearly Savings		\$265,527	\$338,070	\$360,739	\$222,413	\$126,345	\$30,657	\$44,104

The top three rows (orange highlight) shows the incremental rate increases over the next 6-years needed to bring the current rates to where the rates need to be, based on the projected income and projected expenses. An annual incremental rate of approximately 7.2% is required. After 6-years the rate increase will fall back to the inflation-offsetting rate of 3%.

Figure 4.1 below is a graphical summary of the proforma analysis of the water system for a few years of the planning period. As can be seen in the figure, the water system is projected to increase and keep in line with a 3% inflation rate. It is recommended the City review the financial status every five years and adjust the rate structure, as necessary, to account for changes that diverge from the assumptions in this analysis. This may necessitate further increases in the rate structure or, potentially, decreases in the rate structure if it is found that the conservative assumptions in this analysis prove to be too aggressive.

Figure 4.1 Water System Fund Proforma Analysis
Graphical Representation of Projected Fund Performance over Planning Period

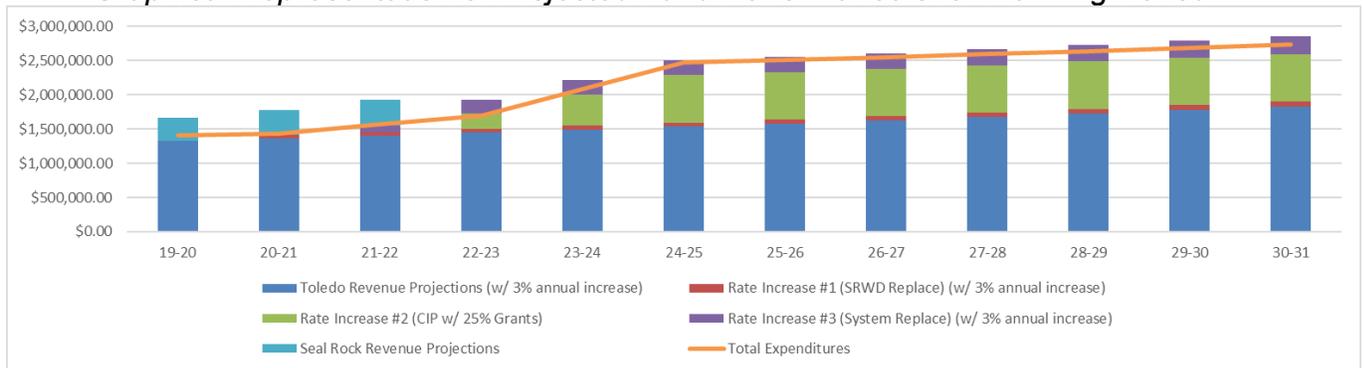


Figure 4.1 shows peaks indicating influxes of funding to pay for major capital improvement projects (“Rate Increase #2”) during the planning period. It is anticipated funding will not be secured in lump sums, but rather more slowly over time as expenses are incurred.

4.6 New Rate Structure Options

Once the new average rate is determined, the City must select a new rate structure for the implementation and collection of the new rate. The new rate structure should include two components:

1. A base rate component
2. A consumption rate component

The combination of the two rate components, when considering typical water consumption patterns, should result in the new average water rate for the Toledo water system.

Table 4.7 illustrates a rate matrix for the City of Toledo. The matrix shows how the different combinations of base and consumption rates can be combined to meet the minimum average rate requirement needed to produce the required revenue stream. The grey-shaded area within the matrix indicates rate combinations (base and consumption) that meet or exceed the rate level that is required to meet the revenue requirements for the City. The combinations on the “edge” of the shaded area are the lowest-impact options that will satisfy the revenue requirements.

Any of the combinations below would qualify as a viable rate structure for the City of Toledo. The City should consider how much of an increase to place upon the base rate and the consumption rate when determining the final rate structure.

As discussed in Section 4.1, and from the matrix, the following are example rate structures.

- 100% Base Rate = \$80.29 + \$0.00 / 1,000-gallons (based on no consumption)
- 75% Base Rate = \$60.30 + \$5.00 / 1,000-gallons
- 50% Base Rate = \$40.30 + \$10.10 / 1,000-gallons
- 0% Base Rate = \$ 0.00 + \$20.07 / 1,000-gallons (based solely on consumption)

4.7 Recommended New Water Rate Structure

Recommending a new rate structure which is projected to provide the required revenues for the City’s water fund, remaining CIP improvements, and to fund a system replacement fund, without high variations of revenue, is the overarching goal. While the decision ultimately rests with the City, we recommend a high base rate and accompanying consumption rate to match. We recommend the base rate be 75% of the needed revenue.

Table 4.6 summarizes the proposed rate structure for standard 5/8” residential meters and other sectors of the community including commercial, industrial, and customers located outside of the system (who are not part of the wholesale district customers).

Table 4.6 Rate Structure Table

		Base Facilities Charge	Usage Charge	
		\$60.30	\$5.00	
Meter Size	Multiplier	(A) Facilities Charge	(B) Facilities Charge (outside City)	Usage Charge (all users) \$/1000 gal
5/8"	1.0	\$60.30	\$120.60	\$5.00
3/4"	1.5	\$90.45	\$180.90	\$5.00
1"	2.6	\$156.78	\$313.56	\$5.00
1-1/4"	4.1	\$247.23	\$494.46	\$5.00
1-1/2"	5.9	\$355.77	\$711.54	\$5.00
2"	10.5	\$633.15	\$1,266.30	\$5.00
3"	23.6	\$1,423.08	\$2,846.16	\$5.00
4"	41.9	\$2,526.57	\$5,053.14	\$5.00
6"	94.3	\$5,686.29	\$11,372.58	\$5.00
8"	167.5	\$10,100.25	\$20,200.50	\$5.00
10"	261.0	\$15,738.30	\$31,476.60	\$5.00
12"	377.0	\$22,733.10	\$45,466.20	\$5.00
		(A) = base facilities charge x multiplier	(B) = A x 2	

Varying Base Rates (\$ per month)	Varying Consumption Rates (\$ per 1000 gal)														
	\$4.61	\$5.00	\$5.30	\$5.60	\$5.90	\$6.20	\$6.50	\$8.00	\$8.30	\$8.60	\$8.90	\$9.20	\$9.50	\$9.80	\$10.10
\$29.47	\$47.91	\$49.47	\$50.67	\$51.87	\$53.07	\$54.27	\$55.47	\$61.47	\$62.67	\$63.87	\$65.07	\$66.27	\$67.47	\$68.67	\$69.87
\$38.70	\$57.11	\$58.70	\$59.90	\$61.10	\$62.30	\$63.50	\$64.70	\$70.70	\$71.90	\$73.10	\$74.30	\$75.50	\$76.70	\$77.90	\$79.10
\$39.50	\$57.94	\$59.50	\$60.70	\$61.90	\$63.10	\$64.30	\$65.50	\$71.50	\$72.70	\$73.90	\$75.10	\$76.30	\$77.50	\$78.70	\$79.90
\$40.30	\$58.74	\$60.30	\$61.50	\$62.70	\$63.90	\$65.10	\$66.30	\$72.30	\$73.50	\$74.70	\$75.90	\$77.10	\$78.30	\$79.50	\$80.70
\$41.10	\$59.54	\$61.10	\$62.30	\$63.50	\$64.70	\$65.90	\$67.10	\$73.10	\$74.30	\$75.50	\$76.70	\$77.90	\$79.10	\$80.30	\$81.50
\$41.90	\$60.34	\$61.90	\$63.10	\$64.30	\$65.50	\$66.70	\$67.90	\$73.90	\$75.10	\$76.30	\$77.50	\$78.70	\$79.90	\$81.10	\$82.30
\$42.70	\$61.14	\$62.70	\$63.90	\$65.10	\$66.30	\$67.50	\$68.70	\$74.70	\$75.90	\$77.10	\$78.30	\$79.50	\$80.70	\$81.90	\$83.10
\$43.50	\$61.94	\$63.50	\$64.70	\$65.90	\$67.10	\$68.30	\$69.50	\$75.50	\$76.70	\$77.90	\$79.10	\$80.30	\$81.50	\$82.70	\$83.90
\$44.30	\$62.74	\$64.30	\$65.50	\$66.70	\$67.90	\$69.10	\$70.30	\$76.30	\$77.50	\$78.70	\$79.90	\$81.10	\$82.30	\$83.50	\$84.70
\$45.10	\$63.54	\$65.10	\$66.30	\$67.50	\$68.70	\$69.90	\$71.10	\$77.10	\$78.30	\$79.50	\$80.70	\$81.90	\$83.10	\$84.30	\$85.50
\$45.90	\$64.34	\$65.90	\$67.10	\$68.30	\$69.50	\$70.70	\$71.90	\$77.90	\$79.10	\$80.30	\$81.50	\$82.70	\$83.90	\$85.10	\$86.30
\$46.70	\$65.14	\$66.70	\$67.90	\$69.10	\$70.30	\$71.50	\$72.70	\$78.70	\$79.90	\$81.10	\$82.30	\$83.50	\$84.70	\$85.90	\$87.10
\$47.50	\$65.94	\$67.50	\$68.70	\$69.90	\$71.10	\$72.30	\$73.50	\$79.50	\$80.70	\$81.90	\$83.10	\$84.30	\$85.50	\$86.70	\$87.90
\$48.30	\$66.74	\$68.30	\$69.50	\$70.70	\$71.90	\$73.10	\$74.30	\$80.30	\$81.50	\$82.70	\$83.90	\$85.10	\$86.30	\$87.50	\$88.70
\$49.10	\$67.54	\$69.10	\$70.30	\$71.50	\$72.70	\$73.90	\$75.10	\$81.10	\$82.30	\$83.50	\$84.70	\$85.90	\$87.10	\$88.30	\$89.50
\$49.90	\$68.34	\$69.90	\$71.10	\$72.30	\$73.50	\$74.70	\$75.90	\$81.90	\$83.10	\$84.30	\$85.50	\$86.70	\$87.90	\$89.10	\$90.30
\$50.70	\$69.14	\$70.70	\$71.90	\$73.10	\$74.30	\$75.50	\$76.70	\$82.70	\$83.90	\$85.10	\$86.30	\$87.50	\$88.70	\$89.90	\$91.10
\$51.50	\$69.94	\$71.50	\$72.70	\$73.90	\$75.10	\$76.30	\$77.50	\$83.50	\$84.70	\$85.90	\$87.10	\$88.30	\$89.50	\$90.70	\$91.90
\$52.30	\$70.74	\$72.30	\$73.50	\$74.70	\$75.90	\$77.10	\$78.30	\$84.30	\$85.50	\$86.70	\$87.90	\$89.10	\$90.30	\$91.50	\$92.70
\$53.10	\$71.54	\$73.10	\$74.30	\$75.50	\$76.70	\$77.90	\$79.10	\$85.10	\$86.30	\$87.50	\$88.70	\$89.90	\$91.10	\$92.30	\$93.50
\$53.90	\$72.34	\$73.90	\$75.10	\$76.30	\$77.50	\$78.70	\$79.90	\$85.90	\$87.10	\$88.30	\$89.50	\$90.70	\$91.90	\$93.10	\$94.30
\$54.70	\$73.14	\$74.70	\$75.90	\$77.10	\$78.30	\$79.50	\$80.70	\$86.70	\$87.90	\$89.10	\$90.30	\$91.50	\$92.70	\$93.90	\$95.10
\$55.50	\$73.94	\$75.50	\$76.70	\$77.90	\$79.10	\$80.30	\$81.50	\$87.50	\$88.70	\$89.90	\$91.10	\$92.30	\$93.50	\$94.70	\$95.90
\$56.30	\$74.74	\$76.30	\$77.50	\$78.70	\$79.90	\$81.10	\$82.30	\$88.30	\$89.50	\$90.70	\$91.90	\$93.10	\$94.30	\$95.50	\$96.70
\$57.10	\$75.54	\$77.10	\$78.30	\$79.50	\$80.70	\$81.90	\$83.10	\$89.10	\$90.30	\$91.50	\$92.70	\$93.90	\$95.10	\$96.30	\$97.50
\$57.90	\$76.34	\$77.90	\$79.10	\$80.30	\$81.50	\$82.70	\$83.90	\$89.90	\$91.10	\$92.30	\$93.50	\$94.70	\$95.90	\$97.10	\$98.30
\$58.70	\$77.14	\$78.70	\$79.90	\$81.10	\$82.30	\$83.50	\$84.70	\$90.70	\$91.90	\$93.10	\$94.30	\$95.50	\$96.70	\$97.90	\$99.10
\$59.50	\$77.94	\$79.50	\$80.70	\$81.90	\$83.10	\$84.30	\$85.50	\$91.50	\$92.70	\$93.90	\$95.10	\$96.30	\$97.50	\$98.70	\$99.90
\$60.30	\$78.74	\$80.30	\$81.50	\$82.70	\$83.90	\$85.10	\$86.30	\$92.30	\$93.50	\$94.70	\$95.90	\$97.10	\$98.30	\$99.50	\$100.70
\$61.10	\$79.54	\$81.10	\$82.30	\$83.50	\$84.70	\$85.90	\$87.10	\$93.10	\$94.30	\$95.50	\$96.70	\$97.90	\$99.10	\$100.30	\$101.50
\$61.90	\$80.34	\$81.90	\$83.10	\$84.30	\$85.50	\$86.70	\$87.90	\$93.90	\$95.10	\$96.30	\$97.50	\$98.70	\$99.90	\$101.10	\$102.30

Table 4.7 Uniform Rate Matrix

5. Proposed Sewer Rate Structure

5.1 *Rate Structure Option*

The primary purpose of a sewer rate is to generate revenue for the City. There are a number of options available for establishing rates. The structure presented in this section relies on common methods and industry standards for rate structures.

5.1.1. Sewer Base Rate

The base rate is the rate charged per connection. This rate may or may not include a base usage water allowance. If the base rate includes a certain amount of water use, it means a higher base rate and less control over the size of utility bill for the customer.

Base rates that do not include discharge allow individual customers the freedom to lower their effective monthly rates by reducing water consumption. The City of Toledo currently has a base rate with 1,000-gallons/month allowance for discharge (as measured with the water meters).

Generally speaking, a base rate should be developed that will cover all, or nearly all, of the City's obligations, administrative costs, and operating costs if little or no water is actually sold. Unlike a water system, a sewer system's operation and maintenance costs are fairly steady, regardless of the water flow. In fact, for most sewer systems, like Toledo's, the wastewater flow from residents is only part of the flow compared to Inflow and Infiltration (I/I) coming into the system. As such, regardless of the water used by each resident and discharged into the sewer system, the expenses of a sewer system are constant. Many consider a base rate with essentially unlimited discharge the best approach. Whether people conserve with their water use or not generally has little effect on the sewer system.

In short, the base rate could, at a minimum, account for the following fixed expenses:

- Personnel: Labor, Retirement, Training, Benefits
- Operation (daily/annual): Power, Supplies, Equipment
- Maintenance: Materials, Supplies, Equipment
- Loan Debt(s)
- Capital Improvements (short- and long-term)

5.1.2. Sewer Discharge (Water Consumption) Rate

Historically, the City of Toledo has relied upon water consumption to charge their customers for sewer per 1,000 gallons of water consumed (as metered). The first 1000 gallons is part of the base rate, but every 1,000 gallons thereafter is charge a usage charge. Through the utilization of a consumption rate charge, individual customers can lower their monthly sewer expense by consuming/discharging less water. Consumption rates are typically flat. In short, if consumption rates were used, the rates should account for:

- Contingency / Emergency
- Savings

5.2 Rate Methodology

When considering potential new rates for the City of Toledo, it was important to consider several key factors. These include:

1. How much revenue must be obtained by the new rate increase in order to meet the following expenses:
 - a) Maintain status quo
 - b) Replace equipment and materials
 - c) Bonding requirements to pay back loans for CIP projects
2. How will the historic water discharge practices of the community change in the face of a significant rate increase?
3. What combination of base and consumption rate will work the best for the most people in the community (knowing that no rate increase or proposed rate structure will be met with approval from everyone)?

The City will require a certain amount of revenue each month to accomplish the following:

1. Catch up with spending demands and maintain status quo.
2. Pay for the operation and maintenance of the sewer system including personnel, materials, services, etc.
3. Pay existing debt and new debt resulting from undertaking projects on the CIP.
4. Annual routine replacement of pipelines and equipment.
5. Cover increases in costs due to inflation.

5.3 Justifications for New Sewer Rates

In order to determine new rates for the sewer system, a determination of necessary revenues was required. Three issues exist: (1) the sewer fund historically has not been keeping up with expenses; (2) new revenues are necessary to keep the system financially stable and able to make identified capital improvements; and (3) annual system replacements and upgrades. The proforma analysis (Section 5.4) determined the amount of new revenues that was required to set the sewer fund on a firm foundation.

5.3.1 Needed Adjustment

As shown earlier, the sewer fund revenue generally has not been keeping up with necessary expenses. The proforma suggests the City increase the general revenue stream. A per Toledo EDU rate increase is calculated as follows:

- \$80,000/year = **\$4.35/month per Toledo EDU**.

5.3.2 Recommended CIP Projects

As developed in Section 3.2, the total anticipated CIP need is approximately \$8,170,000. This amount of money would need to be borrowed with a means to pay back the debt. Table 3.6 showed financing scenarios based on an interest rate of 3.5%, 25% grant award, and 1,531 Toledo EDUs. To accomplish all the CIP projects, as presented, the user rate increase for CIP work is:

- **\$18.13/month per EDU**

5.3.3 Annual Replacement

Annual system replacements of pipes, pumps, etc. due to normal wear-and-tear should be proactively anticipated and planned for. Table 5.1 shows the sewer system components and an annual upkeep cost of the system. The life expectancy of components and equipment is the driving force behind determining a replacement revenue stream.

Table 5.1 Life Expectancies and Annual Replacement

Component	Life Expectancy	Units	Unit Cost	Value	Annual Depreciation / Replacement Value
	Years				
Gravity Pipes	80	115,700	\$ 120	\$ 13,884,000	\$ 173,550
Forcemains	80	6,000	\$ 100	\$ 600,000	\$ 7,500
Manholes	80	655	\$ 1,500	\$ 982,500	\$ 12,281
Service Laterals	40	1,531	\$ 1,000	\$ 1,531,000	\$ 38,275
Lift Stations	40	5	\$ 450,000	\$ 2,250,000	\$ 56,250
equipment, valves, PRV, etc.	20	5	\$ 200,000	\$ 1,000,000	\$ 50,000
Treatment Plant	40			\$ 8,000,000	\$ 200,000
equipment	20			\$ 2,000,000	\$ 100,000
Effluent Discharge to Yaquina River	80	1,500	\$ 130	\$ 195,000	\$ 2,438
TOTAL				\$ 30,442,500	\$ 640,294

On an average, per the above assumptions and calculations, the City should spend over \$640,000/year for maintenance and upkeep of the sewer system. This would equate to nearly a \$35/month/EDU increase in the sewer rate, just for this work. This amount of money is significant. For purposes of this report, we recommend the City consider doing something rather than nothing. As such, we recommend the City budget a minimum of \$200,000 earmarked for maintenance and replacement. For purposes of a gradual, steady incremental rate increase, this budget starts at 100,000 and grows over a couple of years. A user rate increase is calculated as follows:

- $\$200,000/1,531 \text{ EDUs}/12 \text{ months} = \mathbf{\$10.89/month \text{ per EDU}}$

Table 5.2 summarizes the end user rate based on the above discussion. It is not recommended the City immediately adjust the rate to this level. The proforma spreads the cost of CIP and system replacement over a few years. As such, rate increases can be incremental. Rather than a wide annual variation of rate adjustments, we recommend a systematic and incremental user rate increase to account for the above-described adjustments, approximately 11.2% each year for the next 5-years, as shown in Table 5.4.

Table 5.2 Potential New Average Sewer User Rate

Revenue Source		Net Annual Increase	EDU/Month
	Avg. Use Rate		\$70.07
#1	Needed Adjustment	\$80,000.00	\$4.35
#2	CIP (w/ 25% Grants)	\$333,160.33	\$18.13
#3	System Replacement (2022)	\$200,000.00	\$10.89
New Rate (today)		\$613,160.33	\$103.44

5.4 Sewer Proforma

A detailed proforma evaluation was completed for the sewer fund in Toledo for the next 20-year planning period. The goal of this proforma was to attempt to predict the performance and condition of the sewer fund while the City undertakes projects, repays debt, adjusts for inflation, and continues to provide water to their local and wholesale customers.

A number of conservative assumptions were made as part of this analysis. The purpose of the assumptions were to account for changing conditions and build in protection for the City resulting from the many unknown and uncertain variables that exist. Conservative assumptions that were built into the proforma include, but are not limited to, the following:

1. Inflation will increase steadily at a rate of 3% per year; therefore, rates will be increased 3% each year to counteract the effects of inflation.
2. Population growth will be zero; therefore, there will be no income generated from new customers in the form of additional water sales or system development charges (SDCs).

With these assumptions in place, we will have considered an unlikely and, perhaps, worst case condition for the City to ensure the finances of the City will be healthy under more likely conditions. However, the financial health and the rate status of the sewer system should be regularly reviewed, and adjustments made as unknowns and assumptions become known and as conditions change.

The City is currently working under a Mutual Agreement and Order (MAO) with the Department of Environmental Quality (DEQ). The MAO requires the City to make several improvements to improve their collection system and reduce Inflow/Infiltration (I/I). There is a current debt associated with some of this work; however, the City realizes more investment will be necessary to accomplish the identified work. As such, this study and proforma includes an additional future anticipated loan debt as shown in Table 5.3.

Table 5.3 Anticipated MAO I/I Loan

Financial Components	Financing Years
	20
Capital Cost	\$1,000,000
Net Capital Cost to City (assume 0% Grant Award)	\$1,000,000
Total Payment per Year (3.50%)	\$70,361
Total Monthly Cost	\$5,863

Table 5.4 below summarizes the proforma analysis for the first 6 years of the planning cycle. A 20-year proforma can be found in the Appendix.

Table 5.4 Water System Proforma Summary (2019-2026)

11.2%	Incremental Rate Increase		\$77.92	\$86.64	\$96.35	\$107.14	\$119.14	
	Average Monthly User Rate	\$70.07	\$77.00	\$85.34	\$90.74	\$106.25	\$119.19	\$122.16
	Annual % Revenue Increase		9.9%	10.8%	6.3%	17.1%	12.2%	2.5%
Description		Budget	Budget	5-Year Fiscal Year Projections (3% Annual Revenue and Expenditure Increases)				
		19-20	20-21	21-22	22-23	23-24	24-25	25-26
	Annual Beginning Fund Balance	\$0.00	\$10,000.00	\$89,133.14	\$106,056.41	\$131,003.53	\$164,215.19	\$205,939.35
Line	Description							
Revenues								
1	Toledo Revenue Projections (w/ 3% annual increase)	\$1,161,590.00	\$1,196,437.70	\$1,232,330.83	\$1,269,300.76	\$1,307,379.78	\$1,346,601.17	\$1,386,999.21
2	Rate Increase #1 (Needed Adjustment) (w/ 3% increase)		\$80,000.00	\$82,400.00	\$84,872.00	\$87,418.16	\$90,040.70	\$92,741.93
3	Rate Increase #2 (CIP w/ 25% Grants)					\$166,580.17	\$333,160.33	\$333,160.33
4	Rate Increase #3 (System Replace) (w/ 3% increase)			\$100,000.00	\$150,000.00	\$200,000.00	\$206,000.00	\$212,180.00
Total Revenue		\$1,161,590.00	\$1,276,437.70	\$1,414,730.83	\$1,504,172.76	\$1,761,378.11	\$1,975,802.21	\$2,025,081.47
Expenses and Debt								
5	Transfers to other non-water funds	\$25,000	\$25,750.00	\$26,522.50	\$27,318.18	\$28,137.72	\$28,981.85	\$29,851.31
6	Personnel Services	\$553,579	\$570,186.37	\$587,291.96	\$604,910.72	\$623,058.04	\$641,749.78	\$661,002.28
7	Material & Services	\$362,575	\$373,452.25	\$384,655.82	\$396,195.49	\$408,081.36	\$420,323.80	\$432,933.51
8	Capital Outlay	\$45,998	\$47,377.94	\$48,799.28	\$50,263.26	\$51,771.15	\$53,324.29	\$54,924.02
9	Rate Increase #3 (System Replace) (w/ 3% increase)			\$100,000.00	\$150,000.00	\$200,000.00	\$206,000.00	\$212,180.00
Sub-Total Typical Expenses		\$987,152.00	\$1,016,766.56	\$1,147,269.56	\$1,228,687.64	\$1,311,048.27	\$1,350,379.72	\$1,390,891.11
10	Existing debt service	\$164,438.00	\$164,438.00	\$164,438.00	\$164,438.00	\$164,438.00	\$164,438.00	\$164,438.00
11	DEQ MAO Sewer Replacement debt (IFA)		\$16,100.00	\$16,100.00	\$16,100.00	\$16,100.00	\$16,100.00	\$16,100.00
12	DEQ Additional MAO-related loan			\$70,000.00	\$70,000.00	\$70,000.00	\$70,000.00	\$70,000.00
13	Rate Increase #2 (CIP w/ 25% Grants)					\$166,580.17	\$333,160.33	\$333,160.33
Sub-Total Annual Debt Service		\$164,438.00	\$180,538.00	\$250,538.00	\$250,538.00	\$417,118.17	\$583,698.33	\$583,698.33
Total Expenditures		\$1,151,590	\$1,197,305	\$1,397,808	\$1,479,226	\$1,728,166	\$1,934,078	\$1,974,589
Sewer System Fund Yearly Savings		\$10,000	\$79,133	\$16,923	\$24,947	\$33,212	\$41,724	\$50,492

The top three rows (orange highlight) shows the incremental rate increases over the next 5-years needed to bring the current rates to where the rates need to be, based on the projected income and projected expenses. An annual incremental rate of approximately 11.2% is required. After 5-years the rate increase will fall back to the inflation-offsetting rate of 3.0%.

Figure 5.1 below is a graphical summary of the proforma analysis of the sewer system for a few years of the planning period. As can be seen in the figure, the sewer system is projected to increase and keep in line with a 3% inflation rate. It is recommended the City review the financial status every five years and adjust the rate structure, as necessary, to account for changes that diverge from the assumptions in this analysis. This may necessitate further increases in the rate structure or, potentially, decreases in the rate structure if it is found that the conservative assumptions in this analysis prove to be too aggressive.

Figure 5.1 Sewer System Fund Proforma Analysis
Graphical Representation of Projected Fund Performance over Planning Period

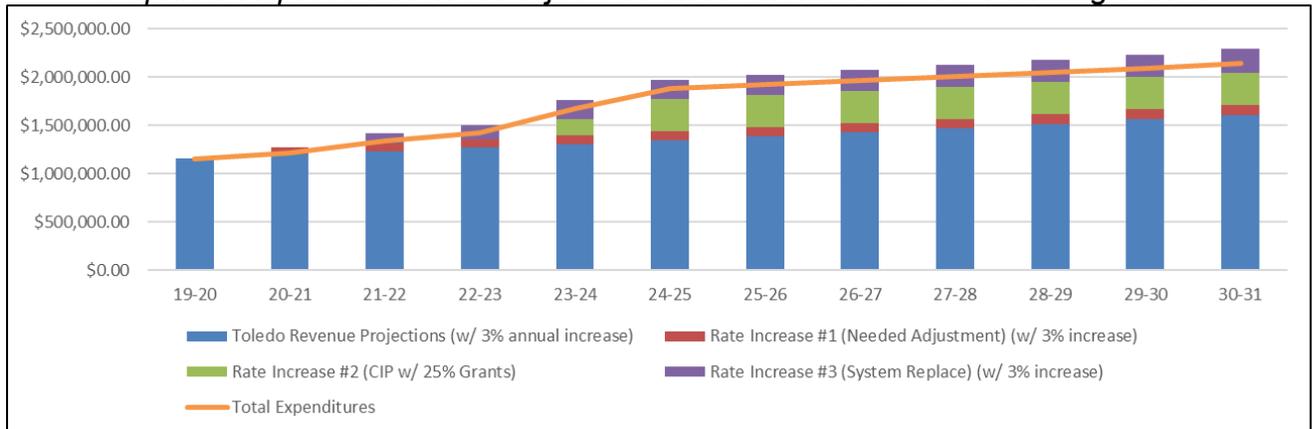


Figure 5.1 shows peaks indicating influxes of funding to pay for major capital improvement projects (“Rate Increase #2”) during the planning period. It is anticipated funding will not be secured in lump sums, but rather more slowly over time as expenses are incurred.

5.5. New Rate Structure Options

Once the new average rate is determined, the City must select a new rate structure for the implementation and collection of the new rate. The new rate structure could include two components:

1. A base rate component
2. A consumption rate component (based on metered water consumption)

Table 5.5 illustrates a rate matrix for the City of Toledo. The matrix shows how the different combinations of base and consumption rates can be combined to meet the minimum average rate requirement needed to produce the required revenue stream. The grey-shaded area within the matrix indicates rate combinations (base and consumption) that meet or exceed the rate level that is required to meet the revenue requirements for the City. The combinations on the “edge” of the shaded area are the lowest-impact options that will satisfy the revenue requirements.

Any of the combinations below would qualify as a viable rate structure for the City of Toledo. The City should consider how much of an increase to place upon the base rate and the consumption rate when determining the final rate structure.

Varying Base Rates (\$ per month)	Varying Consumption Rates (\$ per 1000 gal)																		
	\$15.99	\$8.00	\$8.60	\$9.20	\$9.80	\$10.40	\$11.00	\$11.60	\$12.20	\$12.80	\$13.40	\$14.00	\$14.60	\$15.20	\$15.80	\$16.40	\$17.00	\$17.60	\$18.20
\$22.10	\$70.07	\$46.10	\$47.90	\$49.70	\$51.50	\$53.30	\$55.10	\$56.90	\$58.70	\$60.50	\$62.30	\$64.10	\$65.90	\$67.70	\$69.50	\$71.30	\$73.10	\$74.90	\$76.70
\$49.00	\$66.97	\$73.00	\$74.80	\$76.60	\$78.40	\$80.20	\$82.00	\$83.80	\$85.60	\$87.40	\$89.20	\$91.00	\$92.80	\$94.60	\$96.40	\$98.20	\$100.00	\$101.80	\$103.60
\$50.00	\$67.97	\$74.00	\$75.80	\$77.60	\$79.40	\$81.20	\$83.00	\$84.80	\$86.60	\$88.40	\$90.20	\$92.00	\$93.80	\$95.60	\$97.40	\$99.20	\$101.00	\$102.80	\$104.60
\$51.00	\$68.97	\$75.00	\$76.80	\$78.60	\$80.40	\$82.20	\$84.00	\$85.80	\$87.60	\$89.40	\$91.20	\$93.00	\$94.80	\$96.60	\$98.40	\$100.20	\$102.00	\$103.80	\$105.60
\$52.00	\$69.97	\$76.00	\$77.80	\$79.60	\$81.40	\$83.20	\$85.00	\$86.80	\$88.60	\$90.40	\$92.20	\$94.00	\$95.80	\$97.60	\$99.40	\$101.20	\$103.00	\$104.80	\$106.60
\$53.00	\$100.97	\$77.00	\$78.80	\$80.60	\$82.40	\$84.20	\$86.00	\$87.80	\$89.60	\$91.40	\$93.20	\$95.00	\$96.80	\$98.60	\$100.40	\$102.20	\$104.00	\$105.80	\$107.60
\$54.00	\$101.97	\$78.00	\$79.80	\$81.60	\$83.40	\$85.20	\$87.00	\$88.80	\$90.60	\$92.40	\$94.20	\$96.00	\$97.80	\$99.60	\$101.40	\$103.20	\$105.00	\$106.80	\$108.60
\$55.00	\$102.97	\$79.00	\$80.80	\$82.60	\$84.40	\$86.20	\$88.00	\$89.80	\$91.60	\$93.40	\$95.20	\$97.00	\$98.80	\$100.60	\$102.40	\$104.20	\$106.00	\$107.80	\$109.60
\$56.00	\$103.97	\$80.00	\$81.80	\$83.60	\$85.40	\$87.20	\$89.00	\$90.80	\$92.60	\$94.40	\$96.20	\$98.00	\$99.80	\$101.60	\$103.40	\$105.20	\$107.00	\$108.80	\$110.60
\$57.00	\$104.97	\$81.00	\$82.80	\$84.60	\$86.40	\$88.20	\$90.00	\$91.80	\$93.60	\$95.40	\$97.20	\$99.00	\$100.80	\$102.60	\$104.40	\$106.20	\$108.00	\$109.80	\$111.60
\$58.00	\$105.97	\$82.00	\$83.80	\$85.60	\$87.40	\$89.20	\$91.00	\$92.80	\$94.60	\$96.40	\$98.20	\$100.00	\$101.80	\$103.60	\$105.40	\$107.20	\$109.00	\$110.80	\$112.60
\$59.00	\$106.97	\$83.00	\$84.80	\$86.60	\$88.40	\$90.20	\$92.00	\$93.80	\$95.60	\$97.40	\$99.20	\$101.00	\$102.80	\$104.60	\$106.40	\$108.20	\$110.00	\$111.80	\$113.60
\$60.00	\$107.97	\$84.00	\$85.80	\$87.60	\$89.40	\$91.20	\$93.00	\$94.80	\$96.60	\$98.40	\$100.20	\$102.00	\$103.80	\$105.60	\$107.40	\$109.20	\$111.00	\$112.80	\$114.60
\$61.00	\$108.97	\$85.00	\$86.80	\$88.60	\$90.40	\$92.20	\$94.00	\$95.80	\$97.60	\$99.40	\$101.20	\$103.00	\$104.80	\$106.60	\$108.40	\$110.20	\$112.00	\$113.80	\$115.60
\$62.00	\$109.97	\$86.00	\$87.80	\$89.60	\$91.40	\$93.20	\$95.00	\$96.80	\$98.60	\$100.40	\$102.20	\$104.00	\$105.80	\$107.60	\$109.40	\$111.20	\$113.00	\$114.80	\$116.60
\$63.00	\$110.97	\$87.00	\$88.80	\$90.60	\$92.40	\$94.20	\$96.00	\$97.80	\$99.60	\$101.40	\$103.20	\$105.00	\$106.80	\$108.60	\$110.40	\$112.20	\$114.00	\$115.80	\$117.60
\$64.00	\$111.97	\$88.00	\$89.80	\$91.60	\$93.40	\$95.20	\$97.00	\$98.80	\$100.60	\$102.40	\$104.20	\$106.00	\$107.80	\$109.60	\$111.40	\$113.20	\$115.00	\$116.80	\$118.60
\$65.00	\$112.97	\$89.00	\$90.80	\$92.60	\$94.40	\$96.20	\$98.00	\$99.80	\$101.60	\$103.40	\$105.20	\$107.00	\$108.80	\$110.60	\$112.40	\$114.20	\$116.00	\$117.80	\$119.60
\$66.00	\$113.97	\$90.00	\$91.80	\$93.60	\$95.40	\$97.20	\$99.00	\$100.80	\$102.60	\$104.40	\$106.20	\$108.00	\$109.80	\$111.60	\$113.40	\$115.20	\$117.00	\$118.80	\$120.60
\$67.00	\$114.97	\$91.00	\$92.80	\$94.60	\$96.40	\$98.20	\$100.00	\$101.80	\$103.60	\$105.40	\$107.20	\$109.00	\$110.80	\$112.60	\$114.40	\$116.20	\$118.00	\$119.80	\$121.60
\$68.00	\$115.97	\$92.00	\$93.80	\$95.60	\$97.40	\$99.20	\$101.00	\$102.80	\$104.60	\$106.40	\$108.20	\$110.00	\$111.80	\$113.60	\$115.40	\$117.20	\$119.00	\$120.80	\$122.60
\$69.00	\$116.97	\$93.00	\$94.80	\$96.60	\$98.40	\$100.20	\$102.00	\$103.80	\$105.60	\$107.40	\$109.20	\$111.00	\$112.80	\$114.60	\$116.40	\$118.20	\$120.00	\$121.80	\$123.60
\$70.00	\$117.97	\$94.00	\$95.80	\$97.60	\$99.40	\$101.20	\$103.00	\$104.80	\$106.60	\$108.40	\$110.20	\$112.00	\$113.80	\$115.60	\$117.40	\$119.20	\$121.00	\$122.80	\$124.60
\$71.00	\$118.97	\$95.00	\$96.80	\$98.60	\$100.40	\$102.20	\$104.00	\$105.80	\$107.60	\$109.40	\$111.20	\$113.00	\$114.80	\$116.60	\$118.40	\$120.20	\$122.00	\$123.80	\$125.60
\$72.00	\$119.97	\$96.00	\$97.80	\$99.60	\$101.40	\$103.20	\$105.00	\$106.80	\$108.60	\$110.40	\$112.20	\$114.00	\$115.80	\$117.60	\$119.40	\$121.20	\$123.00	\$124.80	\$126.60
\$73.00	\$120.97	\$97.00	\$98.80	\$100.60	\$102.40	\$104.20	\$106.00	\$107.80	\$109.60	\$111.40	\$113.20	\$115.00	\$116.80	\$118.60	\$120.40	\$122.20	\$124.00	\$125.80	\$127.60
\$74.00	\$121.97	\$98.00	\$99.80	\$101.60	\$103.40	\$105.20	\$107.00	\$108.80	\$110.60	\$112.40	\$114.20	\$116.00	\$117.80	\$119.60	\$121.40	\$123.20	\$125.00	\$126.80	\$128.60
\$75.00	\$122.97	\$99.00	\$100.80	\$102.60	\$104.40	\$106.20	\$108.00	\$109.80	\$111.60	\$113.40	\$115.20	\$117.00	\$118.80	\$120.60	\$122.40	\$124.20	\$126.00	\$127.80	\$129.60
\$76.00	\$123.97	\$100.00	\$101.80	\$103.60	\$105.40	\$107.20	\$109.00	\$110.80	\$112.60	\$114.40	\$116.20	\$118.00	\$119.80	\$121.60	\$123.40	\$125.20	\$127.00	\$128.80	\$130.60
\$77.00	\$124.97	\$101.00	\$102.80	\$104.60	\$106.40	\$108.20	\$110.00	\$111.80	\$113.60	\$115.40	\$117.20	\$119.00	\$120.80	\$122.60	\$124.40	\$126.20	\$128.00	\$129.80	\$131.60
\$78.00	\$125.97	\$102.00	\$103.80	\$105.60	\$107.40	\$109.20	\$111.00	\$112.80	\$114.60	\$116.40	\$118.20	\$120.00	\$121.80	\$123.60	\$125.40	\$127.20	\$129.00	\$130.80	\$132.60
\$79.00	\$126.97	\$103.00	\$104.80	\$106.60	\$108.40	\$110.20	\$112.00	\$113.80	\$115.60	\$117.40	\$119.20	\$121.00	\$122.80	\$124.60	\$126.40	\$128.20	\$130.00	\$131.80	\$133.60
\$80.00	\$127.97	\$104.00	\$105.80	\$107.60	\$109.40	\$111.20	\$113.00	\$114.80	\$116.60	\$118.40	\$120.20	\$122.00	\$123.80	\$125.60	\$127.40	\$129.20	\$131.00	\$132.80	\$134.60

Table 5.5 Uniform Rate Matrix

5.6 Recommended New Sewer Rates

As discussed in Section 5.1, and from the matrix, Table 5.6 shows some example rates.

Table 5.6 Rate Structure Recommendation

Options	Description	Base rate includes first thousand gallons*	
		Base rate	Rate per thousand
Recommended #1	100% Base Rate, based on <u>no</u> consumption	\$103.44	\$0.00
Recommended #2	75% Base Rate	\$78.00	\$8.60
#3	50% Base Rate	\$51.00	\$17.60
#4	0% Base Rate, based solely on consumption	\$0.00	\$25.86

*Rate per thousand based on average usage January - April

While the decision ultimately rests with the City, we recommend consideration of only two new rate structures which is projected to provide the required revenues for the City's sewer fund, remaining CIP improvements, and to fund a system replacement fund, without high variations of revenue. The two options are:

1. Fixed Base Rate (100%). This structure takes the base rate and makes it fixed; all users pay the same rate across the board regardless of water used. As mentioned earlier, sewer flows can be greatly affected from external water discharge into the system (I/I), making the contribution of domestic sewage less impactful, regardless of the domestic discharges. This rate concept would also be simpler to manage, and no water meter readings would be required.
2. Base Rate @ 75% of needed revenue with 25% accompanying consumption rate to match. This concept follows the existing rate structure concept, seasonal water meter readings would be required. We recommend keeping the first 1,000-gallons as part of the base rate.

6. Conclusion – Water and Sewer Rates

The primary purpose of a sewer rate is to generate revenue for the City. Simply stated, the City is in the “Water and Sewer Business,” and like any other successful business, revenues must stay above expenditures and money must be reinvested into the business (e.g. new equipment and pipes) regularly and routinely. Both systems have old equipment that needs to be replaced and all equipment requires routine maintenance; pipes need to be replaced/repared; treatment facilities to manage; and staff to hire. No matter the amount of water used, there is a fixed cost of doing business. How to distribute the cost to the users has been discussed for both systems previously.

Based on our analysis as discussed earlier, we conclude and are of the opinion that:

1. The City’s current rate structures are not adequate to support a healthy and stable water and sewer system operation in Toledo nor are they capable of supporting planned CIP upgrades as set forth in the respective Master Plans and Capital Improvement Plans.
2. Therefore, a rate increase is recommended to be implemented at this time. This will allow the City to undertake needed CIP and maintenance work and put them on a firm financial footing moving forward. Any changes to the forecast or conditions of assumptions outlined in this analysis could change these conclusions.

By implementing the proposed rate increases, the City’s water/sewer systems should be healthy, solvent, and capable of meeting all of their debts and obligations in a responsible way.

6.1 Annual Rate Increase

Inflation will continue to increase the cost of operating and maintaining the systems as time passes. The rate of inflation varies due to an abundance of variables that are nearly all beyond the ability of the City to control. Cities have to respond to inflation by either increasing their charges to their patrons or by reducing services or operating costs. As most public utility agencies are already operating with lean staff and resources, we are not recommending the City have a policy of addressing inflationary impacts through budget cuts.

As part of the proforma analysis completed in this rate study, an effort was made to determine the minimum annual rate increase that would be needed to keep the funds in the black and viable throughout the planning period. Because of the wide range of variables, this can only be an estimate at this time. However, the City should be aware of the need to combat inflation and maintain their rate structures so they do not “fall behind.” The only real response to not keeping up with inflation is to defer or delay maintenance. Systems that fall into this trap eventually have to make major investments in their infrastructure to catch up.

The proforma evaluation suggests a minimum annual rate increase be 3% annually.

If the City adopts a policy of annual maintenance and inflation countering rate increases, they will be able to avoid the steep vertical increases that some communities face when they only raise rates once every ten years. They will also find that they will be in a better position to operate and maintain their system rather than defer maintenance to offset cost increases delivered by inflation.

6.2 Utility Bill Comparison

When considering changes to their utility rates, many communities wish to compare their rate structures to other communities in an effort to weigh the reasonableness of their own rates. It should be understood that water systems and communities vary in many ways including:

1. The complexity and size of the water system and the related infrastructure components
2. The level of effort that is required to obtain, treat, and deliver water to their customers
3. The operational history of the water system, debt history, health of the water fund, and other financial issues
4. The number of customers that can help shoulder the financial burdens of the system
5. The condition and legacy of the system components

When considering the vast differences that exist from one system to another, a simple rate comparison is not a fair or accurate way of comparing the reasonableness of one water rate over another. However, for comparison sake, we acquired researched information (Table 6.1) from another City summarizing a total combined utility bill, including water, sewer, power, streets, etc. As can be seen in, the proposed rate increase in Toledo will move Toledo from the middle of the rate spectrum to the upper end of the spectrum for the systems that were used in this comparison. This comparison is not comprehensive and is only included to provide perspective.

6.3 Final Thoughts and Considerations

Aside from rates, we bring up other issues City's face in "running their business" for additional discussion purposes and awareness. Some issues are presented in question form hoping to spur conversation within the City. We provide a simple recommendation within each topic, recognizing there could be extenuating circumstances and unique situations where our recommendation could be refuted and justified differently.

1. The more paying customers, the less each pay. The City apparently has part-time, seasonal users connected to their systems who put their service on "hold" while away and do not pay. Should part-time residents pay the full year, just to have service available when they return? Should all customers (active or not) pay at least a base rate to cover the fixed costs of the utility?

If service is available and customers are hooked up, whether in use or not, at a minimum the base rate should be paid and collected each month from all users. Regardless of usage, a system exists that must be maintained, and should continually be ready and available for use when such part-time folks come back. These part-time residents should be expected to contribute to a system they have ready access to.

2. Service charge. For situations where services are being disconnected and reconnected, or other such customer management situations, an appropriate service charge should be calculated and implemented to cover the cost of the field and office employees for this personal service. It appears this charge should be evaluated and adjusted upward.
3. Late fees, bad debt collection. Should active users pay for the time staff spends on debt collecting from others? Should user rates increase across the board to offset those who don't pay? Keep in mind, when calculating the above recommended rates, it was assumed all user accounts would pay, not just "most" of the users.

In general practice, debt should be collected, and late fees paid. Certainly, leniency and forgiveness (one-time grace) can be applied on a case-by-case basis, but each user should equally share the opportunity to have domestic water and sewer service.

Table 6.1 Total Utility Bill Comparison

2018-19 Average Monthly Utility Bills in Oregon Cities					
Single-Family Residential Customers - Total Utility Bill					
Population 2018 PSU	City / District	600 cu ft		800 cu ft*	
		\$ / mo	Rank	\$ / mo	Rank
648,740	Portland	\$167.15	1	\$197.99	1
9,225	Sweet Home	\$117.70	6	\$152.98	2
38,215	Lake Oswego	\$141.71	2	\$151.79	3
16,920	Lebanon	\$116.95	7	\$140.07	4
9,370	Independence	\$122.72	4	\$133.40	5
860	Adair Village	\$124.37	3	\$131.33	6
52,785	Tigard	\$114.88	8	\$130.02	7
11,935	Cornelius	\$118.29	5	\$127.73	8
19,505	Sherwood	\$111.07	10	\$123.62	9
4,715	Philomath	\$102.90	12	\$122.20	10
53,145	Albany	\$110.14	11	\$121.17	11
34,860	Oregon City	\$111.47	9	\$116.94	12
89,505	Bend	\$98.39	13	\$109.73	13
60,865	Springfield	\$90.33	14	\$105.33	14
24,760	Woodburn	\$77.64	21	\$98.85	15
97,000	Beaverton	\$87.65	18	\$98.05	16
101,920	Hillsboro	\$88.73	15	\$96.77	17
24,125	Forest Grove	\$88.32	16	\$95.02	18
165,265	Salem	\$82.02	20	\$94.12	19
110,505	Gresham	\$85.20	19	\$91.64	20
33,810	McMinnville	\$76.19	24	\$90.46	21
25,830	West Linn	\$87.72	17	\$90.44	22
169,695	Eugene / EWEB	\$77.41	22	\$87.00	23
59,280	Corvallis	\$75.23	25	\$84.93	24
9,890	Monmouth	\$76.76	23	\$82.00	25
38,505	Keizer	\$66.40	26	\$76.88	26
37,285	Grants Pass	\$64.62	28	\$73.70	27
24,820	Roseburg	\$64.82	27	\$68.66	28
	Average	\$98.10		\$110.46	

Utility bill calculation includes water, sewer, stormwater and transportation fees, if applicable
Rates are calculated on 3/4-inch meters for residential accounts only; all units calculated in cubic feet
*800 cubic feet is the comparison used by the League of Oregon Cities
600 cubic feet is approximately 4,500 gallons - Average for the City of Toledo

*Does not include revenues from property taxes or GO bonds.

11.2%	Incremental Rate Increase		\$77.92	\$86.64	\$96.35	\$107.14	\$119.14	
	Average Monthly User Rate	\$70.07	\$77.00	\$85.34	\$90.74	\$106.25	\$119.19	\$122.16
	Annual % Revenue Increase		9.9%	10.8%	6.3%	17.1%	12.2%	2.5%
Description		Budget	Budget	5-Year Fiscal Year Projections (3% Annual Revenue and Expenditure Increases)				
		19-20	20-21	21-22	22-23	23-24	24-25	25-26
	Annual Beginning Fund Balance	\$0.00	\$10,000.00	\$89,133.14	\$106,056.41	\$131,003.53	\$164,215.19	\$205,939.35
Line	Description							
Revenues								
1	Toledo Revenue Projections (w/ 3% annual increase)	\$1,161,590.00	\$1,196,437.70	\$1,232,330.83	\$1,269,300.76	\$1,307,379.78	\$1,346,601.17	\$1,386,999.21
2	Rate Increase #1 (Needed Adjustment) (w/ 3% increase)		\$80,000.00	\$82,400.00	\$84,872.00	\$87,418.16	\$90,040.70	\$92,741.93
3	Rate Increase #2 (CIP w/ 25% Grants)					\$166,580.17	\$333,160.33	\$333,160.33
4	Rate Increase #3 (System Replace) (w/ 3% increase)			\$100,000.00	\$150,000.00	\$200,000.00	\$206,000.00	\$212,180.00
Total Revenue		\$1,161,590.00	\$1,276,437.70	\$1,414,730.83	\$1,504,172.76	\$1,761,378.11	\$1,975,802.21	\$2,025,081.47
Expenses and Debt								
5	Transfers to other non-water funds	\$25,000	\$25,750.00	\$26,522.50	\$27,318.18	\$28,137.72	\$28,981.85	\$29,851.31
6	Personnel Services	\$553,579	\$570,186.37	\$587,291.96	\$604,910.72	\$623,058.04	\$641,749.78	\$661,002.28
7	Material & Services	\$362,575	\$373,452.25	\$384,655.82	\$396,195.49	\$408,081.36	\$420,323.80	\$432,933.51
8	Capital Outlay	\$45,998	\$47,377.94	\$48,799.28	\$50,263.26	\$51,771.15	\$53,324.29	\$54,924.02
9	Rate Increase #3 (System Replace) (w/ 3% increase)			\$100,000.00	\$150,000.00	\$200,000.00	\$206,000.00	\$212,180.00
Sub-Total Typical Expenses		\$987,152.00	\$1,016,766.56	\$1,147,269.56	\$1,228,687.64	\$1,311,048.27	\$1,350,379.72	\$1,390,891.11
10	Existing debt service	\$164,438.00	\$164,438.00	\$164,438.00	\$164,438.00	\$164,438.00	\$164,438.00	\$164,438.00
11	DEQ MAO Sewer Replacement debt (IFA)		\$16,100.00	\$16,100.00	\$16,100.00	\$16,100.00	\$16,100.00	\$16,100.00
12	DEQ Additional MAO-related loan			\$70,000.00	\$70,000.00	\$70,000.00	\$70,000.00	\$70,000.00
13	Rate Increase #2 (CIP w/ 25% Grants)					\$166,580.17	\$333,160.33	\$333,160.33
Sub-Total Annual Debt Service		\$164,438.00	\$180,538.00	\$250,538.00	\$250,538.00	\$417,118.17	\$583,698.33	\$583,698.33
Total Expenditures		\$1,151,590	\$1,197,305	\$1,397,808	\$1,479,226	\$1,728,166	\$1,934,078	\$1,974,589
Sewer System Fund Yearly Savings		\$10,000	\$79,133	\$16,923	\$24,947	\$33,212	\$41,724	\$50,492

SEWER PROFORMA

\$125.22	\$128.37	\$131.62	\$134.97	\$138.41	\$141.96	\$145.62	\$149.38	\$153.26	\$157.26	\$161.37	\$165.61	\$169.98	\$174.47	\$179.10
2.5%	2.5%	2.5%	2.5%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.7%
15-Year Fiscal Year Projections (3% Annual Revenue and Expenditure Increases)														
26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36	36-37	37-38	38-39	39-40	40-41
\$256,431.37	\$315,954.29	\$439,779.04	\$573,184.67	\$716,458.61	\$869,896.91	\$1,033,804.50	\$1,208,495.45	\$1,394,293.27	\$1,591,531.17	\$1,800,552.35	\$2,021,710.30	\$2,255,369.13	\$2,501,903.86	\$2,761,700.78
\$1,428,609.18	\$1,471,467.46	\$1,515,611.48	\$1,561,079.83	\$1,607,912.22	\$1,656,149.59	\$1,705,834.08	\$1,757,009.10	\$1,809,719.37	\$1,864,010.95	\$1,919,931.28	\$1,977,529.22	\$2,036,855.10	\$2,097,960.75	\$2,160,899.57
\$95,524.18	\$98,389.91	\$101,341.61	\$104,381.85	\$107,513.31	\$110,738.71	\$114,060.87	\$117,482.70	\$121,007.18	\$124,637.39	\$128,376.52	\$132,227.81	\$136,194.64	\$140,280.48	\$144,488.90
\$333,160.33	\$333,160.33	\$333,160.33	\$333,160.33	\$333,160.33	\$333,160.33	\$333,160.33	\$333,160.33	\$333,160.33	\$333,160.33	\$333,160.33	\$333,160.33	\$333,160.33	\$333,160.33	\$333,160.33
\$218,545.40	\$225,101.76	\$231,854.81	\$238,810.46	\$245,974.77	\$253,354.02	\$260,954.64	\$268,783.28	\$276,846.77	\$285,152.18	\$293,706.74	\$302,517.94	\$311,593.48	\$320,941.29	\$330,569.53
\$2,075,839.10	\$2,128,119.46	\$2,181,968.24	\$2,237,432.48	\$2,294,560.64	\$2,353,402.65	\$2,414,009.92	\$2,476,435.41	\$2,540,733.66	\$2,606,960.86	\$2,675,174.87	\$2,745,435.31	\$2,817,803.56	\$2,892,342.86	\$2,969,118.33
\$30,746.85	\$31,669.25	\$32,619.33	\$33,597.91	\$34,605.85	\$35,644.02	\$36,713.34	\$37,814.74	\$38,949.19	\$40,117.66	\$41,321.19	\$42,560.83	\$43,837.65	\$45,152.78	\$46,507.36
\$680,832.34	\$701,257.31	\$722,295.03	\$743,963.89	\$766,282.80	\$789,271.29	\$812,949.42	\$837,337.91	\$862,458.04	\$888,331.79	\$914,981.74	\$942,431.19	\$970,704.13	\$999,825.25	\$1,029,820.01
\$445,921.52	\$459,299.16	\$473,078.14	\$487,270.48	\$501,888.60	\$516,945.25	\$532,453.61	\$548,427.22	\$564,880.04	\$581,826.44	\$599,281.23	\$617,259.67	\$635,777.46	\$654,850.78	\$674,496.30
\$56,571.74	\$58,268.89	\$60,016.96	\$61,817.47	\$63,671.99	\$65,582.15	\$67,549.61	\$69,576.10	\$71,663.39	\$73,813.29	\$76,027.69	\$78,308.52	\$80,657.77	\$83,077.50	\$85,569.83
\$218,545.40	\$225,101.76	\$231,854.81	\$238,810.46	\$245,974.77	\$253,354.02	\$260,954.64	\$268,783.28	\$276,846.77	\$285,152.18	\$293,706.74	\$302,517.94	\$311,593.48	\$320,941.29	\$330,569.53
\$1,432,617.85	\$1,475,596.38	\$1,519,864.27	\$1,565,460.20	\$1,612,424.01	\$1,660,796.73	\$1,710,620.63	\$1,761,939.25	\$1,814,797.43	\$1,869,241.35	\$1,925,318.59	\$1,983,078.15	\$2,042,570.49	\$2,103,847.61	\$2,166,963.03
\$164,438.00	\$164,438.00	\$164,438.00	\$164,438.00	\$164,438.00	\$164,438.00	\$164,438.00	\$164,438.00	\$164,438.00	\$164,438.00	\$164,438.00	\$164,438.00	\$164,438.00	\$164,438.00	\$164,438.00
\$16,100.00	\$16,100.00	\$16,100.00	\$16,100.00	\$16,100.00	\$16,100.00	\$16,100.00	\$16,100.00	\$16,100.00	\$16,100.00	\$16,100.00	\$16,100.00	\$16,100.00	\$16,100.00	\$16,100.00
\$70,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00
\$333,160.33	\$333,160.33	\$333,160.33	\$333,160.33	\$333,160.33	\$333,160.33	\$333,160.33	\$333,160.33	\$333,160.33	\$333,160.33	\$333,160.33	\$333,160.33	\$333,160.33	\$333,160.33	\$333,160.33
\$583,698.33	\$528,698.33													
\$2,016,316	\$2,004,295	\$2,048,563	\$2,094,159	\$2,141,122	\$2,189,495	\$2,239,319	\$2,290,638	\$2,343,496	\$2,397,940	\$2,454,017	\$2,511,776	\$2,571,269	\$2,632,546	\$2,695,661
\$59,523	\$123,825	\$133,406	\$143,274	\$153,438	\$163,908	\$174,691	\$185,798	\$197,238	\$209,021	\$221,158	\$233,659	\$246,535	\$259,797	\$273,457

7.2%	Incremental Rate Increase		\$51.36	\$55.06	\$59.02	\$63.27	\$67.83	\$72.71
	Average Monthly User Rate	\$47.91	\$50.84	\$55.23	\$55.04	\$62.74	\$70.48	\$72.04
	Annual % Revenue Increase		6.1%	8.6%	-0.4%	14.0%	12.3%	2.2%
Description		Budget	Budget	5-Year Fiscal Year Projections (3% Annual Revenue and Expenditure Increases)				
		19-20	20-21	21-22	22-23	23-24	24-25	25-26
Annual Beginning Fund Balance		\$0	\$265,527	\$603,597	\$964,335	\$1,186,748	\$1,313,093	\$1,343,751
Line	Description							
Revenues								
1	Toledo Revenue Projections (w/ 3% annual increase)	\$1,323,485.00	\$1,363,189.55	\$1,404,085.24	\$1,446,207.79	\$1,489,594.03	\$1,534,281.85	\$1,580,310.30
2	Rate Increase #1 (SRWD Replace) (w/ 3% annual increase)		\$52,050.00	\$53,611.50	\$55,219.85	\$56,876.44	\$58,582.73	\$60,340.22
3	Rate Increase #2 (CIP w/ 25% Grants)				\$217,485.33	\$434,970.65	\$652,455.98	\$652,455.98
4	Rate Increase #3 (System Replace) (w/ 3% annual increase)			\$100,000.00	\$200,000.00	\$206,000.00	\$212,180.00	\$218,545.40
5	Seal Rock Revenue Projections	\$346,985.00	\$357,394.55	\$368,116.39				
Total Revenue		\$1,670,470.00	\$1,772,634.10	\$1,925,813.12	\$1,918,912.97	\$2,187,441.12	\$2,457,500.56	\$2,511,651.90
Expenses and Debt								
6	Transfers to other non-water funds	\$22,500	\$23,175.00	\$23,870.25	\$24,586.36	\$25,323.95	\$26,083.67	\$26,866.18
7	Personnel Services	\$509,684	\$524,974.52	\$540,723.76	\$556,945.47	\$573,653.83	\$590,863.45	\$608,589.35
8	Material & Services	\$409,622	\$421,910.66	\$434,567.98	\$447,605.02	\$461,033.17	\$474,864.16	\$489,110.09
9	Capital Outlay	\$45,575	\$46,942.25	\$48,350.52	\$49,801.03	\$51,295.06	\$52,833.92	\$54,418.93
10	Rate Increase #3 (System Replace) (w/ 3% annual increase)			\$100,000.00	\$200,000.00	\$206,000.00	\$212,180.00	\$218,545.40
Sub-Total Typical Expenses		\$987,381.00	\$1,017,002.43	\$1,147,512.50	\$1,278,937.88	\$1,317,306.01	\$1,356,825.19	\$1,397,529.95
11	Existing debt service	\$417,562.00	\$417,562.00	\$417,562.00	\$417,562.00	\$417,562.00	\$417,562.00	\$417,562.00
12	Rate Increase #2 (CIP w/ 25% Grants)					\$326,227.99	\$652,455.98	\$652,455.98
Sub-Total Annual Debt Service		\$417,562.00	\$417,562.00	\$417,562.00	\$417,562.00	\$743,789.99	\$1,070,017.98	\$1,070,017.98
Total Expenditures		\$1,404,943	\$1,434,564	\$1,565,075	\$1,696,500	\$2,061,096	\$2,426,843	\$2,467,548
Water System Fund Yearly Savings		\$265,527	\$338,070	\$360,739	\$222,413	\$126,345	\$30,657	\$44,104

WATER PERFORMA

\$73.64	\$75.28	\$76.98	\$78.73	\$80.53	\$82.38	\$84.29	\$86.26	\$88.29	\$90.37	\$92.52	\$94.74	\$97.02	\$99.37	\$101.79
2.2%	2.2%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
15-Year Fiscal Year Projections (3% Annual Revenue and Expenditure Increases)														
26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36	36-37	37-38	38-39	39-40	40-41
\$1,387,855	\$1,445,809	\$1,518,028	\$1,604,941	\$1,706,988	\$1,824,624	\$1,958,315	\$2,108,544	\$2,275,806	\$2,460,614	\$2,663,492	\$2,884,984	\$3,125,647	\$3,386,057	\$3,666,806
\$1,627,719.61	\$1,676,551.20	\$1,726,847.74	\$1,778,653.17	\$1,832,012.76	\$1,886,973.15	\$1,943,582.34	\$2,001,889.81	\$2,061,946.51	\$2,123,804.90	\$2,187,519.05	\$2,253,144.62	\$2,320,738.96	\$2,390,361.13	\$2,462,071.96
\$62,150.42	\$64,014.93	\$65,935.38	\$67,913.44	\$69,950.85	\$72,049.37	\$74,210.85	\$76,437.18	\$78,730.30	\$81,092.20	\$83,524.97	\$86,030.72	\$88,611.64	\$91,269.99	\$94,008.09
\$652,455.98	\$652,455.98	\$652,455.98	\$652,455.98	\$652,455.98	\$652,455.98	\$652,455.98	\$652,455.98	\$652,455.98	\$652,455.98	\$652,455.98	\$652,455.98	\$652,455.98	\$652,455.98	\$652,455.98
\$225,101.76	\$231,854.81	\$238,810.46	\$245,974.77	\$253,354.02	\$260,954.64	\$268,783.28	\$276,846.77	\$285,152.18	\$293,706.74	\$302,517.94	\$311,593.48	\$320,941.29	\$330,569.53	\$340,486.61
\$2,567,427.78	\$2,624,876.93	\$2,684,049.56	\$2,744,997.37	\$2,807,773.61	\$2,872,433.14	\$2,939,032.45	\$3,007,629.75	\$3,078,284.96	\$3,151,059.83	\$3,226,017.94	\$3,303,224.80	\$3,382,747.87	\$3,464,656.62	\$3,549,022.64
\$27,672.16	\$28,502.33	\$29,357.40	\$30,238.12	\$31,145.26	\$32,079.62	\$33,042.01	\$34,033.27	\$35,054.27	\$36,105.89	\$37,189.07	\$38,304.74	\$39,453.89	\$40,637.50	\$41,856.63
\$626,847.03	\$645,652.44	\$665,022.02	\$684,972.68	\$705,521.86	\$726,687.51	\$748,488.14	\$770,942.78	\$794,071.06	\$817,893.20	\$842,429.99	\$867,702.89	\$893,733.98	\$920,546.00	\$948,162.38
\$503,783.39	\$518,896.89	\$534,463.80	\$550,497.72	\$567,012.65	\$584,023.03	\$601,543.72	\$619,590.03	\$638,177.73	\$657,323.06	\$677,042.75	\$697,354.04	\$718,274.66	\$739,822.90	\$762,017.58
\$56,051.50	\$57,733.05	\$59,465.04	\$61,248.99	\$63,086.46	\$64,979.05	\$66,928.42	\$68,936.28	\$71,004.37	\$73,134.50	\$75,328.53	\$77,588.39	\$79,916.04	\$82,313.52	\$84,782.93
\$225,101.76	\$231,854.81	\$238,810.46	\$245,974.77	\$253,354.02	\$260,954.64	\$268,783.28	\$276,846.77	\$285,152.18	\$293,706.74	\$302,517.94	\$311,593.48	\$320,941.29	\$330,569.53	\$340,486.61
\$1,439,455.85	\$1,482,639.52	\$1,527,118.71	\$1,572,932.27	\$1,620,120.24	\$1,668,723.85	\$1,718,785.56	\$1,770,349.13	\$1,823,459.60	\$1,878,163.39	\$1,934,508.29	\$1,992,543.54	\$2,052,319.85	\$2,113,889.44	\$2,177,306.13
\$417,562.00	\$417,562.00	\$417,562.00	\$417,562.00	\$417,562.00	\$417,562.00	\$417,562.00	\$417,562.00	\$417,562.00	\$417,562.00	\$417,562.00	\$417,562.00	\$417,562.00	\$417,562.00	\$417,562.00
\$652,455.98	\$652,455.98	\$652,455.98	\$652,455.98	\$652,455.98	\$652,455.98	\$652,455.98	\$652,455.98	\$652,455.98	\$652,455.98	\$652,455.98	\$652,455.98	\$652,455.98	\$652,455.98	\$652,455.98
\$1,070,017.98	\$1,070,017.98	\$1,070,017.98	\$1,070,017.98	\$1,070,017.98	\$1,070,017.98	\$1,070,017.98	\$1,070,017.98	\$1,070,017.98	\$1,070,017.98	\$1,070,017.98	\$1,070,017.98	\$1,070,017.98	\$1,070,017.98	\$1,070,017.98
\$2,509,474	\$2,552,658	\$2,597,137	\$2,642,950	\$2,690,138	\$2,738,742	\$2,788,804	\$2,840,367	\$2,893,478	\$2,948,181	\$3,004,526	\$3,062,562	\$3,122,338	\$3,183,907	\$3,247,324
\$57,954	\$72,219	\$86,913	\$102,047	\$117,635	\$133,691	\$150,229	\$167,263	\$184,807	\$202,878	\$221,492	\$240,663	\$260,410	\$280,749	\$301,699

	Meeting Date:	Agenda Topic:
	August 5, 2020	Discussion regarding framework for Wholesale Utility Rate Agreement
Council Goal:	Agenda Type:	
Adopt equitable water and sewer rates that provide sufficient revenue to complete needed infrastructure projects.	Discussion and Information	
Prepared by:	Reviewed by:	Approved by:
City Manager J. Richter	City Manager Judy Richter	City Manager Judy Richter

Recommendation:

Discussion regarding framework for successor agreement with Seal Rock Water District.

Background:

In October, 2017, Seal Rock Water District (SRWD) hand delivered a letter/resolution indicating their 3 year notice terminating the 2012 Water Purchase Agreement between the City of Toledo and SRWD. This agreement ends on October 31, 2020. Rob Mills, interim President of Seal Rock Water District Board, has written several letters suggesting elements of a successor agreement. During the joint meeting on July 1, 2020, both governing bodies agreed to negotiate an agreement by having two representatives from each entity meet for discussion and to possibly draft an agreement. This agreement would then be presented to each board/Council for approval/adoption.

Additional data being submitted is what the Wholesale water rate would be if calculated using the former model which involves last fiscal year costs. Also included is total cost per 1,000 gallons using data from last fiscal year. (As a reminder, the Wholesale water rate did not include all of our distribution costs.) Please also review the Water/Sewer rate study prepared by Civil West page 30 to see the rates that they have recommended. Additionally, a spreadsheet has been prepared to recap Capital Improvement projects expenditures for the last three fiscal years and the expenditures budgeted for fiscal year 2020-2021.

Once consensus is reached by the Council, the City Manager will reach out to Seal Rock Water District to schedule a meeting for the Mayor and City Manager of Toledo and the SRWD interim President and the General Manager-- sometime in August.

Fiscal Impact:	Fiscal Year:	GL Number:
N/A	2020-2021	N/A

Attachment:

1. SRWD vs Toledo Consumption Data as of June 30, 2020
2. All Costs for water as of June 30, 2020
3. Current Utility Rates
4. Recap of CIP Expenditures related to Wholesale Water

SRWD Rate Calculation - Actual Expenses thru 6/30/2020				
Water sold - Toledo Customers		100,341,692	49.3403%	
Water sold - Seal Rock Customers		103,025,000	50.6597%	
Total Water Sold		203,366,692		
Source, Transmission & Plant				
Personnel Cost WTP		\$ 245,852.76		
012-120-500050 Full time	\$ 156,312.25			
012-120-500050 Call time	\$ 20,051.77			
012-120-501500 Overtime	\$ 11,588.79			
012-120-501500 Soc Security	\$ 14,154.65			
012-120-504700 Health Ins	\$ 17,477.19			
012-120-504900 Workers' Comp	\$ 3,528.34			
012-120-505000 Retirement	\$ 22,739.77			
Materials & Services WTP		\$ 200,271.88		
012-120-600100 Office Supplies	\$ 256.41			
012-120-600150 Data Processing Support	\$ 3,216.15			
012-120-600210 Electricity	\$ 60,155.10			
012-120-600220 Communication Services	\$ 8,769.20			
012-120-600250 Alarms	\$ 1,971.60			
012-120-600250 Equipment Repair	\$ 7,299.89			
012-120-600300 Vehicle Repair	\$ 1,008.96			
012-120-600400 Facility Needs	\$ 10,291.69			
012-120-600400 Systems Repair	\$ 390.04			
012-120-600600 Travel & Training	\$ 2,613.51			
012-120-600700 Memberships	\$ 1,502.20			
012-120-601500 Gas, Oil & Tires	\$ 2,629.61			
012-120-601500 Insurance	\$ 26,196.06			
012-120-607500 Special Purchases	\$ 17,599.68			
012-120-601700 Supplies	\$ 35,968.12			
012-120-608100 Contract Services	\$ 20,403.66			
General Fund support of WTP (see calculation on page 2)		\$ 135,142.04		
Public Works Fund support of WTP 012-120-630500		\$ -		
Public Works Reserve for WTP 012-120-631000		\$ 10,000.00		
100 % to be split with Seal Rock			\$ 591,266.68	
Seal Rock share by percentage above			\$ 299,534.05	\$ 2.91

Distribution				
Materials & Services excluding billing		\$ 83,923.55		
012-125-600210 Electricity	\$ 10,755.70			
012-125-600300 Systems Repair	\$ 27,947.47	012-125-600420?		
012-125-608000 Supplies	\$ 22,446.88			
012-125-608100 Contract Services	\$ 22,773.50			
General Fund support of Distribution (see calculation on page 2)		\$ 69,618.62		
Public Works Fund support of Distribution (see calculation on page 2)		\$ 52,409.13		
Public Works Reserve for Distribution 012-125-631000		\$ 12,500.00		
			\$ 218,451.30	
66% to be split with Seal Rock			\$ 144,177.86	
Seal Rock share			\$ 73,040.10	\$ 0.71
Water Reserve - minor capital projects 2012-2013 projects not billed to Seal Rock		\$ -	\$ -	\$ -
Carrying cost @ 3.25% for 18 months		\$ 18,162.99	\$ 18,162.99	\$ 0.18
				\$ 3.79

Cost per 1,000 gallons for Water 2019-2020

Water sold - Toledo Customers		100,341,692	49.3403%
Water sold - Seal Rock Customers		103,025,000	50.6597%
Total Water Sold		203,366,692	
Source, Transmission & Plant			
Personnel Cost WTP		245,852.76	
012-120-500050 Full time	156312.25		
012-120-500050 Call time	20051.77		
012-120-501500 Overtime	11588.79		
012-120-501500 Soc Security	14154.65		
012-120-504700 Health Ins	17477.19		
012-120-504900 Workers' Comp	3528.34		
012-120-505000 Retirement	22739.77		
Materials & Services WTP		200,271.88	
012-120-600100 Office Supplies	256.41		
012-120-600150 Data Processing Suppor	3216.15		
012-120-600210 Electricity	60155.1		
012-120-600220 Communication Serv	8769.2		
012-120-600250 Alarms	1971.6		
012-120-600250 Equipment Repair	7299.89		
012-120-600300 Vehicle Repair	1008.96		
012-120-600400 Facility Needs	10291.69		
012-120-600400 Systems Repair	390.04		
012-120-600600 Travel & Training	2613.51		
012-120-600700 Memberships	1502.2		
012-120 601500 Gas, Oil & Tires	2629.61		
012-120-601500 Insurance	26196.06		
012-120-607500 Special Purchases	17599.68		
012-120-601700 Supplies	35968.12		
012-120-608100 Contract Services	20403.66		
Transfers		185,000.00	
Distribution			
Personnel Costs		223,068.01	
Materrial & Services		122,307.88	
Debt Services		417,562.00	
Transfers		507,217.00	
Total Costs		1,901,279.53	
Per 1,000/gallon		9.35	

Recap of CIP Expenditures related to Wholesale Water

Fiscal Year 2017-2018

GSI Water solutions - Water rights Consultion	2,696.25	
Trout Mtn Forestry- Mill Creek Riparian Restoration	<u>3,653.00</u>	
Total		6,349.25

Fiscal Year 2018-2019

New Heat Pump for WTP	13,534.52	
Peterson Structural Engineers - Ammon Tank roof	11,227.57	
TAG - replace breaker for Intake Pump 3	2,139.00	
TAG-intake KAIC Study	4,932.50	
TAG - Siletz intake VFD replacement	<u>15,186.00</u>	
		47,019.59

Fiscal Year 2019-2020

Hach - Turb meter	5,748.68	
Pacific Excavation install static mixer	6,125.00	
Civil West Engineering- Mill Creek Waterline	1,800.00	
TMG Services - Inline Static Mixer	9,503.24	
Peterson Structural - Mill Creek Dam	4,489.40	
Civil West Engineering- Mill Creek Dam Inundation mapping	<u>8,673.50</u>	
		<u>36,339.82</u>
Total Expenditures		89,708.66

Budgeted Fiscal 2020-2021

Forklift for Water Plant operations	15,000.00	
Replace Windows in the Water Plant	10,000.00	
Backwash Motor & Pump	80,000.00	
Catwalk around Water Plant	20,000.00	
Surface Wash Motor & Pump	<u>20,000.00</u>	
Total Budgeted		<u>145,000.00</u>
Total Expenditures & Budgeted		\$ 234,708.66

Replacement of Ammons Reservoir unknown - \$1.1 million

	Meeting Date:	Agenda Topic:
	August 5, 2020	Update on dangerous stairwell at apartment building at 109-115 SE 1 st Street
Council Goal:	Agenda Type:	
Not applicable	Discussion and Information	
Prepared by:	Reviewed by:	Approved by:
City Manager J. Richter	City Manager Judy Richter	City Manager Judy Richter

Recommendation:

No action needed at this time.

Background:

The fire chief determined that the stairwell located at 109-115 SE 1st Street met the definition of “dangerous building” per TMC 15.12.01(5). The property owner was not responsive initially. A structural engineer was contacted to provide documentation for what needed to be done. Mr. Burkland, the property owner, made some changes which were evaluated by the structural engineer in another visit. The engineer did not approve the work. More changes were made by the property owner which have been approved by the engineer. See attached letter from Creative Design & Engineering.

Fiscal Impact:	Fiscal Year:	GL Number:
N/A	2020-2021	N/A

Attachment:

1. Third Deck report for Burkland property.

7-22-20

To: Greg Musil, Staff captain, Toledo Fire Department
Ref: Inspection for existing deck for units 109, 111, 113 & 115
Located at SE 1st St, Toledo, OR

Mr. Musil,

On July 20, 2020, CDE made a site visit to confirm that recommended changes to the existing deck indicated in an earlier report of June 15, 2020 had been made. Excerpts from that report are contained below.

Conclusions and recommendations:

However, the existing deck planks had not been removed. The planks are rotted in many areas and covered with moss growth. The OSB sheathing applied as a protective measure cannot be relied upon to provide safe walkway over the deck structure in the long term. As the OSB sheathing becomes water soaked, the moisture will exacerbate the rotting of the deck boards below. The use of non pressure treated stiffening members is not sufficient for long term structural integrity.

I recommend that the following additions be made to the stair / deck system:

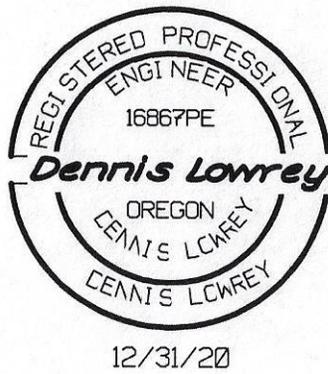
- Remove the existing OSB sheathing **Done**
- Remove the non pressure treated 2X6 deck boards throughout and replace with new 2X6 pressure treated boards. Secure the deck boards to the supporting members with stainless steel nails or screws. **Done**
- Replace the non pressure treated stiffeners used at the stairs on both sides and replace with 2X6 pressure treated boards. Secure to the existing stringers with stainless steel nails or screws. **Done**
- Add 4X4 knee braces to the existing stair posts on each side, secured to post and beam with ½" X 8" stainless steel lag bolts. **Done**

All recommended corrections have been done in a workmanlike manner and are sufficient to provide deck stability and safety in the long term.

Please call with any questions,

Dennis Lowrey

OR PE 16867



	Meeting Date:	Agenda Topic:
	August 5, 2020	Consider uses for the Coronavirus Relief Fund dollars allocated to the City of Toledo
Council Goal:	Agenda Type:	
Not applicable	Discussion and Information	
Prepared by:	Reviewed by:	Approved by:
City Manager J. Richter	City Manager Judy Richter	City Manager Judy Richter

Recommendation:

Discussion and direction to staff regarding Coronavirus Relief Fund allocations for the City of Toledo

Background:

As part of the CARES Act and through the Coronavirus Relief Fund (CRF) the City of Toledo has been certified for allocation of \$142,765.02. Two requests have been filed for reimbursements totaling \$62,450.88 leaving a balance of \$80,314.14 which expires on December 30, 2020. The two requests were for reimbursement of costs incurred by the City.

The amount is for reimbursement of COVID-19 related costs **only**. We would need to make the expenditures and then apply for reimbursement. Projects that have been mentioned are grants to the Food Pantry, small businesses in Toledo and for rent and energy assistance to individuals. The requirements for CRF are very clear that funds are available **ONLY** for COVID-19 related expenses. So in the case of the Food Pantry, it would be difficult to certify that all clients were in need because of COVID-19.

Staff believes that a program could be set up (with proper paperwork) to provides grants for small businesses. There are two possible partners for the disbursement of rent and energy assistance: Salvation Army and Community Services Consortium.

A supplemental budget would need to be adopted before any disbursements could be made to anyone.

Fiscal Impact:	Fiscal Year:	GL Number:
unknown	2020-2021	N/A

Attachment:

1. LOC Summary Treasury Guide

The League of Oregon Cities (LOC) has compiled these criteria for economic support programs for cities to use in expending their Coronavirus Relief Fund (CRF) monies. Over 30 cities have already created some form of utility subsidy or small business assistance and we expect many more will move ahead with new programs upon receipt of their share of the CRF.

We do not represent that programs meeting these criteria are the only allowed uses of CRF to provide economic support under Treasury guidance but believe they may be helpful nonetheless as a starting point. **The Treasury [guidance](#) and [FAQ](#) documents provide the best information for cities looking to stand up new programs.** These documents have already been updated numerous times so cities are encouraged to check the above links regularly. Relevant excerpts are attached at the end of this document but neither the summaries below nor the excerpts are a substitute for reading the full guidance and FAQ.

LOC worked with the Department of Administrative Services (DAS) in the development of this document though it is in no way endorsed by DAS. **Cities should work with their city attorney where the Treasury guidance is unclear.**

General Criteria

Any program will have to meet the “big three” criteria from the CARES Act as explained by the guidance:

- being **necessary** due to the COVID-19 pandemic,
- being **unbudgeted** spending as of March 27th, and
- being **expended** between March 1st and December 30th.

The **Treasury guidance further explains these criteria** and notes that backfill of taxes or fees reduced due to the pandemic is not allowed. Cities **must keep records** sufficient to demonstrate that expenditures have met these criteria.

The FAQ also lays out some general program criteria:

- **administrative costs** for eligible programs are allowed if they were unbudgeted,
- **loans** are allowed but repayments must go back to Treasury unless they are rolled into another qualified expense prior to December 30th,
- **applications** for assistance are not required but jurisdictions must ensure recipients have a COVID-19 related need, and
- **non-profits** may be used to distribute assistance (rent or utility relief for example).

Small Business Assistance Criteria

In addition to the above, the guidance and FAQ give some additional detailed on what is allowed for a small business assistance program:

- providing **grants to small businesses** to reimburse for business interruption,
- programs should be tailored to assist those businesses needing assistance due to COVID-19, and

- programs are allowed in the absence of a stay-at-home order if businesses are closed voluntarily or are experiencing reduced demand.

Individual Assistance Criteria

In addition to the general criteria above, the FAQ gives some additional detail on what is allowed for a program to assist individual residents with a COVID-19 related need:

- **grants to individuals** to prevent eviction or otherwise prevent homelessness,
- emergency financial assistance including but not limited to payment of **overdue rent or mortgage payments**, and
- grants to affected individuals to allow them to pay **utility fees** and maintain essential services.

Please note that while utility assistance is an eligible expense, the FAQ also notes “revenue replacement, including the replacement of unpaid utility fees” is not allowed. **Cities are encouraged to be especially careful in structuring utility assistance programs and work with counsel where there are questions** due to this somewhat contradictory language.

Examples LOC believes would not qualify include (1) transferring funds to the city utility to make up for reduced demand due to a large user being offline or (2) transferring funds to the utility to make up for delinquent accounts but continuing to attempt collection of the same debt from the customer (the assistance must benefit the customer, not the city utility).

In developing new utility assistance programs cities are encouraged to take steps to create separation between the city and the utility where possible, through mechanisms like the use of third parties (like a nonprofit) to administer the program or by giving the relief directly to the customer who then pays their bill. LOC is not representing that existing programs that did not use these strategies would be ineligible for reimbursement, but we believe that going forward the **use of third-party administrators in particular will help cities meet the terms of the somewhat contradictory guidance.**

Next Steps

Cities have been on the front line of economic response to the pandemic, but many cities have had little or no ability to help residents until now due to their own fragile finances. We believe cities are best able to get these important resources into the hands of their residents impacted by the pandemic as intended. LOC will continue to be your partner in this endeavor, and you are welcome to reach out with questions at the contact below. Cities may also contact DAS at CoronavirusReliefFund@Oregon.gov. Above all, cities are encouraged to read the Treasury guidance and FAQ documents and work with their city attorney where the guidance is unclear.

LOC Contact

Mark Gharst, Lobbyist for Tax, Finance, and Economic Development - mgharst@orcities.org or 503-991-2192

Addenda

Relevant Excerpts from the Guidance Document, June 30th Version

The CARES Act provides that payments from the Fund may only be used to cover costs that—

1. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID–19);
2. were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
3. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

Necessary expenditures incurred due to the public health emergency

The requirement that expenditures be incurred “due to” the public health emergency means that expenditures must be used for actions taken to respond to the public health emergency. These may include expenditures incurred to allow the State, territorial, local, or Tribal government to respond directly to the emergency, such as by addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures.

Funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute. Although a broad range of uses is allowed, revenue replacement is not a permissible use of Fund payments.

The statute also specifies that expenditures using Fund payments must be “necessary.” The Department of the Treasury understands this term broadly to mean that the expenditure is reasonably necessary for its intended use in the reasonable judgment of the government officials responsible for spending Fund payments.

Costs not accounted for in the budget most recently approved as of March 27, 2020

The CARES Act also requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. A cost meets this requirement if either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget or (b) the cost 1 See Section 601(d) of the Social Security Act, as added by section 5001 of the CARES Act. 1 is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation.

The “most recently approved” budget refers to the enacted budget for the relevant fiscal period for the particular government, without taking into account subsequent supplemental appropriations enacted or other budgetary adjustments made by that government in response to the COVID-19 public health emergency. A cost is not considered to have been accounted for in a budget merely because it could be met using a budgetary stabilization fund, rainy day fund, or similar reserve account.

Costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020

Finally, the CARES Act provides that payments from the Fund may only be used to cover costs that were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020 (the “covered period”). Putting this requirement together with the other provisions discussed above, section 601(d)

may be summarized as providing that a State, local, or tribal government may use payments from the Fund only to cover previously unbudgeted costs of necessary expenditures incurred due to the COVID-19 public health emergency during the covered period.

Initial guidance released on April 22, 2020, provided that the cost of an expenditure is incurred when the recipient has expended funds to cover the cost. Upon further consideration and informed by an understanding of State, local, and tribal government practices, Treasury is clarifying that for a cost to be considered to have been incurred, performance or delivery must occur during the covered period but payment of funds need not be made during that time (though it is generally expected that this will take place within 90 days of a cost being incurred). For instance, in the case of a lease of equipment or other property, irrespective of when payment occurs, the cost of a lease payment shall be considered to have been incurred for the period of the lease that is within the covered period, but not otherwise. Furthermore, in all cases it must be necessary that performance or delivery take place during the covered period. Thus the cost of a good or service received during the covered period will not be considered eligible under section 601(d) if there is no need for receipt until after the covered period has expired.

Goods delivered in the covered period need not be used during the covered period in all cases. For example, the cost of a good that must be delivered in December in order to be available for use in January could be covered using payments from the Fund. Additionally, the cost of goods purchased in bulk and delivered during the covered period may be covered using payments from the Fund if a portion of the goods is ordered for use in the covered period, the bulk purchase is consistent with the recipient's usual procurement policies and practices, and it is impractical to track and record when the items were used. A recipient may use payments from the Fund to purchase a durable good that is to be used during the current period and in subsequent periods if the acquisition in the covered period was necessary due to the public health emergency.

Given that it is not always possible to estimate with precision when a good or service will be needed, the touchstone in assessing the determination of need for a good or service during the covered period will be reasonableness at the time delivery or performance was sought, e.g., the time of entry into a procurement contract specifying a time for delivery. Similarly, in recognition of the likelihood of supply chain disruptions and increased demand for certain goods and services during the COVID-19 public health emergency, if a recipient enters into a contract requiring the delivery of goods or performance of services by December 30, 2020, the failure of a vendor to complete delivery or services by December 30, 2020, will not affect the ability of the recipient to use payments from the Fund to cover the cost of such goods or services if the delay is due to circumstances beyond the recipient's control.

This guidance applies in a like manner to costs of subrecipients. Thus, a grant or loan, for example, provided by a recipient using payments from the Fund must be used by the subrecipient only to purchase (or reimburse a purchase of) goods or services for which receipt both is needed within the covered period and occurs within the covered period. The direct recipient of payments from the Fund is ultimately responsible for compliance with this limitation on use of payments from the Fund.

Nonexclusive examples of eligible expenditures

Nonexclusive examples of eligible expenditures Eligible expenditures include, but are not limited to, payment for: [...]

5. Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as:

- Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.

Relevant Excerpts from the FAQ Document, July 8th Version – Economic Support Generally

May Fund payments be used for expenditures related to the administration of Fund payments by a State, territorial, local, or Tribal government?

Yes, if the administrative expenses represent an increase over previously budgeted amounts and are limited to what is necessary. For example, a State may expend Fund payments on necessary administrative expenses incurred with respect to a new grant program established to disburse amounts received from the Fund.

May recipients use Fund payments to provide loans?

Yes, if the loans otherwise qualify as eligible expenditures under section 601(d) of the Social Security Act as implemented by the Guidance. Any amounts repaid by the borrower before December 30, 2020, must be either returned to Treasury upon receipt by the unit of government providing the loan or used for another expense that qualifies as an eligible expenditure under section 601(d) of the Social Security Act. Any amounts not repaid by the borrower until after December 30, 2020, must be returned to Treasury upon receipt by the unit of government lending the funds.

Must a State, local, or tribal government require applications to be submitted by businesses or individuals before providing assistance using payments from the Fund?

Governments have discretion to determine how to tailor assistance programs they establish in response to the COVID-19 public health emergency. However, such a program should be structured in such a manner as will ensure that such assistance is determined to be necessary in response to the COVID-19 public health emergency and otherwise satisfies the requirements of the CARES Act and other applicable law. For example, a per capita payment to residents of a particular jurisdiction without an assessment of individual need would not be an appropriate use of payments from the Fund.

May Fund payments be provided to non-profits for distribution to individuals in need of financial assistance, such as rent relief?

Yes, non-profits may be used to distribute assistance. Regardless of how the assistance is structured, the financial assistance provided would have to be related to COVID-19.

Relevant Excerpts from the FAQ Document, July 8th Version – Small Business Support

The Guidance provides that eligible expenditures may include expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. What is meant by a “small business,” and is the Guidance intended to refer only to expenditures to cover administrative expenses of such a grant program?

Governments have discretion to determine what payments are necessary. A program that is aimed at assisting small businesses with the costs of business interruption caused by required closures should be tailored to assist those businesses in need of such assistance. The amount of a grant to a small business to reimburse the costs of business interruption caused by required closures would also be an eligible expenditure under section 601(d) of the Social Security Act, as outlined in the Guidance.

The Guidance provides that expenses associated with the provision of economic support in connection with the public health emergency, such as expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures, would constitute eligible expenditures of Fund payments. Would such expenditures be eligible in the absence of a stay-at-home order?

Fund payments may be used for economic support in the absence of a stay-at-home order if such expenditures are determined by the government to be necessary. This may include, for example, a grant program to benefit small businesses that close voluntarily to promote social distancing measures or that are affected by decreased customer demand as a result of the COVID-19 public health emergency.

The Guidance provides that ineligible expenditures include “[p]ayroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.” Is this intended to relate only to public employees?

Yes. This particular nonexclusive example of an ineligible expenditure relates to public employees. A recipient would not be permitted to pay for payroll or benefit expenses of private employees and any financial assistance (such as grants or short-term loans) to private employers are not subject to the restriction that the private employers’ employees must be substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

Must a stay-at-home order or other public health mandate be in effect in order for a government to provide assistance to small businesses using payments from the Fund?

No. The Guidance provides, as an example of an eligible use of payments from the Fund, expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. Such assistance may be provided using amounts received from the Fund in the absence of a requirement to close businesses if the relevant government determines that such expenditures are necessary in response to the public health emergency.

[Relevant Excerpts from the FAQ Document, July 8th Version – Support to Individuals](#)

Would providing a consumer grant program to prevent eviction and assist in preventing homelessness be considered an eligible expense?

Yes, assuming that the recipient considers the grants to be a necessary expense incurred due to the COVID-19 public health emergency and the grants meet the other requirements for the use of Fund payments under section 601(d) of the Social Security Act outlined in the Guidance. As a general matter, providing assistance to recipients to enable them to meet property tax requirements would not be an eligible use of funds, but exceptions may be made in the case of assistance designed to prevent foreclosures.

May recipients use Fund payments to provide emergency financial assistance to individuals and families directly impacted by a loss of income due to the COVID-19 public health emergency?

Yes, if a government determines such assistance to be a necessary expenditure. Such assistance could include, for example, a program to assist individuals with payment of overdue rent or mortgage payments to avoid eviction or foreclosure or unforeseen financial costs for funerals and other emergency individual needs. Such assistance should be structured in a manner to ensure as much as possible, within the realm of what is administratively feasible, that such assistance is necessary.

May Fund payments be used to replace foregone utility fees? If not, can Fund payments be used as a direct subsidy payment to all utility account holders?

Fund payments may not be used for government revenue replacement, including the replacement of unpaid utility fees. Fund payments may be used for subsidy payments to electricity account holders to the extent that the subsidy payments are deemed by the recipient to be necessary expenditures incurred due to the COVID-19 public health emergency and meet the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, if determined to be a necessary expenditure, a government could provide grants to individuals facing economic hardship to allow them to pay their utility fees and thereby continue to receive essential services.

Links

<https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>, 6/30/20 Version, Pages 1, 2, 3 and 4

<https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Frequently-Asked-Questions.pdf>, June 24, 2020 version, 7/8/20 Version, Pages 4, 5, 6 and 8

July 23, 2020

Dear Karen:

At the meeting of the Toledo City Council on July 22nd, the Council resolved to send you a formal letter of apology for the treatment you received as Chairperson of the Toledo Budget Committee.

It is an important value of the Council to honor the contributions of all citizens, and unfortunately that principle was violated during the Budget Committee hearings. For that, we apologize.

It is well known that you have served the City of Toledo and the broader community well and faithfully for many years. The Council deeply regrets your withdrawal from the Budget Committee and hopes that you might consider lending your talents to benefit the City of Toledo in the future, as you see fit.

Again, we, the undersigned, wish to formally apologize for the inexcusable treatment you received. This Council will not allow or condone inappropriate treatment of any citizen by members of the Council or City staff.

Sincerely,

Rod Cross

Bill Dalbey

Heather Jukich

Betty Kamikawa

Joshua Smith

	Meeting Date:	Agenda Topic:
	August 5, 2020	City Enhancement & In-Kind Services Program funding recommendations for Fiscal Year 2020-2021
Council Goal:	Agenda Type:	
Not Applicable	Decision Items	
Prepared by:	Reviewed by:	Approved by:
City Recorder L. Figueroa	City Manager Judy Richter	City Manager Judy Richter

Recommendation:

Council may make a motion to accept the Contribution Committee recommendations as presented; accept the recommendations with amendments; modify the recommendations or deny the recommendations.

Background:

The City Enhancement & In-Kind Services Program was established to provide funding to local organizations who serve the Toledo Community. Funding for the program is provided by the state through a portion of liquor, cigarette and marijuana taxes. Each year the City receives requests for funding, the Contribution Committee reviews those requests and provides their recommendation to the Council. They typically meet between April and May of each year to review the submitted requests however, due to the coronavirus pandemic, the meeting was postponed in anticipation that city services would resume mid-June.

Since services are still on hold the Committee met via Zoom last month to review the recommendations. Due to the pandemic, the Committee recommended Council consider requests addressing essential needs as a priority and approve \$9,264.00 in funding for the organizations listed in **Attachment A**. The Committee’s recommended allocations do not exceed the available funds and they plan to meet in January to assess how the rest of the money should be allocated.

Fiscal Impact:	Fiscal Year:	GL Number:
Up to \$11,400	2020-2021	001-900-603975

Attachment:

1. Contribution Committee recommendations

City of Toledo
Contribution Committee Fiscal Year 2020-2021
Available Funds: \$11,400

Organization	Requested Amount	City Council Mayor Cross	City Staff L. Figueroa	Budget Committee J. Chambers	Citizen At-Large N. Osterlund	Citizen At-Large S. Gilmont	Committee Recommendation
Community Services Consortium	\$4,000	3000	2500	2850	1500	2500	2500
KYAQ 91.71FM	\$564		200	500	564	500	564
Methodist Thrift Shop	\$400		200	0	400	400	
OCWCOG - Meals on Wheels	\$2,200	2200	2000	2200	2200	2200	2200
OCWCOG - RSVP	\$2,000		1000	600	2000	2000	
Toledo Food Pantry	\$2,500	2500	2000	2500	1500	1500	2500
Toledo Chamber of Commerce	\$1,000			1000	1000	500	
Toledo HS Grad Night Committee	\$500		1000	400	500	500	
Toledo History Center	\$1,500		1000	1350	1500	1500	1500
SUMMARY		7700	9900	11400	11164	11600	9264
Estimated Total Requests	\$14,664						
Estimated Available	\$11,400						
Estimated Difference	-\$3,264						

	Meeting Date:	Agenda Topic:
	August 5, 2020	Resolution No. 1450, Extending the state of emergency declaration to September 2, 2020
Council Goal:	Agenda Type:	
Maintain and enhance characteristics that assure Toledo is a good place to be.	Decision Items	
Prepared by:	Reviewed by:	Approved by:
City Recorder L. Figueroa	City Manager Judy Richter	City Manager Judy Richter

Recommendation:

Motion to approve Resolution No. 1450, a resolution of the Toledo City Council extending the state of emergency declaration to September 2, 2020.

Background:

Following a declaration of state of emergency issued by the Governor of the State of Oregon and the Lincoln County Board of Commission; City Manager Richter declared a state of emergency, which was adopted by resolution by the City Council.

The State of Oregon is currently under re-opening phases as outlined by the Governor. Lincoln County is operating under Phase I guidelines and the current state of emergency for the City of Toledo will expire on August 1, 2020. Emergency Program Director/City Manager Richter wishes to extend the state of emergency declaration to September 2, 2020.

Fiscal Impact:	Fiscal Year:	GL Number:
N/A	2020-2021	N/A

Attachment:

1. Resolution No. 1450

**CITY OF TOLEDO
RESOLUTION NO. 1450**

A RESOLUTION OF THE TOLEDO CITY COUNCIL EXTENDING THE STATE OF EMERGENCY DECLARATION TO SEPTEMBER 2, 2020

WHEREAS, ORS 401.309 and Toledo Municipal Code (TMC) 2.40.050 provides authority for The City of Toledo to declare a state of emergency; and

WHEREAS, the Governor of the State of Oregon declared a state-wide state of emergency; and

WHEREAS, Lincoln County, Oregon declared a state of emergency; and

WHEREAS, the provisions of ORS 401.165 to 401.236 supersede the provisions of a local resolution to declare a local state of emergency when the Governor declares a state of emergency within any area in which such an ordinance or resolution applies; and

WHEREAS, the Emergency Program Director declared a state of emergency on March 18, 2020, which expired on April 30, 2020, and has been extended to May 31, 2020, June 17, 2020 and August 1, 2020 by Council vote; and

WHEREAS, the Emergency Program Director will extend the state of emergency to September 2, 2020; and

WHEREAS, the City Council agrees with the Emergency Program Director's declaration.

NOW, THEREFORE, THE CITY OF TOLEDO RESOLVES AS FOLLOWS:

Section 1. The Emergency Program Director's declaration, dated April 22, 2020, declaring a local state of emergency on the City of Toledo as a result of the COVID-19 pandemic, is hereby extended to September 2, 2020.

Section 2. The City Council identifies the following specific emergency powers for the duration of the emergency period set forth in the declaration:

- (a) All non-essential city commissions, committees, task forces and city sponsored events are cancelled during the state of emergency;
- (b) At the discretion of the Council, City Council Meetings may be cancelled, rescheduled, or nonessential agenda items removed and rescheduled;
- (c) Encourages citizens to wear a mask and observe social distancing measures when in public;
- (d) Refrain from outdoor burning during this period.

Section 3. This Resolution shall be effective upon passage by the City Council this 5th day of August, 2020.

APPROVED:

Mayor Rod Cross

ATTEST:

City Recorder Lisa Figueroa

Please mark 4 boxes with an X or check mark that reflects the top 4 issues that your city recommends be added to the priorities for the LOC's 2021 legislative agenda.

City of: _____

Legislation

A. Beer and Cider Tax Increase	
B. Broadband Infrastructure and Technical Assistance Funding	
C. Building (Reach) Code – Energy Efficiency Local Option	
D. COVID-19 Economic Recovery Investments	
E. Digital Equity and Inclusion	
F. Expedited Siting for Shelter and Affordable Housing	
G. Green Energy/Renewables – Expanded Local Option	
H. Housing and Services Investment	
I. Increased Budgetary Flexibility During Budgetary Emergency	
J. Infrastructure Financing and Resilience	
K. Local Climate Action Planning Resources	
L. Local Energy Generation Project Support	
M. Local Speed Setting Authority	
N. Long Term Transportation Infrastructure Funding	
O. Low-Income Energy Efficiency and Affordability Programs	
P. Marijuana Tax Local Rate Limitation Increase	
Q. Mental Health Service Delivery	
R. Municipal Broadband and Municipal Pole Protection	
S. New Mobility Services	
T. Photo Enforcement Safety Cameras	
U. Property Tax Reform	
V. Reducing Wastewater Impacts from Wipes and Other “Non-Flushables”	
W. Right-of-way/Franchise Fees Authority Preservation	
X. State Highway Funds Formula	
Y. Tort Liability Reform	
Z. Water Utility Rate and Fund Assistance	

In addition to your ranking of the priorities shown above, please use this space to provide us with any comments (supportive or critical) you may have on these issues, or thoughts on issues or potential legislative initiatives that have been overlooked during the committee process.):

	Meeting Date:	Agenda Topic:
	August 5, 2020	*Authorize the expenditure of up to \$45,000 for the hauling of solid waste materials to Coffin Butte waste management facility
Council Goal:	Agenda Type:	
Promote sustainability through environmentally friendly solutions to community challenges.	Decision Items	
Prepared by:	Reviewed by:	Approved by:
Public Works Director B. Zuspan	City Manager Judy Richter	City Manager Judy Richter

Recommendation:

Motion to authorize up to \$45,000 for hauling of solid waste materials to Coffin Butte waste management facility.

Background:

The need to remove solid waste from Wastewater Treatment Plant (WWTP) drying beds as a bi-yearly maintenance of Toledo’s WWTP plant. In the past, we have used Dahl Disposal for transport. However, this year, we have received bids from three contractors for the hauling. Two of which are “per-ton” cost and one hourly rate. We are estimating approximately 200 tons. This is listed on the City’s 2020 Budgeted Project List as a Capital Improvement Project.

Three bids based on 200 tons are as follows:

Dahl Disposal: \$101,436.30

Horner Enterprises \$ 19,060

NSP Trucking works by the hour, by all calculations, approx. \$18,239

Fiscal Impact:	Fiscal Year:	GL Number:
\$45,000	2020-2021	013-130-600420



Memorandum

To: Chief Pace

From: Tony Bour Code Enforcement Officer

CC: City Manager

Date: 7/31/20

Re: 2020 Monthly Report

Code Enforcement Report

2018 open cases

1 Dilapidated Homes/ Junk

79 closed cases

2019 open cases

7 Dilapidated Homes

3 Junk

1 Vehicle related

5 Vegetation

2 Commercial Tenant

24 closed Cases

2020 open cases

5 Vegetation

3 Dilapidated Structures

3 Junk

0 Animal Related

2 Vehicle related

26 closed 21 Vehicle related

Before



After



Accounts Payable

To Be Paid Proof List

User: nnoteboom
 Printed: 07/02/2020 - 1:05PM
 Batch: 00001.07.2020 - AP 7.2.2020 NRN



Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description	Reference				
SAIF Corporation 5823	7/1/2020	20,905.90	0.00	07/02/2020				False	0
001-500-504900 Workers' Comp	7/1/2020	8,517.81	0.00	07/02/2020	Workers comp insurance			False	0
011-110-504900 Workers' Comp	7/1/2020	3,769.66	0.00	07/02/2020	Workers comp insurance			False	0
013-130-504900 Workers' Comp	7/1/2020	5,670.73	0.00	07/02/2020	Workers comp insurance			False	0
012-120-504900 Workers' Comp	7/1/2020	13,952.18	0.00	07/02/2020	Workers comp insurance			False	0
001-400-504900 Workers' Comp	7/1/2020	502.74	0.00	07/02/2020	Workers comp insurance			False	0
013-135-504900 Workers' Comp	7/1/2020	502.74	0.00	07/02/2020	Workers comp insurance			False	0
012-125-504900 Workers' Comp	7/1/2020	25.05	0.00	07/02/2020	Workers comp insurance			False	0
001-900-504900 Workers' Comp	7/1/2020	785.84	0.00	07/02/2020	Workers comp insurance			False	0
001-100-504900 Workers' Comp	7/1/2020	168.24	0.00	07/02/2020	Workers comp insurance			False	0
001-700-504900 Workers' Comp	7/1/2020	1,300.34	0.00	07/02/2020	Workers comp insurance			False	0
001-650-504900 Worker's Comp	7/1/2020	1,382.69	0.00	07/02/2020	Workers comp insurance			False	0
013-135-504900 Workers' Comp	7/1/2020	1,382.69	0.00	07/02/2020	Workers comp insurance			False	0
012-125-504900 Workers' Comp					Workers comp insurance				

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			

Total:	58,866.61
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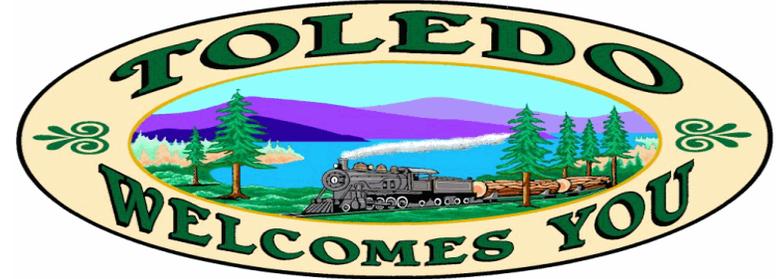
SAIF Corporation Total:	58,866.61
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Report Total:	58,866.61
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Accounts Payable

To Be Paid Proof List

User: apclerk
 Printed: 07/14/2020 - 8:46AM
 Batch: 00002.07.2020 - AP 7.10.2020 NRN



Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description	Reference				
airhe	AIRROW HEATING & SHEET METAL, LLC								
15542	6/23/2020	3,825.00	0.00	07/10/2020				False	0
001-650-600400	Facility Needs			2 A/C units					
15542	6/23/2020	3,825.00	0.00	07/10/2020				False	0
001-650-607500	Special Purchases			2 A/C units					
15542 Total:		7,650.00							
airhe Total:		7,650.00							
allo	Allen's Lot Maint, LLC								
7024	6/30/2020	3,453.00	0.00	07/10/2020				False	0
011-110-608100	Contract & Other Services			Road sweeping / June 2020					
7024 Total:		3,453.00							
allo Total:		3,453.00							
also	Alsco								
LPOR2512949	6/3/2020	32.95	0.00	07/10/2020				False	0
001-650-608000	Supplies			Laundry					
LPOR2512949 Total:		32.95							
LPOR2512953	6/3/2020	57.03	0.00	07/10/2020				False	0
013-130-608100	Contract & Other Services			Laundry					
LPOR2512953 Total:		57.03							
LPOR2516583	6/10/2020	37.40	0.00	07/10/2020				False	0

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
011-110-600400 Facility Needs				Laundry					
	LPOR2516583 Total:	37.40							
LPOR2516586	6/10/2020	40.57	0.00	07/10/2020				False	0
012-120-608100 Contract & Other Services				Laundry					
	LPOR2516586 Total:	40.57							
LPOR2516591	6/10/2020	57.03	0.00	07/10/2020				False	0
013-130-608100 Contract & Other Services				Laundry					
	LPOR2516591 Total:	57.03							
LPOR2519629	6/17/2020	32.95	0.00	07/10/2020				False	0
011-110-608000 Supplies				Laundry					
	LPOR2519629 Total:	32.95							
LPOR2519633	6/17/2020	57.03	0.00	07/10/2020				False	0
013-130-608100 Contract & Other Services				Laundry					
	LPOR2519633 Total:	57.03							
LPOR2522717	6/24/2020	32.95	0.00	07/10/2020				False	0
013-135-608000 Supplies				Laundry					
	LPOR2522717 Total:	32.95							
	also Total:	347.91							
anala	Analytical Lab & Consultants								
128331	6/23/2020	1,475.00	0.00	07/10/2020				False	0
012-120-608100 Contract & Other Services				Lab					
	128331 Total:	1,475.00							
	anala Total:	1,475.00							
bakta	Baker & Taylor, LLC								
2035324323	6/25/2020	527.61	0.00	07/10/2020				False	0

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
001-700-603500 Books & Materials				Books & Material					
	2035324323 Total:	527.61							
2035342203	7/7/2020	393.46	0.00	07/10/2020				False	0
001-700-603500 Books & Materials				Books & Material					
	2035342203 Total:	393.46							
2035349023	7/9/2020	265.02	0.00	07/10/2020				False	0
001-700-603500 Books & Materials				Books & Material					
	2035349023 Total:	265.02							
H48053560	6/23/2020	18.46	0.00	07/10/2020				False	0
001-700-603500 Books & Materials				Books & Material					
	H48053560 Total:	18.46							
H48190330	6/24/2020	104.40	0.00	07/10/2020				False	0
001-700-603500 Books & Materials				Books & Material					
	H48190330 Total:	104.40							
H48206200	6/25/2020	18.74	0.00	07/10/2020				False	0
001-700-603500 Books & Materials				Books & Material					
	H48206200 Total:	18.74							
H48211750	6/25/2020	14.79	0.00	07/10/2020				False	0
001-700-603500 Books & Materials				Books & Material					
	H48211750 Total:	14.79							
H48360550	7/1/2020	22.16	0.00	07/10/2020				False	0
001-700-603500 Books & Materials				Books & Material					
	H48360550 Total:	22.16							
H48362070	7/1/2020	22.19	0.00	07/10/2020				False	0
001-700-603500 Books & Materials				Books & Material					

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
	H48362070 Total:	22.19							
H48510930	7/7/2020	14.79	0.00	07/10/2020				False	0
001-700-603500	Books & Materials			Books/materials					
	H48510930 Total:	14.79							
H48510990	7/7/2020	11.09	0.00	07/10/2020				False	0
001-700-603500	Books & Materials			Books & Material					
	H48510990 Total:	11.09							
H48513030	7/7/2020	11.09	0.00	07/10/2020				False	0
001-700-603500	Books & Materials			Books & Material					
	H48513030 Total:	11.09							
H48516290	7/7/2020	25.89	0.00	07/10/2020				False	0
001-700-603500	Books & Materials			Books & Material					
	H48516290 Total:	25.89							
	bakta Total:	1,449.69							
blazc	Blaze Cone Company								
30785	6/30/2020	576.20	0.00	07/10/2020				False	0
011-110-608000	Supplies			Cones					
	30785 Total:	576.20							
	blazc Total:	576.20							
bluta	BlueTarp Financial								
45362643	6/20/2020	99.98	0.00	07/10/2020				False	0
012-120-608000	Supplies			Welding cart					
	45362643 Total:	99.98							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
	bluta Total:	99.98							
brepa BPI57321 012-120-608000	Brenntag Pacific, Inc. 6/19/2020 Supplies	1,625.50	0.00	07/10/2020	Soda ash dense			False	0
	BPI57321 Total:	1,625.50							
	brepa Total:	1,625.50							
casfi 108440 036-360-621800	Cascade Fire Equipment Co. 6/29/2020 Fire Department Equipment	499.70	0.00	07/10/2020	4151 Ladder			False	0
	108440 Total:	499.70							
	casfi Total:	499.70							
civwe 2902.042.008 041-410-608100	Civil West Engineering 6/30/2020 Contract & Other Services	6,076.47	0.00	07/10/2020	Rate Study			False	0
2902.042.008 042-420-608100	6/30/2020 Contract & Other Services	6,076.48	0.00	07/10/2020	Rate Study			False	0
	2902.042.008 Total:	12,152.95							
2902-01.06-17 012-125-608100	7/1/2020 Contract & Other Services	1,403.00	0.00	07/10/2020	Misc. services			False	0
	2902-01.06-17 Total:	1,403.00							
	civwe Total:	13,555.95							
clija 2020-124 001-650-608100	Cline, Janet 6/30/2020 Contract & Other Services	2,970.00	0.00	07/10/2020	June services			False	0
	2020-124 Total:	2,970.00							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
	clija Total:	2,970.00							
colfo 2006095 013-130-608100	Pixis Labs 6/26/2020 Contract & Other Services	2,790.00	0.00	07/10/2020	Labs			False	0
	2006095 Total:	2,790.00							
	colfo Total:	2,790.00							
corpa	CORPORATE PAYMENT SYSTEMS								
	6/5/2020	-77.94	0.00	07/10/2020				False	0
001-400-608000	Supplies			Amazon Credit				False	0
	6/11/2020	7.50	0.00	07/10/2020				False	0
001-400-600100	Office Supplies			Postage				False	0
	5/27/2020	51.12	0.00	07/10/2020				False	0
001-400-600100	Office Supplies			Office supplies				False	0
	6/18/2020	20.22	0.00	07/10/2020				False	0
001-400-601500	Gas, Oil & Tires			Exon gas / Covanta trip				False	0
	6/18/2020	44.04	0.00	07/10/2020				False	0
001-400-600600	Travel & Training			Covanta trip / Wendy & Pace				False	0
	6/11/2020	26.77	0.00	07/10/2020				False	0
001-400-608000	Supplies			Office supplies				False	0
	5/27/2020	26.85	0.00	07/10/2020				False	0
001-700-603500	Books & Materials			Books/materials				False	0
	Total:	98.56							
200044408	6/22/2020	695.00	0.00	07/10/2020				False	0
001-400-600600	Travel & Training			FBI-Leeda / Pitcher Training				False	0
	200044408 Total:	695.00							
510716227-001	6/12/2020	76.29	0.00	07/10/2020				False	0
012-120-608000	Supplies			Office supplies				False	0
	510716227-001 Total:	76.29							
510716228-001	6/10/2020	109.19	0.00	07/10/2020				False	0
012-120-608000	Supplies			Office supplies				False	0

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
510716228-001 Total:		109.19							
78638044800	6/17/2020	19.98	0.00	07/10/2020				False	0
001-900-600150 Data Processing Support				Crash Plan / mo subscription					
78638044800 Total:		19.98							
Ace	6/5/2020	9.99	0.00	07/10/2020				False	0
001-700-600100 Office Supplies				supplies					
Ace Total:		9.99							
Amazon	6/10/2020	21.84	0.00	07/10/2020				False	0
001-700-603500 Books & Materials				Books/materials					
Amazon	6/10/2020	17.99	0.00	07/10/2020				False	0
001-700-603500 Books & Materials				Books/materials					
Amazon	6/10/2020	78.38	0.00	07/10/2020				False	0
001-700-603500 Books & Materials				Books/materials					
Amazon	6/10/2020	190.11	0.00	07/10/2020				False	0
001-700-603500 Books & Materials				Books/materials					
Amazon	6/11/2020	27.99	0.00	07/10/2020				False	0
001-700-603500 Books & Materials				Books/materials					
Amazon	6/11/2020	9.94	0.00	07/10/2020				False	0
001-700-603500 Books & Materials				Books/materials					
Amazon	6/12/2020	25.08	0.00	07/10/2020				False	0
001-700-603500 Books & Materials				Books/materials					
Amazon	6/9/2020	9.89	0.00	07/10/2020				False	0
001-700-603500 Books & Materials				Books/materials					
Amazon	6/11/2020	7.49	0.00	07/10/2020				False	0
001-700-603500 Books & Materials				Books/materials					
Amazon	6/11/2020	5.34	0.00	07/10/2020				False	0
001-700-603500 Books & Materials				Books/materials					
Amazon	6/11/2020	25.98	0.00	07/10/2020				False	0
001-700-603500 Books & Materials				Books/materials					
Amazon	6/10/2020	24.68	0.00	07/10/2020				False	0
001-700-603500 Books & Materials				Books/materials					
Amazon	6/11/2020	11.99	0.00	07/10/2020				False	0
001-700-603500 Books & Materials				Books/materials					
Amazon	6/10/2020	135.15	0.00	07/10/2020				False	0

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
001-700-603500 Books & Materials Amazon	6/11/2020	167.36	0.00	07/10/2020	Books/materials			False	0
001-700-603500 Books & Materials Amazon	6/11/2020	35.99	0.00	07/10/2020	Books/materials			False	0
001-700-603500 Books & Materials Amazon	6/11/2020	185.69	0.00	07/10/2020	Books/materials			False	0
001-700-603500 Books & Materials Amazon	6/11/2020	28.98	0.00	07/10/2020	Books/materials			False	0
001-700-603500 Books & Materials Amazon	6/11/2020	51.06	0.00	07/10/2020	Books/materials			False	0
001-700-603500 Books & Materials Amazon	6/11/2020	24.51	0.00	07/10/2020	Books/materials			False	0
001-700-603500 Books & Materials Amazon	6/16/2020	76.96	0.00	07/10/2020	Books/materials			False	0
001-700-603500 Books & Materials Amazon	6/16/2020	38.32	0.00	07/10/2020	Books/materials			False	0
001-700-603500 Books & Materials Amazon	6/11/2020	24.95	0.00	07/10/2020	Books/materials			False	0
001-700-603500 Books & Materials Amazon	6/16/2020	26.55	0.00	07/10/2020	Books/materials			False	0
001-700-603500 Books & Materials Amazon	6/16/2020	13.97	0.00	07/10/2020	Books/materials			False	0
001-700-603500 Books & Materials Amazon	6/10/2020	24.95	0.00	07/10/2020	Books/materials			False	0
001-700-603500 Books & Materials Amazon	6/11/2020	14.99	0.00	07/10/2020	Books/materials			False	0
001-700-603500 Books & Materials Amazon	6/16/2020	8.99	0.00	07/10/2020	Books/materials			False	0
001-700-603500 Books & Materials Amazon	6/10/2020	26.99	0.00	07/10/2020	Books/materials			False	0
001-700-603500 Books & Materials Amazon	6/11/2020	19.04	0.00	07/10/2020	Books/materials			False	0
001-700-603500 Books & Materials Amazon	6/11/2020	16.89	0.00	07/10/2020	Books/materials			False	0
001-700-606500 Youth Program Support Amazon	6/10/2020	34.86	0.00	07/10/2020	Youth program			False	0
001-700-606500 Youth Program Support Amazon	6/10/2020	17.25	0.00	07/10/2020	Youth program			False	0
001-700-606500 Youth Program Support					Youth program				

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
Amazon	6/1/2020	123.99	0.00	07/10/2020				False	0
001-700-603500 Books & Materials				Books/materials					
	Amazon Total:	1,554.14							
First Tactical	6/12/2020	99.98	0.00	07/10/2020				False	0
001-400-608000 Supplies				Henderson Pants					
	First Tactical Total:	99.98							
INV000738148	6/10/2020	35.34	0.00	07/10/2020				False	0
001-650-600400 Facility Needs				Safety ballard covers					
	INV000738148 Total:	35.34							
INV24616460	6/6/2020	54.99	0.00	07/10/2020				False	0
001-900-608000 Supplies				Zoom subscription (COVID-19)					
	INV24616460 Total:	54.99							
INV26287331	6/17/2020	14.99	0.00	07/10/2020				False	0
001-500-608100 Contract & Other Services				Zoom subscription					
	INV26287331 Total:	14.99							
John Hopkins Un	6/8/2020	246.65	0.00	07/10/2020				False	0
001-700-603500 Books & Materials				Books/materials					
	John Hopkins Un Total:	246.65							
Libr Assoc	5/27/2020	49.00	0.00	07/10/2020				False	0
001-700-600700 Membership & Subscription				Memberships					
	Libr Assoc Total:	49.00							
OHA 00022063	5/28/2020	184.00	0.00	07/10/2020				False	0
001-500-600600 Travel & Training				EMR Renewal					
	OHA 00022063 Total:	184.00							
OHA 00022120	5/31/2020	46.00	0.00	07/10/2020				False	0
001-500-600600 Travel & Training				EMR Renewal					

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
	OHA 00022120 Total:	46.00							
Ord #7308236563	6/2/2020	120.09	0.00	07/10/2020				False	0
001-100-600100 Office Supplies				office supplies					
	Ord #7308236563 Total:	120.09							
order #0520223	6/8/2020	29.99	0.00	07/10/2020				False	0
001-400-600100 Office Supplies				Office Supplies					
	order #0520223 Total:	29.99							
Order #1191459	6/12/2020	11.98	0.00	07/10/2020				False	0
001-400-608000 Supplies				Office supplies					
	Order #1191459 Total:	11.98							
Order #3078	6/2/2020	183.99	0.00	07/10/2020				False	0
001-400-600100 Office Supplies				Dispatch chair					
	Order #3078 Total:	183.99							
Order #4232203	6/16/2020	35.48	0.00	07/10/2020				False	0
001-500-608000 Supplies				Diabetic test strips					
	Order #4232203 Total:	35.48							
order #4365058	6/10/2020	27.18	0.00	07/10/2020				False	0
001-400-600100 Office Supplies				Computer charger					
	order #4365058 Total:	27.18							
order #5527411	6/1/2020	107.93	0.00	07/10/2020				False	0
001-400-608000 Supplies				Office Supplies					
	order #5527411 Total:	107.93							
order #5913809	6/12/2020	22.85	0.00	07/10/2020				False	0
001-400-608000 Supplies				Evidence Supplies					
	order #5913809 Total:	22.85							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
order #9067414	6/8/2020	51.96	0.00	07/10/2020				False	0
001-400-608000 Supplies				Office Supplies					
	order #9067414 Total:	51.96							
Pixie Labs	6/1/2020	14.12	0.00	07/10/2020				False	0
013-130-600100 Office Supplies				Mail in samples					
	Pixie Labs Total:	14.12							
Robys	6/4/2020	1,157.67	0.00	07/10/2020				False	0
001-700-600300 Equipment Maint & Repair				Maint.					
	Robys Total:	1,157.67							
Stamps.com	6/19/2020	17.99	0.00	07/10/2020				False	0
001-700-600100 Office Supplies				postage					
	Stamps.com Total:	17.99							
Tikieva	6/18/2020	9.99	0.00	07/10/2020				False	0
001-700-603500 Books & Materials				Books/materials					
	Tikieva Total:	9.99							
Traffic Safety	6/10/2020	464.35	0.00	07/10/2020				False	0
001-650-600400 Facility Needs				Safety ballard covers					
	Traffic Safety Total:	464.35							
UPS #R220	6/8/2020	16.53	0.00	07/10/2020				False	0
001-400-608100 Contract & Other Services				Shipping PD					
	UPS #R220 Total:	16.53							
UPS #R240	6/22/2020	16.53	0.00	07/10/2020				False	0
001-400-608100 Contract & Other Services				Shipping PD					
	UPS #R240 Total:	16.53							
UPS R#200	5/25/2020	16.58	0.00	07/10/2020				False	0
001-400-608100 Contract & Other Services				Shipping					

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
	UPS R#200 Total:	16.58							
UPS R#210	6/1/2020	16.52	0.00	07/10/2020				False	0
001-400-608100	Contract & Other Services			Shipping PD					
	UPS R#210 Total:	16.52							
	corpa Total:	5,615.83							
dahdi	Dahl Disposal Service								
12221	7/1/2020	121.10	0.00	07/10/2020				False	0
001-650-600400	Facility Needs			#254763					
	12221 Total:	121.10							
	dahdi Total:	121.10							
ear2o	Earth2o								
727726	5/31/2020	1.00	0.00	07/10/2020				False	0
001-500-608100	Contract & Other Services			fin charge					
	727726 Total:	1.00							
809788	6/16/2020	9.00	0.00	07/10/2020				False	0
001-500-608100	Contract & Other Services			H2O					
	809788 Total:	9.00							
809790	6/16/2020	56.99	0.00	07/10/2020				False	0
001-400-608100	Contract & Other Services			H2O					
	809790 Total:	56.99							
809796	6/16/2020	2.49	0.00	07/10/2020				False	0
011-110-608000	Supplies			H2O					
	809796 Total:	2.49							
843739	6/19/2020	12.49	0.00	07/10/2020				False	0
013-130-608100	Contract & Other Services			H2O					

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
	843739 Total:	12.49							
926887	6/30/2020	9.00	0.00	07/10/2020				False	0
012-125-608000	Supplies			H2O					
	926887 Total:	9.00							
	ear2o Total:	90.97							
engmar	Englund Marine Supply Co.								
967955/6	6/29/2020	154.74	0.00	07/10/2020				False	0
012-120-608000	Supplies			Cleated bootfoot breath wader					
	967955/6 Total:	154.74							
	engmar Total:	154.74							
feren	Ferguson #3011 Waterworks								
0890014	6/17/2020	93.44	0.00	07/10/2020				False	0
012-125-608000	Supplies			CTS CPLGS					
	0890014 Total:	93.44							
	feren Total:	93.44							
gale	Gale/CENGAGE Learning								
70769341	6/23/2020	168.69	0.00	07/10/2020				False	0
001-700-603500	Books & Materials			Books & Materials					
	70769341 Total:	168.69							
70769433	6/23/2020	111.71	0.00	07/10/2020				False	0
001-700-603500	Books & Materials			Books & Materials					
	70769433 Total:	111.71							
	gale Total:	280.40							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
gcsys	GC Systems								
5261		7,000.00	0.00	07/10/2020				False	0
012-125-600420	Systems Repair				Rebuilt/yearly maint control valves				
5261		2,177.00	0.00	07/10/2020				False	0
012-125-600400	Facility Needs				Rebuilt/yearly maint control valves				
	5261 Total:	9,177.00							
	gcsys Total:	9,177.00							
grain	Grainger Company								
9567183992		290.18	0.00	07/10/2020				False	0
012-120-608000	Supplies				WTP Mop, handle, bucket, plug				
	9567183992 Total:	290.18							
9570174822		46.64	0.00	07/10/2020				False	0
001-650-600300	Equipment Maint & Repair				Lawnmower wheels				
	9570174822 Total:	46.64							
	grain Total:	336.82							
hacco	Hach Company								
12004561		425.77	0.00	07/10/2020				False	0
013-130-608000	Supplies				Chlorine				
	12004561 Total:	425.77							
	hacco Total:	425.77							
hrans	HR Answers, Inc.								
44323		3,578.00	0.00	07/10/2020				False	0
001-900-608100	Contract & Other Services				Wage rate study OR				
44323		4,000.00	0.00	07/10/2020				False	0
011-110-607500	Special Purchases				Wage rate study OR				
44323		1,500.00	0.00	07/10/2020				False	0
012-120-608100	Contract & Other Services				Wage rate study OR				
44323		1,500.00	0.00	07/10/2020				False	0

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
013-130-607500 Special Purchases 44323	6/30/2020	1,500.00	0.00	07/10/2020	Wage rate study OR			False	0
012-125-608100 Contract & Other Services 44323	6/30/2020	1,500.00	0.00	07/10/2020	Wage rate study OR			False	0
013-135-607500 Special Purchases					Wage rate study OR				
	44323 Total:	13,578.00							
	hrans Total:	13,578.00							
leor	League of Oregon Cities								
8142	6/4/2020	20.00	0.00	07/10/2020				False	0
001-100-600230 Advertising & Notices					Job posting - FD Training officer				
	8142 Total:	20.00							
	leor Total:	20.00							
lncas	Lincoln County Assessor								
3320	7/1/2020	3.00	0.00	07/10/2020				False	0
001-100-608100 Contract & Other Services					Map# 11-10-17 DD				
3320	7/1/2020	3.00	0.00	07/10/2020				False	0
001-100-608100 Contract & Other Services					Map# 11-10-17 CA				
	3320 Total:	6.00							
	lncas Total:	6.00							
logov	Local Gov't Personnel Instit								
14991	6/12/2020	602.00	0.00	07/10/2020				False	0
001-900-608100 Contract & Other Services					HR/Tech assistance				
	14991 Total:	602.00							
	logov Total:	602.00							
markm	Mark McKay Painting Service LLC								
	7/8/2020	1,195.00	0.00	07/10/2020				False	0

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
035-350-621700	Library				Powerwash, prep, and paint Library				
	Total:	1,195.00							
	markm Total:	1,195.00							
moobpo	Moonlight BPO LLC								
123206	6/30/2020	35.00	0.00	07/10/2020				False	0
012-120-600150	Data Processing Support				Cost of full page "stuffer" June UB statements				
123206	6/30/2020	35.00	0.00	07/10/2020				False	0
012-125-600150	Data Processing Support				Cost of full page "stuffer" June UB statements				
123206	6/30/2020	35.00	0.00	07/10/2020				False	0
013-130-600150	Data Processing Support				Cost of full page "stuffer" June UB statements				
123206	6/30/2020	35.00	0.00	07/10/2020				False	0
013-135-600150	Data Processing Support				Cost of full page "stuffer" June UB statements				
123206	6/30/2020	140.00	0.00	07/10/2020				False	0
045-450-603500	Books & Materials				Cost of full page "stuffer" June UB statements				
	123206 Total:	280.00							
123208	6/30/2020	239.66	0.00	07/10/2020				False	0
012-120-600150	Data Processing Support				June UB statement				
123208	6/30/2020	239.67	0.00	07/10/2020				False	0
012-125-600150	Data Processing Support				June UB statement				
123208	6/30/2020	239.67	0.00	07/10/2020				False	0
013-130-600150	Data Processing Support				June UB statement				
123208	6/30/2020	239.67	0.00	07/10/2020				False	0
013-135-600150	Data Processing Support				June UB statement				
	123208 Total:	958.67							
	moobpo Total:	1,238.67							
munco	Municipal Code Corp.								
00345154	6/22/2020	1,077.00	0.00	07/10/2020				False	0
001-900-608100	Contract & Other Services				Ordinance codification				
	00345154 Total:	1,077.00							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			

		1,077.00							
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		70,505.67							
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Accounts Payable

To Be Paid Proof List

User: nnoteboom
 Printed: 07/17/2020 - 12:12PM
 Batch: 00005.07.2020 - AP 7.17.2020 NRN



Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description					
Reference									
Mark McKay Painting Service LLC markm	7/8/2020	1,195.00	0.00	07/17/2020				False	0
035-350-621700 Library					Painting Library / down payment				
Total:		1,195.00							
Mark McKay Painting Serv		1,195.00							
Report Total:		1,195.00							

Accounts Payable

To Be Paid Proof List

User: nnoteboom
 Printed: 07/27/2020 - 9:41AM
 Batch: 00008.07.2020 - AP 7.24.2020 NRN



Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description	Reference				
Alsco									
alsco									
LPOR2525964	7/1/2020	32.95	0.00	07/24/2020				False	0
001-650-608000 Supplies					shop supplies				
	LPOR2525964 Total:	32.95							
LPOR2525968	7/1/2020	50.13	0.00	07/24/2020				False	0
013-130-608100 Contract & Other Services					WWTP supplies				
	LPOR2525968 Total:	50.13							
LPOR2529408	7/8/2020	32.95	0.00	07/24/2020				False	0
001-650-608050 Janitorial Supplies					Janitorial supplies				
	LPOR2529408 Total:	32.95							
LPOR2529411	7/8/2020	40.57	0.00	07/24/2020				False	0
012-120-608100 Contract & Other Services					WTP supplies				
	LPOR2529411 Total:	40.57							
LPOR2529416	7/8/2020	57.03	0.00	07/24/2020				False	0
013-130-608100 Contract & Other Services					WWTP supplies				
	LPOR2529416 Total:	57.03							
	Alsco Total:	213.63							

Analytical Lab & Consultants
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Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
128886	7/6/2020	173.00	0.00	07/24/2020				False	0
012-120-608100 Contract & Other Services				Lab					
	128886 Total:	173.00							
129107	7/10/2020	168.00	0.00	07/24/2020				False	0
012-120-608100 Contract & Other Services				Lab					
	129107 Total:	168.00							
	Analytical Lab & Consulta	341.00							
Axon Enterprises, Inc									
axoen									
SI-1668349	7/9/2020	180.00	0.00	07/24/2020				False	0
001-400-608100 Contract & Other Services				Dock, power cord, tech plan, license					
	SI-1668349 Total:	180.00							
SI-1668498	7/9/2020	448.75	0.00	07/24/2020				False	0
001-400-608000 Supplies				Dock, power cord, tech plan, license					
	SI-1668498 Total:	448.75							
	Axon Enterprises, Inc Tota	628.75							
Baker & Taylor, LLC									
bakta									
2035370706	7/21/2020	212.85	0.00	07/24/2020				False	0
001-700-603500 Books & Materials				books/materials					
	2035370706 Total:	212.85							
H48608540	7/10/2020	11.09	0.00	07/24/2020				False	0
001-700-603500 Books & Materials				books/materials					
	H48608540 Total:	11.09							
H48632390	7/21/2020	25.89	0.00	07/24/2020				False	0

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
001-700-603500 Books & Materials				books/materials					
	H48632390 Total:	25.89							
H48856110	7/20/2020	11.09	0.00	07/24/2020				False	0
001-700-603500 Books & Materials				books/materials					
	H48856110 Total:	11.09							
H48867010	7/21/2020	11.05	0.00	07/24/2020				False	0
001-700-603500 Books & Materials				books/materials					
	H48867010 Total:	11.05							
	Baker & Taylor, LLC Total	271.97							
Bank of New York Mellon bnyme2									
252-2294166	6/1/2020	1,000.00	0.00	07/24/2020				False	0
085-850-620520 Systems				Finance pool admin fee 20/21					
	252-2294166 Total:	1,000.00							
	Bank of New York Mellon	1,000.00							
Best Pots, Inc. bespo									
A408253	6/5/2020	105.40	0.00	07/24/2020				False	0
001-650-608100 Contract & Other Services				Portable unit/ rental					
	A408253 Total:	105.40							
A408314	6/5/2020	120.60	0.00	07/24/2020				False	0
001-650-608100 Contract & Other Services				Portable unit/ rental					
	A408314 Total:	120.60							
A408315	6/5/2020	40.00	0.00	07/24/2020				False	0
001-650-608100 Contract & Other Services				Portable unit/ serviced					

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
	A408315 Total:	40.00							
A408316	6/5/2020	40.00	0.00	07/24/2020				False	0
	001-650-608100 Contract & Other Services			Portable unit/ serviced					
	A408316 Total:	40.00							
A408699	6/12/2020	40.00	0.00	07/24/2020				False	0
	001-650-608100 Contract & Other Services			Portable unit/ serviced					
	A408699 Total:	40.00							
A408700	6/12/2020	40.00	0.00	07/24/2020				False	0
	001-650-608100 Contract & Other Services			Portable unit/ serviced					
	A408700 Total:	40.00							
A409088	6/19/2020	40.00	0.00	07/24/2020				False	0
	001-650-608100 Contract & Other Services			Portable unit/ serviced					
	A409088 Total:	40.00							
A409089	6/19/2020	40.00	0.00	07/24/2020				False	0
	001-650-608100 Contract & Other Services			Portable unit/ serviced					
	A409089 Total:	40.00							
A409450	6/26/2020	79.31	0.00	07/24/2020				False	0
	001-650-608100 Contract & Other Services			Portable unit/ rental					
	A409450 Total:	79.31							
A409451	6/26/2020	40.00	0.00	07/24/2020				False	0
	001-650-608100 Contract & Other Services			Portable unit/ serviced					
	A409451 Total:	40.00							
A410765	7/9/2020	105.40	0.00	07/24/2020				False	0
	001-650-608100 Contract & Other Services			Portable unit/ rented					
	A410765 Total:	105.40							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
A410838	7/9/2020	80.00	0.00	07/24/2020				False	0
001-650-608100				Contract & Other Services	Portable unit/ serviced				
	A410838 Total:	80.00							
	Best Pots, Inc. Total:	770.71							
BlueTarp Financial bluta									
45355816	6/19/2020	45.96	0.00	07/24/2020				False	0
001-650-600300				Equipment Maint & Repair	lawn mower parts				
	45355816 Total:	45.96							
	BlueTarp Financial Total:	45.96							
Cintas First Aid & Safety cinta									
5019104115	7/13/2020	83.79	0.00	07/24/2020				False	0
001-400-608000				Supplies	First aid supplies				
	5019104115 Total:	83.79							
	Cintas First Aid & Safety T	83.79							
Copeland Lumber Yards, Inc. coplu									
2007-172588	7/9/2020	57.80	0.00	07/24/2020				False	0
001-650-600400				Facility Needs	Cedar				
	2007-172588 Total:	57.80							
2007-172958	7/10/2020	7.04	0.00	07/24/2020				False	0
001-650-608000				Supplies	Cedar				
	2007-172958 Total:	7.04							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
2007-174988	7/13/2020	162.80	0.00	07/24/2020				False	0
001-650-608000 Supplies				Library / rot project					
	2007-174988 Total:	162.80							
2007-178414	7/17/2020	73.09	0.00	07/24/2020				False	0
001-650-600400 Facility Needs				Library / rot project					
	2007-178414 Total:	73.09							
2007-178416	7/17/2020	267.68	0.00	07/24/2020				False	0
001-650-608000 Supplies				Veterans deck					
	2007-178416 Total:	267.68							
	Copeland Lumber Yards, In	568.41							
Covanta Energy LLC									
coven									
297287MARIO	6/19/2020	33.78	0.00	07/24/2020				False	0
001-400-608100 Contract & Other Services				special waste fee's					
	297287MARIO Total:	33.78							
	Covanta Energy LLC Total	33.78							
DEMCO INC.									
demco									
6813211	6/30/2020	290.73	0.00	07/24/2020				False	0
001-700-608000 Supplies				supplies					
	6813211 Total:	290.73							
	DEMCO INC. Total:	290.73							

Department of Administrative Services
class

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
ARK45228	7/7/2020	600.00	0.00	07/24/2020				False	0
001-500-600600 Travel & Training				Storage container FD					
	ARK45228 Total:	600.00							
	Department of Administrat	600.00							
Dept of Environmental Quality depen									
WQ21STM-0044	5/6/2020	1,112.00	0.00	07/24/2020				False	0
011-110-608100 Contract & Other Services				Annual stormwaer permit					
	WQ21STM-0044 Total:	1,112.00							
	Dept of Environmental Qu	1,112.00							
Earth2o ear2o									
006482	7/15/2020	50.49	0.00	07/24/2020				False	0
001-400-608100 Contract & Other Services				Water					
	006482 Total:	50.49							
006490	7/15/2020	7.99	0.00	07/24/2020				False	0
011-110-608000 Supplies				Water					
	006490 Total:	7.99							
917871	7/1/2020	35.49	0.00	07/24/2020				False	0
012-125-608000 Supplies				Water					
	917871 Total:	35.49							
	Earth2o Total:	93.97							
EBSCO Accts Receivable ebsco									

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
0519641	7/1/2020	2,040.09	0.00	07/24/2020				False	0
001-700-603500 Books & Materials				books/materials					
	0519641 Total:	2,040.09							
2000762	10/13/2019	-37.80	0.00	07/24/2020				False	0
001-700-603500 Books & Materials				apply credit memo					
	2000762 Total:	-37.80							
	EBSCO Accts Receivable T	2,002.29							
GENXSYS SOLUTIONS LLC									
genx									
12002	7/15/2020	179.80	0.00	07/24/2020				False	0
001-900-600700 Membership & Subscription				August 2020 Spam filter					
	12002 Total:	179.80							
	GENXSYS SOLUTIONS L	179.80							
Idea Print Works, Inc.									
idepr									
9520	7/8/2020	48.00	0.00	07/24/2020				False	0
001-400-608000 Supplies				badges					
	9520 Total:	48.00							
	Idea Print Works, Inc. Tota	48.00							
K-Rad Construction									
krad									
	7/24/2020	45.00	0.00	07/24/2020				False	0
001-000-402000 Business License				business license refund, overpaid ck#4046					
	Total:	45.00							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
	K-Rad Construction Total:	45.00							
Lincoln County Public Works linpw									
6768	7/13/2020	86.91	0.00	07/24/2020	sprayed dike			False	0
001-650-600400 Facility Needs									
	6768 Total:	86.91							
	Lincoln County Public Wo	86.91							
Lincoln Glass Co. lingl									
58607	7/9/2020	142.74	0.00	07/24/2020	city mgr office window			False	0
001-650-600400 Facility Needs									
	58607 Total:	142.74							
	Lincoln Glass Co. Total:	142.74							
Linn Benton Tractor linnb									
P79271	7/9/2020	165.56	0.00	07/24/2020	parts invoice			False	0
001-650-600300 Equipment Maint & Repair									
	P79271 Total:	165.56							
	Linn Benton Tractor Total:	165.56							
Milk Street Magazine milst									
	7/10/2020	23.95	0.00	07/24/2020	magazine subscription			False	0
001-700-603500 Books & Materials									

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
	Total:	23.95							
	Milk Street Magazine Tota	23.95							
Net Assets									
netas									
85-202006	7/1/2020	85.00	0.00	07/24/2020				False	0
001-900-608100	Contract & Other Services			Lien searches					
	85-202006 Total:	85.00							
	Net Assets Total:	85.00							
NW Natural Gas Co.									
nwnat									
	7/23/2020	515.00	0.00	07/24/2020				False	0
001-650-600400	Facility Needs			Library project					
	Total:	515.00							
	NW Natural Gas Co. Total:	515.00							
Ocean Tire Factory									
oceti									
IN00028497	6/25/2020	809.90	0.00	07/24/2020				False	0
001-400-600350	Vehicle Maint & Repair			Unit license E255879					
	IN00028497 Total:	809.90							
IN00028575	7/6/2020	967.35	0.00	07/24/2020				False	0
001-400-600350	Vehicle Maint & Repair			Unit license E258582					
	IN00028575 Total:	967.35							
IN00028584	7/8/2020	110.00	0.00	07/24/2020				False	0
001-400-600350	Vehicle Maint & Repair			Unit license E262521					

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
	IN00028584 Total:	110.00							
	Ocean Tire Factory Total:	1,887.25							
OR Dept of Consumer & Business									
orcon									
	7/1/2020	22.40	0.00	07/24/2020				False	0
012-120-600300	Equipment Maint & Repair				Permit #0000035693 / Ref #90068732301				
	7/1/2020	22.40	0.00	07/24/2020				False	0
012-125-600300	Equipment Maint & Repair				Permit #0000035693 / Ref #90068732301				
	Total:	44.80							
	OR Dept of Consumer & B	44.80							
OR Water Resources Dept									
orwat									
129583	1/17/2020	335.00	0.00	07/24/2020				False	0
012-120-608100	Contract & Other Services				Mill Creek Dam annual safety fee				
129583	1/17/2020	335.00	0.00	07/24/2020				False	0
012-125-608100	Contract & Other Services				Mill Creek Dam annual safety fee				
	129583 Total:	670.00							
	OR Water Resources Dept	670.00							
Oregon Health Authority									
orhea									
PWS ID#4100899	5/27/2020	2,000.00	0.00	07/24/2020				False	0
012-120-608100	Contract & Other Services				Annual water system fee				
	PWS ID#4100899 Total:	2,000.00							
	Oregon Health Authority T	2,000.00							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
Pacific Diesel Repair pacdie 2908	7/9/2020	685.00	0.00	07/24/2020				False	0
001-500-600350 Vehicle Maint & Repair				Unit #4151 repair					
	2908 Total:	685.00							
	Pacific Diesel Repair Total	685.00							
Recorded Books Inc recbo 76672024	7/9/2020	99.00	0.00	07/24/2020				False	0
001-700-603500 Books & Materials				books/material					
	76672024 Total:	99.00							
76675656	7/13/2020	35.99	0.00	07/24/2020				False	0
001-700-603500 Books & Materials				books/material					
	76675656 Total:	35.99							
76678879	7/21/2020	127.60	0.00	07/24/2020				False	0
001-700-603500 Books & Materials				books/material					
	76678879 Total:	127.60							
76679362	7/17/2020	40.49	0.00	07/24/2020				False	0
001-700-603500 Books & Materials				books/material					
	76679362 Total:	40.49							
	Recorded Books Inc Total:	303.08							
Ricoh Americas Corp. ricam 5059916050	7/1/2020	20.41	0.00	07/24/2020				False	0
001-500-608100 Contract & Other Services				copies					

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
	5059916050 Total:	20.41							
	Ricoh Americas Corp. Tota	20.41							
Road & Driveway Co., Inc. roadr									
0027759-IN	7/7/2020	146.05	0.00	07/24/2020				False	0
011-110-608000 Supplies				asphalt mix					
	0027759-IN Total:	146.05							
	Road & Driveway Co., Inc	146.05							
Sherwin-Williams shewi									
0546-7	7/13/2020	905.60	0.00	07/24/2020				False	0
011-110-608000 Supplies				street paint					
	0546-7 Total:	905.60							
1646-0	7/1/2020	114.12	0.00	07/24/2020				False	0
011-110-608000 Supplies				street paint					
	1646-0 Total:	114.12							
	Sherwin-Williams Total:	1,019.72							
State of OR Corporation Divisi staor									
	7/21/2020	40.00	0.00	07/24/2020				False	0
001-400-608000 Supplies				Notary Public - Wendy Pickell					
	Total:	40.00							
	State of OR Corporation D	40.00							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
TIAA COMMERCIAL FINANCE, INC									
TIAAB									
7371797	7/12/2020	173.18	0.00	07/24/2020				False	0
				001-700-608100 Contract & Other Services	July payment				
7371797 Total:		173.18							
TIAA COMMERCIAL FIN		173.18							
Yaquina Boat Equipment									
yaqbo									
38568	7/1/2020	2,831.20	0.00	07/24/2020				False	0
				013-130-600420 Systems Repair	Job #654				
38568 Total:		2,831.20							
Yaquina Boat Equipment T		2,831.20							
Report Total:		19,169.64							

Accounts Payable

To Be Paid Proof List

User: nnoteboom
 Printed: 07/29/2020 - 2:30PM
 Batch: 00010.07.2020 - AP 6.30.2020 NRN



Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description	Reference				
AA TOWING & AUTO WRECKING									
aatow									
25728R	6/15/2020	300.00	0.00	06/30/2020				False	0
					001-500-600350 Vehicle Maint & Repair				FD 2015 Ford F550 / 498 Elk City Rd.
		<u>300.00</u>			25728R Total:				
		<u>300.00</u>			AA TOWING & AUTO W				
CORPORATE PAYMENT SYSTEMS									
corpa									
	6/19/2020	1,668.46	0.00	06/30/2020				False	0
					001-100-600600 Travel & Training				4imprint 2019-20 invoice
		<u>1,668.46</u>			Total:				
		<u>1,668.46</u>			CORPORATE PAYMENT				
East Linc County Emergency Responders									
ELCER									
	5/1/2020	3,500.00	0.00	06/30/2020				False	0
					001-500-608150 Volunteer Program				May 2020 / Volunteer Payment
	6/1/2020	3,500.00	0.00	06/30/2020				False	0
					001-500-608150 Volunteer Program				June 2020 / Volunteer Payment
		<u>7,000.00</u>			Total:				

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
	East Linc County Emergen	7,000.00							
EDGE ANALYTICAL, INC									
edgan									
20-12910	4/23/2020	33.00	0.00	06/30/2020				False	0
	012-120-608100 Contract & Other Services			Lab samples					
	20-12910 Total:	33.00							
20-13264	4/24/2020	33.00	0.00	06/30/2020				False	0
	012-120-608100 Contract & Other Services			Lab samples					
	20-13264 Total:	33.00							
	EDGE ANALYTICAL, INC	66.00							
Figueroa, Lisa									
figli									
	7/29/2020	88.12	0.00	06/30/2020				False	0
	001-100-600600 Travel & Training			Travel / Expense reimbursement					
	Total:	88.12							
	Figueroa, Lisa Total:	88.12							
STAPLES ADVANTAGE									
staad									
	6/29/2020	718.76	0.00	06/30/2020				False	0
	001-100-607500 Special Purchases			Order #7309319607-000001 / Lisa F.					
	Total:	718.76							
	STAPLES ADVANTAGE T	718.76							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			

Report Total:

9,841.34

Accounts Payable

To Be Paid Proof List

User: nnoteboom
 Printed: 07/30/2020 - 11:24AM
 Batch: 00012.07.2020 - AP 6.30.2020 NRN



Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description	Reference				
Dahl Disposal Service dahdi	6/25/2020	14,869.82	0.00	06/30/2020				False	0
042-420-620550 I & I Improvement					Sewer System reconstruction				
Total:		14,869.82							
Dahl Disposal Service Tota		14,869.82							
Report Total:		14,869.82							

**Section 00510
NOTICE OF AWARD**

NOTICE OF AWARD

Date of Issuance:

Owner:	City of Toledo	Owner's Contract No.:	
Engineer:	The Dyer Partnership	Engineer's Project No.:	199.04
Project:	Arcadia & Spruce - Street & Utility Improvements	Contract Name:	Arcadia & Spruce - Street & Utility Improvements
Bidder:	Road and Driveway Co.		
Bidder's Address:	PO Box 730 121 NE Harney Newport, OR 97365		

TO BIDDER:

You are notified that Owner has accepted your Bid dated July 30, 2020 for the above Contract, and that you are the Successful Bidder and are awarded a Contract for:

City of Toledo – Acadia & Spruce – Street and Utility Improvements Schedules A, B, C and D.

The Contract Price of the awarded Contract is: \$ Eight hundred and one thousand, nine hundred sixty three dollars and eighty eight cents (\$801,963.88)

Three copies of unexecuted counterparts of the Agreement accompany this Notice of Award.

Three set of the Contract Documents will be delivered separately.

You must comply with the following conditions precedent within 15 days of the date of receipt of this Notice of Award:

1. Deliver to Owner three fully executed counterparts of the Agreement, fully executed by Bidder. **All dates on the Agreement shall be left blank and the Effective Date of the Agreement will be inserted by Owner when Owner executes the Agreement.**
2. Deliver with the executed Agreements the Contract security (*performance and payment bonds*) and insurance documentation as specified in the Instructions to Bidders and General Conditions, Articles 2 and 6 and related Supplementary conditions to those General Condition sections. **All dates on the bonds shall be left blank.** A letter shall be provided, signed by both Contractor and Bonding Company, or authorized agent of Bonding company, which authorized the Owner to insert the date on the Bonds which is the same date as the Effective Date of the Agreement.
3. Parties required to be listed as insured, additionally insured, or also insured shall all be listed on the Certificates of Insurance.
4. You must deliver with the executed Agreement, proof that an employee drug testing program is in place. Such proof may include a copy of the adopted policy or program for employee drug testing.
5. Also before you may start any Work at the site you must:
 - a. Submit a project work schedule.
 - b. Schedule a preconstruction conference with Engineer.
 - c. Receive a Notice to Proceed from the Engineer.

Failure to comply with these conditions within the time specified will entitle Owner to consider you in default, annul this Notice of Award, and declare your Bid security forfeited.

Within ten days after you comply with the above conditions, Owner will return to you one fully executed counterpart of the Agreement, together with any additional copies of the Contract Documents as indicated in Paragraph 2.02 of the General Conditions.

You are required to return an acknowledged copy of this Notice of Award to the Owner.

ACCEPTANCE NOTICE

City of Toledo
(OWNER)

By _____
(AUTHORIZED SIGNATURE)

(TITLE)

Receipt of the above NOTICE OF AWARD is hereby acknowledged by _____

this the _____ day of _____,
20____.

By: _____

Title: _____

Employer I.D. No. _____



THE DYER PARTNERSHIP
ENGINEERS & PLANNERS, INC.

August 4, 2020

Judy Richter, City Manager
City of Toledo
206 N Main Street
Toledo, OR 97391

RE: City of Toledo
Arcadia & Spruce - Street & Utility Improvements
Project No. 199.04

Dear Ms. Richter:

This letter is to recommend action by the City of Toledo in response to the bid received on July 30, 2020 at 2:00 PM for the above referenced project. One bid was received. There were no bid irregularities. The bid was responsive and responsible. The bid was in the following amount:

1. \$801,963.88 for all schedules by Road & Driveway Co.

We recommend that the City of Toledo take the following action:

1. Accept the bids.
2. Award a contract to Road & Driveway Co. for all schedules in the amount of \$801,963.88.

It is our opinion that Road & Driveway Co. has sufficient experience and qualifications to satisfactorily construct the project.

Assuming the City of Toledo and Council concurs with our recommendation; we have enclosed three copies of the Notice of Award. A representative for the City needs to sign all three copies after which they should be returned to our office. (*Please do not date the Notice of Award.*) We will date the Award following notification that the City of Toledo accepts the bid and is determined to award the project.

Pursuant to ORS279C.835, the Oregon Bureau of Labor and Industries requires that Form WH-81 be filled out by the contracting agency and sent to them with a copy of the first-tier subcontractor form, if applicable (ORS 279C.370), within 30 days of issuing the Notice of Award. The form is available at:

<https://www.oregon.gov/boli/WHD/PWR/docs/wh81.pdf>

The Owner is also responsible for payment of a Public Works fee to the Bureau of Labor & Industries. This payment is accompanied by Form WH-39 which is available at:

<https://www.oregon.gov/boli/WHD/PWR/docs/wh39.pdf>

Sincerely,

Andrew Hall, PE
Project Engineer