

Shady Cove Annexation Town Hall

On Thursday, October 17, 2018 RVSS staff members Carl Tappert, Shane Macuk, and Kevin James attended a town hall meeting in Shady Cove to answer citizen's questions about the proposed annexation into RVSS. For the benefit of those who were unable to attend we have provided this summary of answers to the questions that were asked.

1. During the current 10 year contract when would annexation begin?

RVSS Answer: The Intergovernmental Agreement between RVSS and Shady Cove requires that the City call for an annexation vote before the end of the term of the agreement, in 2026. The annexation, if approved, will be effective when the vote is certified. RVSS and Shady Cove have agreed to a transition period that runs through the end of the current fiscal year on July 1, 2019.

2. Where is the system's current capacity?

RVSS Answer: The plant has a design flow rate of 0.45 million gallons per day (mgd). Over the last 8 years the flow has averaged just under 0.40 mgd, which gives us about 12% excess capacity.

The plant is also designed to treat a maximum of 2,000 pounds of biological oxygen demand (BOD) per day. This is a measure of the organic load on the plant. The plant has an average influent load of approximately 580 pounds of BOD per day, which gives us about 70% excess capacity.

3. How is our infrastructure?

RVSS Answer: The collection system was originally built in the early 1980's and is in generally good condition. There are certain problem areas that we are concerned with:

- *Pump Stations – the system has 5 pump stations which is a fairly high number for the size of the system. Pump stations require more maintenance and are an inherent weak point in the system.*
- *Force Mains – the pump stations discharge through force mains. We have discovered that these force main pipes are made with thin-walled pvc. While this material is strong enough to withstand internal pressures, it is easily damaged from outside forces. We have already had one minor failure and anticipate that we will ultimately need to replace these pipes.*
- *River Crossings – There are two river crossings. While we don't have any immediate concerns for the integrity of these crossings they are a source of concern, since a failure in these pipes would have serious consequences.*

- *Manhole Connections – Many of the manholes were built with flexible rubber connections just outside the manhole. Some of these have shifted creating offset joints which have the potential to cause blockages.*
- *Service laterals – There are some areas of town where homes are connected to long service laterals extending down the street. This type of construction is no longer considered acceptable due to the increased potential for leaks and blockages in these pipes.*

The treatment plant is in good condition. The biggest issues we face is the wear and tear on the many mechanical components.

4. Is there a timeline tied to the reserve money?

RVSS Answer: (This question was in reference to capital reserves currently held by the City. The current intergovernmental agreement identifies five specific capital projects with an estimated cost of \$1.2 million that will be paid from the City’s capital reserves.) The timelines are not set for these projects. We continually monitor the condition of the facilities and try to schedule improvements before the need is critical. The first project, which is re-coating the steel tanks in the aeration basins, will probably be done in the next 2-3 years.

5. Is RVSS governed by the PUC?

RVSS Answer: No. The Public Utilities Commission (PUC) regulates investor-owned utilities such as Pacific Power and Avista Natural Gas. RVSS is a local government agency and is governed by an elected Board of Directors.

6. What do the other cities in our system currently pay for service?

RVSS Answer: Residential customers in the rest of RVSS pay a monthly fee of \$20.50. Shady Cove residents will pay the same amount for collection system operations as the rest of RVSS. The higher rate in Shady Cove reflects higher costs for treatment, debt service, and the proposed franchise fee.

7. Is there a cost savings when annexation begins?

RVSS Answer: Yes. We have agreed to reduce the monthly sewer bill from \$46 to \$44 and to maintain that rate for at least 2 years.

8. When the current debt is paid off how will that effect our current bill?

RVSS Answer: Slightly more than \$6 of the bill goes directly to servicing debt. When this is paid off, assuming no additional debt is incurred, the savings could be passed on to the user.

9. Is the rate structure regional? How can we reduce the cost structure?

RVSS Answer: The portion of the bill that goes to operation of the collection system will be the same for all users within RVSS. The cost of treatment, debt service, and the franchise fee

are specific to Shady Cove. Based on our experience we believe that the best way to control costs is by maintaining an aggressive capital improvement program. RVSS typically spends nearly 1/3 of our total budget on capital improvements which reduces long-term maintenance costs.

10. Would the city qualify for FEMA funds if there were a catastrophic failure?

RVSS Answer: We have no reason to believe that the annexation would affect the City's or RVSS' ability to access FEMA funds in the event of a disaster.

11. Would the city retain ownership of the treatment plant?

RVSS Answer: The treatment plant is a publicly owned facility. If the annexation is approved it will continue to be a publicly owned facility. The difference is that instead of being owned by the citizens of Shady Cove it will be owned by the citizens of RVSS, which includes Shady Cove.

Ownership of public facilities is a different concept than owning a private facility. If you own a private facility, such as a factory, you can sell it or use it as collateral for a loan. You can't do that with a public facility. Ownership of a public facility is more akin to having the obligation to maintain the facility in perpetuity.

12. If the city shows growth will that affect the monthly bill?

RVSS Answer: Maybe. Growth increases revenues so if the level of growth exceeds the level of inflation it could reduce the monthly bill. On the flip side, if growth exceeds the capacity of the system it could create a need for capital expansion, which could increase the monthly bill.

13. What percentage of the existing pipe would we not be involved with?

RVSS Answer: The sewer mains, which are generally 8 inch and larger pipes with manholes, are all considered public facilities and would be the responsibility of RVSS to maintain. Service laterals, which extend from a building to the public main, have shared responsibilities. The property owner is generally responsible for any portion of the lateral that is outside of the public right-of-way and for any blockages in the lateral pipe, regardless of where they are. RVSS is responsible for the structural integrity of the pipe within the public right-of-way.

So if a lateral failed in the right-of-way RVSS would repair it. If the lateral is blocked it would be the property owners responsibility to have a plumber clear the blockage.

14. Is RVSS under the same EPA regulations?

RVSS Answer: Yes. RVSS is subject to all of the same regulations as Shady Cove.

15. Who gets the fine if the treatment plant exceeds limits?

RVSS Answer: RVSS would be responsible for plant permit compliance and would be responsible for any non-compliance penalties.

16. Is the annexation a public or city council vote?

RVSS Answer: The annexation will be determined by a public vote within Shady Cove at the November 6 election.

17. Could residents outside the city limits connect to sewer?

RVSS Answer: Generally no. State land use laws prohibit sewer service for properties that are outside of city limits or urban growth boundaries. Additionally, if the annexation is approved the RVSS District boundary will be defined by the Shady Cove City limits.

A sewer connection outside the city limits is possible, but it would require an exception to the state land use laws and a waiver from the RVSS Board of Directors.

18. If I want to contest the fees for an ADU who would I deal with?

RVSS Answer: If the annexation is approved any disputes over fees would be handled by RVSS.

19. Would the annexation have to wait until 2026?

RVSS Answer: It does not. The plan is for the annexation to take effect on July 1, 2019.

20. Could we defer SDC fees?

RVSS Answer: RVSS does have procedures for deferring SDCs or paying them in installments.

21. What would be contributing factors that would cause rates to rise?

RVSS Answer: The main factor that contributes to rate increases is inflation. The cost of labor and materials, particularly electricity and chemicals, continue to rise. We can help mitigate to a certain these increases through improvements in efficiency.

The biggest impact would come from a change in our discharge permit. If the DEQ requires us to treat for nutrients (nitrogen and phosphorus) or for temperature we would need to add new treatment processes to the plant, which would affect the rates. We are currently in the permit renewal cycle and do not expect any significant changes. Looking into the future 10 or 20 years these higher treatment standards are a real possibility.

22. Do heavy rains effect the system? Does RVSS do storm drains?

RVSS Answer: Rain and high groundwater does find its way into the sewer system. During extreme and rare events we can see the flow at the treatment plant reach 3 times its normal flow. The system is designed to handle these temporary surges so it does not present a big problem.

RVSS does do some storm drain maintenance in Shady Cove, however that is not part of the proposed annexation.

23. How long ago did Gold Hill come on board?

RVSS Answer: RVSS signed a month-to-month maintenance agreement with Gold Hill in February 2017 and followed that with a 5 year agreement on July 1, 2017.

24. Does our board of directors get larger with growth and how are they elected?

RVSS Answer: No. The size of the Board of Directors is set at 5 by statute. (ORS 450.790)

25. How many ERU's are currently in the city?

RVSS Answer: The City currently has approximately 1,550 equivalent residential units (ERU).

26. Can the FAQ's be put on line?

RVSS Answer: Yes.