

CITY OF SALEM
Written Testimony
City Council

555 Liberty St SE
Salem, OR 97301

Monday, October 10, 2016

6:30 PM

Council Chambers

4.a. [16-221](#)

Proposed Fees and Charges for Utility Service Rates (Water, Wastewater, and Stormwater)

Ward(s): All Wards

Councilor(s): All Councilors

Neighborhood(s): All Neighborhoods

Recommendation:

Adopt Resolution No. 2016-46 with exhibit, establishing fees and charges for utility service rates (water, wastewater and stormwater) effective January 1, 2017, and January 1, 2018.

Attachments:

[2016 Assumptions](#)

[Sample Bills.pdf](#)

[Resolution 2016-46](#)

[Resolution 2016-46 Exhibit](#)

[Written Testimony 1-42](#)

[Written Testimony 43-62](#)

[Written Testimony 63-67](#)

Add - Written Testimony

Amy Johnson - Rate Increases

From: <imorrisathome@comcast.net>
To: <cityrecorder@cityofsalem.net>
Date: 10/10/2016 1:29 PM
Subject: Rate Increases

Salem City Council,

My question for tonight's Public Hearing is:

What about those of us who are being charged for a street light that we do not have located on our block. We were told to call out local electric company so that we are sure to be on the list to get a light, which all the people on our block have done. We still do not have a light and we are still being charged for a light that we do not have and have no idea when we might even get a light on our block. In the private business world that would be considered "fraud" to be charged for services that you have not and are not receiving. Why is it that the City of Salem is allowed to charge for 'services not received'. This has been ongoing for some time now. Maybe that street light charge should be credited to us against the the rate increase, since we have been paying \$2.80 a month for services not received. I'm sure you already have a prepared reply but that still does not make it right.

Irene Morris

Amber Mathiesen - Regarding Concerns of Proposed Creekside Water Cost Reduction

From: Catrina Kersich <CKersich@pacpride.com>
To: "crbennett@cityofsalem.net" <crbennett@cityofsalem.net>, "tandersen@c...
Date: 10/10/2016 3:05 PM
Subject: Regarding Concerns of Proposed Creekside Water Cost Reduction
CC: "Citycouncil@cityofsalem.net" <Citycouncil@cityofsalem.net>

To All,

I will admit that this is the first time I have written to the Council in the 40 plus years of living here but did have to voice my concerns in regards to the City even considering the lowering the water costs and/or offsetting the costs of water to other Salem'ites. Below are my concerns and reasoning.

- 1) The course is *private*. If the course was open to anyone in Salem **or** if we are to offset the water costs for them they in turn change the status of this course to public. If they did this, as a golfer and resident of south Salem, I may feel differently.
- 2) The individuals that have chosen to live in the Creekside area, those that have fees or association dues that go towards the course should carry the brunt of these increases. Their home value, obvious income level, and their initial and ongoing awareness that these dues or costs may go up at any time as a resident associated with this course were clear to them when they purchased their homes.
- 3) I am afraid that this if passed it will set **precedent** to any other *affluent* area of Salem, (*and even those perhaps that are not*) that may also face difficulty in making payment to their utility obligations due to poor management or an economic downturn of their association or golf course. No matter if related to a *private* course, large farm or other businesses that may be found not have run their business efficiently or those who have not looked to the future to anticipate global warming and began to budget for additional water costs.

As a consumer of water and semi-conservationist we have replaced many plants in our yard that are more drought resistant, we conserve water, and have even let some of our yard "go" during the summer choosing not to maintain it in order to conserve water.

- Creekside- **and** its area residents should do the same- or be placed on rations (as in CA and other states), since they use such large amounts.
- They could also plant- in stages - drought resistant grasses and other foliage, build very large (inexpensive) water storage systems throughout the property to catch and contain rain/snow during the spring/fall/winter months. Not to mention they could also drill a few wells to offset their water needs, as farmers and others with large property in Salem have done.
- A final suggestion is to lessen the size of the course to a smaller footprint. For Example moving

from an 18 hole to a *9 hole*, and adding new homes within the former 9 holes that have been converted over to help offset growing course maintenance costs. With this they could still maintain their “private” status and increase incoming ongoing monthly member fees.

In closing I believe the City should dedicate their time and resources to areas of Salem that need the most funds for example to and not limited to *emergency preparedness, public safety, maintaining and adding new street lights, improving roads, parks, and sidewalks just to name a new.

- The latter is a *huge* issue within our older neighborhood, in that the sidewalk in front and along our home are in terrible disrepair and a *hazard* to many pedestrians as they use it daily, This issue is due to very shallow concrete poured 40+ years ago in addition to City’s trees along the boulevard whose roots have raised it 4”-6” (cracking and breaking them up). We have been on a “waiting list” for 2.5 years, with no updates or action having been taken since submitting our request for repairs. Until this is remedied we are just waiting to hear of someone tripping and being seriously injured.

Items like these throughout Salem (*see the many items listed above), are items that effect the welfare of many individuals on a daily basis, are what I believe you as our voted in representatives should be focusing on, not that of a poorly managed business that touts being *private* though requests, and may even expect, the *public* to bail them out when in need, merely because many of its residents are connected or affluent.

Thank you for your time and consideration of this message.

Catrina Kersich

CITY COUNCIL PRESENTATION

Mayor Peterson and members of the City Council. My name is Kent Hunsaker. I reside at 770 Hazeltine in Salem. I have attended every meeting of the city's Water Task Force as the chair of Creekside's water committee. Creekside has been requesting that the city review the huge rate increases of the irrigator classification for many years. The irrigator water rates have increased by 230% over the past 15 years (\$1.28 to \$4.24) while all other rate categories have increased between 52% (multiple dwelling) to 90% (institutional). The residential rate has raised 88%. On June 1, 2001 the irrigator rate was actually 15 cents lower than the residential rate. Now the irrigator rate is \$1.59 higher.

During the meetings of the Water Task Force the committee spent a great deal of time discussing whether to adjust the irrigation rate. At its third meeting the committee overwhelmingly voted to approve a 30% decrease in the irrigator rate (\$4.24 to \$2.97) - one member voted no.

Following the meeting, which was attended by the Statesman Journal, an article appeared in the paper telling about the rate decrease for irrigators and the need for an \$8/ year increase in residential rates to make up for the loss of revenue (\$600,000). No where in the article was anything about irrigator rates going up by 230%, no where in the article did it mention that Creekside would only get 10% of the \$600,000 and was responsible for only 80 cents of the \$8 annual increase, and no where in the article did it mention any of the other irrigators who would receive 90% of the \$600,000 (Salem-Keizer SD, Willamette University, Salem Hospital, cemeteries, churches, etc.). They followed this article up with one that solicited rapid responses from citizens on whether they supported keeping Creekside golf course open while residences paid an extra \$8/ year or building houses on the property. In other words, Creekside is raising your water rates. Again no mention of any of the other irrigators who would benefit from the decrease. This was followed by numerous letters to the editor, guest commentary and much more attention to the decrease in irrigator rates and subsequent need to raise residential rates.

At the end of the Water Task Force process, the committee revisits all recommendations. The Task Force actually reviewed many other issues. They then make a final recommendation to the City Council. As the committee was getting ready to make a motion on their recommendations, Chuck Bennett indicated he believed the irrigator water issue was now a very political issue and should be referred to the city council with no recommended changes. There was some push back on the suggestion as the Task Force had originally approved the rate change overwhelmingly and seemed ready to approve it again. After some discussion, the committee did what was suggested. A very abrupt and awkward end to a 3 month process of thoughtful discussion by the Task Force on many issues.

So, let's assume that the irrigator classification, which has experienced 230% increases while other classifications have had less than 90% increases, receives no relief. What will happen? The other large users in the irrigator classifications have very large

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**CITY OF SALEM
LEGAL DEPARTMENT**

CITY COUNCIL PRESENTATION

budgets and water bills are a very small item. Examples would be Salem-Keizer savings about \$50,000; Willamette University, savings about \$40,000, Salem Hospital, savings about \$30,000. However, Creekside is a different circumstance. Our water bill is over 10% of our annual budget. Creekside currently has 271 golfing members and over 1/4 of our members dues go to pay the water bill. We have repeatedly stated that unless there is a significant decrease in the irrigator rate, Creekside will eventually close. Last Wednesday our members were notified that our dues increase for 2017 will be 20%. Members will have to notify the course by October 20 if they will continue as members and pay the increase. We will need to have 95-100% of our members on board to stay open in 2017.

If the course closes the following will be issues for the city:

1. The city will lose approximately \$225,000 in water revenue - our water bill
2. The city will lose 68 full and part time jobs associated with the course
3. The city may have a critical watershed compromised by development
4. The city will lose property taxes when Creekside property values change
5. The city will likely have to purchase easements or buy property at SUBSTANTIAL cost to deal with flood issues
6. The city will lose a championship golf course that has hosted qualifying for the Senior Open, allows youth golf teams from Corban and Salem-Keizer to practice and have events at no cost.
7. This list could go on for a long time, but many other speakers will add to this list.

I urge the city council to NOT postpone dealing with the issue of Irrigator rates. It is clear to me and most members of the Task Force that irrigator rates need to be changed. By the time you get back to dealing with it again, Creekside GC may be history and you will then be dealing the issues listed above.

Kent Hunsaker

CELEBRATION
JULY 11, 2016
Salem-Keizer
10:00 AM - 12:00 PM

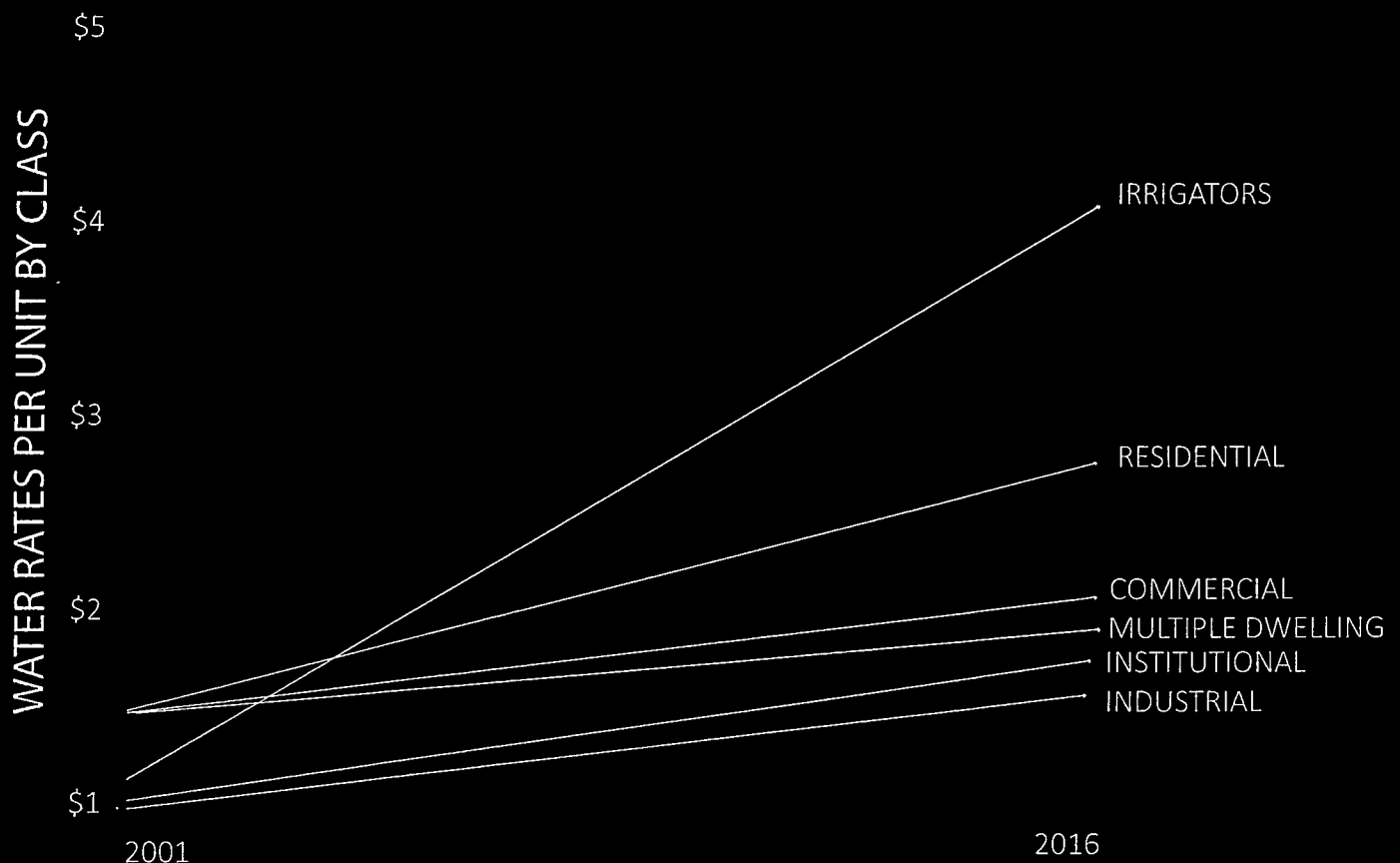


Simple Facts

About Irrigator Rates in Salem, OR

- FACT: Even with the proposed change in rates, irrigators would be paying the highest rates of any user.
- FACT: For years irrigators have been subsidizing other users resulting in lower rates for other categories.
- FACT: Irrigators include Salem schools, cemeteries, hospitals, Willamette University, State of Oregon and approximately 670 other users.
- FACT: Salem does NOT have a shortage of water.
Based upon information from the city, Salem has an oversupply of water with supplies expected to meet demand indefinitely.
- FACT: Given Salem's over supply of water the city is even entering into an agreement with another city to potentially sell surplus water and currently supplies water to another local city.
- FACT: Since 2001 Irrigators' rates have increased 230% while residential rates have risen 88%.

Volume Rates by Customer Classification			
Water Rates (Inside-City)	June 1, 2001	January 1, 2016	2015 & 2016 Water Usage by Class
Residential	\$ 1.41	\$ 2.65	42%
Multiple Dwelling	\$ 1.41	\$ 2.14	19%
Irrigation	\$ 1.28	\$ 4.24	5%
Commercial	\$ 1.25	\$ 2.19	15%
Industrial (Split Rate Average)	\$ 0.93	\$ 1.54	5%
Institutional	\$ 0.98	\$ 1.86	4%
Public Institutions	\$ 1.38	\$ 2.58	2%
Wholesale to Another City	-		8%



**Let's have a public discussion based upon facts
not emotions.**

Data sourced from the City of Salem, Oregon 2001 & 2016 Water Studies.

10-10-2016
Darwin D. Sander
715 21st ST SE
Salem, OR, 97301

Water Rate Increases Hearing

1. There should be some sort of provision for customers that are either elderly and/or disabled and are low-income to give them a 5 to 10 percent discount.

Darwin Sander

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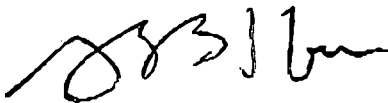
CITY OF SALEM
LEGAL DEPARTMENT

October 10, 2016

Dear City Council,

This letter is in opposition to including a water-rate reduction for large-scale irrigators, especially as a reduction for them will have to be offset by a rate increase for all other water customers. Although the ~~reduction would be nominal~~ it is as much the principle of the residents cannot or will not ever use. ~~Admittedly, such places as a golf course that the vast majority of~~ to drought conditions. While Salem itself may not currently be in such dire straits, it may be problematic in the near future. We should start taking steps today to ensure we are being good stewards of natural resources such as water.

Thank you for your consideration.



Richard Berkobien
550 Grandover Ave SE
Salem, Oregon 97306