



CITY OF CANNON BEACH

AGENDA

Meeting: City Council Work Session and Special Meeting
Date: Tuesday, May 14, 2024
Time: 6:00 p.m.
Location: Council Chambers, City Hall

CALL TO ORDER AND APPROVAL OF AGENDA

PUBLIC COMMENT

The Presiding Officer will call for statements from citizens regarding issues relating to the City. The Presiding Officer may limit the time permitted for presentations and may request that a spokesperson be selected for a group of persons wishing to speak.

RESOLUTION

- (1) **Resolution 24-10 for the Purpose of Repealing Resolution 23-23 and establishing Water, Wastewater, and Storm Drain Utility Rates**
If Council wishes to adopt Resolution 24-10 the appropriate motion is in order

ACTION ITEMS

- (2) **Consideration of the Minutes of the**
April 2 Council Meeting
April 9 Council Work Session
April 16 Council Work Session/Special Meeting
April 24 Council Work Session CIDA
April 30 Council Work Session CIDA
- (3) **Appointment of City Committee/Board/Commission**
If Council wishes to appoint an appropriate motion is in order

CLOSE SPECIAL MEETING AND OPEN WORK SESSION

DISCUSSIONS

- (4) **Scope of Review Determination for Brent Burton Appeal of A Planning Commission Decision to Deny a Setback Reduction Request on an Undeveloped Lot**
- (5) **Cannon Beach Police Department 2023 Annual Report**
- (6) **Water Resiliency Project Update**
- (7) **Microplastic Collaboration Project OSU/PSU**
- (8) **Good of the Order**

ADJOURNMENT

To join from your computer, tablet or smartphone

Join Zoom Meeting

<https://zoom.us/j/99261084699?pwd=TkpjbGcxS0pCOGIMOCtSbSsxVWFMZz09>

Meeting ID: 992 6108 4699

Password: 365593

To join from your phone:

Phone: 1.669.900.6833

Meeting ID: 992 6108 4699

Password: 365593

View Our Live Stream: View our [Live Stream](#) on YouTube!

Public Comment: If you wish to provide public comment via Zoom for this meeting please use the raise your hand Zoom feature. Except for a public hearing agenda item, all Public to be Heard comments will be taken at the beginning of the meeting for both Agenda and Non-Agenda items. If you are requesting to speak during a public hearing agenda item, please indicate the specific agenda item number as your comments will be considered during the public hearing portion of the meeting when the public hearing item is considered by the Council. All written comments received by 3:00 pm the day before the meeting will be distributed to the City Council and the appropriate staff prior to the start of the meeting. These written comments will be included in the record copy of the meeting. Written comments received at the deadline will be forwarded to Council and included in the record but may not be read prior to the meeting or appear on the city's website.

Please note that agenda items may not be considered in the exact order listed. For questions about the agenda, please contact the City of Cannon Beach at (503) 436.8052. The meeting is accessible to the disabled. If you need special accommodations to attend or participate in the meeting per the Americans with Disabilities Act (ADA), please contact the City Manager at (503) 436.8050. TTY (503) 436-8097. This information can be made in alternative format as needed for persons with disabilities.

Posted: 2024.05.08



CANNON BEACH CITY COUNCIL

STAFF REPORT

RESOLUTION NO. 24-10, FOR THE PURPOSE OF REPEALING RESOLUTION 23-23 AND ESTABLISHING WATER, WASTEWATER, AND STORM DRAIN UTILITY RATES

Agenda Date: May 14, 2024

Prepared by: Ron Logan
Assistant Finance Director

BACKGROUND

On September 19, 2023, staff and council met in a work session to review the Utility Rate Study Report presented by FCS Group. Staff was asked to continue discussions and bring back information requested during the meeting, particularly regarding the 10 year rate increase schedule proposed in the rate study.

At the October 10, 2023 work session, council directed FCS Group to provide rate design options that allocated rate increases in years 2 through 10 so that they are more equitable to customers who use less water. Council agreed to the water rate increases that were proposed in the rate study for year 1 only and passed resolution 23-23 adopting those rates.

At the February 13 work session, council reviewed FCS Group's rate design scenarios and agreed to accept the utility rates outlined in scenario 2a. of the report and asked staff to bring a resolution to the May 7, 2024 meeting to consider adoption of water rates effective July 1, 2024. The resolution is attached to this report.

RECOMMENDATION

Staff recommends adoption of Resolution No. 24-10, For the Purpose of Repealing Resolution 23-23 and establishing Water, Wastewater, and Storm Drain Utility Rates by making the following motion:

“I move to approve Resolution No. 24-10, For the Purpose of Repealing Resolution 23-23 and establishing Water, Wastewater, and Storm Drain Utility Rates”

List of Attachments

- A Resolution No. 24-10
- B FCS Group Rate Design Scenarios
- C FCS Group Final Rate Study Report

BEFORE THE CITY OF CANNON BEACH

FOR THE PURPOSE OF REPEALING RESOLUTION) RESOLUTION NO. 24-10
 23-23 AND ESTABLISHING WATER, WASTEWATER,)
 AND STORM DRAIN UTILITY RATES)

WHEREAS, Resolution 23-23 established utility rates for water, wastewater and storm drains;
 WHEREAS, rate increases are required to balance the 2024/2025 budget approved by the City of
 Cannon Beach Budget Committee;

WHEREAS, Cannon Beach Municipal Code section 13.18.040 provides that utility user charges
 shall be established by resolution of the City Council;

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Cannon Beach that:

1. Resolution 23-23 is repealed and replaced by this resolution.
2. Water, wastewater, and storm drain utility rates are established as shown in “Exhibit A” attached
 and incorporated herein. Rate changes compared to current rates are:
 - a. Base water rate decrease = 2.4%,
 - b. Volume water rate increase = 52.8%
 - c. Base wastewater rate increase = 10.5%
 - d. Volume wastewater rate increase = 10.5%
 - e. Storm water rate increases = 12.0%
3. This resolution is effective on July 1, 2024.

PASSED by the Common Council of the City of Cannon Beach this 14th day of May 2024, by
 the following roll call vote:

YEAS:
 NAYS:
 EXCUSED:

Barb Knop, Mayor

Attest:

Bruce St. Denis, City Manager

Water, Wastewater, and Storm Drain Rates Effective July 1, 2024

Section 13.18.040 Water service rates and charges.

Water service charges shall include a fixed monthly charge, or “base rate” and a commodity charge or “unit rate”. The base rate includes a consumption allowance of the first 400 cubic feet (4 units - one unit=100 cubic feet or 748 gallons). The unit rate is for each 100 cubic feet consumed and applies to each meter.

All water customers - single-family residential, multi-family residential, commercial and mixed-use properties - will be billed based on their meter size (base rate) and their consumption (unit rate).

The following rate table shows the base plus unit rates for residential and commercial accounts. The commercial unit rate is the same as the residential unit rate.

Meter Size	Base Rate	Base Allowance	Unit Rate per 100 Cubic Feet
3/4”	\$30.80	400 cubic feet	\$12.07
1”	\$77.03	400 cubic feet	
1-1/2”	\$154.04	400 cubic feet	
2”	\$246.47	400 cubic feet	
3”	\$492.92	400 cubic feet	
4”	\$770.21	400 cubic feet	
6”	\$1283.67	400 cubic feet	
Irrigation Line	\$61.61	400 cubic feet	
Note:	Cannon Beach Rural Fire District is exempt from charges		

Section 13.18.040 Wastewater service rates and charges.

Wastewater service charges shall include a fixed monthly charge, or 'base rate' and a commodity charge or 'unit rate'. The base rate includes a consumption allowance of the first 400 cubic feet (4 units - one unit=100 cubic feet or 748 gallons). The unit rate is for each 100 cubic feet consumed and applies to each meter.

All sewer customers - single-family residential, multi-family residential, commercial and mixed-use properties - will be billed based on their meter size (base rate) and their consumption (unit rate).

The following rate table shows the base plus unit rates for residential and commercial accounts. The commercial unit rate is the same as the residential unit rate.

Meter Size	Base Rate	Base Allowance	Unit Rate per 100 Cubic Feet
3/4"	\$36.90	400 cubic feet	\$9.23
1"	\$92.25	400 cubic feet	
1-1/2"	\$184.48	400 cubic feet	
2"	\$295.17	400 cubic feet	
3"	\$590.34	400 cubic feet	
4"	\$922.40	400 cubic feet	
6"	\$1844.80	400 cubic feet	
Note:	Cannon Beach Rural Fire District is exempt from charges		

Section 13.18.040 Utility user charge

The monthly storm water drainage fee for one single-family unit (SFU) shall be \$13.43.



Water Rate Design Utility Rate Study

February 13, 2024

Presented by:

Doug Gabbard, Project Manager
Amanda Levine, Project Consultant

Agenda



Rate Design Study Objectives & Process



Revenue Requirement Forecast Recap



Rate Design Analysis



Recommendations



Key Study Objectives

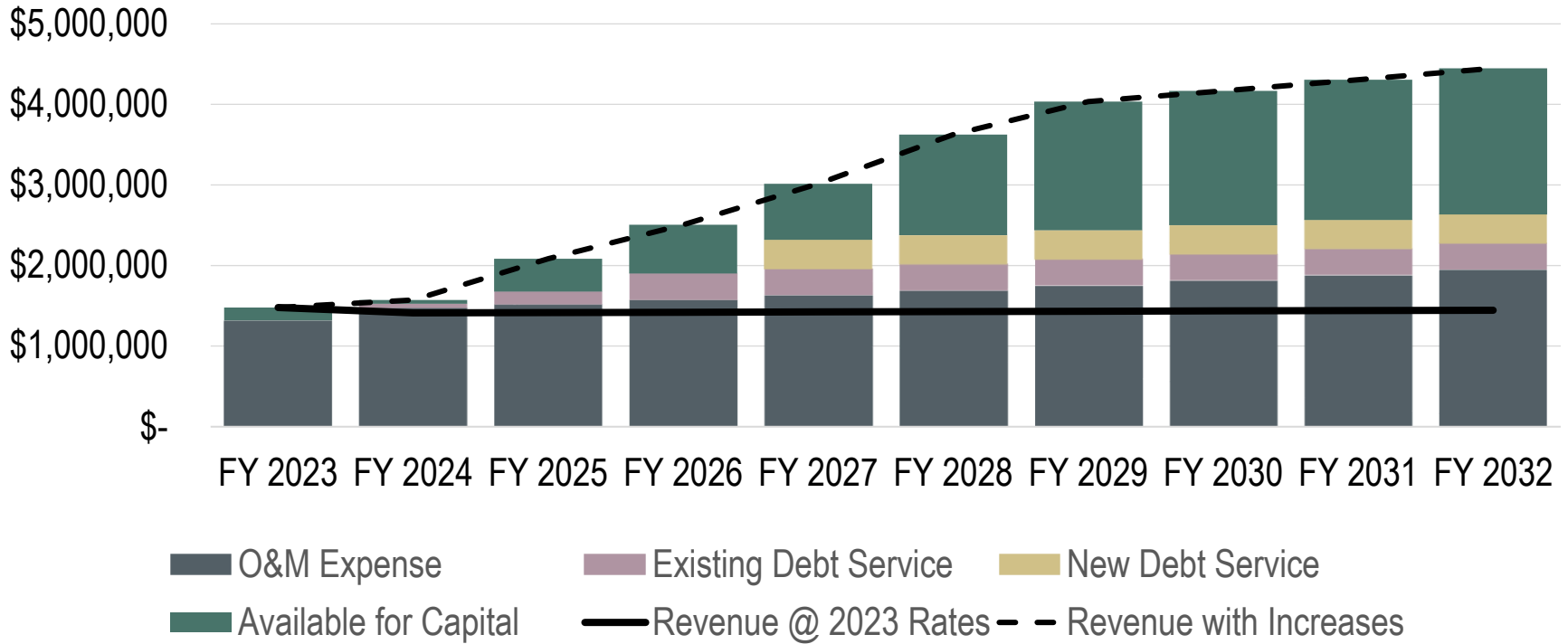
- **Review the City's water utility revenue requirement results**
- **Explain and review the objectives of a rate design**
- **Review the City's water rate design analysis**
 - » Scenario 0: Status quo (revenue requirement result)
 - » Scenario 1: Lower the base charge for residential 3/4" meters
 - 1a. Usage charge is increased by recommended rate
 - 1b. Usage charge remained unchanged (FY 2023 rate)
 - » Scenario 2: Shift revenue to the volumetric portion of the bill
 - 2a. No price elasticity
 - 2b. Includes price elasticity



Water Utility: Revenue Requirement Recap



Water Utility Revenue Requirement Forecast



Water Rate Revenue Forecast										
	FY 2023	FY 2024*	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Annual Rate Revenue Increase		23.00%	20.00%	20.00%	20.00%	20.00%	11.00%	3.00%	3.00%	3.00%
Monthly SFR Bill at 400 cf	\$25.67	\$31.57	\$37.89	\$45.47	\$54.56	\$65.47	\$72.67	\$74.85	\$77.10	\$79.41
Change From Prior Year		+\$5.90	+\$6.31	+\$7.58	+\$9.09	+\$10.91	+\$7.20	+\$2.18	+\$2.25	+\$2.31
Revenue Bond Issuances					\$5.025 M					

*Note that FY 2024 implements a January 1st rate, whereas all other years implement on July 1st.



Water Utility: Rate Design Analysis



Current Water Rate Structure

As of September 1, 2020

July 1, 2020 Resolution No. 20-24					September 1, 2020 Resolution No. 20-25					Additional Revenue Gained if Consumption is based on prior Base Allowances	
Meter Size	Scaling Factor	Base Rate	Base Allowance	Charge based on max allowance	Meter Size	Scaling Factor	Base Rate	Base Allowance	Charge based on max allowance	Charge for old base allowance differential	Old Base Allowance Consumption with new structure
3/4"	1	24.20	400	24.20	3/4"	1	24.20	400	24.20	0	24.20
1"	2.5	60.50	1,000	60.50	1"	2.5	60.50	400	60.50	36.30	96.80
1-1/2"	5	121.00	2,000	121.00	1-1/2"	5	121.00	400	121.00	96.80	217.80
2"	8	193.60	3,200	193.60	2"	8	193.60	400	193.60	169.40	363.00
3"	16	387.20	6,400	387.20	3"	16	387.20	400	387.20	363.00	750.20
4"	25	605.00	10,000	605.00	4"	25	605.00	400	605.00	580.80	1,185.80
6"	50	1,210.00	20,000	1,210.00	6"	50	1,210.00	400	1,210.00	1,185.80	2,395.80
Unit Rate is \$6.05 per 100 cubic feet					Unit Rate is \$6.05 per 100 cubic feet						

Example: A 1 1/2 " meter under the old base allowance of 2,000 cubic feet would pay \$121.00 per month, this assumes the customer is using the full 2,000 cubic feet. Under the new base allowance, the customer using the full 2,000 cubic feet would pay \$217.80 per month.

There was no change to customers with 3/4" meters. All other meter sizes see increases for usage above 400 cubic feet.

- The previous rate design change was not revenue neutral, meaning the change influenced the amount of revenue the City generated.
- This study's rate design options are revenue neutral: all three scenarios generate the same amount of revenue for the utility, but in different ways.



Water Rate Design

Scenario 0: Status quo

Generates \$1.6 million in revenue for FY 2024

- **Keep the rate design the same, and simply increase the FY 2023 rates by the recommended increases, and for each year beyond**
 - » Each customer is charged a “base charge” which is based on their meter size
 - » Each customer is charged a “usage charge” which is based on their water usage (per 100 cubic feet)
 - Each customer (regardless of meter size or customer class) gets a base allowance of 400 cubic feet
- **The utility will generate approximately \$1.6 million in rate revenue**
- **This is the current rate design and rate increase path for the City**



Water Rate Schedule

Scenario 0: Status quo

Generates \$1.6 million in revenue for FY 2024

Water Utility										
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
		23.00%	20.00%	20.00%	20.00%	20.00%	11.00%	3.00%	3.00%	3.00%
Base Rate up to 400 cf (Monthly)										
3/4"	\$25.67	\$31.57	\$37.89	\$45.47	\$54.56	\$65.47	\$72.67	\$74.85	\$77.10	\$79.41
1"	\$64.19	\$78.95	\$94.74	\$113.69	\$136.43	\$163.72	\$181.73	\$187.18	\$192.79	\$198.58
1 1/2"	\$128.37	\$157.90	\$189.47	\$227.37	\$272.84	\$327.41	\$363.43	\$374.33	\$385.56	\$397.13
2"	\$205.39	\$252.63	\$303.16	\$363.79	\$436.54	\$523.85	\$581.48	\$598.92	\$616.89	\$635.40
3"	\$410.77	\$505.25	\$606.30	\$727.56	\$873.07	\$1,047.68	\$1,162.93	\$1,197.81	\$1,233.75	\$1,270.76
6"	\$1,283.67	\$1,578.91	\$1,894.70	\$2,273.64	\$2,728.36	\$3,274.04	\$3,634.18	\$3,743.21	\$3,855.50	\$3,971.17
Irrigation Line	\$51.34	\$63.15	\$75.78	\$90.93	\$109.12	\$130.94	\$145.35	\$149.71	\$154.20	\$158.83
Volume Charge (100 cf)	\$6.42	\$7.90	\$9.48	\$11.37	\$13.65	\$16.37	\$18.18	\$18.72	\$19.28	\$19.86

Water Sample Monthly Bills										
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
3/4" Meter at 400 cf of usage	\$25.67	\$31.57	\$37.89	\$45.47	\$54.56	\$65.47	\$72.67	\$74.85	\$77.10	\$79.41
3/4" Meter at 800 cf of usage	\$51.35	\$63.16	\$75.79	\$90.95	\$109.14	\$130.97	\$145.38	\$149.74	\$154.23	\$158.86
2" Meter at 400 cf of usage	\$205.39	\$252.63	\$303.16	\$363.79	\$436.54	\$523.85	\$581.48	\$598.92	\$616.89	\$635.40
2" Meter at 800 cf of usage	\$231.07	\$284.22	\$341.06	\$409.27	\$491.13	\$589.35	\$654.18	\$673.80	\$694.02	\$714.84



Water Rate Design

Scenario 1a: Lower the base charge for residential 3/4" meters – increase usage charges
Generates \$1.6 million in revenue for FY 2024

- **Lower the 3/4" base charge to a 0% rate increase, and raise the larger meter sizes accordingly**
 - » This will mean a 3/4" meter in FY 2024 will be charged \$25.67, as they are in FY 2023
 - » All other meters will be charged MORE than the 23% increase (the recommended increase)
- **Increase the usage rates by the recommended increases**
 - » The FY 2023 charge was \$6.42 per 100 cubic feet, and the new charge will be \$7.90 per 100 cubic feet for all meter sizes
- **The utility will generate approximately \$1.6 million in rate revenue**



Water Rate Schedule

Scenario 1a: Lower the base charge for residential 3/4" meters – increase usage charges
Generates \$1.6 million in revenue for FY 2024

Water Utility										
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
			20.00%	20.00%	20.00%	20.00%	11.00%	3.00%	3.00%	3.00%
Base Rate up to 400 cf (Monthly)										
3/4"	\$25.67	\$25.67	\$30.80	\$36.96	\$44.36	\$53.23	\$59.08	\$60.86	\$62.68	\$64.56
1"	\$64.19	\$108.50	\$130.20	\$156.24	\$187.49	\$224.98	\$249.73	\$257.22	\$264.94	\$272.89
1 1/2"	\$128.37	\$216.98	\$260.38	\$312.45	\$374.94	\$449.93	\$499.42	\$514.41	\$529.84	\$545.74
2"	\$205.39	\$347.17	\$416.60	\$499.92	\$599.90	\$719.88	\$799.07	\$823.04	\$847.74	\$873.17
3"	\$410.77	\$694.32	\$833.18	\$999.82	\$1,199.78	\$1,439.73	\$1,598.11	\$1,646.05	\$1,695.43	\$1,746.29
6"	\$1,283.67	\$2,169.76	\$2,603.71	\$3,124.46	\$3,749.35	\$4,499.22	\$4,994.13	\$5,143.96	\$5,298.27	\$5,457.22
Irrigation Line	\$51.34	\$51.34	\$61.61	\$73.93	\$88.72	\$106.46	\$118.17	\$121.71	\$125.37	\$129.13
Volume Charge (100 cf)	\$6.42	\$7.90	\$9.48	\$11.37	\$13.65	\$16.37	\$18.18	\$18.72	\$19.28	\$19.86

Water Sample Monthly Bills										
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
3/4" Meter at 400 cf of usage	\$25.67	\$25.67	\$30.80	\$36.96	\$44.36	\$53.23	\$59.08	\$60.86	\$62.68	\$64.56
3/4" Meter at 800 cf of usage	\$51.35	\$57.26	\$68.71	\$82.45	\$98.94	\$118.73	\$131.79	\$135.74	\$139.81	\$144.01
2" Meter at 400 cf of usage	\$205.39	\$347.17	\$416.60	\$499.92	\$599.90	\$719.88	\$799.07	\$823.04	\$847.74	\$873.17
2" Meter at 800 cf of usage	\$231.07	\$378.75	\$454.50	\$545.40	\$654.49	\$785.38	\$871.77	\$897.93	\$924.87	\$952.61



Water Rate Design

Scenario 1b: Lower the base and usage charges for residential 3/4" meters

Generates \$1.6 million in revenue for FY 2024

- **Lower the 3/4" base charge to a 0% rate increase, and raise the larger meter sizes accordingly**
 - » This will mean a 3/4" meter in FY 2024 will be charged \$25.67, as they are in FY 2023
 - » All other meters will be charged MORE than the 23% increase (the recommended increase)
- **Increase the usage rates for meters sizes larger than 3/4" by the recommended increases, and lower the 3/4" meter rate to the FY 2023 amount**
 - » The FY 2023 charge was \$6.42 per 100 cubic feet, and the new charge will be \$7.90 per 100 cubic feet for all meters larger than 3/4"
 - » 3/4" usage charges will remain at \$6.42 for FY 2023
- **The utility will generate approximately \$1.6 million in rate revenue**



Water Rate Schedule

Scenario 1b: Lower the base and usage charges for residential 3/4" meters
Generates \$1.6 million in revenue for FY 2024

Water Utility										
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
			20.00%	20.00%	20.00%	20.00%	11.00%	3.00%	3.00%	3.00%
Base Rate up to 400 cf (Monthly)										
3/4"	\$25.67	\$25.67	\$30.80	\$36.96	\$44.36	\$53.23	\$59.08	\$60.86	\$62.68	\$64.56
1"	\$64.19	\$115.55	\$138.66	\$166.39	\$199.67	\$239.60	\$265.96	\$273.94	\$282.15	\$290.62
1 1/2"	\$128.37	\$231.08	\$277.29	\$332.75	\$399.30	\$479.17	\$531.87	\$547.83	\$564.26	\$581.19
2"	\$205.39	\$369.72	\$443.67	\$532.40	\$638.88	\$766.66	\$850.99	\$876.52	\$902.81	\$929.90
3"	\$410.77	\$739.43	\$887.31	\$1,064.78	\$1,277.73	\$1,533.28	\$1,701.94	\$1,753.00	\$1,805.59	\$1,859.75
6"	\$1,283.67	\$2,310.74	\$2,772.88	\$3,327.46	\$3,992.95	\$4,791.54	\$5,318.61	\$5,478.17	\$5,642.51	\$5,811.79
Irrigation Line	\$51.34	\$51.34	\$61.61	\$73.93	\$88.72	\$106.46	\$118.17	\$121.71	\$125.37	\$129.13
Volume Charge (100 cf) (3/4")	\$6.42	\$6.42	\$7.71	\$9.25	\$11.10	\$13.32	\$14.78	\$15.23	\$15.68	\$16.15
Volume Charge (100 cf) (other)	\$6.42	\$7.90	\$9.48	\$11.38	\$13.65	\$16.38	\$18.18	\$18.73	\$19.29	\$19.87

Water Sample Monthly Bills										
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
3/4" Meter at 400 cf of usage	\$25.67	\$25.67	\$30.80	\$36.96	\$44.36	\$53.23	\$59.08	\$60.86	\$62.68	\$64.56
3/4" Meter at 800 cf of usage	\$51.35	\$51.36	\$61.63	\$73.96	\$88.75	\$106.50	\$118.22	\$121.76	\$125.42	\$129.18
2" Meter at 400 cf of usage	\$205.39	\$369.72	\$443.67	\$532.40	\$638.88	\$766.66	\$850.99	\$876.52	\$902.81	\$929.90
2" Meter at 800 cf of usage	\$231.07	\$401.32	\$481.59	\$577.90	\$693.49	\$832.18	\$923.72	\$951.43	\$979.98	\$1,009.38



Water Rate Design

Scenario 2a: Shift revenue to the volumetric portion of the bill – does not consider price elasticity
Generates \$1.6 million in revenue for FY 2024

- **Hold the 3/4” base charge to a 0% rate increase, and raise the larger meter sizes in proportion to the existing rate schedule**
 - » This is based on the meter multiples between meter sizes
- **Increase the usage rates to generate the remaining rate revenue**
 - » The FY 2023 charge was \$6.42 per 100 cubic feet, and the new charge will be \$10.06 per 100 cubic feet
- **The utility will generate approximately \$1.6 million in rate revenue**



Water Rate Schedule

Scenario 2a: Shift revenue to the volumetric portion of the bill – does not consider price elasticity
Generates \$1.6 million in revenue for FY 2024

Water Utility										
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
			20.00%	20.00%	20.00%	20.00%	11.00%	3.00%	3.00%	3.00%
Base Rate up to 400 cf (Monthly)										
3/4"	\$25.67	\$25.67	\$30.80	\$36.96	\$44.36	\$53.23	\$59.08	\$60.86	\$62.68	\$64.56
1"	\$64.19	\$64.19	\$77.03	\$92.43	\$110.92	\$133.10	\$147.75	\$152.18	\$156.74	\$161.45
1 1/2"	\$128.37	\$128.37	\$154.04	\$184.85	\$221.82	\$266.19	\$295.47	\$304.33	\$313.46	\$322.87
2"	\$205.39	\$205.39	\$246.47	\$295.76	\$354.91	\$425.90	\$472.75	\$486.93	\$501.54	\$516.58
3"	\$410.77	\$410.77	\$492.92	\$591.51	\$709.81	\$851.77	\$945.47	\$973.83	\$1,003.05	\$1,033.14
6"	\$1,283.67	\$1,283.67	\$1,540.40	\$1,848.48	\$2,218.18	\$2,661.82	\$2,954.62	\$3,043.26	\$3,134.55	\$3,228.59
Irrigation Line	\$51.34	\$51.34	\$61.61	\$73.93	\$88.72	\$106.46	\$118.17	\$121.71	\$125.37	\$129.13
Volume Charge (100 cf)	\$6.42	\$10.06	\$12.07	\$14.49	\$17.39	\$20.86	\$23.16	\$23.85	\$24.57	\$25.30

Water Sample Monthly Bills										
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
3/4" Meter at 400 cf of usage	\$25.67	\$25.67	\$30.80	\$36.96	\$44.36	\$53.23	\$59.08	\$60.86	\$62.68	\$64.56
3/4" Meter at 800 cf of usage	\$51.35	\$65.91	\$79.10	\$94.92	\$113.90	\$136.68	\$151.71	\$156.27	\$160.95	\$165.78
2" Meter at 400 cf of usage	\$205.39	\$205.39	\$246.47	\$295.76	\$354.91	\$425.90	\$472.75	\$486.93	\$501.54	\$516.58
2" Meter at 800 cf of usage	\$231.07	\$245.63	\$294.76	\$353.71	\$424.46	\$509.35	\$565.38	\$582.34	\$599.81	\$617.80



Water Rate Design

Scenario 2b: Shift revenue to the volumetric portion of the bill – considering price elasticity
Generates \$1.6 million in revenue for FY 2024

- **Hold the 3/4” base charge to a 0% rate increase, and raise the larger meter sizes in proportion to the existing rate schedule**
 - » This is based on the meter multiples between meter sizes
- **Increase the usage rates to generate the remaining rate revenue, while considering price elasticity (change in demand as price increases)**
 - » The FY 2023 charge was \$6.42 per 100 cubic feet, and the new charge will be \$11.70 per 100 cubic feet
- **The utility will generate approximately \$1.6 million in rate revenue**



Water Rate Schedule

Scenario 2b: Shift revenue to the volumetric portion of the bill – considering price elasticity
Generates \$1.6 million in revenue for FY 2024

Water Utility										
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
			20.00%	20.00%	20.00%	20.00%	11.00%	3.00%	3.00%	3.00%
Base Rate up to 400 cf (Monthly)										
3/4"	\$25.67	\$25.67	\$30.80	\$36.96	\$44.36	\$53.23	\$59.08	\$60.86	\$62.68	\$64.56
1"	\$64.19	\$64.19	\$77.03	\$92.43	\$110.92	\$133.10	\$147.75	\$152.18	\$156.74	\$161.45
1 1/2"	\$128.37	\$128.37	\$154.04	\$184.85	\$221.82	\$266.19	\$295.47	\$304.33	\$313.46	\$322.87
2"	\$205.39	\$205.39	\$246.47	\$295.76	\$354.91	\$425.90	\$472.75	\$486.93	\$501.54	\$516.58
3"	\$410.77	\$410.77	\$492.92	\$591.51	\$709.81	\$851.77	\$945.47	\$973.83	\$1,003.05	\$1,033.14
6"	\$1,283.67	\$1,283.67	\$1,540.40	\$1,848.48	\$2,218.18	\$2,661.82	\$2,954.62	\$3,043.26	\$3,134.55	\$3,228.59
Irrigation Line	\$51.34	\$51.34	\$61.61	\$73.93	\$88.72	\$106.46	\$118.17	\$121.71	\$125.37	\$129.13
Volume Charge (100 cf)	\$6.42	\$11.70	\$14.04	\$16.84	\$20.21	\$24.26	\$26.92	\$27.73	\$28.56	\$29.42

Water Sample Monthly Bills										
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
3/4" Meter at 400 cf of usage	\$25.67	\$25.67	\$30.80	\$36.96	\$44.36	\$53.23	\$59.08	\$60.86	\$62.68	\$64.56
3/4" Meter at 800 cf of usage	\$51.35	\$72.46	\$86.95	\$104.34	\$125.21	\$150.25	\$166.78	\$171.78	\$176.94	\$182.24
2" Meter at 400 cf of usage	\$205.39	\$205.39	\$246.47	\$295.76	\$354.91	\$425.90	\$472.75	\$486.93	\$501.54	\$516.58
2" Meter at 800 cf of usage	\$231.07	\$252.18	\$302.62	\$363.14	\$435.77	\$522.92	\$580.44	\$597.85	\$615.79	\$634.26



Water Rate Schedule

Comparison

Water Sample Monthly Bills 3/4" Meter at 400 cf of usage										
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Scenario 0	\$25.67	\$31.57	\$37.89	\$45.47	\$54.56	\$65.47	\$72.67	\$74.85	\$77.10	\$79.41
Scenario 1a	\$25.67	\$25.67	\$30.80	\$36.96	\$44.36	\$53.23	\$59.08	\$60.86	\$62.68	\$64.56
Scenario 1b	\$25.67	\$25.67	\$30.80	\$36.96	\$44.36	\$53.23	\$59.08	\$60.86	\$62.68	\$64.56
Scenario 2a	\$25.67	\$25.67	\$30.80	\$36.96	\$44.36	\$53.23	\$59.08	\$60.86	\$62.68	\$64.56
Scenario 2b	\$25.67	\$25.67	\$30.80	\$36.96	\$44.36	\$53.23	\$59.08	\$60.86	\$62.68	\$64.56

Water Sample Monthly Bills 3/4" Meter at 800 cf of usage										
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Scenario 0	\$51.35	\$63.16	\$75.79	\$90.95	\$109.14	\$130.97	\$145.38	\$149.74	\$154.23	\$158.86
Scenario 1a	\$51.35	\$57.26	\$68.71	\$82.45	\$98.94	\$118.73	\$131.79	\$135.74	\$139.81	\$144.01
Scenario 1b	\$51.35	\$51.36	\$61.63	\$73.96	\$88.75	\$106.50	\$118.22	\$121.76	\$125.42	\$129.18
Scenario 2a	\$51.35	\$65.91	\$79.10	\$94.92	\$113.90	\$136.68	\$151.71	\$156.27	\$160.95	\$165.78
Scenario 2b	\$51.35	\$72.46	\$86.95	\$104.34	\$125.21	\$150.25	\$166.78	\$171.78	\$176.94	\$182.24

Water Sample Monthly Bills 2" Meter at 800 cf of usage										
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Scenario 0	\$231.07	\$284.22	\$341.06	\$409.27	\$491.13	\$589.35	\$654.18	\$673.80	\$694.02	\$714.84
Scenario 1a	\$231.07	\$378.75	\$454.50	\$545.40	\$654.49	\$785.38	\$871.77	\$897.93	\$924.87	\$952.61
Scenario 1b	\$231.07	\$401.32	\$481.59	\$577.90	\$693.49	\$832.18	\$923.72	\$951.43	\$979.98	\$1,009.38
Scenario 2a	\$231.07	\$245.63	\$294.76	\$353.71	\$424.46	\$509.35	\$565.38	\$582.34	\$599.81	\$617.80
Scenario 2b	\$231.07	\$252.18	\$302.62	\$363.14	\$435.77	\$522.92	\$580.44	\$597.85	\$615.79	\$634.26

Thank you! Questions?

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City of Cannon Beach

Utility Rate Study

FINAL REPORT

March 20, 2024

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Section I. INTRODUCTION

UTILITY BACKGROUND

The City of Cannon Beach (City) is located in Clatsop County Oregon, and manages water, wastewater, and storm drain services to just under 2,000 residents and businesses.

According to the City’s website, “The mission of the Water Division is to produce and distribute drinking water that complies with all state and federal environmental and health standards. The division is responsible for the operation and maintenance of the City’s water system which includes three underground springs, a water filtration plant, two booster pump stations, distribution piping system, and three water reservoirs with a combined volume of 2.63 million gallons, and all metered services.”

The City’s Wastewater Division “provides wastewater treatment and conveyance services to the City of Cannon Beach in a manner that preserves water quality and the beneficial uses of Ecola Creek and protects the public health and welfare. The Wastewater Division manages the City’s wastewater treatment facilities and provides pump station operations and maintenance for the local collection system. These facilities include 12.4 acres in facultative lagoons, 2 acres of an aerated lagoon, 16 acres of wetland treatment; nine pump stations, an analysis laboratory, and over 13 miles of transmission sewers.”

The City bills and collects rates from water, wastewater, and storm drain customers within its service area to provide resources needed to reach and maintain the division goals previously outlined.

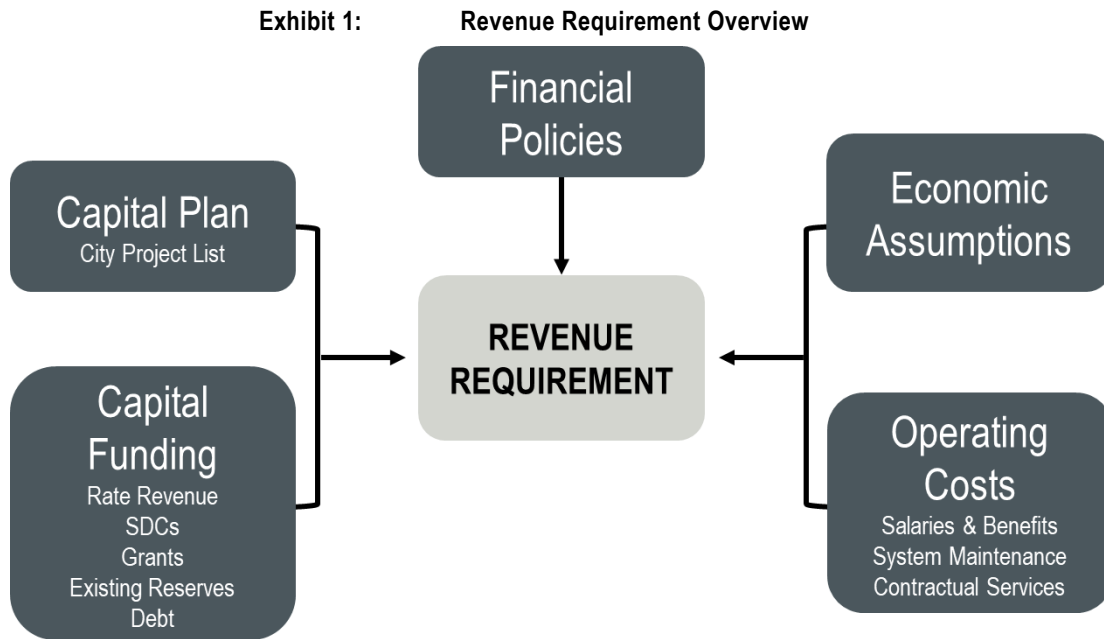
The key analyses completed as part of the rate study include:

- **Revenue Requirement.** This analysis identifies the total revenue requirement to fully fund each utility on a standalone basis, considering operating and maintenance expenditures, capital funding needs, debt requirements, and fiscal policy objectives.
- **Water Rate Design.** This analysis includes the development of water rate structure adjustments that generate sufficient revenue to meet the system’s revenue requirement forecast and address the City’s pricing objectives.

RATE STUDY

The primary purpose of this rate study is to develop funding plans (revenue requirements) for the City’s water, wastewater, and storm drain utilities for a 10-year study period from fiscal year (FY) 2022-23 through FY 2031-32, which aligns with the City’s capital improvement program (CIP). A revenue requirement identifies the total revenue needed to fully fund a utility on a standalone basis considering operating and maintenance (O&M) expenditures, fiscal policy achievement, and the capital project needs of the utility.

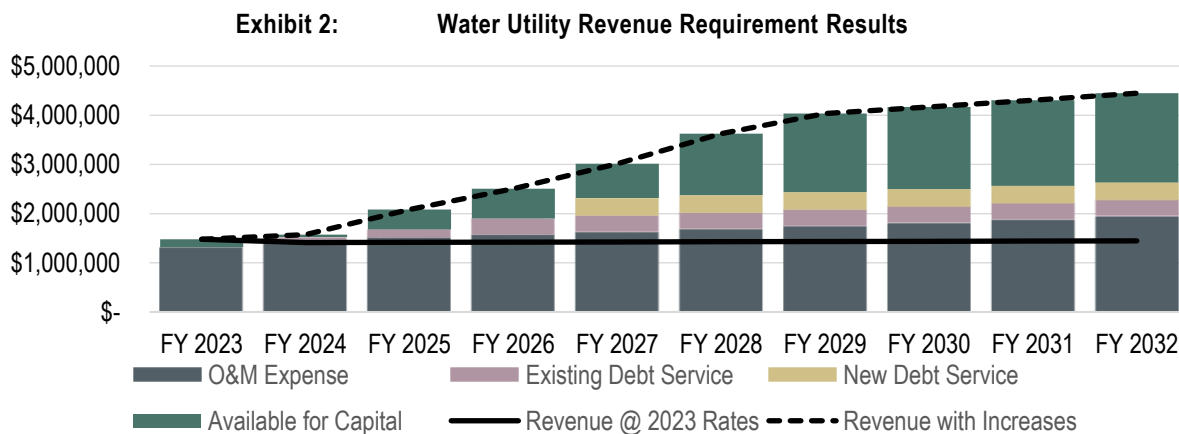
Exhibit 1 describes the general methodology of the revenue requirement analysis.



SUMMARY OF STUDY RESULTS

Water Rates

The following water rate scenario was presented to the Cannon Beach City Council on September 19, 2023. **Exhibit 2** shows the utility requires annual 20 percent rate increases through FY 2027-28 to cover upcoming O&M expenses, as well as new and existing debt planned to cover future CIP projects.



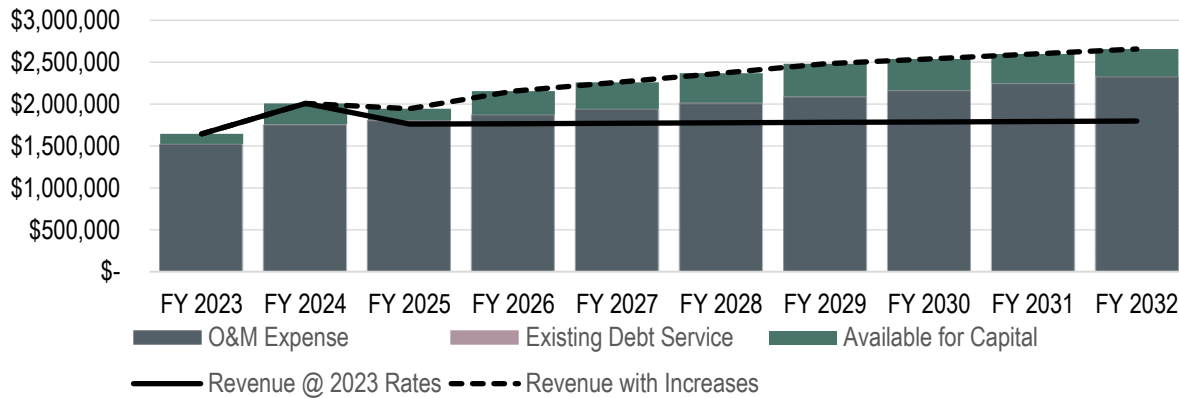
Water Rate Revenue Forecast	FY 2023	FY 2024*	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Annual Rate Revenue Increase		23.00%	20.00%	20.00%	20.00%	20.00%	11.00%	3.00%	3.00%	3.00%
Monthly SFR Bill at 400 cf	\$25.67	\$31.57	\$37.89	\$45.47	\$54.56	\$65.47	\$72.67	\$74.85	\$77.10	\$79.41
Change From Prior Year		+\$5.90	+\$6.31	+\$7.58	+\$9.09	+\$10.91	+\$7.20	+\$2.18	+\$2.25	+\$2.31
Revenue Bond Issuances					\$5.025 M					

*Note that FY 2024 implements a January 1st rate, whereas all other years implement on July 1st.

Wastewater Rates

The following wastewater rate scenario was also presented to the Cannon Beach City Council on September 19, 2023. **Exhibit 3** shows 10.5 percent annual rate increases through FY 2025-26 to cover existing O&M costs as well as existing debt service, and to fund capital with cash.

Exhibit 3: Wastewater Utility Revenue Requirement Results



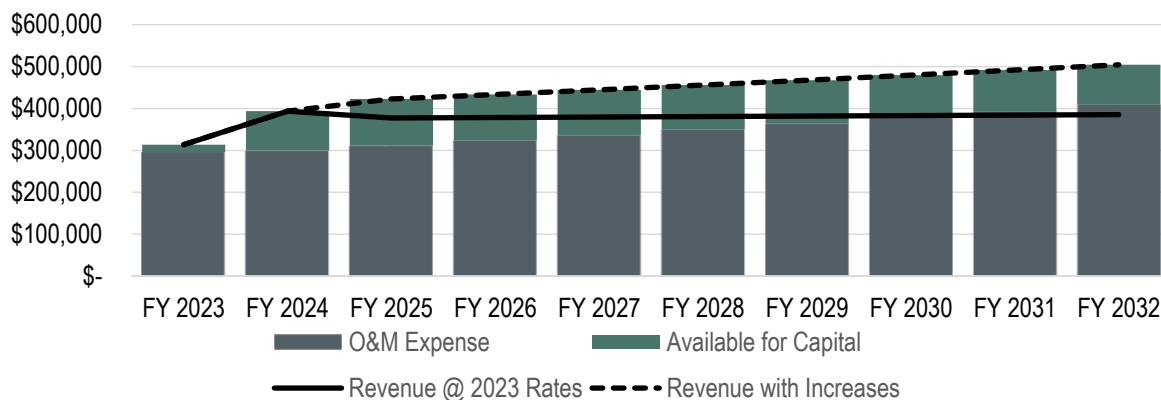
Wastewater Rate Revenue Forecast	FY 2023	FY 2024*	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Annual Rate Revenue Increase		16.20%	10.50%	10.50%	4.50%	4.50%	4.50%	2.00%	2.00%	2.00%
Monthly SFR Bill at 400 cf	\$28.74	\$33.39	\$36.90	\$40.77	\$42.60	\$44.52	\$46.53	\$47.46	\$48.40	\$49.37
Change From Prior Year		+\$4.65	+\$3.51	+\$3.87	+\$1.83	+\$1.92	+\$2.00	+\$0.93	+\$0.95	+\$0.97

* Note that FY 2024 is already adopted

Storm Drain Rates

The following storm drain rate scenario was also presented to the Cannon Beach City Council on September 19, 2023. **Exhibit 4** shows the utility needs a 12 percent rate increase in FY 2024-25, and 2.5 percent increases thereafter to cover O&M expenses and cash for capital projects.

Exhibit 4: Storm Drain Utility Revenue Requirement Results



Storm Drain Rate Revenue Forecast	FY 2023	FY 2024*	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Annual Rate Revenue Increase		30.00%	12.00%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
Monthly Charge per Unit	\$9.22	\$11.99	\$13.43	\$13.73	\$14.04	\$14.36	\$14.68	\$15.01	\$15.35	\$15.69
Change From Prior Year		+\$2.77	+\$1.44	+\$0.30	+\$0.31	+\$0.32	+\$0.32	+\$0.33	+\$0.34	+\$0.35

* Note that FY 2024 is already adopted

Water Rate Design

The City expressed interest in exploring rate structure modifications including:

- Lowering the base rate for 3/4" customers. The idea of this rate alternative is to help customers that are small residential meters, and use below the 400 cubic foot threshold.
- Shifting revenue to the volumetric portion of the bill. This rate alternative is made to encourage conservation by rewarding those who use less water.

The proposed rate structure changes were developed and presented to Council on February 13th, 2024.

Section II. FISCAL POLICIES

The basic framework for evaluating utility revenue needs includes sound fiscal policies. Several policy topics are important to consider as part of managing the finances of the City, including operating reserves, capital reserves, debt related policies, and rate funded capital.

CASH RESERVES

Operating Reserve

An operating reserve is designed to provide a liquidity cushion; it protects the utility from the risk of short-term variation in the timing of revenue collection or payment of expenses. Industry practice for utility operating reserves typically ranges from 30 days (8 percent) to 120 days (33 percent) of operating expenses, with the lower end more appropriate for utilities with stable revenue streams and the higher end of the range more appropriate for utilities with significant seasonal or consumption-based fluctuations.

Recommended Policy: Achieve a year-end minimum balance target of 73 days (20 percent) of total annual operating expenditures in the water, wastewater and storm drain operating reserves. This target is in line with current City policy and practices.

For the water, wastewater, and storm drain utilities this equates to \$263,000, \$304,000, and \$59,000 respectively based on the FY 2022-23 operating budget for each individual utility.

Capital Reserve

This reserve provides a source of emergency funding for unexpected asset failures or other unanticipated capital needs. This capital reserve policy is not intended to guard against catastrophic system failure or extreme acts of nature. Given these different purposes, there are a variety of potential benchmarks for setting a minimum balance for this fund – options include a percentage (commonly 1-2 percent) of the original cost of fixed assets, a rolling multi-year average of capital costs, or an amount determined sufficient to fund an equipment or asset failure.

Recommended Policy: Achieve a year-end target of at least 1 percent of the original cost of fixed assets in the water and wastewater utilities. This is approximately \$86,000 based on the current water assets, and \$132,000 based on the current wastewater assets.

Achieve a year-end target of \$100,000 based on the average storm drain emergency project rather than a percentage of current storm drain assets.

This reserve target for all three utilities is in addition to what the City is currently doing, and capital reserves larger than this may be prudent if the City is saving in advance for future capital projects.

DEBT MANAGEMENT

Only the water utility has existing debt, which continues through FY 2054-55. The following discussion highlights a few items to keep in mind if the City decides to borrow additional money in the future to fund utility improvements.

Debt Reserve

The debt reserve is most often required as a condition of bond issuance, though some loan programs also require a reserve. The intent of the reserve is to protect bondholders (or the agency issuing loans) from the risk of the borrower defaulting on their payments. Typically specified in the related bond or loan agreement, the minimum balance for this reserve is most often linked to either average annual debt service, maximum annual debt service, or the amount issued.

Recommended Policy: The City does not currently have any revenue bond debt reserve obligations associated with its water utility debt. In the future, this policy should be dictated by terms outlined in contracts for debt obligations if the City chooses to utilize additional debt.

Debt Service Coverage

Debt service coverage is typically a requirement associated with revenue bonds and some State loans, and it is an important benchmark to measure the riskiness of the utility's capital funding plans.

Debt service coverage is most easily understood as a factor applied to annual debt service. In such a case, if it sells revenue bonds, the City agrees to collect enough revenue to meet operating expenses and not only pay debt service but collect an additional increment above bonded debt service. The extra revenue is a cushion that makes bondholders more confident that debt service will be paid on time. The extra revenue can be used for capital expenditures, to build system reinvestment reserves, or for debt service on subordinate debt. Achieving a bonded debt service coverage level greater than the minimum required level is a positive signal that bond rating agencies notice, and it can result in more favorable terms if the City goes to the market for revenue bonds.

Recommended Policy: Based on discussions with City staff, the City maintains a minimum policy coverage of 1.20 for the water utility debt, and any future debt for other utilities.

CAPITAL FUNDING

Debt Funding

Debt helps spread capital costs over a prolonged period, such as 20 years. This helps spread costs between existing and future customers who will benefit from those assets. However, debt comes with issuance and interest costs. A utility's ability to meet debt service coverage and other debt-related requirements may limit the amount of additional debt that it can issue. Additionally, excessive amounts of outstanding debt can affect a utility's credit rating and its ability to secure low-interest debt in the future. It is best suited for large, discrete projects rather than ongoing capital programs or system replacement.

One key advantage to borrowing is that capital projects could be funded and executed quicker than saving up cash in advance, thereby reducing the effects of long-term cost inflation.

Cash Funding

Funding capital projects with rate revenue (cash) typically results in higher near-term rates since existing customers pay 100 percent of the cost. While this may not seem equitable, it can be argued that existing customers should pay for the repair and replacement of assets that are currently in use. Rate revenue designated for capital can be applied to project costs directly or held in reserve for future capital spending needs.

While it is a flexible source of revenue, its biggest disadvantage is that the amount available in any given year is limited, whereas the amounts needed to fund the CIP might vary widely. To smooth out the financial demands over time, utilities typically need to either save money in advance or borrow.

Resulting Considerations

Whether to fund projects with cash and/or debt is an important policy decision. While cash funding will be cheaper in the long run because there is no interest cost, debt funding is a practical option since it allows for the payment of costs over an extended period. Using debt to spread the cost over time promotes intergenerational equity, since future customers will help pay for debt service through annual utility rates.

The City may want to consider a hybrid approach in the future for the wastewater and storm drain utilities. For example, the City could use rate revenues to fund annual repair and replacement projects and consider a combination of cash and debt for large, one-time projects that may be difficult to fund solely with rate revenues, or when grant money is not available.

RATE FUNDED SYSTEM REINVESTMENT

The concept of system reinvestment funding entails funding long-term infrastructure replacement needs through a regular and predictable rate provision. A system reinvestment funding program can be structured to consider the defined funding source (rates), accumulation of funds when funding exceeds near-term needs, and augmentation of funds (e.g., through debt) when replacement needs exceed available cash resources. Many municipal utilities incorporate a system reinvestment funding provision based on depreciation expense. Specific benchmarks for annual funding can include:

- **Original cost depreciation expense as reported in financial records.** This approach fully funds the decline in asset value attributable to the wear and tear from routine use, as measured by original construction costs. It avoids a decline in system asset value (financial integrity) by replacing physical assets with cash assets.
- **Replacement-based depreciation expense.** This approach estimates the replacement cost of the system, and bases system reinvestment funding on this higher cost. By so doing, it more closely conforms to the actual cost of replacing the system.
- **Asset management plan.** This approach identifies a specific dollar amount of funding to be budgeted annually, ideally based on an asset management plan, which relies on an accurate asset inventory, supplemented by an evaluation of asset criticality and routine asset condition assessments.

- **Directly budgeted replacement project expenditures.** Budgeting replacement project expenditures as they occur, this approach does not attempt to anticipate or accumulate toward replacement needs and is likely to provide highly variable annual requirements.

Of these various approaches, only the asset management approach is designed to ensure full funding of replacement needs, assuming the accuracy of assumptions used. All the others are intended to provide reasonable contributions toward meeting replacement needs, but do not ensure the adequacy of such funding. Most commonly, utilities that have addressed replacement funding needs have used historical (original cost) depreciation expense as the basis for a reasonable level of reinvestment in the system. This strategy and level of funding satisfies several standards for reasonable rates:

- It avoids a decline in system asset value (financial integrity);
- It charges customers commensurate with their consumption of facility useful lives and avoids the possibility of charging customers more than the current cost to provide service (rate equity); and
- It provides a substantial source of funding for replacement (capital funding adequacy).

However, it is important to recognize that funding system reinvestment based on original cost depreciation will generally not fully meet future replacement needs (especially for mature systems that are just beginning to address or fund those needs). In such cases, debt or use of other City cash resources would be required to cover the resulting funding gap.

Recommended Policy: The City does not have any current system reinvestment policies, although the current capital plans are all funded at least in part by rate revenues.

Section III. REVENUE REQUIREMENT

As previously mentioned, the main purpose of the revenue requirement is to develop a funding plan for the FY 2022-23 through FY 2031-32 study period. The revenue requirement identifies the total revenue needed to fully fund the utility on a standalone basis considering current financial obligations including operating expenditures, policy-driven commitments, and future capital project needs. These increases are applied “across the board” for the utility. In other words, they apply equally to all rate classes and meter sizes (i.e., all line items on the rate schedule).

ECONOMIC & INFLATION FACTORS

The operating and maintenance expenditure forecast largely relies on the City FY 2022-23 utility budgets. The line items in the budget are then adjusted each future year by utilizing one of the following applicable factors:

- **General Cost Inflation.** Assumed to be 4.06 percent per year (as applied to the City’s FY 2022-23 budget) based on the recent historical performance of the CPI-U West.
- **Personnel Cost Inflation.** Based on discussions with City staff.
 - » Labor Cost Inflation: assumed to be 2.22 percent per year.
 - » Benefits Cost Inflation: assumed to be 3.07 percent per year.
- **Construction Cost Inflation.** Assumed to be 3.42 percent per year based on the *Engineering News-Record’s* Construction Cost Index (20-City Average), discussions with City staff, and current trends within the industry.
- **Annual Customer Account Growth (all utilities).** Assumed to be 0.30 percent based on discussions with the City staff, and historical population growth. This equates to an average of six new customers each year for each utility.

FUND BALANCES

Exhibit 5 shows that the City began FY 2022-23 with roughly \$1.41 million in combined cash or cash equivalents in the water utility, \$795,000 in the wastewater utility, and \$242,000 in the stormwater utility.

Exhibit 5: Water, Wastewater, and Storm Drain Utility Cash or Cash Equivalent Balances

Water Utility	FY 2023 Beginning Balance
Operating Reserve	\$196,000
Capital Reserve	\$1.21 million
Total	\$1.41 million

Wastewater Utility	FY 2023 Beginning Balance
Operating Reserve	\$255,000
Capital Reserve	\$540,000
Total	\$795,000

Storm Drain Utility	FY 2023 Beginning Balance
Operating Reserve	\$47,000
Capital Reserve	\$195,000
Total	\$242,000

EXISTING DEBT OBLIGATIONS

The City currently has four outstanding water revenue bonds related to the following projects: Water Meter Replacements in FY 2022-23, Water Resiliency Phase I in FY 2022-23, Water Resiliency Phase II in FY 2023-24, and Water Resiliency Phase III in FY 2024-25. Debt service payments on these obligations will continue until FY 2054-55.

Based on discussions with City staff, it is their preference that the wastewater and storm drain utilities continue to cash-fund capital projects during the study period.

WATER UTILITY

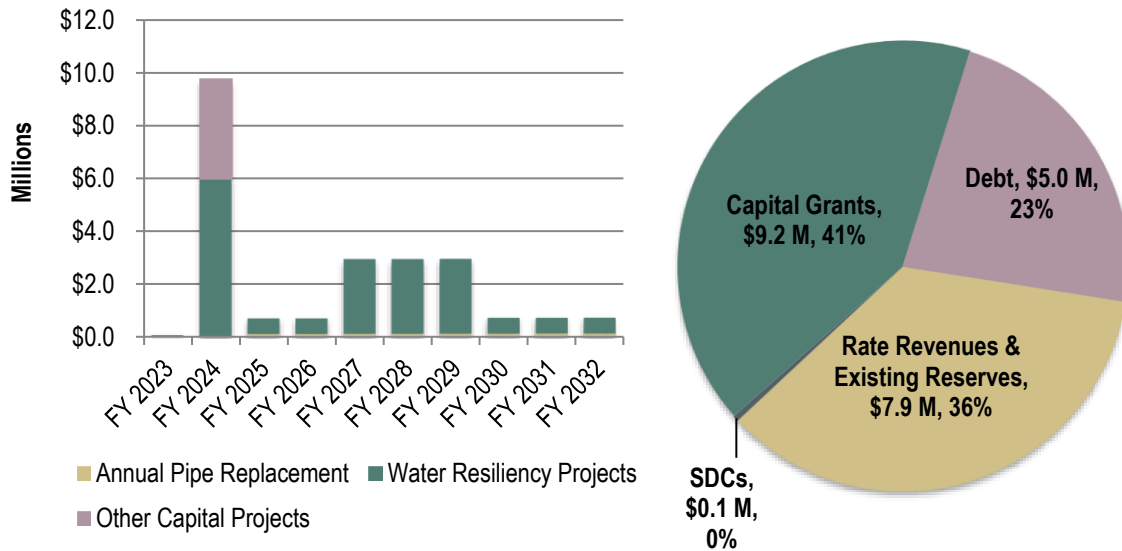
Capital Program

The City supplied FCS GROUP with the capital plan for FYs 2022-23 through 2031-32, including project costs and timing. The FY 2022-23 through FY 2031-32 capital program totals \$22.2 million with anticipated cost escalation. The capital plan is summarized in **Exhibit 6**.

Capital Funding Strategy

The FY 2022-23 through FY 2031-32 capital projects result in a plan in which \$0.1 million is expected to be funded with system development charge revenue, \$9.2 million with capital grants, \$5.0 million from new debt, and \$7.9 million is expected to be funded by rate revenues and existing reserves. The new debt for this utility will increase the annual debt service by \$360,000 in FY 2031-32. The capital funding strategy is also shown in **Exhibit 6**.

Exhibit 6: Water Utility Capital Funding Strategy FY 2023-2032



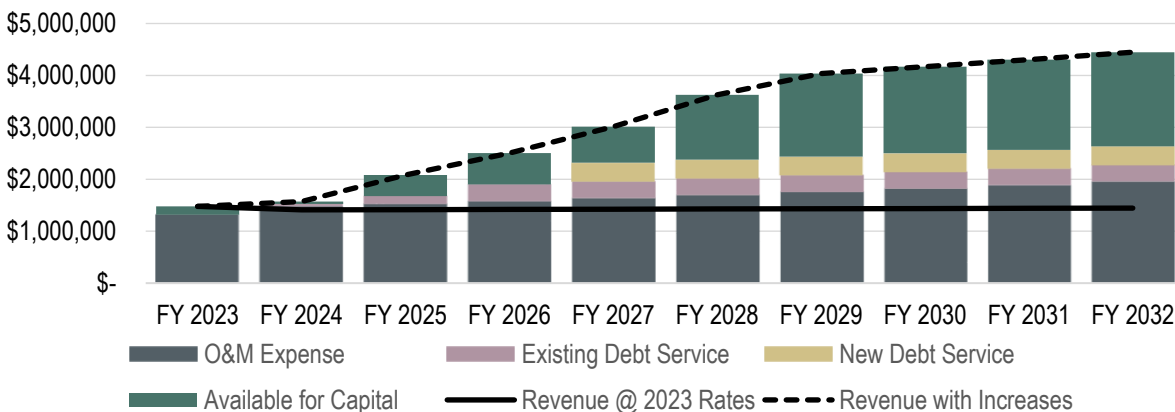
Revenue Requirement Forecast

Exhibit 7 graphically represents the revenue requirement forecast through FY 2031-32. The stacked columns represent costs of the utility such as operating expenses, and annual rate revenue earmarked for capital projects. The solid black line represents revenue at existing rates and the dashed line shows forecasted revenue with rate increases.

There is one year in which new debt is forecasted for the utility. There is \$5.025 million in loan proceeds assumed in FY 2026-27. The terms assumed for this loan are as follows:

- 20-year loan
- 3.0 percent interest
- No issuance costs

Exhibit 7: Water Utility Annual Revenue Requirement Forecast FY 2023-2032



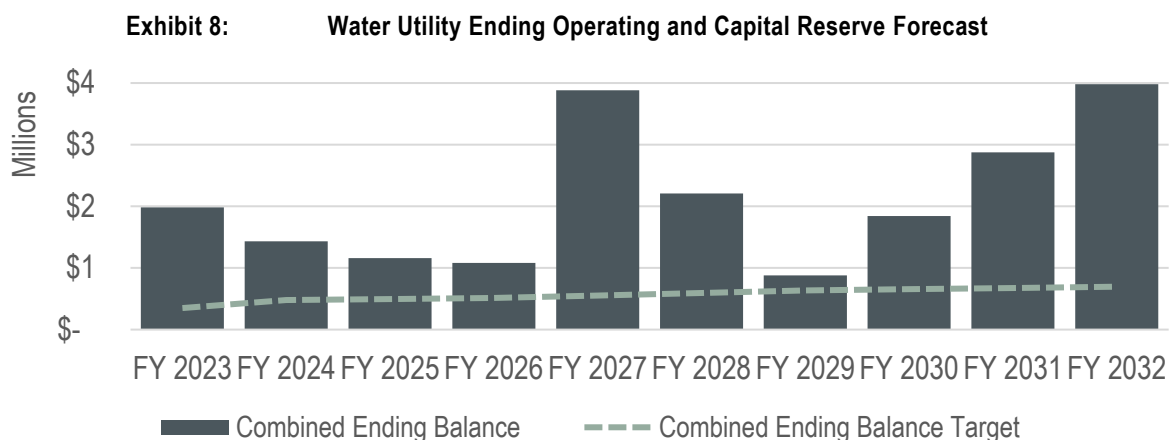
Water Rate Revenue Forecast	FY 2023	FY 2024*	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Annual Rate Revenue Increase		23.00%	20.00%	20.00%	20.00%	20.00%	11.00%	3.00%	3.00%	3.00%
Monthly SFR Bill at 400 cf	\$25.67	\$31.57	\$37.89	\$45.47	\$54.56	\$65.47	\$72.67	\$74.85	\$77.10	\$79.41
Change From Prior Year		+\$5.90	+\$6.31	+\$7.58	+\$9.09	+\$10.91	+\$7.20	+\$2.18	+\$2.25	+\$2.31
Revenue Bond Issuances					\$5.025 M					

*Note that FY 2024 implements a January 1st rate, whereas all other years implement on July 1st.

High water rate increases for the next four years are in large part due to the more than \$10.0 million in capital costs stacked at the beginning of the forecast.

Forecasted Reserves

The target operating reserve is equal to 73 days of operating expenses. The target minimum capital reserve is equal to 1 percent of water capital assets. **Exhibit 8** shows the ending fund balance is always above these targets over the study period.



WASTEWATER UTILITY

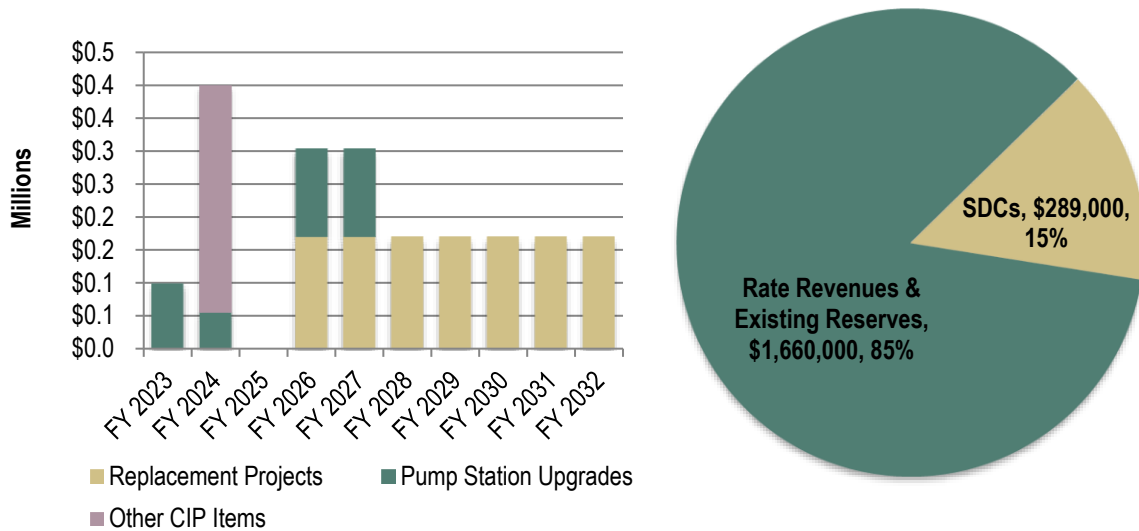
Capital Program

The City supplied FCS GROUP with the FY 2023-2032 CIP along with project costs and timing. The FY 2023-2032 capital program totals \$1.9 million with anticipated cost escalation. The capital plan is summarized in **Exhibit 9**.

Capital Funding Strategy

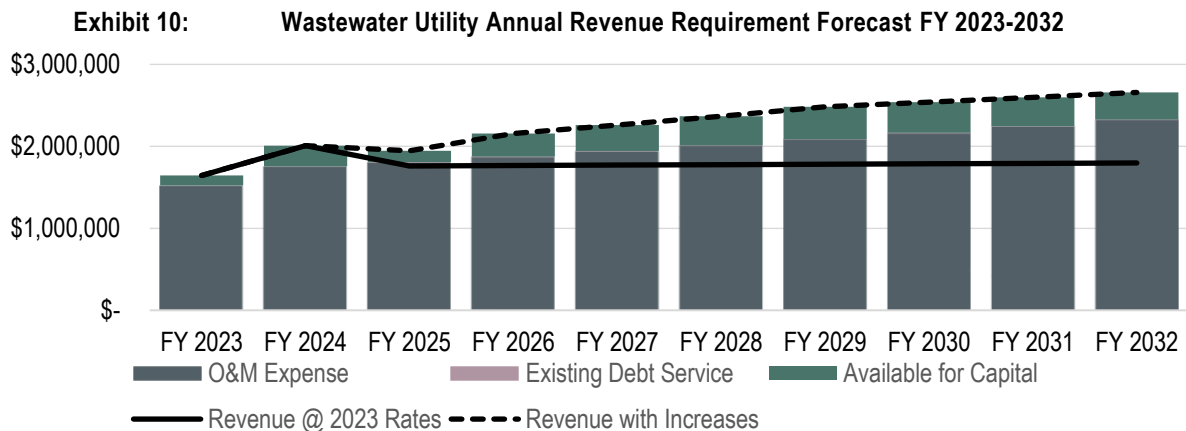
The FY 2023-2032 capital projects result in a plan in which \$289,000 is expected to be funded with system development charge revenue and \$1.7 million is expected to be funded by rate revenues and existing reserves. The capital funding strategy is shown in **Exhibit 9**. Because of the sufficiency of rates and SDCs, the capital funding strategy does not require the use of debt.

Exhibit 9: Wastewater Utility Capital Funding Strategy FY 2023-2032



Revenue Requirement Forecast

Exhibit 10 graphically represents the revenue requirement forecast through FY 2031-32.



Wastewater Rate Revenue Forecast	FY 2023	FY 2024*	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Annual Rate Revenue Increase		16.20%	10.50%	10.50%	4.50%	4.50%	4.50%	2.00%	2.00%	2.00%
Monthly SFR Bill at 400 cf	\$28.74	\$33.39	\$36.90	\$40.77	\$42.60	\$44.52	\$46.53	\$47.46	\$48.40	\$49.37
Change From Prior Year		+\$4.65	+\$3.51	+\$3.87	+\$1.83	+\$1.92	+\$2.00	+\$0.93	+\$0.95	+\$0.97

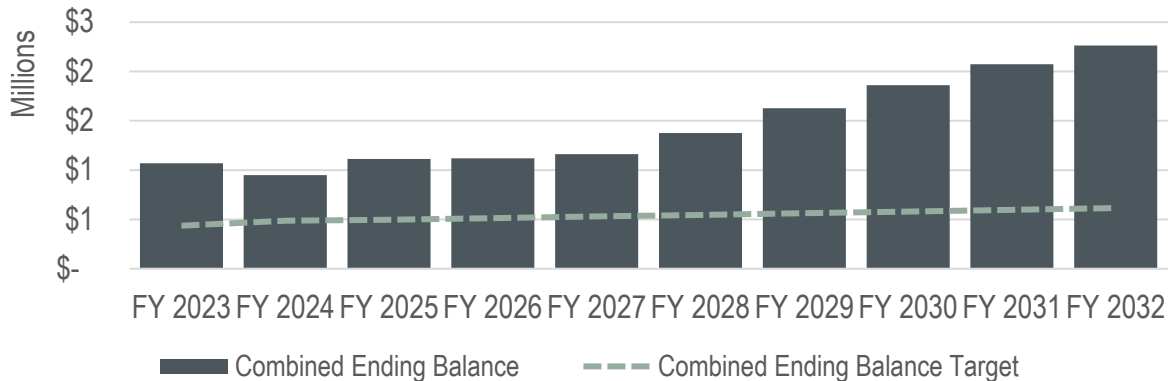
* Note that FY 2024 is already adopted

Note that the revenue at FY 2022-23 rates also includes non-rate revenues, which is why there is an uptick in revenue for FY 2023-24, but then the revenue does not continue at that level (there was a one-time addition in FY 2023-24). The wastewater utility has a substantially smaller capital plan than the water utility, and is therefore able to have lower rate increases and rely more on SDC revenue than additional debt.

Forecasted Reserves

The target operating reserve is equal to 73 days of operating expenses. The target minimum capital reserve is equal to 1 percent of wastewater capital assets. **Exhibit 11** shows the ending fund balance is always above these targets over the study period.

Exhibit 11: Wastewater Utility Ending Operating and Capital Reserve Forecast



STORM DRAIN UTILITY

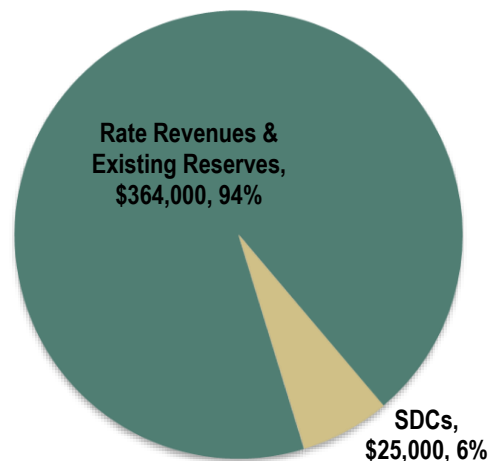
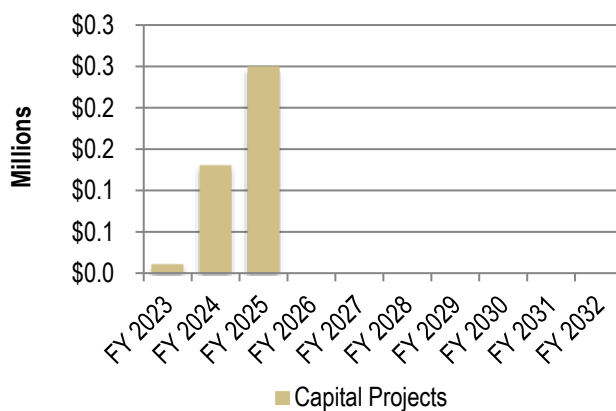
Capital Program

The City supplied the FY 2022-23 through FY 2031-32 CIP along with project costs and timing. The FY 2022-23 through FY 2031-32 capital program totals \$389,000 with anticipated cost escalation. The capital plan is summarized in **Exhibit 12**.

Capital Funding Strategy

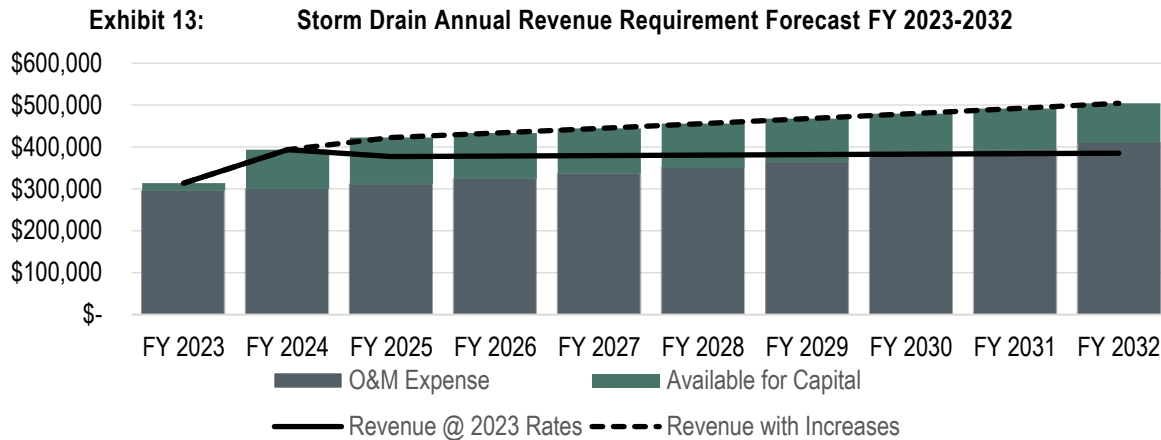
The FY 2022-23 through FY 2031-32 capital projects result in a plan in which \$25,000 is expected to be funded with system development charge revenue, and \$364,000 is expected to be funded with rate revenues and existing reserves. The capital funding strategy is shown in **Exhibit 12**.

Exhibit 12: Storm Drain Utility Capital Funding Strategy FY 2023-2032



Revenue Requirement Forecast

Exhibit 13 graphically represents the revenue requirement forecast through FY 2031-32.



Storm Drain Rate Revenue Forecast	FY 2023	FY 2024*	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Annual Rate Revenue Increase		30.00%	12.00%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
Monthly Charge per Unit	\$9.22	\$11.99	\$13.43	\$13.73	\$14.04	\$14.36	\$14.68	\$15.01	\$15.35	\$15.69
Change From Prior Year		+\$2.77	+\$1.44	+\$0.30	+\$0.31	+\$0.32	+\$0.32	+\$0.33	+\$0.34	+\$0.35

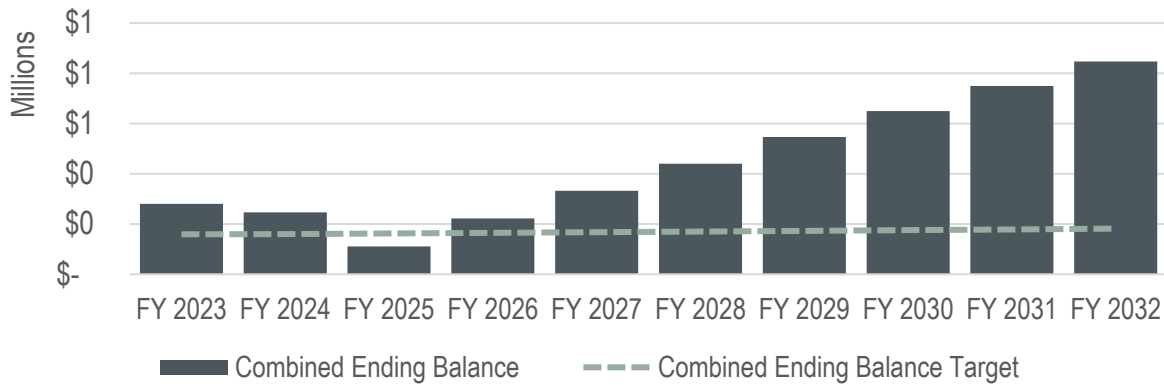
* Note that FY 2024 is already adopted

With the already adopted rate increase of 30 percent in FY 2023-24, the utility does not require double-digit rate increases past FY 2024-25 and can cover current obligations (forecasted O&M increases as well as the outlined capital plan) with 2.25 percent increases starting in FY 2025-26. The City could also choose to increase the storm drain utility rate by general inflation instead of a fixed annual percentage.

Forecasted Reserves

The target operating reserve is equal to 73 days of operating expenses. The target minimum capital reserve is equal to \$100,000 for emergency repairs. **Exhibit 14** shows the ending fund balance apart from FY 2024-25 is always above these targets during the study period. Because the utility is able to recover within the next year and there is no planned new debt service, the slight dip below this target is acceptable for the City.

Exhibit 14: Storm Drain Utility Ending Operating and Capital Reserve Forecast



SINGLE-FAMILY RESIDENTIAL RATE COMPARISON

As a resource to the City and its customers, a rate survey of area utilities was performed in calendar year (CY) 2023. **Exhibits 15-16** show each jurisdiction's monthly single-family residential water and wastewater bill with 400 cubic feet (cf) of usage and **Exhibit 17** shows each jurisdiction's monthly storm drain bill. Note that each jurisdiction has a unique set of geographic traits, customers, and system characteristics that can have a significant impact on rates. Additionally, many of these jurisdictions may have plans to adjust rates in CY 2024.

Exhibit 15: Water Jurisdictional Survey: SFR Monthly Bill at 4 ccf

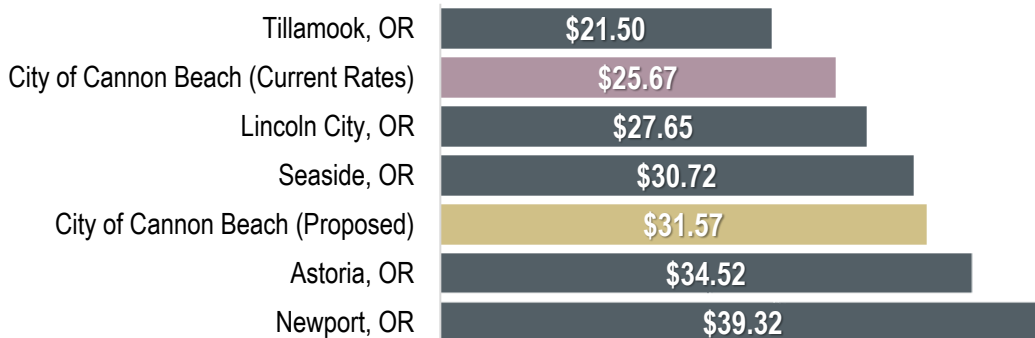


Exhibit 16: Wastewater Jurisdictional Survey: SFR Monthly Bill at 4 ccf

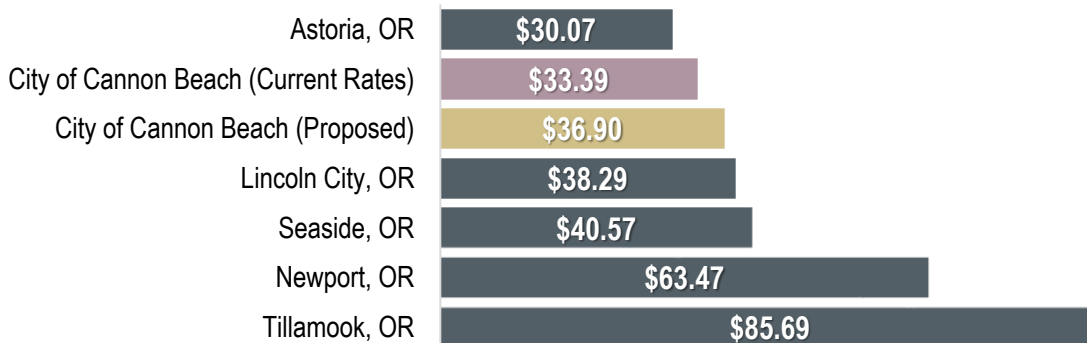


Exhibit 17: Storm Drain Jurisdictional Survey: SFR Monthly Bill

Lincoln City, OR	\$0.00
Tillamook, OR	\$0.00
Seaside, OR	\$0.00
Astoria, OR	\$0.00
Newport, OR	\$9.91
City of Cannon Beach (Current Rates)	\$11.99
City of Cannon Beach (Proposed)	\$13.43

UPDATING THIS STUDY'S FINDINGS

We recommend that the City revisit the study findings during the forecast period to check that the assumptions used are still appropriate and that no significant changes have occurred that would alter the results of the study. The City should use the study findings as a living document, comparing study outcomes to actual revenues and expenses each year. Any significant or unexpected changes may require adjustments to the rate strategy recommended in this report.

Section IV. WATER RATE DESIGN

Introduction

Rate design refers to how the bills are calculated. Every rate has a numerator and a denominator. The numerator is the total cost that must be recovered for the system to be able to fund its revenue requirement. The denominator is the *unit basis*, the measurement used to calculate an individual bill. Rate design has to do with the unit basis for the charges. Most rate designs consist of some combination of fixed and variable charges. Fixed charges often vary by meter size, which is an indicator of a particular customer's potential demand for water service.

A primary consideration in rate design is that the rates are *equitable*—that is, they generate sufficient revenue in a manner that is reasonably commensurate with the cost of providing service to individual customers. At the same time, rate design is influenced by the City's other policy goals. There are several competing policy considerations when designing a rate structure. These include revenue stability, conservation incentives, or the protection of certain vulnerable customer classes (such as low-income customers, or small residential customers). State law gives utilities wide discretion in determining rate classes and designing rates, as long as the rates are not arbitrary and capricious.

During the rate study, the City's existing water rate design was reviewed, and rate design alternatives were presented to the Council for consideration on February 13th, 2024.

Existing Water Rate Structure

Currently, there is one rate schedule for all water customers in the City of Cannon Beach. Each customer's rate is dependent on two factors; the customer's meter size, and the amount of water they use in cubic feet. **Exhibit 18** shows the current water rates as stated in Resolution No. 23-12.

Exhibit 18: Water Service Rates and Charges Effective July 1, 2023

Meter Size	Base Rate	Base Allowance	Unit Rate per 100 Cubic Feet
3/4"	\$25.67	400 cubic feet	\$6.42
1"	\$64.19	400 cubic feet	
1-1/2"	\$128.37	400 cubic feet	
2"	\$205.39	400 cubic feet	
3"	\$410.77	400 cubic feet	
4"	\$641.84	400 cubic feet	
6"	\$1,283.67	400 cubic feet	
Irrigation Line	\$51.35	400 cubic feet	
Note:	Cannon Beach Rural Fire District is exempt from charges		

Timing and Intent of a Rate Design

A change in rate design can result in two separate outcomes as it relates to the revenue requirement (or in other words the amount of revenue needed to meet existing and future utility obligations and targets). The rate design can either shift rates in a way that changes the amount of revenue recovered (either more or less), or it can be revenue neutral. This analysis presents rate alternatives that are revenue neutral in nature.

In this analysis we assume that rate structure changes would be effective on July 1, 2024, at the beginning of FY 2024-25. In our tables throughout this section, this is referring to the FY 2025 columns (their titles highlighted in a darker green). We recognize the City adopted rates in January 2024, that are 23 percent higher than **Exhibit 18** (as was recommended during the September Council meeting). However, this analysis applies the rate design changes to the current fiscal year (FY 2023-24) which means the FY 2024 columns throughout this section do not show the exact rates the council has recently adopted, but rather how our rate design changes would affect those adopted rates in this fiscal year. As noted above, this analysis is revenue neutral which means the rates adopted by council in January 2024 (and the rate schedule thereafter), are expected to recover the same amount of revenue as these suggested rate design alternatives.

Goals of the Rate Design Changes

The City of Cannon Beach requested that FCS GROUP examine two separate rate design goals:

- **Lower the base rate for 3/4" customers.** The goal of this rate alternative is to help customers that have small residential meters, and use below the 400 cubic foot threshold. This goal was addressed in two separate approaches; Scenario 1A and Scenario 1B.
 - » Scenario 1A addresses this goal in a revenue neutral way by lowering the FY 2023-24 base rate for 3/4" customers, and increasing the larger meter sizes' base rate to recover the revenue difference. Usage rates remain as adopted.
 - » Scenario 1B addresses this goal by lowering the FY 2023-24 base rate for 3/4" customers, as well as lowering the usage rates for 3/4" customers. In Scenario 1B, the rate design alternative is kept revenue neutral by making up lost revenue (from the 3/4" class) in the larger meter sizes' usage portion of the bill as well as their base portion of the bill.
- **Shift revenue to the volumetric portion of the bill.** This rate alternative is made to encourage conservation by rewarding those who use less water. This goal was addressed in two separate approaches; Scenario 2A and Scenario 2B.
 - » Scenario 2A addresses this goal in a revenue neutral way by lowering the FY 2023-24 base rate for 3/4" customers (as is the case in both the Scenario 1 alternatives), and increasing the larger meter sizes in proportion to the 3/4" base. In other words, the base charges for all meter sizes reflect the rates as shown in **Exhibit 18**. The usage rate for all customers is increased to make up the difference in revenue. In this rate scenario, price elasticity is not a factor. This means that as the cost for water increases (the volumetric rate), we assume that the customers' behavior does not change.
 - » Scenario 2B addresses this goal in the exact same way as Scenario 2A, but also takes price elasticity into consideration. This means that as the usage price for water increases, this will change how much water the customer base in Cannon Beach uses. As customers see a higher price for more water usage, this will signal them to use less. With less water usage comes less

revenue, so in order to ensure this rate alternative is revenue neutral while considering price elasticity, the cost for water usage needs to be higher than in Scenario 2A. Specifically for the City of Cannon Beach, this means that for every percent increase of the usage rate, usage will decrease by 0.51 percent.

Status Quo

The table below shows the City water rate schedule and rate structure as it is today. Each meter size as well as the usage rate for all customers will increase by the same percentage (also known as across-the-board) in each fiscal year. These percentages are described in **Section III** of this report.

Exhibit 19: Rate Schedule FY 2022-23 Through FY 2031-32: Status Quo

Water Utility	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
		23.00%	20.00%	20.00%	20.00%	20.00%	11.00%	3.00%	3.00%	3.00%
Base Rate up to 400 cf (Monthly)										
3/4"	\$25.67	\$31.57	\$37.89	\$45.47	\$54.56	\$65.47	\$72.67	\$74.85	\$77.10	\$79.41
1"	\$64.19	\$78.95	\$94.74	\$113.69	\$136.43	\$163.72	\$181.73	\$187.18	\$192.79	\$198.58
1 1/2"	\$128.37	\$157.90	\$189.47	\$227.37	\$272.84	\$327.41	\$363.43	\$374.33	\$385.56	\$397.13
2"	\$205.39	\$252.63	\$303.16	\$363.79	\$436.54	\$523.85	\$581.48	\$598.92	\$616.89	\$635.40
3"	\$410.77	\$505.25	\$606.30	\$727.56	\$873.07	\$1,047.68	\$1,162.93	\$1,197.81	\$1,233.75	\$1,270.76
4"	\$641.84	\$789.46	\$947.36	\$1,136.83	\$1,364.19	\$1,637.03	\$1,817.10	\$1,871.62	\$1,927.77	\$1,985.60
6"	\$1,283.67	\$1,578.91	\$1,894.70	\$2,273.64	\$2,728.36	\$3,274.04	\$3,634.18	\$3,743.21	\$3,855.50	\$3,971.17
Irrigation Line	\$51.34	\$63.15	\$75.78	\$90.93	\$109.12	\$130.94	\$145.35	\$149.71	\$154.20	\$158.83
Volume Charge (100 cf)	\$6.42	\$7.90	\$9.48	\$11.37	\$13.65	\$16.37	\$18.18	\$18.72	\$19.28	\$19.86

Note that the FY 2024 column was adopted by Council in January 2024 (meaning the above rates were effective for 6 months of the 12 month fiscal year). If the City were to continue on the path of Status Quo, the FY 2025 rates would be adopted in July of 2024.

Scenario 1A

In this scenario, the smallest meter size would remain at the \$25.67 rate, while the larger meter sizes would increase to make up the revenue difference. A 1" meter in the Status Quo scenario would pay \$94.74 as their base charge, but \$130.20 in Scenario 1A.

Exhibit 20: Rate Schedule FY 2022-23 Through FY 2031-32: Scenario 1A

Water Utility	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
			20.00%	20.00%	20.00%	20.00%	11.00%	3.00%	3.00%	3.00%
Base Rate up to 400 cf (Monthly)										
3/4"	\$25.67	\$25.67	\$30.80	\$36.96	\$44.36	\$53.23	\$59.08	\$60.86	\$62.68	\$64.56
1"	\$64.19	\$108.50	\$130.20	\$156.24	\$187.49	\$224.98	\$249.73	\$257.22	\$264.94	\$272.89
1 1/2"	\$128.37	\$216.98	\$260.38	\$312.45	\$374.94	\$449.93	\$499.42	\$514.41	\$529.84	\$545.74
2"	\$205.39	\$347.17	\$416.60	\$499.92	\$599.90	\$719.88	\$799.07	\$823.04	\$847.74	\$873.17
3"	\$410.77	\$694.32	\$833.18	\$999.82	\$1,199.78	\$1,439.73	\$1,598.11	\$1,646.05	\$1,695.43	\$1,746.29
4"	\$641.84	\$1,084.89	\$1,301.87	\$1,562.24	\$1,874.69	\$2,249.63	\$2,497.09	\$2,572.00	\$2,649.16	\$2,728.63
6"	\$1,283.67	\$2,169.76	\$2,603.71	\$3,124.46	\$3,749.35	\$4,499.22	\$4,994.13	\$5,143.96	\$5,298.27	\$5,457.22
Irrigation Line	\$51.34	\$51.34	\$61.61	\$73.93	\$88.72	\$106.46	\$118.17	\$121.71	\$125.37	\$129.13
Volume Charge (100 cf)	\$6.42	\$7.90	\$9.48	\$11.37	\$13.65	\$16.37	\$18.18	\$18.72	\$19.28	\$19.86

Note that the FY 2024 column *does not reflect* the exact rates Council adopted in 2024 – instead it shows how the rate design changes would redistribute the rates (while remaining revenue neutral). If the City were to choose to adopt this scenario, the FY 2025 rates would be adopted in July of 2024.

Scenario 1B

In this scenario, the usage rate for the 3/4" meter is isolated from the usage charge for all other customers. This puts more burden on larger customers in both their base and usage charges.

Exhibit 21: Rate Schedule FY 2022-23 Through FY 2031-32: Scenario 1B

Water Utility	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
			20.00%	20.00%	20.00%	20.00%	11.00%	3.00%	3.00%	3.00%
Base Rate up to 400 cf (Monthly)										
3/4"	\$25.67	\$25.67	\$30.80	\$36.96	\$44.36	\$53.23	\$59.08	\$60.86	\$62.68	\$64.56
1"	\$64.19	\$115.55	\$138.66	\$166.39	\$199.67	\$239.60	\$265.96	\$273.94	\$282.15	\$290.62
1 1/2"	\$128.37	\$231.08	\$277.29	\$332.75	\$399.30	\$479.17	\$531.87	\$547.83	\$564.26	\$581.19
2"	\$205.39	\$369.72	\$443.67	\$532.40	\$638.88	\$766.66	\$850.99	\$876.52	\$902.81	\$929.90
3"	\$410.77	\$739.43	\$887.31	\$1,064.78	\$1,277.73	\$1,533.28	\$1,701.94	\$1,753.00	\$1,805.59	\$1,859.75
4"	\$641.84	\$1,155.38	\$1,386.45	\$1,663.74	\$1,996.49	\$2,395.79	\$2,659.33	\$2,739.11	\$2,821.28	\$2,905.92
6"	\$1,283.67	\$2,310.74	\$2,772.88	\$3,327.46	\$3,992.95	\$4,791.54	\$5,318.61	\$5,478.17	\$5,642.51	\$5,811.79
Irrigation Line	\$51.34	\$51.34	\$61.61	\$73.93	\$88.72	\$106.46	\$118.17	\$121.71	\$125.37	\$129.13
Volume Charge (100 cf) (3/4")	\$6.42	\$6.42	\$7.71	\$9.25	\$11.10	\$13.32	\$14.78	\$15.23	\$15.68	\$16.15
Volume Charge (100 cf) (other)	\$6.42	\$7.90	\$9.48	\$11.38	\$13.65	\$16.38	\$18.18	\$18.73	\$19.29	\$19.87

Note that the FY 2024 column *does not reflect* the exact rates Council adopted in 2024 – instead it shows how the rate design changes would redistribute the rates (while remaining revenue neutral). If the City were to choose to adopt this scenario, the FY 2025 rates would be adopted in July of 2024.

Scenario 2A

In this scenario, all meters would remain at the FY 2023 base rate, while the usage rate for all customers would increase to make up the revenue difference. This scenario does not consider price elasticity. During the February Council meeting, it was indicated that this is the preferred scenario.

Exhibit 22: Rate Schedule FY 2022-23 Through FY 2031-32: Scenario 2A

Water Utility	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
			20.00%	20.00%	20.00%	20.00%	11.00%	3.00%	3.00%	3.00%
Base Rate up to 400 cf (Monthly)										
3/4"	\$25.67	\$25.67	\$30.80	\$36.96	\$44.36	\$53.23	\$59.08	\$60.86	\$62.68	\$64.56
1"	\$64.19	\$64.19	\$77.03	\$92.43	\$110.92	\$133.10	\$147.75	\$152.18	\$156.74	\$161.45
1 1/2"	\$128.37	\$128.37	\$154.04	\$184.85	\$221.82	\$266.19	\$295.47	\$304.33	\$313.46	\$322.87
2"	\$205.39	\$205.39	\$246.47	\$295.76	\$354.91	\$425.90	\$472.75	\$486.93	\$501.54	\$516.58
3"	\$410.77	\$410.77	\$492.92	\$591.51	\$709.81	\$851.77	\$945.47	\$973.83	\$1,003.05	\$1,033.14
4"	\$641.84	\$641.84	\$770.21	\$924.25	\$1,109.10	\$1,330.92	\$1,477.32	\$1,521.64	\$1,567.29	\$1,614.31
6"	\$1,283.67	\$1,283.67	\$1,540.40	\$1,848.48	\$2,218.18	\$2,661.82	\$2,954.62	\$3,043.26	\$3,134.55	\$3,228.59
Irrigation Line	\$51.34	\$51.34	\$61.61	\$73.93	\$88.72	\$106.46	\$118.17	\$121.71	\$125.37	\$129.13
Volume Charge (100 cf)	\$6.42	\$10.06	\$12.07	\$14.49	\$17.39	\$20.86	\$23.16	\$23.85	\$24.57	\$25.30

Note that the FY 2024 column *does not reflect* the exact rates Council adopted in 2024 – instead it shows how the rate design changes would redistribute the rates (while remaining revenue neutral). If the City were to choose to adopt this scenario, the FY 2025 rates would be adopted in July of 2024.

Scenario 2B

In this scenario, all meters would remain at the FY 2023 base rate, while the usage rate for all customers would increase to make up the revenue difference. This scenario considers price elasticity, and therefore the usage rate below is higher than in scenario 2A.

Exhibit 23: Rate Schedule FY 2022-23 Through FY 2031-32: Scenario 2B

Water Utility	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
			20.00%	20.00%	20.00%	20.00%	11.00%	3.00%	3.00%	3.00%
Base Rate up to 400 cf (Monthly)										
3/4"	\$25.67	\$25.67	\$30.80	\$36.96	\$44.36	\$53.23	\$59.08	\$60.86	\$62.68	\$64.56
1"	\$64.19	\$64.19	\$77.03	\$92.43	\$110.92	\$133.10	\$147.75	\$152.18	\$156.74	\$161.45
1 1/2"	\$128.37	\$128.37	\$154.04	\$184.85	\$221.82	\$266.19	\$295.47	\$304.33	\$313.46	\$322.87
2"	\$205.39	\$205.39	\$246.47	\$295.76	\$354.91	\$425.90	\$472.75	\$486.93	\$501.54	\$516.58
3"	\$410.77	\$410.77	\$492.92	\$591.51	\$709.81	\$851.77	\$945.47	\$973.83	\$1,003.05	\$1,033.14
4"	\$641.84	\$641.84	\$770.21	\$924.25	\$1,109.10	\$1,330.92	\$1,477.32	\$1,521.64	\$1,567.29	\$1,614.31
6"	\$1,283.67	\$1,283.67	\$1,540.40	\$1,848.48	\$2,218.18	\$2,661.82	\$2,954.62	\$3,043.26	\$3,134.55	\$3,228.59
Irrigation Line	\$51.34	\$51.34	\$61.61	\$73.93	\$88.72	\$106.46	\$118.17	\$121.71	\$125.37	\$129.13
Volume Charge (100 cf)	\$6.42	\$11.70	\$14.04	\$16.84	\$20.21	\$24.26	\$26.92	\$27.73	\$28.56	\$29.42

Note that the FY 2024 column *does not reflect* the exact rates Council adopted in 2024 – instead it shows how the rate design changes would redistribute the rates (while remaining revenue neutral). If the City were to choose to adopt this scenario, the FY 2025 rates would be adopted in July of 2024.

Rate Comparisons

In **Exhibit 24**, each table represents a different example customer, and how each scenario described above would impact their water bill. The first table shows the typical water bill for a 3/4" meter customer that uses 400 cf of water or less during the billing period. The second table shows the same customer, but with 800 cf of water usage. The third table is a 2" meter customer that uses 800 cf of water during this billing period.

Exhibit 24: Bill Comparisons

Water Sample Monthly Bills 3/4" Meter at 400 cf of usage	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Scenario 0	\$25.67	\$31.57	\$37.89	\$45.47	\$54.56	\$65.47	\$72.67	\$74.85	\$77.10	\$79.41
Scenario 1a	\$25.67	\$25.67	\$30.80	\$36.96	\$44.36	\$53.23	\$59.08	\$60.86	\$62.68	\$64.56
Scenario 1b	\$25.67	\$25.67	\$30.80	\$36.96	\$44.36	\$53.23	\$59.08	\$60.86	\$62.68	\$64.56
Scenario 2a	\$25.67	\$25.67	\$30.80	\$36.96	\$44.36	\$53.23	\$59.08	\$60.86	\$62.68	\$64.56
Scenario 2b	\$25.67	\$25.67	\$30.80	\$36.96	\$44.36	\$53.23	\$59.08	\$60.86	\$62.68	\$64.56

Water Sample Monthly Bills 3/4" Meter at 800 cf of usage	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Scenario 0	\$51.35	\$63.16	\$75.79	\$90.95	\$109.14	\$130.97	\$145.38	\$149.74	\$154.23	\$158.86
Scenario 1a	\$51.35	\$57.26	\$68.71	\$82.45	\$98.94	\$118.73	\$131.79	\$135.74	\$139.81	\$144.01
Scenario 1b	\$51.35	\$51.36	\$61.63	\$73.96	\$88.75	\$106.50	\$118.22	\$121.76	\$125.42	\$129.18
Scenario 2a	\$51.35	\$65.91	\$79.10	\$94.92	\$113.90	\$136.68	\$151.71	\$156.27	\$160.95	\$165.78
Scenario 2b	\$51.35	\$72.46	\$86.95	\$104.34	\$125.21	\$150.25	\$166.78	\$171.78	\$176.94	\$182.24

Water Sample Monthly Bills 2" Meter at 800 cf of usage	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Scenario 0	\$231.07	\$284.22	\$341.06	\$409.27	\$491.13	\$589.35	\$654.18	\$673.80	\$694.02	\$714.84
Scenario 1a	\$231.07	\$378.75	\$454.50	\$545.40	\$654.49	\$785.38	\$871.77	\$897.93	\$924.87	\$952.61
Scenario 1b	\$231.07	\$401.32	\$481.59	\$577.90	\$693.49	\$832.18	\$923.72	\$951.43	\$979.98	\$1,009.38
Scenario 2a	\$231.07	\$245.63	\$294.76	\$353.71	\$424.46	\$509.35	\$565.38	\$582.34	\$599.81	\$617.80
Scenario 2b	\$231.07	\$252.18	\$302.62	\$363.14	\$435.77	\$522.92	\$580.44	\$597.85	\$615.79	\$634.26

Section V. RATE SCHEDULES

The following rate schedules are the recommended rate plans for each utility. For water, Scenario 2A is the recommended rate structure.

WATER

Water Utility	FY 2023	FY 2024*	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
			20.00%	20.00%	20.00%	20.00%	11.00%	3.00%	3.00%	3.00%
Base Rate up to 400 cf (Monthly)										
3/4"	\$25.67	\$25.67	\$30.80	\$36.96	\$44.36	\$53.23	\$59.08	\$60.86	\$62.68	\$64.56
1"	\$64.19	\$64.19	\$77.03	\$92.43	\$110.92	\$133.10	\$147.75	\$152.18	\$156.74	\$161.45
1 1/2"	\$128.37	\$128.37	\$154.04	\$184.85	\$221.82	\$266.19	\$295.47	\$304.33	\$313.46	\$322.87
2"	\$205.39	\$205.39	\$246.47	\$295.76	\$354.91	\$425.90	\$472.75	\$486.93	\$501.54	\$516.58
3"	\$410.77	\$410.77	\$492.92	\$591.51	\$709.81	\$851.77	\$945.47	\$973.83	\$1,003.05	\$1,033.14
4"	\$641.84	\$641.84	\$770.21	\$924.25	\$1,109.10	\$1,330.92	\$1,477.32	\$1,521.64	\$1,567.29	\$1,614.31
6"	\$1,283.67	\$1,283.67	\$1,540.40	\$1,848.48	\$2,218.18	\$2,661.82	\$2,954.62	\$3,043.26	\$3,134.55	\$3,228.59
Irrigation Line	\$51.34	\$51.34	\$61.61	\$73.93	\$88.72	\$106.46	\$118.17	\$121.71	\$125.37	\$129.13
Volume Charge (100 cf)	\$6.42	\$10.06	\$12.07	\$14.49	\$17.39	\$20.86	\$23.16	\$23.85	\$24.57	\$25.30

*Note that FY 2024 was adopted by Council in January 2024. The FY 2025 rates would be adopted in July 2024.

WASTEWATER

Wastewater Utility	FY 2023	FY 2024*	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Base Rate up to 400 cf (Monthly)										
3/4"	\$28.74	\$33.39	\$36.90	\$40.77	\$42.60	\$44.52	\$46.53	\$47.46	\$48.40	\$49.37
1"	\$71.84	\$83.48	\$92.25	\$101.93	\$106.52	\$111.31	\$116.32	\$118.65	\$121.02	\$123.44
1 1/2"	\$143.68	\$166.95	\$184.48	\$203.85	\$213.02	\$222.61	\$232.63	\$237.28	\$242.02	\$246.87
2"	\$229.89	\$267.12	\$295.17	\$326.16	\$340.84	\$356.18	\$372.20	\$379.65	\$387.24	\$394.98
3"	\$459.79	\$534.24	\$590.34	\$652.32	\$681.67	\$712.35	\$744.41	\$759.29	\$774.48	\$789.97
4"	\$718.42	\$834.75	\$922.40	\$1,019.25	\$1,065.12	\$1,113.05	\$1,163.13	\$1,186.40	\$1,210.12	\$1,234.33
6"	\$1,436.83	\$1,669.50	\$1,844.80	\$2,038.50	\$2,130.23	\$2,226.09	\$2,326.27	\$2,372.79	\$2,420.25	\$2,468.65
Volume Charge (100 cf)	\$7.19	\$8.35	\$9.23	\$10.20	\$10.65	\$11.13	\$11.63	\$11.87	\$12.10	\$12.35

*Note that FY 2024 was adopted by Council in January 2024. The FY 2025 rates would be adopted in July 2024.

STORM DRAIN

Storm Drain Utility	FY 2023	FY 2024*	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Monthly Charge per Unit	\$9.22	\$11.99	\$13.43	\$13.73	\$14.04	\$14.36	\$14.68	\$15.01	\$15.35	\$15.69

*Note that FY 2024 was adopted by Council in January 2024. The FY 2025 rates would be adopted in July 2024.

Minutes of the
CANNON BEACH CITY COUNCIL
Tuesday, April 2, 2024
Council Chambers

Present: Mayor Barb Knop, Council President Nancy McCarthy, Councilors Brandon Ogilvie, Gary Hayes and Lisa Kerr

Excused:

Staff: City Manager Bruce St. Denis, IT Director Rusty Barrett, Recorder Jennifer Barrett, Chief of Police Jason Schermerhorn and Public Works Director Karen La Bonte

Other:

CALL TO ORDER AND APPROVAL OF AGENDA

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

Motion: Ogilvie moved to approve the agenda; Hayes seconded the motion.

Vote: McCarthy, Ogilvie, Kerr, Hayes and Knop voted AYE: the vote was 5:0 and the motion carried. The agenda was approved.

Knop thanked the city staff, calling out Public Works for all they did to make a water break as painless as possible. Knop encouraged everyone who is not already signed up for alerts to please do so.

PUBLIC COMMENT

Knop called for public comment, adding remember to be kind and respectful and under 3 minutes.

- Beth Holland 3607 E Chinook – spoke about the property her family owns and hopes for it to become a park.
- Randy Neal PO Box 1092 - spoke about the parks system development charge, feeling it should be reduced or eliminated.

PRESENTATION

(1) Sunset Empire Transportation District Executive Director Introduction

Sunset Empire Transportation District Executive Director Craig Johnston introduced himself. Johnston presented a PowerPoint presentation; a copy is in the record file. Johnston answered the Council's questions. Ogilvie noted the summer shuttle is important with the community and would like to work with Johnston on getting it back. Johnston replied he is not sure they can get to it this summer, but hopefully next summer.

PUBLIC HEARING

(2) Public Hearing for Hartnett Right-of-Way Waiver for 3823 Pacific

Knop stated this is a hearing regarding the Application for Waiver from Requirement to Remove an Encroachment of Private Improvement into Public Street Rights-of-Way; Travis Hartnett and Lesli Von Eberstein request for waiver to allow a brick paver parking spot located in the public right-of-way. The property is located

at 3823 Pacific Ave (Tax Lot 02300, Map 41006BC). The request will be reviewed against the criteria of the Municipal Code, Section 12.38.060, Waiver of Requirement.

Knop asked does any Council member have a conflict of interest? Does any Council member have personal bias? Has any Council member had any ex parte contacts? Knop asked has any Council member made a site visit? Site visits were declared.

Knop asked is there a staff report?

La Bonte read the staff report.

Knop asked is there any additional correspondence? There was none.

Knop stated the criteria applicable to this request are in Municipal Code Chapters 12.38.060, Waiver Requirement. Testimony, arguments and evidence must be directed toward criteria described in the staff report or other criteria in the Comprehensive Plan or Municipal Code which you believe to apply to the decision.

Knop asked is there a presentation by the applicants?

Derek Gilliland, Green Hill Construction. Gilliland spoke about the stone pavers that were installed, adding they looked natural and had drainage. Gilliland noted when it was installed, they were unaware they were encroaching and had no intention to encroach. Gilliland added once he received the notice, he spoke with LaBonte regarding options, adding if moved back there it would be a major redesign and take away very little hard they already have as there are two large trees.

In response to Kerr's question is the intent to keep the trees, Gilliland replied yes, noting the trees on the property adding they have been careful around them.

Knop asked are there any proponents who wish to speak?

Jim Bates 3864 Pacific Ave. Bates said he lives across the street and it is a nice and well thought out design. Bates thought the choice of grass pavers was a great idea for drainage, and it provides off street parking which he likes. Bates noted it is an attractive solution he'd like to keep looking at.

Knop asked are there any opponents who wish to speak?

Knop asked is there a staff response?

La Bonte said when it comes to encroachments in the right-of-way they are very protective of the infrastructure, adding there is a risk the city would be liable if they needed to open up for repairs. La Bonte added this is an exception to the rule, and she spoke in depth, with the water and wastewater departments and assistant public works direction to ensure everyone was comfortable and they were. La Bonte would like to approve the request.

Knop asked if the applicant wished an opportunity to rebut anything.

Kerr noted the crowing ask is to preserve the old growth tree adding if it doesn't interfere with public works and they and the neighbor do not have an issue it is a very reasonable request. Hayes note it meets the criteria.

Motion: Kerr moved to approve the Application for Waiver from Requirement to Remove an Encroachment of Private Improvement into Public Street Rights-of-Way located at 3823 Pacific Ave (Tax Lot 02300, Map 41006BC); Ogilvie seconded the motion.

Vote: McCarthy, Ogilvie, Kerr, Hayes and Knop voted AYE: the vote was 5:0 and the motion carried.

ORDINANCE

- (3) Ordinance 24-02 an Ordinance Amending the Municipal Code Chapters 1.24.010, 4.01.200, 5.12.050, 5.14.090 and 12.28040

St. Denis read the staff report. Gary, no questions, this is what we asked for, note that the word be is missing from 4.01.200 A.

Motion: Ogilvie moved to approve the first reading of Ordinance No. 24-02 as amended; Hayes seconded the motion.

Vote: McCarthy, Ogilvie, Kerr, Hayes and Knop voted AYE: the vote was 5:0 and the motion carried.

Motion: Hayes moved to approve the second reading and adopt Ordinance No 24-02 as amended; Ogilvie seconded the motion.

Vote: McCarthy, Ogilvie, Kerr, Hayes and Knop voted AYE: the vote was 5:0 and the motion carried.

Knop announced Ordinance No. 24-02 has been adopted and will become effective 30 days from adoption.

RESOLUTION

- (4) Resolution 24-05 for the Purpose of Updating System Development Charges to Reflect Inflation-Related Increases

La Bonte read the staff report adding Doug Gabbard is available on Zoom.

Hayes noted a citizen made the point that the current residents are not paying for the park so future residents shouldn't have to pay for the park's increased capacity. Gabbard explained while doing a SDC methodology you review projects you intended to do. If there was no intention of ever using SDC to fund the park, and you knew you were going to use another source then you would want to keep that project cost out of SDC methodology. Gabbard gave examples, noting the inclusion of Ne'cus park in the methodology none of those intentions were applicable at that time and it was included at an appropriate rate and properly adopted. Gabbard added even if determined it is primarily a tourist facility, it's still entirely appropriate to have in SDC cost basis, noting Lincoln City interested in having SDC layer for new lodging developments in addition to residential.

Motion: Ogilvie moved to approve Resolution 24-05 for the purpose of updating system development charges to reflect inflation related increases; Kerr seconded the motion.

Vote: McCarthy, Ogilvie, Kerr, Hayes and Knop voted AYE: the vote was 5:0 and the motion carried.

PROCLAMATION

- (5) Proclamation 24-02 for the Purpose of proclaiming April 26, 2024, as Arbor Day in the City of Cannon Beach

La Bonte read the staff report.

Motion: Hayes moved to adopt proclamation 24-02 for the Purpose of proclaiming April 26, 2024, as Arbor Day in the City of Cannon Beach; Ogilvie seconded the motion.

Vote: McCarthy, Ogilvie, Kerr, Hayes and Knop voted AYE: the vote was 5:0 and the motion carried.

Ogilvie read the proclamation.

- (6) Proclamation 24-03 for the Purpose of proclaiming April 22, 2024, as Earth Day in the City of Cannon Beach

La Bonte thanked Mayor Knop for the years of support on the Tree City USA application. La Bonte read the staff report.

Motion: Hayes moved to adopt proclamation 24-03 for the Purpose of proclaiming April 22, 2024, as Earth Day in the City of Cannon Beach; Ogilvie seconded the motion.

Vote: McCarthy, Ogilvie, Kerr, Hayes and Knop voted AYE: the vote was 5:0 and the motion carried.

Kerr read the proclamation.

- (7) Proclamation 24-04 for the Purpose of Honoring Terry and Judine Brooks

St. Denis read the staff report. Terry Brooks noted even though they are moving they are not giving up and staying connected to the program. Hayes thanked Terry and Judine for their work with Get Lit. Judine Brooks added she hopes to see everyone at Get Lit.

Motion: Ogilvie moved to adopt proclamation 24-04 for the Purpose of Honoring Terry and Judine Brooks; Hayes seconded the motion.

Vote: McCarthy, Ogilvie, Kerr, Hayes and Knop voted AYE: the vote was 5:0 and the motion carried.

Knop read the proclamation. Knop congratulated and thanked the Brooks. Terry noted this happened because former mayor Mike Morgan called saying this community is respectful and honoring arts but does not have a literary program. McCarthy recognized Tracy Abel for her work on the event.

- (8) Proclamation 24-05 for the Purpose of Designating the Month of April 2024, as Sexual Assault Awareness Month

Schermerhorn read the staff report. Schermerhorn noted last year Cannon Beach had two sexual assaults.

Motion: Ogilvie moved to adopt proclamation 24-05 for the Purpose of Designating the Month of April 2024, as Sexual Assault Awareness Month; Hayes seconded the motion.

Vote: McCarthy, Ogilvie, Kerr, Hayes and Knop voted AYE: the vote was 5:0 and the motion carried.

Hayes read the proclamation.

- (9) Proclamation 24-06 for the Purpose of Designating the Month of April 2024, as Child Abuse Prevention Month

Schermerhorn read the staff report. Schermerhorn introduced Catriona Penfield from CASA. Penfield thanked the council adding she really appreciates Council helping their community stand up for abused and neglected children in this way.

Motion: Kerr moved to adopt proclamation 24-06 for the Purpose of Designating the Month of April 2024,

as Child Abuse Prevention Month; Ogilvie seconded the motion.

Vote: McCarthy, Ogilvie, Kerr, Hayes and Knop voted AYE: the vote was 5:0 and the motion carried.

McCarthy read the proclamation.

ACTION ITEMS

(10) Appointment of City Committee/Board/Commission

PARKS & COMMUNITY SERVICES: one (1) vacancy to fill a four-year term beginning immediately.

Mark Morgans thanked Council for the opportunity Morgans added while reviewing the Parks Committee videos he noticed a lot of discussions regarding trees, noting his forestry background would be an asset. Morgans added what also drew him towards this committee was the combining of open spaces for the arts.

Motion: Hayes moved to appoint Mark Morgans to the Parks and Community Services Committee beginning immediately; Kerr seconded the motion.

Vote: McCarthy, Ogilvie, Kerr, Hayes and Knop voted AYE: the vote was 5:0 and the motion carried.

(11) Midtown Restroom Addition & Remodel Project Award

La Bonte read the staff report.

Hayes asked what process was used with the Tourism and Arts Commission, La Bonte replied it wasn't discussed at the latest meeting, but last year they made the request that it is followed through.

Hayes noted this is a good use of TLT restricted funds, adding he'd like to see an arts component as well. La Bonte noted there is a bench out that could be included. La Bonte noted the first-tier subcontractor form listed all local contractors expect one specialist.

In response to Ogilvie's question how soon to break ground, La Bonte replied the bid packet was October, adding the construction time is narrow, with completion on January 31st. La Bonte she has heard there will be a lead time on materials due to the bridge, once given the approval the contractor will order materials and October 1 the area will be fenced in.

Motion: Hayes moved to approve the contract award to James E. John Construction for the Midtown Restrooms Addition and Remodel contingent on an adopted budget resolution at the April 9th Council meeting; Ogilvie seconded the motion.

In response to McCarthy's question if she is requesting the overage or full amount of funds, La Bonte replied she is requesting the entire amount.

Hayes revised the motion: Hayes moved to approve the contract award to James E. John Construction for the Midtown Restrooms Addition and Remodel contingent on an adopted budget resolution at the April 9th Council meeting using tourism and arts fund dollars to fund the project; Ogilvie seconded the motion.

Vote: McCarthy, Ogilvie, Kerr, Hayes and Knop voted AYE: the vote was 5:0 and the motion carried.

(12) Tree Focus Group Update with Design Review Board and Parks Committee

Members of the Tree Focus Group Mike Bates, Les Sinclair, Jan Siebert-Wahrmund and Stacy Benefield. Kerr gave an overview of the process used, adding she is very pleased.

Sinclair noted they presented an iteration about a month ago and received good feedback. Sinclair reviewed the updated materials, adding their goal tonight is to get Council approval to move forward with the public hearings portion. Sinclair gave an overview of how the fees collected for violations would be used.

In response to Knop's question if the staff and Bill weighed in on the revisions since the last meeting, Sinclair replied yes they met with Community Development specifically and had good dialog with City arborist.

McCarthy noted she would feel more comfortable with the fine reduction in the small trees vs an overall \$20,000 fine. Sinclair replied that only happens if a tree gets removed illegally.

Council discussed the revisions made. The Focus group answered Council's questions. Council discussed how this would impact housing in Cannon Beach. Hayes noted he would feel more comfortable with this if a housing advocate weighed in on this. In response to McCarthy's question we can have housing people attend the public hearing, Kerr replied absolutely. Council consensus to move forward with the public hearing as long as there is a housing perspective in the public hearing.

Knop thanked the Focus Group for their hard work.

(13) Facility Capital Projects Bond Issue

St. Denis presented a budget slide; a copy is included in the record. St. Denis reviewed the numbers in the slide. St. Denis summarized the staff report. St. Denis answered Council's questions. Council discussed the scope revisions made that impacted the budget.

St. Denis will see if the team is ready to give a presentation regarding the funding. Council discussed the module that will be used as a temporary location and reusing one for the food pantry. Council discussed covered parking for the police vehicles.

Kerr requested to see a list of the overruns, what they are and what they cost before the next meeting. Hayes added and why City Hall is under budget.

Council discussed the garage at the cache site. Discussed the design development costs previously presented. St. Denis noted he will be attending the Food Pantry's next board meeting.

Knop noted it is important to keep the cache site as equivalent as it is now, a discussion ensued.

INFORMATIONAL/OTHER DISCUSSION ITEMS

(14) Monthly Status Report

There were none.

(15) Mayor Communications

Knop noted she had J Barrett forward an invitation for Saturday with Senator Merkley adding RSVP's are required to attend.

(16) Councilor Communications

(17) Good of the Order

St. Denis spoke about the meeting he and Knop had in Manzanita with the City Manager, councilor and Mayor. St. Denis noted they have similar issues that Cannon Beach does and is close to breaking ground on their City Hall project, a discussion ensued.

Kerr requested an update on Sellers. St. Denis replied he received information from the attorney that the city took the action they were supposed to take, giving an overview.

McCarthy asked Jim Paino from the Cannon Beach Chamber of Commerce about Clarity of Place. Paino gave an overview of Clarity in Place and the benefits. Paino added the first step is to meet with key stakeholders, giving an overview of the process. Paino answered Council's questions.

Schermerhorn said he spoke with Patty Rouse regarding Dave's service on Saturday at the Cannon Beach Community Church. Schermerhorn added there will be limited parking but overflow parking at the school and Tango site with shuttles bringing people to church.

St. Dennis added he received a note from La Bonte that there was a 7.5 earthquake in Tawain. Clatsop County said this has not triggered a tsunami alert.

St. Denis noted UPS Dave retired effective today on. Knop added Cannon Beach has been very lucky to have him.

ADJORNMENT

The meeting was adjourned at 8:51 p.m.

ATTEST:

Jennifer Barrett, Recorder

Barb Knop, Mayor

Minutes of the
CANNON BEACH CITY COUNCIL WORK SESSION
Tuesday, April 9, 2024
Council Chambers

Present: Mayor Barb Knop, Council President Nancy McCarthy, Councilors Brandon Ogilvie, Gary Hayes and Lisa Kerr

Excused:

Staff: City Manager Bruce St. Denis, IT Director Rusty Barrett, Recorder Jennifer Barrett, Chief of Police Jason Schermerhorn,

Other:

CALL TO ORDER AND APPROVAL OF AGENDA

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

Motion: Ogilvie moved to approve the agenda; Hayes seconded the motion.

Vote: McCarthy, Ogilvie, Kerr, Hayes and Knop voted AYE: the vote was 5:0 and the motion carried. The agenda was approved.

PUBLIC COMMENT

Knop called for public comment, adding we are following our new policy and rules, remember to be kind and respectful and under 3 minutes.

- Randy Neal PO Box 1092 – spoke about the cost of the projects from last week’s meeting, suggesting a project manager due to the number of projects the city has going on.

DISCUSSIONS

(1) Bond Resolution Process and Procedure

St. Denis read the staff report and introduced Courtney Dausz with Foster Garvey and Matt Donahue. Dausz gave an overview of the funding Resolution, noting the reimbursement option in the Resolution. Dausz answered the Council’s questions. Discussed the scope of the project and the corresponding dollar amounts. Discussed modular rentals.

(2) Chamber of Commerce Quarterly Report

Jim Paino and Sierra Spinler from Cannon Beach Chamber of Commerce
Paino said he asked for input from the Council on what they wanted but didn’t receive feedback so he put together everything required in the contract so this could serve as the standardized report. Paino added they can revamp as needed. Paino and Spinler presented the presentation that is included in the packet. Paino and Spinler answered Council’s questions. Council requested a balance sheet in future information. Hayes requested bullet points for discrepancies, adding it’s a huge step forward in the big

picture and clearer than in the past. Discussed the marketing plan. Paino noted the TAC and DMO budget numbers are considerably different when they are both 1%. J Barrett confirmed both 1% amounts in the current FY budget are the same for TAF and Chamber. Discussed chamber staffing. Discussed bank charges. Discussed the Clarity of Place meetings. Paino said there are any questions or is Council would like more details his door is open, and he is happy to go over this.

(3) Joint Discussion with the Tourism and Arts Commission

Thom Allison, Libby Gast, Greg Swedenborg and Julie Walker in person. Via Zoom Drea Frost and Jackie Brown.

St. Denis read the staff report. Knop thanked the Commission, adding most Councilors have listened to the meetings and like the way the application looks. St. Denis noted over time there has been a morphing of the type of things funded by TAF and there has been less involved with events and more long term. St. Denis added there is accumulation of a significant amount of funds in TAF. St. Denis added TAC has discussed if this is the best use of the funds.

Gast noted the grant process serving a purpose, giving an overview of the process. Gast added TAC wants to see how they can serve Council and the community in facilitating and gathering information or helping with processes needed to expend funds in other ways. Gast noted they have a reserve and how it's built up, adding the infrastructure part is something they've discussed as it's not only getting people here, but the quality of the experience.

Swedenborg noted the discussion on the bathroom last week was a perfect example asking if the character needs to change. Discussed the "heads in beds" calculation. Hayes added improving the experience is the direction they'd like to go.

Hayes noted the cover of the application says businesses, asking if they can now apply. J Barrett replied it was an error on her end and it will be fixed. Discussed being tied to a nonprofit and if it is necessary. Driscoll noted she doesn't recall weighing in on the issue, adding the optical concerns with using the TLT. Discussed the destination development projects. Discussed who is able to apply for funds, as the grant application doesn't fit for the other types of funding. Swedenborg noted the 2010 resolution is vague and doesn't fit things like the restroom. Kerr noted they will need Driscoll's help to reword it. Discussed needing city signs and other projects.

Kerr asked if the first step is changing the charter, Gast replied said yes, a discussion ensued. Driscoll noted if the Council and TAC want to make changes in the code, such as a name revision, then delegate to the commission to draft rules and procedures on how to distribute the funds. Driscoll added process wise, Council should amend the city code and delegate to TAC to develop rules and procedures, which would come back to council for ratification. J Barrett will email TAC regarding setting up a meeting to discuss.

A discussion ensued regarding project options.

(4) Public Contracting Procurement Code Update

La Bonte read the staff report. La Bonte introduced Ashleigh Dougill from Berry Elsner. Dougill noted she is here to walk through the revisions or available for questions and/or clarifications.

In response to Kerr's question why did the state make these changes, is it because things cost more now, Dougill replied the general theme is the thresholds have not be updated for some time and when originally enacted the thresholds reflect the time they were enacted in adding they are long overdue and welcomed. Kerr noted she received a letter that said these thresholds are not appropriate for a small town like Cannon Beach but are geared toward large cities. Dougill replied from a contracting perspective contracts cost the same whether in big city or small and already a competitive market and whatever we can do to make the city an option for those contractors is a positive, a discussion ensued. Dougill added the intent is to make less burdensome.

Dougill gave a review of the proposed revisions. McCarthy noted corrections, adding the revisions are pretty clear, a discussion ensued. La Bonte noted this past year when she came to Council with several projects that needed to be rebid, she heard a lot of contractors saying they are overwhelmed at the number of bids coming out. La Bonte added they say Cannon Beach is different from other cities on the coast and they don't have time to respond to the bids. La Bonte added updating this will save on the cost and will not take out of what state law holds the city to. Council thanked Dougill.

Took a break at 8:02 pm reconvened at 8:09 am

(5) Elected and Appointed Officials Code of Conduct

Bruce read the staff report. Knop added that she and Driscoll met and came up with the draft in the packet. Kerr added she thinks the way this is written is subjective depending on who is on Council and thinks it should spell out what type of speech is misconduct, and what the procedure is for the hearing. Driscoll replied Council expressed desire for code of conduct for itself board and commissions, and she looked at what other cities had done. Discussion is what standards do we want to set for the boards and commission when acting on behalf of the city. Driscoll noted this would be on a case-by-case issue and what is the impact on the conduct to impact their ability to perform that role. Driscoll added the process is somewhat already in the code, this document flushes that out a little more to define some of the types of actions that could be deemed misconduct. Driscoll explained this would give a notice to the person who allegedly had misconduct, give chances to address concerns with council inside an executive session then outside vote to determine if removing by majority of vote, a discussion ensued.

Kerr noted she felt everything up until conduct outside meeting is great, adding the conduct outside meetings is so subjective to who is the council at the time. Driscoll replied this document isn't designed to capture everything that could be misconduct. Driscoll added if council would like she can work on the language more and put in some guideposts. Ogilvie noted he would prefer to be more board than more specific. Driscoll will revise and bring back.

(6) Facility Capital Project Discussion

Will Somme Emerick, Leslie Jones CIDA, Dustin Johnson CIDA, Ben Carlson and David Brookings Bremik all via Zoom

St. Denis summarized the staff report introducing Somme. Somme asked if any questions from information from email in the packet? Somme gave an overview of the email. Somme answered council's questions.

Ben Carlson gave an overview of attachment A. Carlson answered Council's questions.

Dustin Johnson gave an overview of the soft cost items for CBE. There were no questions.

St. Denis asked do we want to do this with project reductions, charge against contingency, could come up with general fund money or increase bond amounts. St. Denis added the cost need to be addressed adding this is where the questions comes in, what not to exceed do we want to set in the obligation. The resolution is tentatively scheduled for next week, but it can be pushed back. St. Denis gave an overview of the Conex boxes. In response to Ogilvie's question what is the mechanism to repay the increase to the funding, St. Denis replied we can use the existing fund source.

St. Denis withdrawing request on CBE \$304,951 as the architect feel the increase figured that time and some of the costs in.

Knop said they should add the partition of \$63,329 to the funding. Kerr doesn't feel the classroom separator should be included in the funding. Discussed the timing of installation. Discussed the size of the classrooms, Johnson gave an overview. McCarthy feels the partition is important and is wavering putting it in the general fund vs funding. Council consensus to move forward using the funding.

St. Denis gave an overview of the Connex boxes, noting they will need to be moved early in the project. Hayes said it could be handled from the general fund as there is an increase the scope. St. Denis noted when they do the funding they've already fronted \$900,000 from the general fund which we will pay back. Kerr would like to see them barrow less money. Consensus to use general fund for the connex and existing garage.

St. Denis gave an overview of covered parking noting it could be added later. Kerr said she would rather wait. Consensus to wait.

St. Denis gave overview Food bank plan.

In response to Kerr's question when they will have suggested number, St. Denis replied he will get it to Council as soon as possible. A discussion ensued regarding contingency. Kerr requested when Council is given the number, please include what the payments will and where the money will come from to cover the payments. Knop feels the contingency is good an should stay.

Knop thanked everyone for their presentations.

(7) Good of the Order

McCarthy noted Coffee with Councilors on Monday.

Knop noted trail cleaning this Saturday instead of 3rd Saturday. Meeting at Les Shirley. Knop added to look at the 12 Days schedule and flyers around town. This Thursday at 11 am the new signs for Tree City USA will be put up. They will start at the north entrance then doing the south side.

ADJORNMENT

The meeting was adjourned at 9:32 p.m.

ATTEST:

Jennifer Barrett, Recorder

Barb Knop, Mayor

DRAFT

Minutes of the
CANNON BEACH CITY COUNCIL
SPECIAL MEETING AND WORK SESSION
Tuesday, April 16, 2024
Council Chambers

Present: Mayor Barb Knop, Council President Nancy McCarthy, Councilors Brandon Ogilvie, Gary Hayes and Lisa Kerr

Excused:

Staff: City Manager Bruce St. Denis, IT Director Rusty Barrett, Police Lieutenant Chris Wilbur, Public Works Director Karen La Bonte, Administrative Assistant Sherri Skotland Assistant Finance Director Ron Logan

Other:

CALL TO ORDER AND APPROVAL OF AGENDA

Mayor Knop called the meeting to order at 6:01 p.m.

Motion: Ogilvie moved to approve the agenda as amended; Hayes seconded the motion.

Vote: McCarthy, Ogilvie, Kerr and Knop voted AYE: the vote was 4:0 and the motion carried. The agenda was approved.

PUBLIC COMMENT

Knop called for public comment, adding we are following our new policy and rules, remember to be kind and respectful and under 3 minutes.

- Lolly Champion PO Box 614 – not in agreement. Brian Ogilvie wanted the food tax to go to a vote.
- Les St. Clair PO Box 1394 – The design was thought through and is in support of the build. His displeasure with groups that come forward and complain. They are delaying the project until its not affordable. Please think of all the work that has gone in.
- Andrew T PO Box 664 – Forming the committee about the school. Feel the need to start a non-profit. Rental caps are too many, vacation rental has no social community. The upgrade to the school should like to see it Chapter 10 section 8 is required to go to a vote.
- Deb Atiyeh PO Box 1426 – Support the city council and city staff. I support all three projects and will get it done must go on let us move forward.
- Deanna Hammond PO Box 942 - Successful people take risks. Lot of people not happy with the price. Large financial obligation. Would like to see go to the vote of the people. Did with food tax, it passed didn't like it but is democracy. Please put it to the vote of the people.
- Michelle Valigura PO Box 719 – Spoke to the pledge of allegiance and
- Laurie Simpkins PO Box 736. Would like to go to vote of the people and would put everything to rest. Would like to see a little more transparency. Voting would take care of everything.
- Mary Peterson PO Box 85 Tolovana – Feel it needs to go to a vote, going for bonds to consider the amount of fund. 30 years of debt to cover cost need to put into perspective.
- Lin St. Clair PO Box 1394 – Slowing things down, take the responsibility and run with it. Short term rentals need to have the policy. Steve has a great plan in place.

- Randy Neal PO Box 1092 would like to see the bond go to a vote. City manager and lawyer to create a scenario that works. It isn't right. Follow the bond laws.
- Linda Rosman PO Box 894 I'm a teacher, as teachers teach about the democratic process and the right to vote. Been apart of this process and the greatest concern is the cost.
- Sharon Clyde PO Box 973 Agree with St. Clair, Atiyah and want to go on record that is agreement with all three projects. I've been listening for over 30 years. Need new city hall and police department. Should be ashamed of the shape the police department is in. Expect the city council to do their jobs. Only getting more costly the more it is put off.

ACTION ITEMS

(1) Resolution 24-06 for the purpose of Authorizing the Execution and Delivery of Full Faith and Credit Obligations in an Amount Not To Exceed \$33,350,000 to Finance Capital Projects; Designating an Authorized Representative and Special Counsel; and Related Matters

Bruce to move forward with funding with the three capital projects.

Matt Donahue, cost of bond issuance. The process of moving forward is focused on completing disclosure documents applying for a credit rating, hosting a competitive sale. Underwriting of the purchase of the bond. And closing the issue when funds are transferred to the city. The disclosure for the obligations, the financial of the city and legal. SMP AA (third credit rating) Credit worthiness will make the rate low. May 8th underwriter bid. The lowest rate will lock in the rate. Two-week period with legal documents. Certificates signed by the city 22nd, funds will be transferred to the city.

Estimating cost will be \$300,000.00 payment of attorney advisors, fees to agency to the city's obligations fee for the paying agent. Underwriters discount.

Hays \$300,000.00 (high end of the spectrum) Won't know until day of the sale.

Cost issuance is apar of the bond and will be paid by the underwriting firm.

Cortney Dausz with Foster Garvey 24-06. Credit obligations to the three projects. Will not exceed price of the life of the projects. This is the only action of the city council for any other obligation. Otherized the disclosure statement. Preliminary statement or other obligation statements.

Bruce- mention not to exceed the \$33,350,000. Is this included to the cost. Council cost of Motion would need to include not to exceed amount with the additional \$300,000.00

Hayes – What kind of bonds are required to go to vote. Security bonds and unlimited property tax are payable of existing resources. Revenue bonds for ordinance or resolution. This bond is based on existing revenues and is not any new obligation from taxpayers therefore would not necessarily need to go to a vote. General obligation does need to go to a vote as it would be new taxes to the taxpayer.

Logan read the staff report giving an overview of the cost, financial obligation sources and use of funds.

St. Denis introduced City Attorney Ashley Driscoll, Special Counsel Courtney Dausz, and Financial Advisory Matt Donahue.

Dausz gave an overview of the various ORS statutes that could be used for bond funding, adding the city is using the option per ORS 271.390 which does not require a vote.

Motion: Ogilvie moved to approve Resolution 24-06 for the purpose of Authorizing the Execution and Delivery of Full Faith and Credit Obligations in an amount not to exceed \$33,6500.00 To Finance Capital Projects; Designating an Authorized Representative and Special Counsel; and Related Matters; Hayes seconded the motion.

Vote: McCarthy, Ogilvie, Kerr, Hayes and Knop voted AYE: the vote was 5:0 and the motion carried.

Motion: Ogilvie moved to approve the amended amount of \$33,650,000.00 Hayes second the motion.

Vote: McCarthy, Ogilvie, Kerr, Hays and Knop voted AYE: the vote was 5:0 and motion carried.

(2) Resolution 24-07 for the Purpose of Approving Increases and Decreases to the FY 2023-2024 Budget by Making an Intrafund Transfer of Appropriations for the City Hall and Police Station Project

St. Denis or Logan read the staff report.

April 9th meeting, Matt Donahue budget revision what financing will be used for what projects, payment schedule. \$900,000.00 to move forward with the projects has been spent. We need another \$300,000.00 to general fund to buy the bond.

Motion: Hayes moved to approve Resolution 24-07 for the Purpose of Approving Increases and Decreases to the FY 2023-2024 Budget by Making an Intrafund Transfer of Appropriations for the City Hall and Police Station Project; _Ogilvie seconded the motion.

Vote: McCarthy, Ogilvie, Kerr, Hayes and Knop voted AYE: the vote was 5:0 and the motion carried.

(3) Resolution 24-08 for the Purpose of for the Purpose of Approving Increases and Decreases to the FY 2023-2024 Budget by Making an Intrafund Transfer of Appropriations for the Recycle Baler

La Bonte read the staff report.

Past three years, expensive repairs to the recycle baler only cardboard recycler the city has. Delays of parts and is an impact that stops the recycling in Cannon Beach with rising repair bills. City staff has identified a new baler \$29,400.00 which includes removal of old bailer and replacement with electrical services. The current 23/24 has \$3,200.00 city staff are asking for contingency funds to be moved over. To purchase the replacement baler.

The estimated life of new baler would be 30 years. We looked at an overhaul used baler and it was costly with the replacement. Makes since to go with a new baler.

Motion: Hayes moved to approve Resolution 24-08 for the Purpose of Approving Increases and

Decreases to the FY 2023-2024 Budget by Making an Intrafund Transfer of Appropriations for the Recycle Baler; Ogilvie seconded the motion.

Vote: McCarthy, Ogilvie, Kerr, Hayes and Knop voted AYE: the vote was 5:0 and the motion carried.

(4) Consideration of the Minutes of the
March 5 Council Meeting
March 6 CBE
March 12 Work Session
March 19 CBE
March 27 Code Rewrite

Motion: Ogilvie moved to approve the minutes of March 5, March 6, March 12, March 19, and March 27 29; Hayes seconded.

Vote: McCarthy, Ogilvie, Kerr and Knop voted AYE: the vote was 4:0 and the motion passed unanimously.

CLOSE SPECIAL MEETING AND OPEN WORK SESSION

DISCUSSIONS

(5) Adopting Limitation of Liability for Claims Arising from the Public's use of Trails or Structures in a Public Easement or Unimprovement Right of Way

St. Denis read the staff report. Driscoll answered Council's questions.

Ashley, have ordinance to consider that Limitation of Liability will 1055.68. Public for recreational purposes. Unfortunately, the City of Newport undermined liability. Had to take affirmative steps to protect property owners of ROW. Easements of risk of liability. Also for non-profits using the property of liability. Not a complete shield but provides limited protection.

Ogilvie how does that work for city's that have miles and miles of property? Only covers property within city limits. Would need to adopt this, would like to bring back to May 7th

(6) Short Term Rental (STR) Discussion

Sokoloski summarized the staff report.

Lisa liked the idea consideration to use 2 or 3 years of occupancy. Address concerns of short-term rentals. Would like to do something similar when a new home is sold. Home ownership would need to be 2 or 3 years. Lowering the number 200 of rentals as well to 150. As they can maintain the current ownership of the short term until they sell the home.

Nancy brought up we also receive income from those rentals so need to think about the effects of lowering the amount.

Hayes that wants to use their own property, so it will not help in the solution in the long term. Requiring STR property owners to use local management company only. Something that would like to note. Talking with Ashley with audit reports. Some of the Airbnb or VRBO do not get correct data for the use of the homes therefore need to meet the requirements on rental permits. Three or four strikes you are out.

Kerr what about two strikes.

Sokoloski, often times would need a process minimum 2 possible 3 for the violations. They provide a check, and we are to determine what property is for. These are some of the issues that need to be addressed. Complaint issues and need to have someone representative from company to address.

If we do start cracking down on the company and the homeowners. Homeowners are thinking that VRBO is reporting when they are not.

Will touch base with Ashley and get specifics, move the 24-month period of time and take away the 4th violation.

Citations are something that should trigger a warning. Would this be considered as a violation.

Code Enforcement and Planning Department do work together on the complaint ordinance. With noise, Parking and other issues are brought to the attention of Planning so they can take note and have considered as a violation.

Inactive STR's not sure of determining as we are getting the reports. People have them for the "just in case" not actually using. Looking at the stem point of the cap, why would we issue them to inactive issuer.

Match the business licenses when issued annually.

(7) Land Use Fee Discussion

Sokoloski summarized the staff report.

Who qualified for waivers, challenges with waver fees. How you define locals? Waver process who hears the appeal? Who is involved in the appeal?

Roberts or Burton where we have to use the City attorney, Cannon Beach Elementary, Tree on Ash, the time and energy on appeals?

Looked at Seaside, Manzanita, Warrenton, and Astoria fees. \$750 to about \$500 range. Ours is \$600 to \$1000. Maybe we need to keep in line with other city's but to see how much work is done to provide staff resources and cost to what goes into an appeal.

Kerr brought up with a citizen would like to appeal and they can't because it's too much.

Sokoloski to find when the last time the cities mentioned had raised their fees.

(8) CBE Project Management Committee

St. Denis read the staff report.

February 13, 2024, for the former Cannon Beach School. Management of the facility and form a committee. Would need people to apply and council appointed. This committee would report to the council. Hire a director and any former staff. They would have an advisory committee.

When a management can be flushed out with the Tax-exempt Bond. Was a cost factor. Third party would be too expensive. We have to hire staff from the city. Hoping that we have community involvement at some point to get the non-profit.

Included the tourism and arts commission under item C. We are looking at environment, arts, business and education. Idea under the non-profit hopefully we can get a solid committee.

Set the direction and composition of the committee. Will have a better outcome with the expectation. They will have to have representation.

Hire an executive director, city employee that overlooks the NaCose Center. They have an advisory committee that answers the City Council. Set up like the Farmers market model.

Has there been any funds put in the budget for the next fiscal year for the director's position. May need to be discussed and put a salary in City budget.

(9) Pledge of Allegiance Discussion

St. Denis read the staff report.

Received a letter from a citizen and wanted it to be discussed. Have attended other cities and they also use the Pledge of Allegiance there has been some. City of Seaside was an example. Is there a reason why we need to do it?

Ogilvie, nothing in the constitution to have to say the pledge. You have a right to not participate, and to force to have people participate.
We will not say the pledge of allegiance.

(10) Good of the Order

Chamber of Commerce public with clarity of place tomorrow at 2:30 at Chamber Hall.
You can attend remotely.

City will be present.

Will play again - 5:30 town hall on Thursday.

ADJORNMENT

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

ATTEST:

Sheri Skotland, Administrative Assistnat

Barb Knop, Mayor

DRAFT

Minutes of the
CANNON BEACH CITY COUNCIL
WORK SESSION
Wednesday, April 24, 2024
Council Chambers

Present: Mayor Barb Knop, Council President Nancy McCarthy, Councilors Brandon Ogilvie, Gary Hayes and Lisa Kerr

Excused:

Staff: City Manager Bruce St. Denis, IT Director Rusty Barrett, Chief of Police Jason Schermerhorn and Recorder Jennifer Barrett

Other: CIDA Architects Leslie Jones and Emerick Construction Project Manager Will Somme in person.

CALL TO ORDER AND APPROVAL OF AGENDA

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

Motion: Ogilvie moved to approve the agenda as amended; Hayes seconded the motion.

Vote: McCarthy, Ogilvie, Kerr, Hayes and Knop voted AYE: the vote was 5:0 and the motion carried. The agenda was approved.

PUBLIC COMMENT

There was none.

DISCUSSION

(1) Temporary Structure for City Hall and Police Station, Construction Plan for Gower Street During Construction and Internal Finishes for City Hall and Police Station

St. Denis read the staff report. Jones reviewed the plans in the packet and reviewed the options of revising the temporary facilities to better fit at the elementary school (CBE) for the food pantry. Jones noted originally the 60x36 was to be purchased and reused at CBE, however there are issues with the siting. Jones reviewed the three scenarios of how the trailer would be at CBE, noting the concerns of each.

Johnson gave an overview of the square footage of each trailer, noting concerns of the impacts of trees or gravel areas. Jones answered council's questions. Kerr noted her concerns of the impact to trees and the warranty with making revisions to the modulares. Discussed the size of the food pantry and size of the modulares. St. Denis noted he will be meeting with the food pantry board to discuss. Knop added there is a board meeting on Monday, adding trees and the gravel road are things that need to be saved.

Somme presented the cost of the modulares, noting due to procurement process the sooner we know the better. Somme added some are already built and others will need to be built. Somme gave an overview

of how they would fortify the PD modular. Hayes said if they could make option 1 alternate 1 work that would be his preference. St. Denis said he will discuss the 24x60 with the FP and report back for Council approval on May 7th.

Jones noted she would like to have DRB submittal for the modulars submitted in May for a June hearing.

Somme presented the city hall logistics plan. Ogilvie noted he does not see any other way to do this than to shut down the road. Jones noted the pedestrian path on the east would remain available. In response to Hayes's questions how many spaces will be lost to trade parking, Somme replied they will be losing 20-25 parking spaces, but it will keep all the parking in this area. Somme noted both PD, PW and fire will have codes to their locks so they could get in. Somme noted the signage that would be there. Council consensus to proceed.

Jones presented the internal finishes board for CH and PD. Jones introduced Bree from CIDA. Jones gave an overview of the process used with staff. Jones answered the Council's questions. Kerr said she would like to see other options for the council chambers. Jones will have samples and images of what they look like in the field. Discussed bringing samples to the April 30th meeting. Bree said could present samples on the 30th.

Jan Siebert-Wahrmund asked if the wood in city hall could be salvaged, a discussion ensued. Somme said he will do a survey to see what could be salvaged, adding they are dealing with some hazardous materials in the building that needs to be taken into account. Discussed the reduction of using plastics in the new facilities.

Ogilvie asked where the council will meet during construction. St Denis replied the Chamber of Commerce said they would charge \$300 per meeting. Kerr felt it should be free except cleaning, a discussion ensued. Discussed the use of Tolovana hall. St. Denis noted we have created the expectation that all meetings are recorded and streamed and if set up at Chamber we could improve their system. St. Denis added staff has also contacted Haystack Gardens. McCarthy added the library as an option and they have recording capabilities.

(2) Good of the Order

Hayes noted he received a letter around 4pm from a member of the budget committee talking about the permitting of the construction projects and the concern with it going to the building official fund. St. Denis replied initially it is to continue to collect the same as we do every other person, but he is intrigued if there is a possibility to put towards affordable housing. St. Denis noted the state is quite protective of the building official funds. Kerr requested to ask Ashley if there is any possibility of transferring some of the funds to affordable housing.

Knop thanked the Parks Committee for their work on the 12 Days of Earth Day event.

Ogilvie noted he attended the community meeting for the Chamber and thought it went well, adding there was good participation. Ogilvie added parking and housing were the biggest issues. Knop added St. Denis, McCarthy, Kerr and she were at the municipal portion.

ADJORNMENT

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

ATTEST:

Jennifer Barrett, Recorder

Barb Knop, Mayor

DRAFT

Minutes of the
CANNON BEACH CITY COUNCIL WORK SESSION
Tuesday, April 30, 2024
Council Chambers

Present: Mayor Barb Knop, Council President Nancy McCarthy, Councilors Brandon Ogilvie, Gary Hayes and Lisa Kerr

Excused:

Staff: City Manager Bruce St. Denis, IT Director Rusty Barrett and Recorder Jennifer Barrett

Other: Mya Paluch and Chrissie Ockey from CIDA Architects and Davud Brookings from Bremik Construction in person. Dustin Johnson and Leslie Jones from CIDA via Zoom.

CALL TO ORDER AND APPROVAL OF AGENDA

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

Knop amended the agenda to moving the City Hall internal finishes first.

Motion: Ogilvie moved to approve the agenda as amended; Hayes seconded the motion.

Vote: McCarthy, Ogilvie, Kerr, Hayes and Knop voted AYE: the vote was 5:0 and the motion carried. The agenda was approved.

PUBLIC COMMENT

Knop called for public comment, adding remember to be kind and respectful and under 3 minutes.

- Beth Holland PO Box 132 Cannon Beach spoke about OPRD meeting from last week and shared the positive response received from parks giving an overview of the plan for ownership and next steps. Beth answered the Council's questions.
- Mike Morgan PO Box 132 Cannon Beach spoke in favor of the topic Beth spoke about.

DISCUSSION

(1) New City Hall Internal Finishes

Jones summarized the item, noting they will be presenting alternatives for the Council Chambers carpet. Paluch presented the samples, giving overview of each one. Kerr noted she liked both new options better adding they are warmer than the original option. Council discussed the options. Council chose the more colorful of the two options. Discussed the other uses of wood in the chamber.

(2) Cannon Beach Elementary School Restrooms, Audio/Visual System and Finishes

Paluch shared her screen showing the plans in the packet. Paluch gave an overview of the restrooms giving an overview of the gender-neutral restrooms. Brookings gave an overview of the cost increase for the restrooms. Discussed the use of contingency. Kerr noted there are people in the community who would be disappointed if we

did not have gender neutral restrooms, a discussion ensued. Brooking noted once they get closer to that final contract number we can review what funds we have and discuss which alternative would like to move forward with.

Paluch presented the screen option giving an overview. Council discussed the options. Consensus classroom from day one and gym potentially in the future.

Paluch presented the acoustic information. Ockey reviewed the panels, noting the options being presented fit in the budget, or can be made to fit in the budget. Discussed color options. Johnson noted the more acoustic panels we have will have a higher performance, option 1. Option 2 is focused on the ridge, which is more effective, but there are fewer and will not perform as well as option 1. Johnson noted he spoke with Dick Bacsh and this has been a rapid process from the DRB until today and there is still ongoing collaboration with the tribe. Johnson added one goal not representative tonight would be to if we can economically have a basket weave pattern for the roof. Johnson is looking at it and does not have options yet. Johnson added as Council thinks about pricing for different options leave a buffer for any adjustment to the panels to achieve the basket weave pattern will add cost, a discussion ensued. Discussed creating baskets weaved with paint. Brooking noted a reduction of quantity will reduce the sound experience. Paluch will come back with color options for acoustic panels.

Ockey presented the two options for the finishes, giving an overview of each. Discussed the use of carpet in the classrooms, Ockey noted the carpet will dampen the acoustics and the carpet is in tile form so they can be replaced easily. Johnson noted carpet as doing acoustic treatment on the ceiling is not in the budget, adding one room could be a dedicated work room where the arts crafts metal working takes place and that space could have a harder working surface and carpet tile in the other classrooms, they do not need to be the same. Council preferred the lighter option. Council discussed the options for the classrooms and polished concrete options. Kerr would like to see the tribe involved in selecting colors. Ockey answered Council's questions while reviewing the other finishes. Paluch and David answered Council's questions.

Paluch will make revisions to the options based off the feedback. Brooking will have 50% pricing documents in early June.

Paluch summarized they are not changing course on gender neutral until further along to see if it can fit with the cost. Projection screen in the class only. Acoustics option 1 & 2 but tweaked down a little and color options.

(2) Good of the Order

McCarthy wanted to speak about the Holland property. St. Denis said staff will reach out to Tabatha and North Coast Land Conservancy to get their schedules/expectations and report back on either the 7th or 14th and we can discuss date. Council requested a dedicated work session to discuss topic with North Coast Land Conservancy and State Parks.

ADJOURNMENT

The meeting was adjourned at 8:08 p.m.

ATTEST:

Jennifer Barrett, Recorder

Barb Knop, Mayor



CANNON BEACH CITY COUNCIL

STAFF REPORT

APPOINTMENT OF CITY COMMITTEE/BOARD/COMMISSION

FARMERS MARKET COMMITTEE RENEWAL

Applicants: Marc Bates

If the Council wishes to renew Bates to the Farmers Market Committee an appropriate motion is in order.

“I move to appoint Marc Bates to the Farmers Market Committee beginning immediately”



CITY OF CANNON BEACH

APPLICATION FOR CITY COMMITTEE, BOARD, OR COMMISSION

Applicant Name: Marc Bates [Redacted] [Redacted] [Redacted]	Type of Application: <input type="checkbox"/> New <input checked="" type="checkbox"/> Renewal
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Which Committee, Board, or Commission would you like to serve upon (see full qualifications required for each Committee on reverse)? Submit completed application questionnaire with this application.

<input type="checkbox"/> Budget Committee Must provide copy of voter registration card with application	<input type="checkbox"/> Parks & Community Services Committee
<input type="checkbox"/> Design Review Board	<input type="checkbox"/> Planning Commission
<input checked="" type="checkbox"/> Farmers Market Committee	<input type="checkbox"/> Public Works
<input type="checkbox"/> Tourism and Arts Commission (TAC) See specific requirements in Municipal Code Chapter 2.32.040 D	

Please indicate which committee(s) you are already a member of: _____

If you are applying for more than one committee, are you willing to serve on both? If not, indicate your order of preference for service:

Applicants must have resided within the city or its urban growth boundary during the one year immediately preceding appointment; or at the time of appointment, shall have owned real property located within the city or its urban growth boundary for at least one year immediately preceding appointment. **Note:** Tourism and Arts Commission applicants are not required to reside in Cannon Beach and are eligible if he or she has worked, at least part-time, within the City of Cannon Beach for at least one year immediately preceding appointment. Do you meet this criterion? YES

Why are you interested in this position? Please use extra sheets as necessary.

I have served on this committee and prior to that been a market volunteer.

What knowledge, skills or experience can you bring to this position? Please use extra sheets as necessary.

I serve on Union Health District Board, Oregon Dairy Industries Board, Oregon Cheese Guild Board. I previously served 2 terms on CB Design Review

What is your current occupation?

Retired

Marc P Bates

Applicant Signature: _____ Date: 5/01/2024



CITY OF CANNON BEACH

INTERVIEW QUESTIONS FOR BUDGET, FARMERS MARKET, PARKS & COMMUNITY SERVICES OR PUBLIC WORKS COMMITTEE

Applicant Name: <u>Marc Bates</u>		<u>Type of Application:</u> <input type="checkbox"/> Budget Committee <input checked="" type="checkbox"/> Farmers Market Comm. <input type="checkbox"/> Parks/Com Services <input type="checkbox"/> Public Works
Mailing <u>See above</u>	Address: _____	
Telephone _____	(Home): _____	
Alt. Telephone: _____	Email Address: _____	

Please answer the questions below and return with your application. Use extra pages as necessary.

1. Have you attended any meetings of this committee?
Yes for the last term
2. Have you read the ordinance defining this committee to understand its purpose and duties?
Title 2 Chap 2
3. Are you willing to learn and follow the Oregon ethics rules, including those regarding conflict of interest?
<https://www.oregon.gov/ogec/Pages/Guide-for-Public-Officials.aspx> for details.
Yes
4. Will you be able to regularly attend the meetings and possible work sessions?
Yes
5. What is it about this committee that attracts you?
There's physical activity to go with the meetings
6. What would you like to accomplish by being a member of this committee?
Have a successful market

Applicant Signature: Marc P Bates Date: 5/01/24



CANNON BEACH CITY COUNCIL

STAFF REPORT

SCOPE OF REVIEW DETERMINATION FOR BRENT BURTON APPEAL OF A PLANNING COMMISSION DECISION TO DENY A SETBACK REDUCTION REQUEST ON AN UNDEVELOPED LOT NEAR THE INTERSECTION OF S. HEMLOCK AND CENTER STREETS, TAXLOT# 51030DD04302.

Ageda Date: May 14, 2024

Prepared by: Steve Sokolowski
Community Development Director

BACKGROUND

At their March 28, 2024, meeting, the City of Cannon Beach Planning Commission rendered a decision to deny Brent Burtons Setback Reduction application SR#24-01 to reduce the required front and side yard setbacks to construct a single-family dwelling on an undeveloped lot located near the intersection of S. Hemlock and Center Streets (Tax Lot 51030DD04302). The subject property is located in the Residential Low Density (RL) zone. The Planning Commission's Findings are included as Attachment B.

Brent Burton, property owner, requested a review of the decision in an appeal application received by the City on April 16, 2024, within the 14-day appeal period from the date the final order was signed for SR#24-01 on April 2, 2024.

The City Council is to hold a Scope of Review meeting to discuss, as a non-public hearing item, the terms under which it wishes to review the matter, according to Section 17.88.160 of the Cannon Beach Municipal Code. The City Council shall use the application and request for review, under the guidance of 17.88.140 and 150, to inform its decision on whether to grant the review on the record or if it deems additional materials are warranted, or the matter requires a de novo hearing, or remand of the matter to the Plan Commission for additional consideration.

The applicant has requested that the matter be reviewed de novo.

The next available public hearing based on public meeting notice requirements will be in June.

RECOMMENDATION

The Council typically reviews appeals on the record and staff recommends the matter be reviewed on the record.

LIST OF ATTACHMENTS

- A. Notice of Appeal of Planning Commission application submitted by Brent Burton, received April 16, 2024.
- B. City of Cannon Beach Planning Commission Findings of Fact and Conclusions of Law for SR# 24-01, Request by Brent Burton for a setback reduction in order to construct a new single-family dwelling at Taxlot# 51030DD04302.

Chapter 17.88 PUBLIC DELIBERATIONS AND HEARINGS

{...}

17.88.140 Request for Review of Decision.

C. A decision of the planning commission may be appealed to the city council by a party to the hearing by filing an appeal within fourteen consecutive calendar days of the date the final order is signed. The notice of appeal filed with the city shall contain the information outlined in Section 17.88.150

17.88.150 Requirements of a Request for Appeal of a Development Permit, Design Review Board or Planning Commission Decision.

An appeal of a development permit, design review board or planning commission decision shall contain the following:

- A. An identification of the decision sought to be reviewed, including the date of the decision;
- B. A statement of the interest of the person seeking the review. For a review of a decision by the design review board or planning commission, a statement that he/she was a party to the initial proceedings;
- C. The specific grounds relied upon for review. For a review of a decision by the design review board or planning commission, a statement that the criteria against which review is being requested was addressed at the design review board or planning commission hearing;
- D. For a review of a decision by the design review board or planning commission, if a de novo review or review by additional testimony and other evidence is requested, a statement relating the request to the factors listed in Section 17.88.180.

17.88.160 Scope of Review.

- A. An appeal of a permit or development permit shall be heard as a de novo hearing.
- B. In an appeal of a design review board or planning commission decision, the reviewing body may determine, as a nonpublic hearing item, that the scope of review, on appeal will be one of the following:
 - 1. Restricted to the record made on the decision being appealed;
 - 2. Limited to the admission of additional evidence on such issues as the reviewing body determines necessary for a proper resolution of the matter;
 - 3. Remand the matter to the hearing body for additional consideration;
 - 4. A de novo hearing on the merits.

17.88.170 Review on the Record.

- A. Unless otherwise provided for by the reviewing body, review of the decision on appeal shall be confined to the record of the proceeding as specified in this section. The record shall include the following:
 - 1. A factual report prepared by the city manager;

2. All exhibits, materials, pleadings, memoranda, stipulations and motions submitted by any party and received or considered in reaching the decision under review;
 3. The final order and findings of fact adopted in support of the decision being appealed;
 4. The request for an appeal filed by the appellant;
 5. The minutes of the public hearing. The reviewing body may request that a transcript of the hearing be prepared.
- B. All parties to the initial hearing shall receive a notice of the proposed review of the record. The notice shall indicate the date, time and place of the review and the issue(s) that are the subject of the review.
- C. The reviewing body shall make its decision based upon the record after first granting the right of argument, but not the introduction of additional evidence, to parties to the hearing.
- D. In considering the appeal, the reviewing body need only consider those matters specifically raised by the appellant. The reviewing body may consider other matters if it so desires.
- E. The appellant shall bear the burden of proof. (Ord. 89-3 § 1; Ord. 79-4 § 1 (10.083))

17.88.180 Review Consisting of Additional Evidence or de novo Review.

- A. The reviewing body may hear the entire matter de novo; or it may admit additional testimony and other evidence without holding a de novo hearing. The reviewing body shall grant a request for a new hearing only where it finds that:
1. The additional testimony or other evidence could not reasonably have been presented at the prior hearing;
or
 2. A hearing is necessary to fully and properly evaluate a significant issue relevant to the proposed development action; and
 3. The request is not necessitated by improper or unreasonable conduct of the requesting party or by a failure to present evidence that was available at the time of the previous review.
- B. Hearings on appeal, either de novo or limited to additional evidence on specific issue(s), shall be conducted in accordance with the requirements of Sections 17.88.010 through 17.88.100.
- C. All testimony, evidence and other material from the record of the previous consideration shall be included in the record of the review.



CITY OF CANNON BEACH

NOTICE OF APPEAL OF PLANNING COMMISSION DECISION

Appellant's Name: Donna Wicher and Brent Burton
Email Address: burtonb@msn.com
Mailing Address: PO Box 1938, North Plains, OR 97113
Telephone: 503.250.4393

City of Cannon Beach
Finance Department

APR 16 2024

Received

1. Appeal of Planning Commission decision of Setback Application, regarding: Appeal of Setback Application at 1980 S. Hemlock St., (File: SR 24-01).
2. Interest/Involvement in initial proceedings: Property owners, applicants, and witness at Planning Commission.
3. Specific grounds relied upon for review and criteria addressed at Planning Commission hearing against which review is being requested:

See enclosed letter of April 16, 2024 from Ty Wyman.

4. Type of Review/Appeal Requested:

- ☐ On the Record _____
☐ Hearing on Specific Issue or Issues _____
☒ De Novo Hearing _____

If you are requesting a hearing on a specific issue or issues, or a de novo hearing, please state the reason(s) for requesting such a hearing (refer to page one of General Information Sheet and note a specific reason from Section 17.88.180 of the Municipal Code):

Please attach additional pages, if needed, and any other relevant information.

FEE: \$1,000

Appellant Signature: B. Burton Date: 16 Apr 24

For Staff Use Only:

Date Appeal Received: _____ By: _____
Appeal Fee Paid On: _____ Receipt No.: _____
(Last revised March 2021)

City of Cannon Beach
Finance Department

APR 16 2024

PAID

**APPEALING A PLANNING COMMISSION DECISION
GENERAL INFORMATION**

APR 16 2024

Received

Decisions of the Planning Commission may be appealed to the City Council. The appeal must be submitted on the form provided by the City. The appeal must be received by the City within fourteen consecutive calendar days of the date that the Planning Commission order was signed.

In order to file an appeal, a person must have:

1. Participated in the Planning Commission hearing, either through oral testimony or by correspondence.
2. Raised the issues on which the appeal is based at the Planning Commission hearing.

An appeal must contain the following information:

1. The Planning Commission decision that is being appealed.
2. A statement that the person making the appeal participated in the Planning Commission hearing.
3. The basis for the appeal, citing which criteria of the Planning Commission findings of fact were in error.
4. A statement that the criteria on which the appeal is based were addressed at the Planning Commission hearing.

There are three types of appeals to the City Council:

1. On the Record Established by the Planning Commission. In this type of an appeal the Council reviews the findings of fact adopted by the Planning Commission, as well as the information on which those findings are based. The Council does not hold a new public hearing. The person making the appeal, as well as others who participated in the Planning Commission hearing, may summarize the arguments they made before the Planning Commission. However, no new evidence may be presented to the Council.
2. De Novo Hearing. In this type of an appeal the Council holds a new public hearing. In addition to the testimony received at the public hearing, the Council also considers the record of the Planning Commission hearing.
3. A New Hearing on Specific Issues. This type of an appeal is similar to a de novo hearing, except that new evidence is considered only on a specific issue or issues. The remainder of the appeal is based on the findings of fact established by the Planning Commission.

Generally, the City Council hears appeals based on the record established by the Planning Commission.

In addition to the general information required for an appeal, a request for a de novo appeal, or a new hearing on specific issues appeal must demonstrate that one of the following apply:

1. There is a valid reason why the additional evidence could not be presented at the Planning Commission hearing; or
2. A new hearing is required to properly evaluate a significant issue relevant to the proposal.

The City Council will determine, as a non-public hearing item, whether or not to accept a request for a de novo hearing, or a new hearing on a specific issue. If the Council does not grant the request, the appeal will be heard on the record established by the Planning Commission.



Ty K. Wyman

Admitted in Oregon and Washington
twyman@dunn-carney.com

Direct 503.417.5478

April 16, 2024

Via Email - barrett@ci.cannon-beach.or.us

City Manager, City of Cannon Beach
c/o Jennifer Barrett, City Recorder/Assistant
to the City Manager
163 E Gower Ave.
Cannon Beach, OR 97110

City of Cannon Beach
Finance Department

APR 16 2024

Received

Re: City File No. SR24-01
Wicher/Burton Setback Reduction Application
Our No.: BUR100.1MatterNumber

Dear City Manager:

Our clients, Donna Wicher and Brent Burton, own that real property addressed as 1980 S. Hemlock and submitted the referenced application, which pertains thereto. Donna and Brent presented me last week a written notice by which the City's Planning Commission on April 2, 2024 denied their request for setback reduction pursuant to CBMC 17.64.010.

Pursuant to CBMC 17.88.140.C, "[a] decision of the planning commission may be appealed to the city council by a party to the hearing by filing an appeal within fourteen consecutive calendar days of the date the final order is signed. The notice of appeal filed with the city shall contain the information outlined in Section 17.88.150." The latter section, indeed, sets out the "requirements . . . for appeal of a . . . planning commission decision," viz., four specific statements. CBMC 17.88.150.C requires:

The specific grounds relied upon for review. For a review of a decision by the design review board or planning commission, a statement that the criteria against which review is being requested was addressed at the design review board or planning commission hearing . . .

CBMC 17.64.010 sets forth criteria by which a minimum setback may be reduced. I enclose herewith a copy of the application filed on Feb. 15, 2024, by which the applicants addressed each criterion listed therein. Furthermore, the application was presented to the Planning Commission at a March 28 hearing, and supported by oral testimony from Brent Burton.

Community Development Department staff issued a written report ahead of the Planning Commission hearing. Evaluating the evidence submitted, that report found compliance with each applicable criterion, so recommended approval of the setback reduction.

The Commission rendered its own factual findings, each of which is in material error. I present those findings in italics below, followed by explanation of its error:



City Manager
April 16, 2024
Page 2

City of Garmon Beach
Finance Department

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Received

- *The applicant's proposed development does not include supporting information such as a preliminary geotechnical report identifying potential impacts that may result from significant amounts of excavation or grading. The portion of S. Hemlock St. the property abuts is a topographically constrained region of the city and the only road running north-south connecting the neighborhoods north of Haystack Rock to the Tolovana neighborhood. The Commission finds that potential impacts to the stability of the S. Hemlock St. right-of-way have not been analyzed as part of this application.*

This finding references none of the criteria set forth in CBMC 17.64.010 and I do not see within that code section how geotechnical information relates to a setback reduction application. Certainly, the applicants recognize that they will need to submit such information, but that comes during the building permit process.

- *The application does not address potential impacts to trees along the eastern portion of the property or within the S. Hemlock St. right-of-way that may result from the setback reduction. The Commission finds that the application does not meet the criteria of CBMC 17.64.010(4).*

This finding errs in two ways. First, it misinterprets CBMC 17.64.010(4). Nothing in that code provision suggests that, in order to demonstrate compliance CBMC 17.64.010(4), an applicant must protect all trees on the subject property. Rather, the question presented by that criterion is whether the setback reduction "provide[s] for a reasonable amount of privacy, drainage, light, air, noise reduction and fire safety between adjacent structures." That code provision lists many factors relevant to achieving these purposes.¹

Second, the applicants provided evidence that not only addressed potential tree impacts, but committed to protect those trees. Brent Burton testified that the reduced setback "would not impact the privacy of the surrounding properties." Although the City provided notice of the hearing to all neighbors, none contradicted this testimony. Indeed, the owner of the property immediately to the north (Jeff Taylor) testified in support of the application.

The applicants' testimony is supported by drawings submitted with the application (Exhibit A-2 to the staff report), which clearly shows that the trees are protected on the eastern portion of the property. Indeed, the applicants and Mr. Taylor are working to underground the utilities along this portion of S. Hemlock, which would enhance this protection.

-
- a. Tree protection,
 - b. The protection of a neighboring property's views of the ocean, mountains or similar natural features,
 - c. The maintenance of a stream corridor or avoidance of geologic hazards or other difficult topography,
 - d. The provision of solar access,
 - e. Permitting construction on a lot with unusual configuration,
 - f. Rehabilitation of existing buildings where other reasonable alternatives do not exist,
 - g. Protection of a wetland or wetland buffer area, or
 - h. Permitting construction on an oceanfront lot where the effect of the application of the oceanfront setback requirement of Section 17.42.050(A)(6) reduces the depth of the lot located within the required setbacks to less than forty percent of the lot's depth. Under this standard, a reduction in the required setback shall be considered only in the setback opposite of the required oceanfront setback.



City Manager
April 16, 2024
Page 3

City of Cannon Beach
Finance Department

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Received

The evidence of that the application complies with CBMC 17.64.010(4) is borne out by the following passage of the staff report:

The subject property has significant slopes in excess of 30% with the steepest portion of these slopes located on the western portion of the property. There is a relatively flat area on the eastern portion of the property. The proposed configuration positions a 24 x 40 foot building footprint in the northeastern corner of the property, a 20 x 60 foot parking area immediately to the west, and a driveway running from the parking area to Center St. The southern portion of the flat area within the 15 foot setback does not appear to be under consideration for development. This portion of the lot, accessible from S. Hemlock St. by a gravel driveway, appears to have been the location of a home that has been demolished.

There are no identified significant impacts to privacy, drainage, light, air, noise reduction, and fire safety for adjacent property owners as a result of this proposal.

The evidence clearly supports a finding that the proposed setback reduction "provide[s] for a reasonable amount of privacy, drainage, light, air, noise reduction and fire safety between adjacent structures."

- *The Commission also finds that a 6-inch diameter PVC water main runs north-to-south through the western portion of the S. Hemlock St. right-of-way. The Commission finds that the proposed setback reduction does not meet the criteria of CBMC 17.64.010(5) which states "Adjacent rights-of-way have sufficient width for utility placement or other public purposes." Placement of a residential structure within 5 feet of the eastern property line may not provide sufficient space for the Public Works Department to excavate in order to access utility infrastructure when necessary to do so.*

This finding correctly quotes CBMC 17.64.010(5), but misinterprets and/or misapplies it. The question is the sufficiency of the right-of-way width. I consider it possible to read CBMC 17.64.010(5) to protect the City's prerogative to expand existing right-of-way to its planned ultimate width. Referring to the City's TSP, I find that the City has already improved S. Hemlock to that width. Accordingly, approval of the requested setback reduction will not preclude such improvement.

Furthermore, the Commission cites nothing to suggest that the City intends for setbacks to preserve access to public facilities located on adjacent rights-of-way, and, reviewing the City's comprehensive plan, I find no such purpose. To the contrary, public facility easements ensure such access, and nothing in the record suggests that the requested setback reduction would infringe on public easement rights.

Furthermore, the staff report recognized and discussed at length the issue presented here, finding no basis to recommend denial of the application.



City Manager
April 16, 2024
Page 4

City of Carrington Beach
Finance Department

APR 16 2024

Received

Should the City Council choose to open up the hearing to de novo review, the applicant can provide expert testimony to the effect that the water main will be protected.

- *The Commission also finds that although there are no identified impacts to views from surrounding homes that would result from the proposed setback reduction, there may be impacts to views of Haystack Rock from S. Hemlock St. The Commission finds that the application does not meet the criteria of CBMC 17.64.010(2) which states "[s]ignificant views of the ocean, mountains or similar features from nearby properties will not be obstructed any more than would occur if the proposed structure were located as required by the zoning district.*

Here again, the Commission misinterprets the criteria. CBMC 17.64.010(2) calls for comparison of views resulting from the proposed reduction to those that would result from location of the structure within the required setback. Nothing in the record suggests, much less demonstrates, that the application would create any greater effect on views.

Very simply, construction within the setback envelope will afford no greater view protection. The staff report recognizes this:

There are no identified impacts to views as a result of this proposal. There is no residential or commercial development on the east side of S. Hemlock St. that would be impacted by any development on the subject property.

Lastly on this point, Jeff Taylor testified that the setback reduction would improve his view. Again, the applicant can provide the City Council additional evidence on this point.

Under CBMC 17.88.150.D, "[f]or a review of a decision by the . . . planning commission, if a de novo review or review by additional testimony and other evidence is requested, a statement relating the request to the factors listed in Section 17.88.180." CBMC 17.88.180 reads as follows:

1. The additional testimony or other evidence could not reasonably have been presented at the prior hearing; or
2. A hearing is necessary to fully and properly evaluate a significant issue relevant to the proposed development action; and
3. The request is not necessitated by improper or unreasonable conduct of the requesting party or by a failure to present evidence that was available at the time of the previous review.

We ask that the City Council hear this appeal *de novo* and address the criteria for such review as follows.

As described above, the Planning Commission grounded its decision in a number of findings unrelated to the criteria. Furthermore, though it possessed ample opportunity to do so, the Commission did not ask the applicants to address the factual issues that it would cite in its decision. As such, the applicants possessed no reasonable notice, much less opportunity to address those factual circumstances – viz., protection of trees, slope stability, protection of existing water mains, and/or view impacts from the adjacent right-of-way. Opening the

Attachment A



City Manager
April 16, 2024
Page 5

City of Cannon Beach
Finance Department

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Received

Council hearing to submittal of new evidence is necessary to allow the applicants address them.

CBMC 17.88.150.A and B sets forth other required appeal information, identification and date of the decision sought to be reviewed and statement of the appellants' interest. This information is provided above and in the enclosed, completed city form entitled "notice of appeal of planning commission decision." Lastly, we have arranged with you to make credit card payment for the \$1,000 appeal fee, once you have received this letter.

Thank you for assisting us in this matter. Please let me know our hearing date and any additional information I can provide to assist in processing this appeal.

Very truly yours,

A handwritten signature in black ink, appearing to read "Ty K. Wyman".

Ty K. Wyman

TKW:s
Enclosure

cc: Donna Wicher and Brent Burton (via email w/encl.)

DCAPDX\5093087.v2



CITY OF CANNON BEACH

SETBACK REDUCTION APPLICATION

Please fill out this form completely. Please type or print.

Applicant Name: Brent Burton
Email Address: burtonb@msn.com
Mailing Address: PO Box 1938 North Plains, OR 97133
Telephone: 503.250.4393

City of Cannon Beach
Finance Department

APR 16 2024

Received

Property-Owner Name: _____
(if other than applicant)

Mailing Address: _____

Telephone: _____

Property Location: 1980 S Hemlock St Cannon Beach
(street address)

Map No.: 51030DD Tax Lot No.: 4302

SETBACK REDUCTION REQUEST:

1. Description of the setback reduction that is being sought.

The request is for a 10'-0" setback reduction on the East of the lot. This would modify the setback from a required 15'-0" to 5'-0".

2. Description of the proposed building plans pertinent to the setback reduction request.

The proposed plans are for a new single family residence.

3. Justification of the setback reduction request. Explain how the request meets each of the following criteria for granting a setback reduction.

(a) Total building coverage shall not exceed forty percent;

The proposed buildings plans would not exceed 40%.

APR 16 2024

- (b) Significant views of the ocean, mountains or similar features from nearby properties will not be obstructed any more than would occur if the proposed structure were located as required by the zoning district;

By granting the setback reduction it would improve the surrounding buildings views of the ocean.

- (c) The proposed building location will not interfere with solar access of buildings on adjoining property;

Granting the setback reduction would not impact solar access to the adjoining properties.

- (d) The granting of the setback reduction requires that one or more of the following are achieved by the reduction in setback:

- Tree protection

- The protection of a neighboring property's views of the ocean, mountains or similar natural features,

- The maintenance of a stream corridor or avoidance of geologic hazards or other difficult topography,

- The provision of solar access,

- Permitting construction on a lot with unusual configuration,

- Rehabilitation of existing buildings where other reasonable alternatives do not exist,

- Protection of a wetland or wetland buffer area, or

- Permitting construction on an oceanfront lot where the effect of the application of the oceanfront setback requirement of Section 17.42.050(A)(6) reduces the depth of the lot located within the required setbacks to less than forty percent of the lot's depth. Under this standard, a reduction in the required setback shall be considered only in the setback opposite of the required oceanfront setback.

- e) Adjacent rights-of-way have sufficient width for utility placement or other public purposes;

There will be no impact to the utilities with the granting of the setback reduction.

- f) The reduction would not create traffic hazards; or impinge upon a public walkway or trail;

There is no traffic or other impacts by granting this reduction. Access to the proposed dwelling would improve by reducing the slope to the parking / garage area.

Attachment A

- g) Any encroachment into the setback will not substantially reduce the amount of privacy which is or would be enjoyed by an abutting property; and

The approval of the setback reduction would not impact the privacy of the surrounding properties.

City of Cannon Beach
Finance Department

APR 16 2024

- h) The proposed building location will not interfere with the ability to provide fire protection to the building or adjacent buildings. Received


Granting the setback reduction will not impact fire access to the site or neighboring properties.

8. Attach a scale drawing showing the dimensions of the property, adjacent street(s), dimensions of existing structures, and dimensions of proposed development.

See attached.

Attach additional sheets as necessary.

Setback Application Fee: \$500.00

Applicant Signature:  Date: 15 Feb 2024

Property Owner Signature: _____ Date: _____

If the applicant is other than the owner, the owner hereby grants permission for the applicant to act on his/her behalf. Please attach the name, address, phone number, and signature of any additional property owners.

As Property Owner, my signature or an authorized applicant's signature, allows any duly authorized employee of the City to enter upon all properties affected by this permit for the purpose of follow-up inspection, observation, or measurement.

For Staff Use Only:

Received on: _____ By: _____

Fee Paid: _____ Receipt No.: _____

(Last revised March 2021)

Attachment A



City of Cannon Beach
163 E Gower St | PO Box 368
Cannon Beach, OR 97110
(503) 436-1581
cityhall@ci.cannonbeach.or.us

XBP Confirmation Number: 170500794

► Transaction detail for payment to City of Cannon Beach.		Date: 04/16/2024 - 1:35:27 PM MT	
Transaction Number: 216822515 Visa — XXXX-XXXX-XXXX-1752 Status: Successful			
Account #	Item	Quantity	Item Amount
Appeal1980S Hemlock	Planning Fees Appeal1980S Hemlock	1	\$1000.00

TOTAL: \$1000.00

Billing Information
Brent Burton
97124

Transaction taken by: Admin dwallaceCaselle dwallace



Attachment B

CITY OF CANNON BEACH

BEFORE THE PLANNING COMMISSION OF THE CITY OF CANNON BEACH

IN THE MATTER OF A SETBACK REDUCTION
REQUEST AT 1980 S. HEMLOCK ST., TAXLOT
4302, MAP 51030DD.

FINDINGS OF FACT,
CONCLUSIONS, AND
ORDER NO. SR#24-01

IN ZONE: Residential Lower Density (RL)

Applicant: Brent Burton
P.O. Box 1938
North Plains, OR 97133

Brent Burton application for a Setback Reduction for the purpose of residential development at 1980 S. Hemlock St., Taxlot 51030DD04302. The request was reviewed under Cannon Beach Municipal Code Section 17.56, Setback Reduction.

The public hearing on the above-entitled matter was opened before the Planning Commission on 3/21/2024, the Planning Commission closed the public hearing at the 3/21/2024 meeting and a final decision was made at that meeting.

THE PLANNING COMMISSION ORDERS that the request for a Setback Reduction is DENIED and adopts the findings of fact, conclusions and conditions that accompany this document. The effective date of this ORDER is 14 days following the signing of this order, subject to the conditions contained in those findings.

This decision may be appealed to the City Council by an affected party by filing an appeal with the City Manager within 14 days of the date this order is signed.

CANNON BEACH PLANNING COMMISSION

DATED: 4/2/2024

DocuSigned by:

Clay Newton

D700D2BD0B954B9...

Chair Clay Newton



Cannon Beach Planning Commission

Findings of Fact and Conclusions of Law

PUBLIC HEARING AND CONSIDERATION OF SR#24-01, BRENT BURTON APPLICATION REQUESTING A SETBACK REDUCTION TO REDUCE THE REQUIRED FRONT AND SIDE YARD SETBACKS IN ORDER TO CONSTRUCT A SINGLE-FAMILY DWELLING ON AN UNDEVELOPED LOT LOCATED NEAR THE INTERSECTION OF S. HEMLOCK AND CENTER STREETS. THE SUBJECT PROPERTY (TAX LOT# 04302, MAP 51030DD) IS LOCATED IN A RESIDENTIAL LOWER DENSITY ZONING DISTRICT. THE REQUEST WILL BE REVIEWED UNDER MUNICIPAL CODE SECTION 17.64.010, SETBACK REDUCTION, PROVISIONS ESTABLISHED.

Agenda Date: March 28, 2024

EXHIBITS

The following Exhibits are attached hereto as referenced. All application documents were received at the Cannon Beach Community Development office on February 15, 2024 unless otherwise noted.

“A” Exhibits – Application Materials

A-1 Setback Reduction Application SR#24-01;

A-2 Proposed setback reduction schematics;

“C” Exhibits – Cannon Beach Supplements

C-1 Completeness determination, dated March 1, 2024

C-2 Site photos, dated March 19, 2024

“D” Exhibits – Public Comment

D-1 J. Taylor comment, received March 27, 2024

SUMMARY & BACKGROUND

The applicant is requesting a setback reduction of the required front yard from 15 feet to 5 feet for the construction of a new single-family dwelling. The subject property has a parcel average slope in excess of 30 percent and the applicant’s intent is to construct the house on the portion of the lot with the least slope in order to minimize geotechnical impacts.

FINDINGS

The Planning Commission finds that the application does not meet the applicable criteria of the Municipal Code. The applicant’s proposed development does not include supporting information such as a preliminary geotechnical report identifying potential impacts that may result from significant amounts of excavation or grading. The portion of S. Hemlock St. the property abuts is a topographically constrained region of the city and the only road running north-south connecting the neighborhoods north of Haystack Rock to the Tolovana neighborhood. The Commission finds that potential impacts to the stability of the S. Hemlock St. right-of-way

Attachment B

have not been analyzed as part of this application. The application does not address potential impacts to trees along the eastern portion of the property or within the S. Hemlock St. right-of-way that may result from the setback reduction. The Commission finds that the application does not meet the criteria of CBMC 17.64.010(4).

The Commission also finds that a 6-inch diameter PVC water main runs north-to-south through the western portion of the S. Hemlock St. right-of-way. The Commission finds that the proposed setback reduction does not meet the criteria of CBMC 17.64.010(5) which states "Adjacent rights-of-way have sufficient width for utility placement or other public purposes." Placement of a residential structure within 5 feet of the eastern property line may not provide sufficient space for the Public Works Department to excavate in order to access utility infrastructure when necessary to do so.

The Commission also finds that although there are no identified impacts to views from surrounding homes that would result from the proposed setback reduction, there may be impacts to views of Haystack Rock from S. Hemlock St. The Commission finds that the application does not meet the criteria of CBMC 17.64.010(2) which states "Significant views of the ocean, mountains or similar features from nearby properties will not be obstructed any more than would occur if the proposed structure were located as required by the zoning district."

DECISION

Motion: Having considered the evidence in the record, based on a motion by Commissioner Bates seconded by Commissioner Moritz, the Cannon Beach Planning Commission unanimously moves to deny the Brent Burton application for a setback reduction, **SR# 24-01**, as discussed at this public hearing.



CITY OF CANNON BEACH

SR 24-01

SETBACK REDUCTION APPLICATION

Please fill out this form completely. Please type or print.

Applicant Name: Brent Burton
 Email Address: burtonb@msn.com
 Mailing Address: PO Box 1938 North Plains, OR 97133
 Telephone: 503.250.4393

Property-Owner Name: _____
 (if other than applicant)

Mailing Address: _____

Telephone: _____

Property Location: 1980 S Hemlock St Cannon Beach
 (street address)

Map No.: 51030DD Tax Lot No.: 4302

SETBACK REDUCTION REQUEST:

1. Description of the setback reduction that is being sought.

The request is for a 10'-0" setback reduction on the East of the lot. This would modify the setback from a required 15'-0" to 5'-0".

2. Description of the proposed building plans pertinent to the setback reduction request.

The proposed plans are for a new single family residence.

3. Justification of the setback reduction request. Explain how the request meets each of the following criteria for granting a setback reduction.

(a) Total building coverage shall not exceed forty percent;

The proposed buildings plans would not exceed 40%.

- (b) Significant views of the ocean, mountains or similar features from nearby properties will not be obstructed any more than would occur if the proposed structure were located as required by the zoning district;

By granting the setback reduction it would improve the surrounding buildings views of the ocean.

- (c) The proposed building location will not interfere with solar access of buildings on adjoining property;

Granting the setback reduction would not impact solar access to the adjoining properties.

- (d) The granting of the setback reduction requires that one or more of the following are achieved by the reduction in setback:

- Tree protection
- The protection of a neighboring property's views of the ocean, mountains or similar natural features,
- The maintenance of a stream corridor or avoidance of geologic hazards or other difficult topography,
- The provision of solar access,
- Permitting construction on a lot with unusual configuration,
- Rehabilitation of existing buildings where other reasonable alternatives do not exist,
- Protection of a wetland or wetland buffer area, or
- Permitting construction on an oceanfront lot where the effect of the application of the oceanfront setback requirement of Section 17.42.050(A)(6) reduces the depth of the lot located within the required setbacks to less than forty percent of the lot's depth. Under this standard, a reduction in the required setback shall be considered only in the setback opposite of the required oceanfront setback.

- e) Adjacent rights-of-way have sufficient width for utility placement or other public purposes;

There will be no impact to the utilities with the granting of the setback reduction.

- f) The reduction would not create traffic hazards; or impinge upon a public walkway or trail;

There is no traffic or other impacts by granting this reduction. Access to the proposed dwelling would improve by reducing the slope to the parking / garage area.

- g) Any encroachment into the setback will not substantially reduce the amount of privacy which is or would be enjoyed by an abutting property; and

The approval of the setback reduction would not impact the privacy of the surrounding properties.

- h) The proposed building location will not interfere with the ability to provide fire protection to the building or adjacent buildings.

Granting the setback reduction will not impact fire access to the site or neighboring properties.

8. Attach a scale drawing showing the dimensions of the property, adjacent street(s), dimensions of existing structures, and dimensions of proposed development.

See attached.

Attach additional sheets as necessary.

Setback Application Fee: \$500.00

Applicant Signature:  Date: 15 Feb 2024

Property Owner Signature: _____ Date: _____

If the applicant is other than the owner, the owner hereby grants permission for the applicant to act on his/her behalf. Please attach the name, address, phone number, and signature of any additional property owners.

As Property Owner, my signature or an authorized applicant's signature, allows any duly authorized employee of the City to enter upon all properties affected by this permit for the purpose of follow-up inspection, observation, or measurement.

For Staff Use Only:

Received on: _____ By: _____

Fee Paid: _____ Receipt No.: _____

(Last revised March 2021)



City of Cannon Beach
 163 E Gower St | PO Box 368
 Cannon Beach, OR 97110
 (503) 436-1581
 cityhall@ci.cannonbeach.or.us

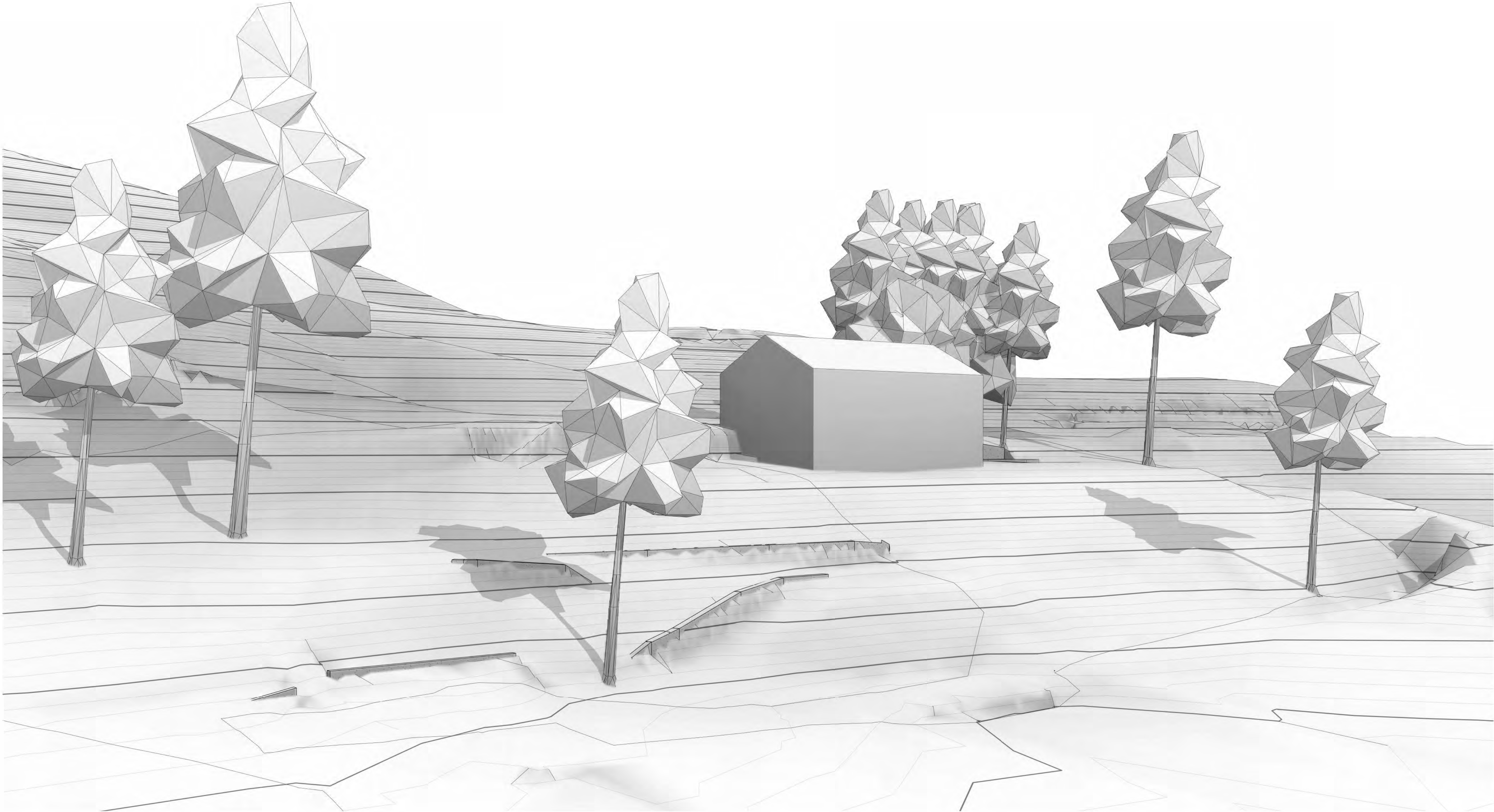
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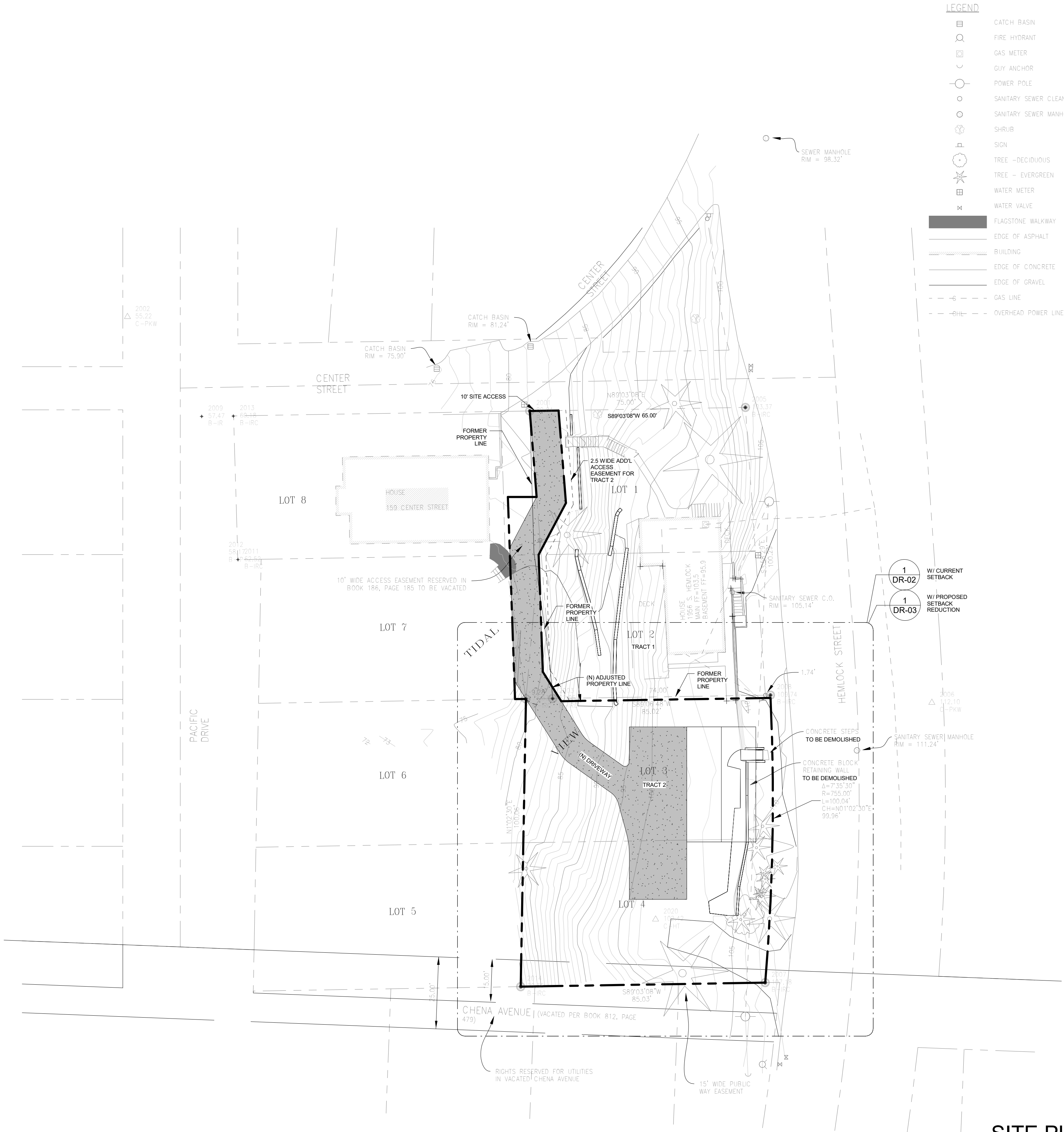
Transaction detail for payment to City of Cannon Beach.		Date: 02/16/2024 - 5:07:58 PM MT	
Transaction Number: 213350433			
Visa — XXXX-XXXX-XXXX-1752			
Status: Successful			
Account #	Item	Quantity	Item Amount
Setback Reduc. 1980	Planning Fees Setback Reduc. 1980	1	\$500.00

TOTAL: \$500.00

Billing Information
 Brent Burton
 97133

Transaction taken by: Admin tpfundCasalle pfund





SITE PLAN - EXISTING CONDITIONS 1 3/64" = 1'-0"

MAX BUILDING HEIGHT (< 5/12 PITCH) = 24'
MAX BUILDNG HEIGHT (> 5/12 PITCH) = 28'

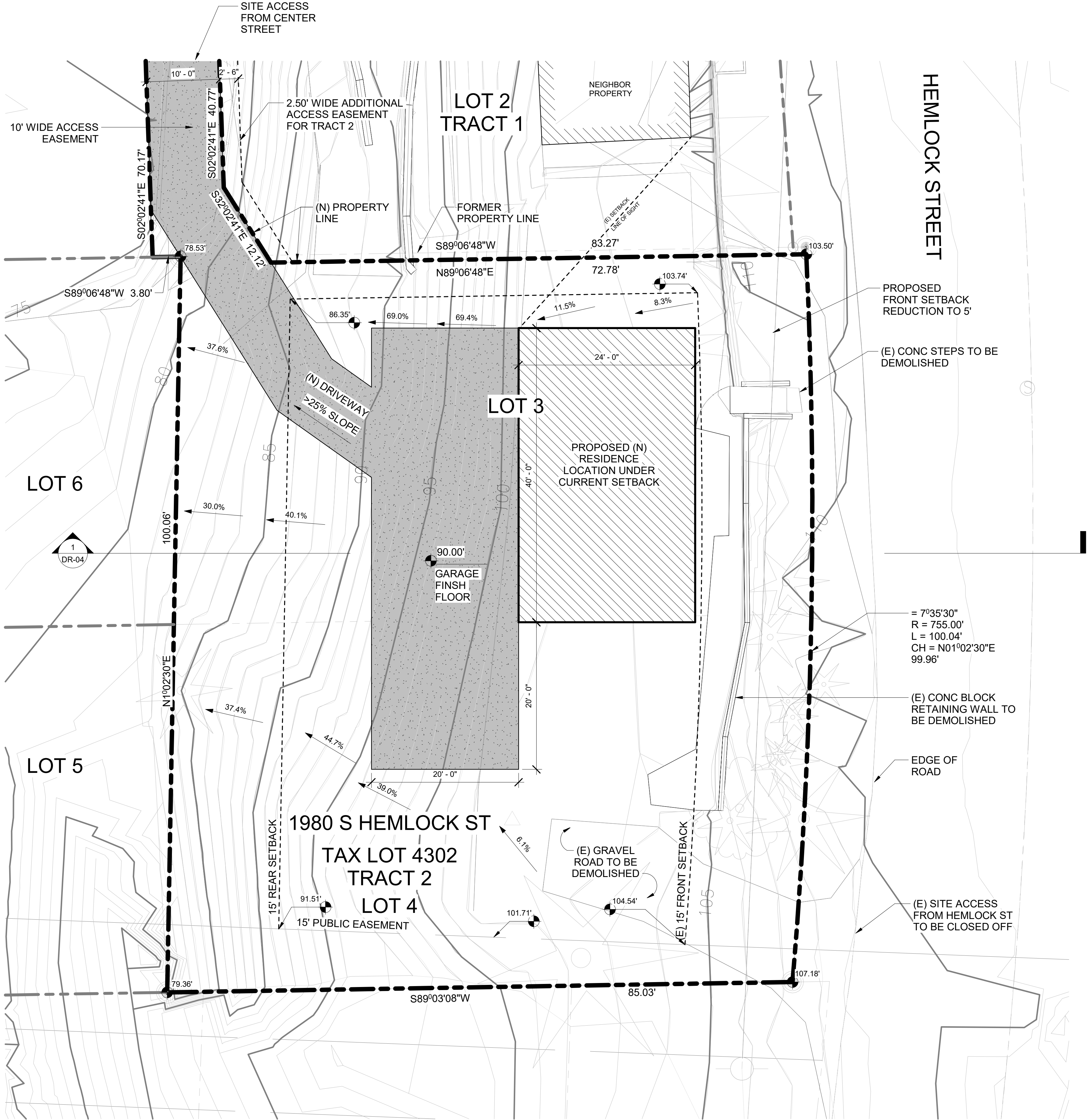
LOT SIZE = 8,609 SF PRIOR TO ADJUSTMENT
9,675 SF AS ADJUSTED

FLOOR AREA RATIO (F.A.R.) CALCULATION
FOR LOT IN ZONE RL
GREATER THAN 5,000 SF IS 0.50

MAX BUILDING SIZE (F.A.R.) CALCULATION
9,675 X 0.5 = 4,837 SF

ALLOWABLE LOT COVERAGE CALCULATION
= LOT SIZE X 0.50

MAX LOT COVERAGE = 9,675 X 0.50 = 4,837 SF



SITE PLAN - ENLARGED W/ EXISTING SETBACK 1 1/8" = 1'-0"

MAX BUILDING HEIGHT (< 5/12 PITCH) = 24'
MAX BUILDNG HEIGHT (> 5/12 PITCH) = 28'

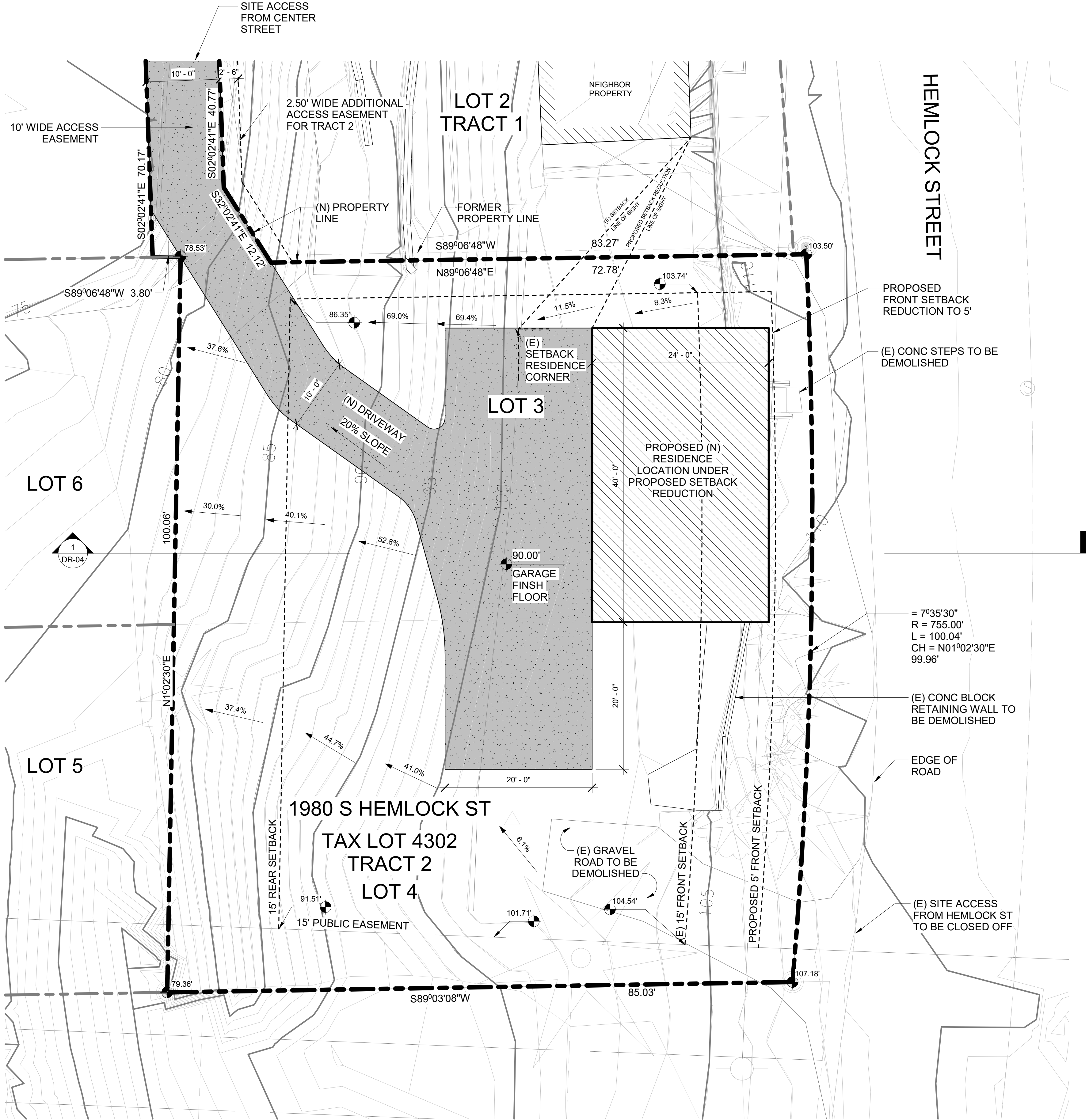
LOT SIZE = 8,609 SF PRIOR TO ADJUSTMENT
9,675 SF AS ADJUSTED

FLOOR AREA RATIO (F.A.R.) CALCULATION
FOR LOT IN ZONE RL
GREATER THAN 5,000 SF IS 0.50

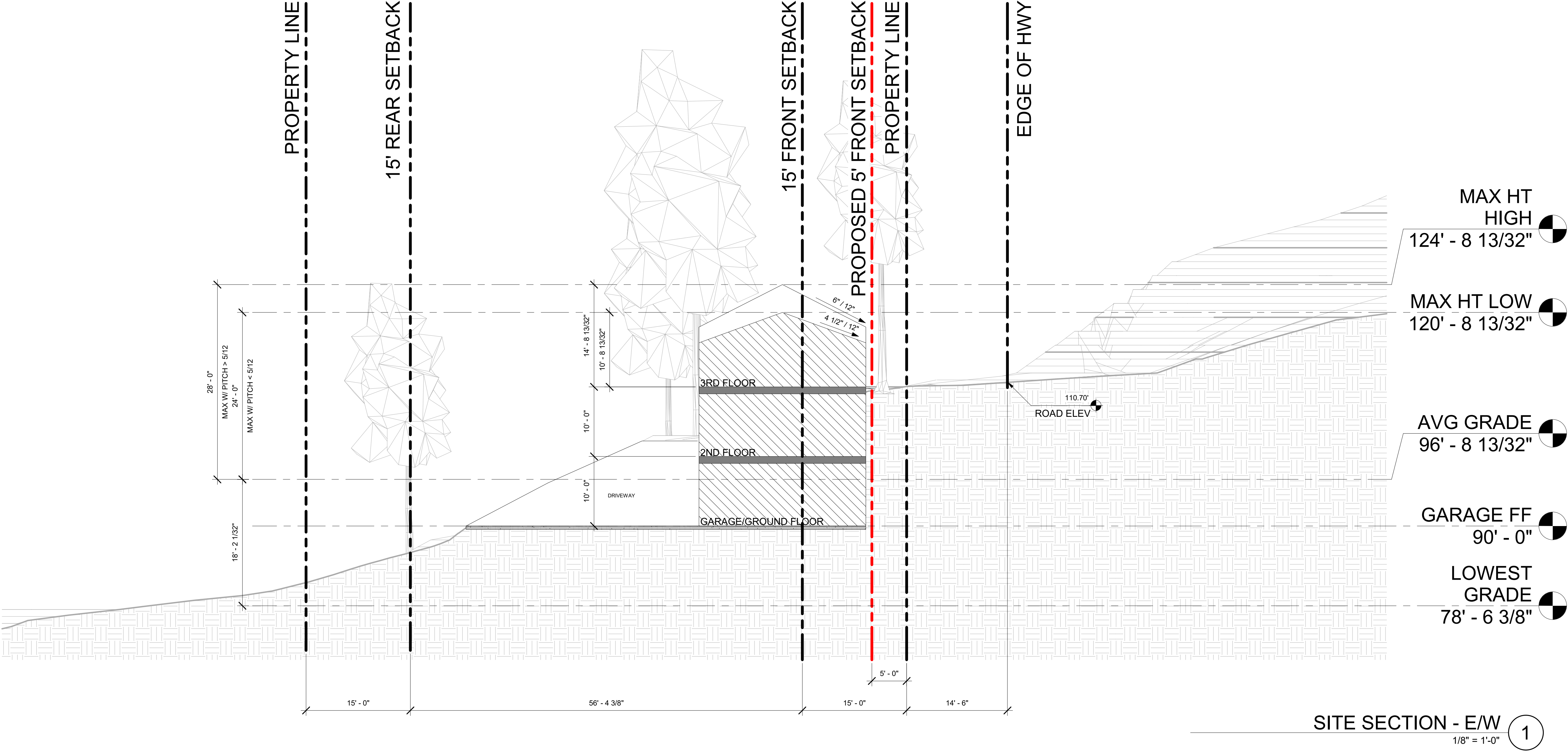
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= LOT SIZE X 0.50

MAX LOT COVERAGE = 9,675 X 0.50 = 4,837 SF

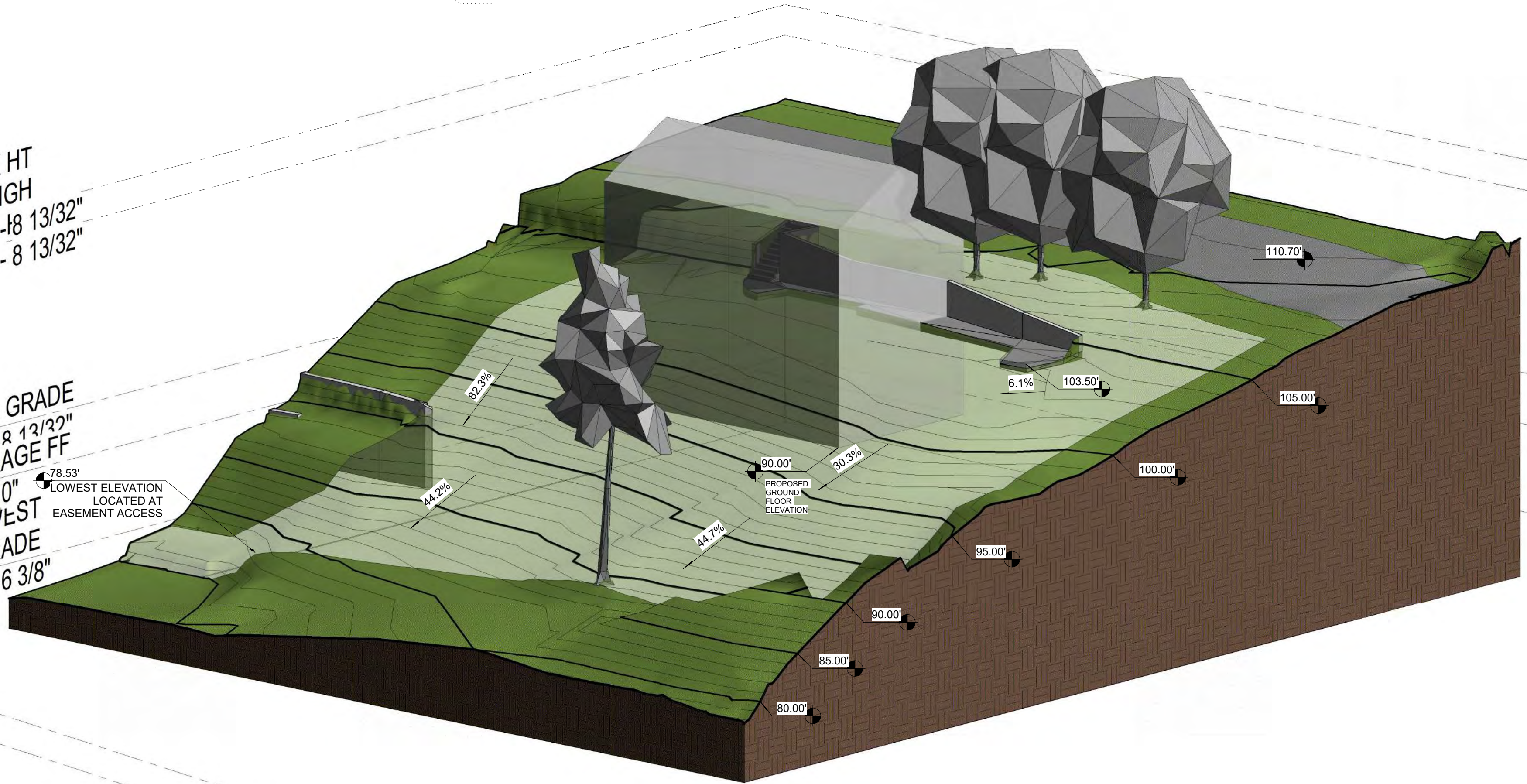


SITE PLAN - ENLARGED W/ SETBACK REDUCTION 1 1/8" = 1'-0"



MAX HT
HIGH
124' - 8 13/32"
120' - 8 13/32"

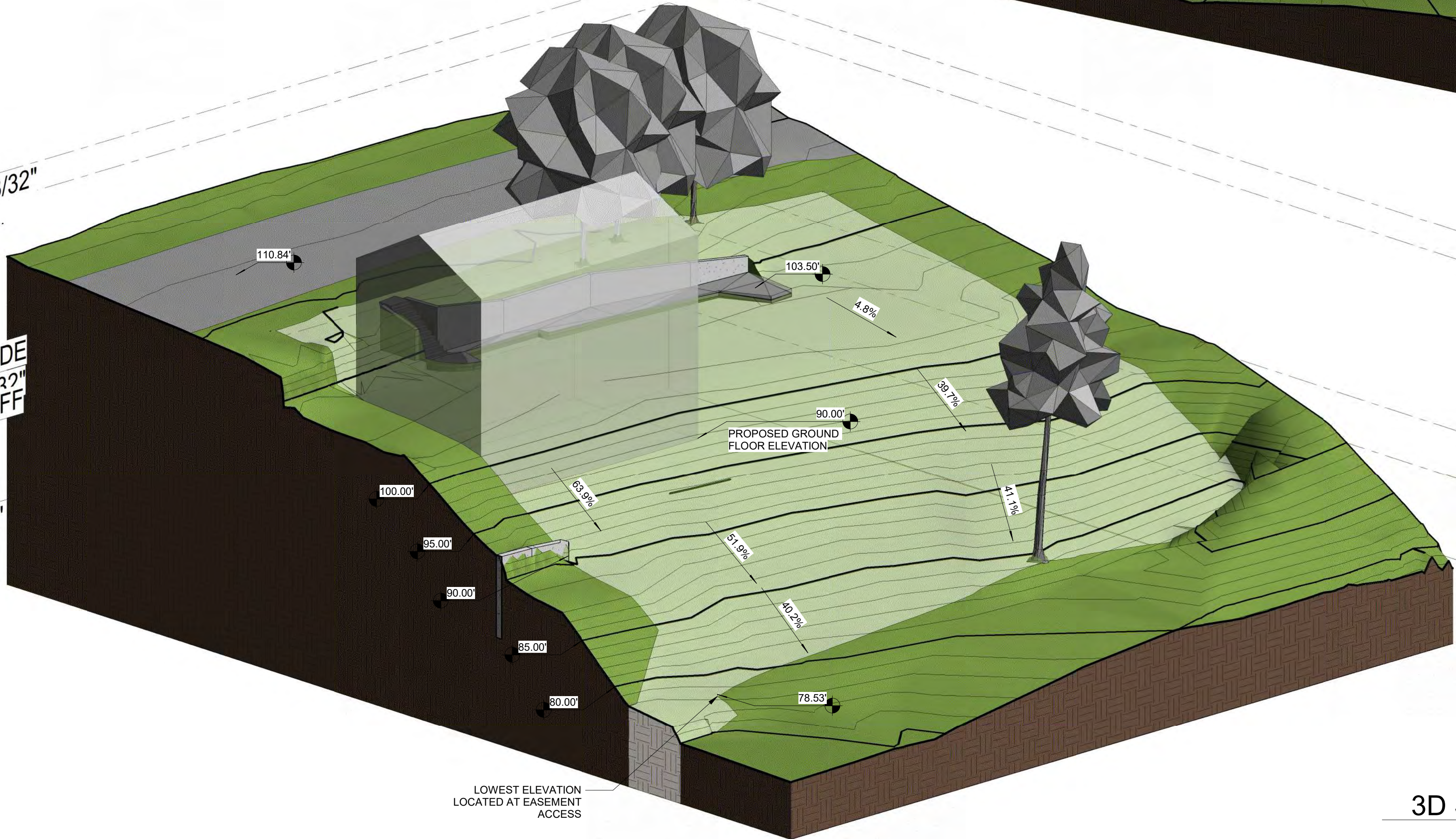
AVG GRADE
96' - 8 13/32"
GARAGE FF
90' - 0"
LOWEST
GRADE
78' - 6 3/8"



3D SITE VIEW 1 1

MAX HT
HIGH
124' - 8 13/32"
120' - 8 13/32"

AVG GRADE
96' - 8 13/32"
GARAGE FF
90' - 0"
LOWEST
GRADE
78' - 6 3/8"



3D SITE VIEW 2 2



CANNON BEACH COMMUNITY DEVELOPMENT
163 E. GOWER ST.
PO Box 368
CANNON BEACH, OR 97110

March 1, 2024

Brent Burton
P.O. Box 1938
North Plains, OR 97133

RE: Completeness Determination for Setback Reduction Application at 1980 S. Hemlock St., (File: SR 24-01)

Dear Mr. Burton:

Your application for a Setback Reduction for the purpose of residential development was received on February 15, 2024 and found to be complete on February 29, 2024. The City has 120 days from the date of determination to exhaust all local review, that period ends on Friday, June 28, 2024. The first evidentiary hearing for this application will be held on Thursday March 28, 2024 at 6:00pm, you may participate in person or by Zoom.

The materials received with this application include:

- Setback Reduction application
- Schematics showing the proposed setback, planned building area, and cross sections of the subject property.

Please be aware that the determination of a complete application is not a decision or a guarantee of outcome for the application.

Please feel free to contact my office at (503) 436-8053, or by email at stclair@ci.cannon-beach.or.us if you have questions regarding this information.

Sincerely,

Robert St. Clair
Planner



Site Photo: Looking northeast toward S. Hemlock St.



Site Photo: Looking northwest toward Center St.



Site Photo: Looking south from flagpole driveway

Robert St. Clair

From: Jeff Taylor <jeftayok@yahoo.com>
Sent: Wednesday, March 27, 2024 1:26 PM
To: Planning Group
Subject: SR 24-01, Brent Burton, Taylor 1956 S Hemlock.

Follow Up Flag: Follow up
Flag Status: Flagged

My name is Jeff Taylor, our property is North of and adjoins Brent Burton's property.
Our property address is
1956 S Hemlock St.

We do not have any objects to the setback reduction that Brent is requesting.

Thanks,
Jeff Taylor.
2005 W Huntsville, St.
Broken Arrow, OK 74011
918-261-9705



CANNON BEACH CITY COUNCIL

STAFF REPORT

CANNON BEACH POLICE DEPARTMENT 2023 ANNUAL REPORT

Agenda Date: May 14, 2024

Prepared by: Jason Schermerhorn, Police Chief

BACKGROUND

The Police Chief will present the Cannon Beach Police Department Annual Report

List of Attachments

A 2023 Annual Report

A large, dark, and jagged rock formation, likely a sea stack, dominates the center of the image. It is heavily covered in green moss and lichen, with some white patches of snow or ice clinging to its upper slopes. The rock is situated on a dark, rocky beach. In the background, the ocean is visible with white-capped waves breaking against the shore. The sky is filled with soft, grey clouds. The overall mood is serene and natural.

2023 Annual Report



MISSION

We, the professional men and women of the Cannon Beach Police Department, strive, at all times, to provide a safe and secure environment for residents of the City of Cannon Beach, and its visitors, through the highest level of professional, ethical and integrity-based service.

VISION

The Cannon Beach Police Department takes great pride, and honor, in maintaining the highest level of safety and security of our community.

VALUES

Professionalism

The Cannon Beach Police Department values a well educated, trained, & competent staff, working as a team, and always remaining approachable.

Diversity / Empathy

The Cannon Beach Police Department embraces diversity, in all its forms, and vows to treat all individuals equally, with empathy, compassion, and respect.

Service

The Cannon Beach Police Department strives to provide the highest level of service, while always remaining transparent to the community and our peers.

Chief's Message

- In 2023 we saw a 12% decrease in our activity and calls for service. Our traffic warnings and citations decreased, and our accidents were the highest they have been in over 10 years.
- There was an increase in Part I offenses and a decrease in Part II Offenses in 2023.
- Part I Offenses increased by 12% from 2022. There were increases in Assaults (1-2), Burglary (*2-7), and Motor Vehicle Thefts (2-6). There was a decrease in Thefts (42-38) and Homicide, Robbery, and Arson remained at 0.
- Part II Offenses saw a decrease of 14% from 2022. There were increases in Domestic Disturbances (5-13), Fraud (1-5), Sex Offenses (0-2), Drug Laws (1-5), DUII arrests (15-21), and Furnishing Alcohol to Minors (0-1).
- There were decreases in Forgery (3-0), Vandalism/Criminal Mischief (56-28), Weapons Laws (3-2), Disorderly Conduct (9-6), Minor in Possession of Alcohol (3-1), and Minor in Possession of Marijuana (6-3). and Embezzlement (0-0) remained the same.
- There was an increase in Criminal Trespass (14-39) and a decrease in Fugitive arrests (22-15).
- There was also a substantial increase in Mental Health cases that we referred to Clatsop Behavioral Healthcare (41 compared to 16 in 2022).



-
- In May, we hired long time Parking / Information Aide Daniel Contier as our Code Enforcement Officer. Daniel has done a great job of working with the citizens in the community to tackle some of the harder issues that are coming with code compliance.
 - The Parking/Information Aides started on Memorial Day Weekend, and they stayed busy all summer. The (6) Aides are a great addition downtown during the busy summer months, helping with traffic flow.
 - On June 10th, it was all hands-on deck for the 59th Sandcastle Event. We partnered with the Chamber of Commerce and CERT to make it a successful and safe event for all who came.
 - Independence Day came and went with a fun, well attended parade! The rest of the day/night was the most peaceful 4th of July that I can remember.
 - On August 1st, we had our 8th National Night Out at the Chamber of Commerce. This is always a fun opportunity to give back to the community by having a BBQ and serving the citizens. It's a chance for the citizens to come out and meet with all the police staff where they can ask any questions and learn about what's going on.
 - In December, we had our annual Shop with a Cop event. It was another great opportunity for the officers to bond with underprivileged middle school students and have some fun together.
 - All staff participated in various forms of training throughout the year which totaled over 900 hours.

Crime Statistics

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Criminal Homicide	1	0	0	0	0	0	0	0	0	0
Robbery	1	0	1	1	0	0	0	0	0	0
Assault	5	4	5	5	3	5	10	0	1	2
Burglary	13	11	15	10	15	2	7	7	2 attempted	7
Larceny/ Theft Total	34	35	48	32	33	29	38	31	42	38
Motor Vehicle Theft	0	2	1	3	2	2	4	1	2	6
Arson	0	0	0	0	0	0	0	0	0	0
Domestic Disturbance Responses	15	19	26	15	32	24	31	8	5	13
Criminal Trespass/ Notice	10	7	8	34	27	53	39	19	14	39
Forgery/ Counterfeit	3	1	4	6	0	0	2	3	3	0
Fraud	2	4	3	7	5	6	4	4	1	5
Embezzlement	0	0	0	0	0	0	0	0	0	0
Vandalism/ Criminal Mischief	21	10	14	29	14	16	44	31	56	28
Weapons Laws/CCW/Menacing	1	0	0	1	3	4	4	2	3	2
Sex Offenses	0	3	3	2	1	1	2	6	0	2
Drug Law	19	11	9	8	6	3	1	5	1	5
DUI Arrests	13	20	22	29	5	13	13	18	15	21
Furnishing Alcohol to Minors	5	1	1	0	0	0	0	0	0	1
Disorderly Conduct	5	4	6	10	8	3	22	10	9	6
Fugitive Arrests	10	19	16	25	22	11	22	24	22	15
Minor in Possession of Alcohol	19	25	9	13	10	5	6	1	3	1
Minor in Possession of Marijuana			7	24	1	2	2	1	6	3

**UNITED STATES CENSUS BUREAU ANNUAL ESTIMATES OF RESIDENT POPULATION
10 YEAR CALLS FOR SERVICE HISTORY
SERVICES PROVIDED BY OFFICERS**

	2014 Census	2015 Census	2016 Census	2017 Census	2018 Census	2019 Census	2020 Census	2021 Census	2022 Census	2023 Census
Cannon Beach & Tolovana Park Population	1682	1692	1715	1728	1749	1768	1779	1834	1507	1598

**PATROL ACTIVITY
TRAFFIC ENFORCEMENT – TRAFFIC ACCIDENTS**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Calls for Service/Case Files	2412	2572	2699	2898	3103	2947	4030	2988	3138	2795
% Change from Previous Year	+15%	+6%	+4%	+7%	+7%	-5%	+37%	-26%	+5%	-12.27%

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Citizen Assists	775	315	426	276	186	198	184	188	165
Local Security Checks	23,474	20,265	25,486	26,449	29,263	39,970	33,156	35,494	32,394
Assist Other Agencies	426	536	611	520	561	532	456	506	436
City Code Violations	56	38	60	83	234	242	222	194	176
Vacation Checks	381	69	380	258	65	92	208	80	27
Overnight Camping Warnings	716	742	886	1310	450	1244	752	595	558
Welfare Checks	60	54	79	91	84	100	75	114	77

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Traffic Warnings	1389	1634	2066	1235	1530	2021	2128	2730	2511
Traffic Citations	217	229	330	191	246	396	485	539	356
Motor Vehicle Accidents Information Exchanges	39	25	47	36	48	41	51	37	52

Contact Data : 2023 Visitors vs Locals

TYPE	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL	Ratio
TOURIST/County	204	208	352	255	396	285	310	493	376	271	264	178	3592	81%
LOCAL	60	66	61	81	86	75	77	73	81	84	64	51	859	19%
													4451	

Oregon Uniform Crime Reporting Data

Offenses Dashboard | Victims Dashboard | Arrest Dashboard | LEOKA Dashboard | Agency Reporting

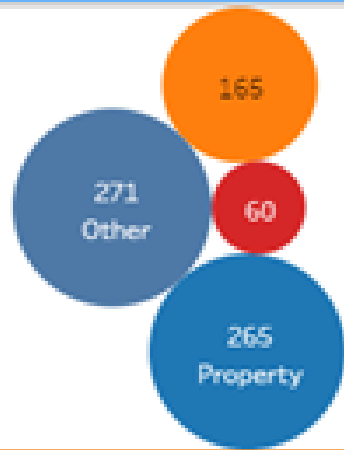
Incident Date

1/1/2020

11/30/2023

Distinct Cases	Distinct Offen...	Distinct Victi...
696	761	762

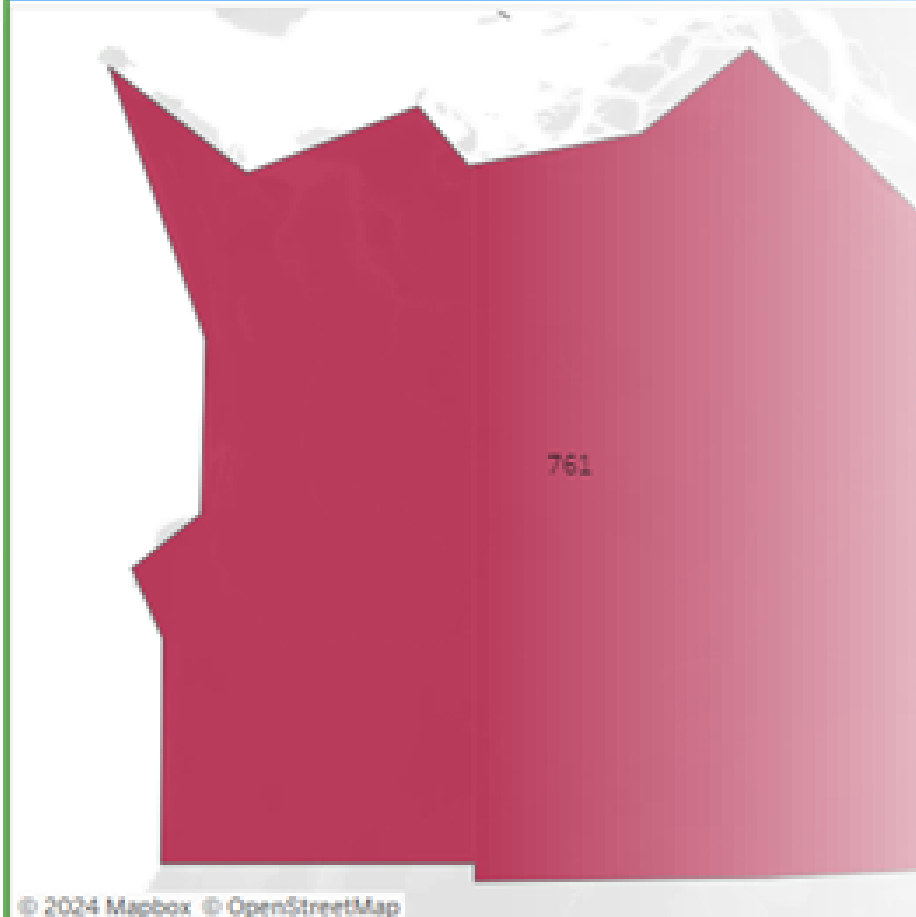
Reported Offense Classification



Reported Offense Types

Person	Simple Assault	16
	All Other Offenses	17
	Intimidation	12
	Aggravated Assault	5
	Other Sex Offenses	4
	Kidnapping	2
Property	Family Offenses, Nonviolent	2
	Vandalism	10
	Larceny/Theft Offenses	14

Reported Offenses - by County



Reported Offenses Timeframe

ONIBERS

– Oregon National Incident- Based Reporting System

- In October 2023, Officers were asked to start clearing cases before supervisor approval for crime reporting preparation. This helped expedite the sending of reportable crimes to the State and FBI.
- Our agency still sustains a zero-percent error rate. To see in-depth, state statistics go to [Oregon State Police : Uniform Crime Reporting Data : State of Oregon](#). The total cases represent the number of calls/cases in the month, cases scored it the total that was sent to the state for crime reporting, and offense total is the number of offenses for the cases that were submitted.

2023 ONIBERS Quarterly Breakdown

Quarter 1

JANUARY 2023	
Cases Scored	10
Offense Total	10
Total Cases	165

Quarter 2

APRIL 2023	
Cases Scored	20
Offense Total	27
Total Cases	192

Quarter 3

JULY 2023	
Cases Scored	23
Offense Total	39
Total Cases	359

Quarter 4

OCTOBER 2023	
Cases Scored	16
Offense Total	27
Total Cases	203

FEBRUARY 2023

Cases Scored	3
Offense Total	4
Total Cases	125

MAY 2023

Cases Scored	15
Offense Total	21
Total Cases	281

AUGUST 2023

Cases Scored	25
Offense Total	40
Total Cases	459

NOVEMBER 2023

Cases Scored	12
Offense Total	17
Total Cases	158

MARCH 2023

Cases Scored	11
Offense Total	19
Total Cases	162

JUNE 2023

Cases Scored	16
Offense Total	20
Total Cases	281

SEPTEMBER 2023

Cases Scored	23
Offense Total	32
Total Cases	282

DECEMBER 2023

Cases Scored	17
Offense Total	NA
Total Cases	136



Alarm Statistics

- In 2022, the new tracking program was completed, and all records were transferred. Renewals were mailed out in December to give all users two months to complete the mandatory update before the deadline. At this time, all users were advised that there would be no more warnings going forward for failure to renew.
 - 199 users registered *as of 03/09/24
 - 14 new permits issued
 - 14 permits discontinued (home sold or alarm disconnected)
 - 1 pending registration
 - 0 permits revoked
 - 31 final warning revocation letters were mailed
 - 28 users complied and renewed
 - 44 records were removed (out of date, incomplete, or duplicate address of a new user)

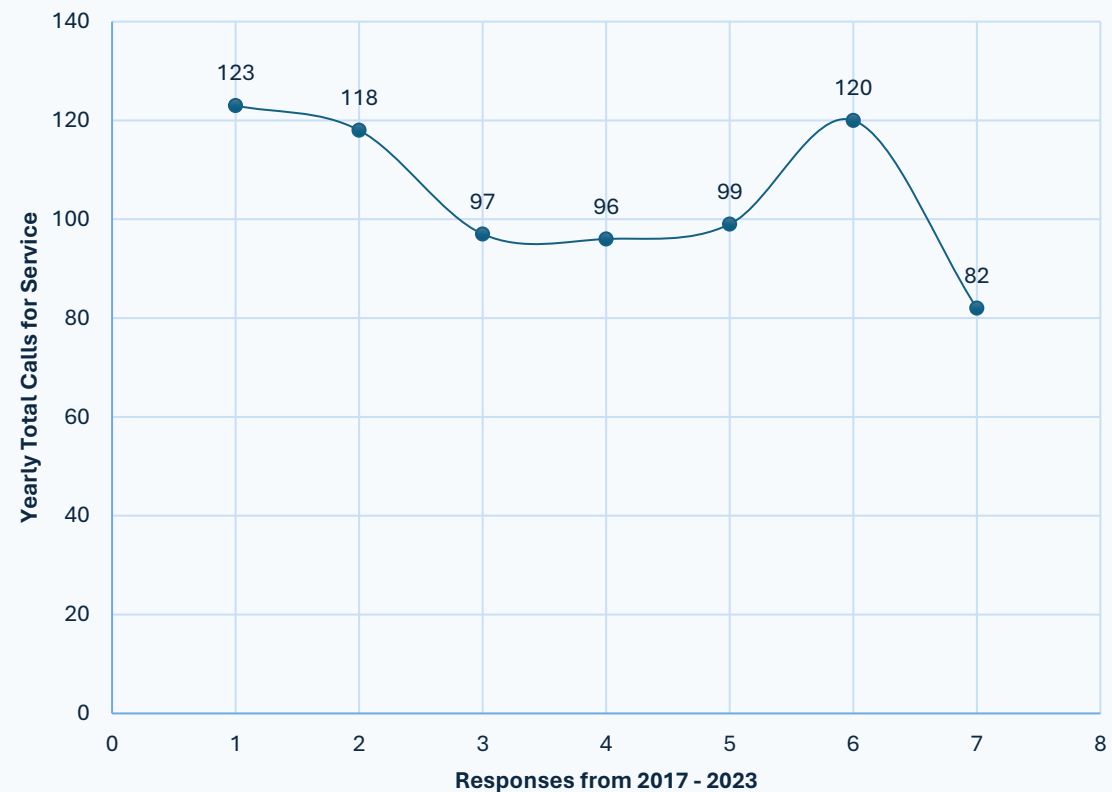
Alarm Activations

The first alarm activation is waved for all users, the second alarm call is accompanied by a warning letter that additional activations will have a fee. The fee schedule activates after three false alarm activations. An officer's response can be canceled by the responsible parties or via a proper passcode to the alarm company, those are classified as authorized cancellations.

Alarm activations, triggered by weather or animals are considered non-chargeable. While these activations have no fee, you may receive a call from our agency advising of the frequent activation so modifications can be made to the system.

- 81 total alarm calls
- 16 – warnings mailed
- 3 – \$50 invoice issued
- 1 – \$100 invoice issued
- 8 Authorized cancellations
- 2 Non-chargeable

Alarm Calls for Service





Records Division

In 2023, yearly casefiles/reports/calls for service decreased from 3138 incidents to 2795 incidents.

2023 office staff station activity:

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Lobby Walk-in's:	1020	2021	2424	2822	2854	2099	1527	2237	2127
Incoming Phone Calls:	3441	4579	4842	4518	4989	4981	4889	3839	3188

Per public record retention laws, reports and files no longer required to be maintained were purged. This is a never-ending process that Administrative staff works on as time allows.

The Welfare Checklist database, which provides information regarding residents who may need extra help during an emergency, was maintained. A copy of the database is also stored with the Cannon Beach Rural Fire Protection District, should access be needed in the event of an emergency or natural disaster.

The Keys on File database, which holds emergency residential keys as a courtesy for residents, was maintained. In 2024, we will do an audit of information to ensure the information on file for the participating residents is current.

The following permits were issued by the Cannon Beach Police Department office staff in 2023:

Burn Permits: **22**

Dory Boat Launch Permits: **23**

Beach Driving Permits Total: **77**

(Firewood/ Driftwood Collection): **1**

(Disabled/ Elderly): **52**

(Scientific Research): **1**

Evidence Review

- At the 2023-year end, there were 1289 items of evidence stored in the evidence room at the Cannon Beach Police Department. This is an increase of 19%, from 1079 items stored in 2022.
- Additionally, there are items currently stored as found or safekeeping property in other police department secure storage locations.
- The evidence technician attended two training courses: TriTech Forensic Class, which was a three-day course focusing on crime scene response and management, crime scene photography, and latent print collection and processing. The second training was the 53rd Annual Law Enforcement Conference. The conference held a two-day training with various sessions regarding property and evidence best practices.
- The never-ending process of purging closed and cleared case evidence continues.
- The Prescription Take-back Program continues. This program allows citizens to submit unwanted prescription narcotics, for destruction, at no fee. We are working with a new company for the take-back program, Inmar, which has streamlined the program.
- There are 91 closed case narcotics, biological, and weapons related evidence items which are awaiting delivery to the secure disposal site for destruction by incineration. The plan is to get these items transported and destroyed in the spring of 2024.
- The evidence technician is currently working through an evidence room inventory, which will be completed soon.

Goals for 2024

- Complete the evidence room inventory.
- Prepare a secure evidence storage location and relocate items during the new PD build.
 - Continue to purge closed cases.
- Continued Education / Evidence Related Course Attendance.



Investigations

- In 2023, Investigations maintained one full-time position. The Lieutenant for the department is also the detective and the Clatsop County Major Crimes Team member. Lt. Chris Wilbur has filled this position since 2011.
- Lt. Wilbur attends weekly detective meetings with other detectives from the county and the District Attorney's Office. Lt. Wilbur is a member of the Multi-Disciplinary Team on Child Abuse and is a member of the Clatsop County Fire Investigation Team.
- This past year investigations has worked on cases including sexual assault, child abuse, theft, burglary, and suspicious death. The department maintains one cold case involving a missing person.
- As a member of the Major Crimes Team, Lt. Wilbur continues to assist with homicides, attempted murder, suspicious deaths, officer-involved shootings, and significant person crimes throughout the county.
- Lt. Wilbur was trained through a Department of Justice Grant by The Office of the Chief Medical Examiner, New York City to be a Medicolegal Death Investigator for Clatsop County.
- During the past year the past year Lt. Wilbur completed 112 training hours including the the Oregon Homicide Investigators Conference, the NW Internet Crimes Against Children Conference and monthly Medicolegal Death Investigator training.
- Officer Jenny Thompson has assisted Lt. Wilbur in investigations including sexual assaults, financial crimes, and reports of child abuse. Officer Thompson has an interest in person crime investigations and has excelled in interviewing victims of sexual assault. This past year Officer Thompson completed 152 hours of training to include, a 40-hour course in Spanish for Law Enforcement, Certified as a Field Training Officer, the NW Internet Crimes Against Children Conference, and Human Trafficking Training.

Goals for 2024 include

- The continued training/mentoring of all officers in significant crimes.
- The continued mentoring of Patrol Officers in Investigations.
- The continued support/membership of the Major Crimes Team, The Multi-Disciplinary Team on Child Abuse and The Clatsop County Fire Investigation Team.
- The continued training of all officers in person crimes.
- To maintain a readiness and professionalism to deal with any crime that occurs within the City of Cannon Beach.



Department Training



Chief Schermerhorn

Crisis Communications for Law Enforcement	4
Violent Extremism in America	4
Managing Personal Energy for Balance/Productivity	4
ASSIST Training	14
2023 Northwest Leadership Seminar	20
LEDS/CJIS Biennial Recertification	1
OACP Annual Conference General Board Meeting	3
Preventive Behavioral Threat Assessment/Management	6
Harnessing Leadership Series	4
Radically & Ethically Motivated Violent Extremists	1.5
HIS Basic Life Saving	2
Range - Handgun Drills	4
High Risk Traffic Stops	0.5
Responder Be Well	4
OACP Board Meeting	3
DPSST Professional Standards Sanctions Database	1
RITE for Law Enforcement	2
Mitigating Potential Law Enforcement Risk	2
OACP/OSSA Board Meeting	2
OACP Board Meeting	2
Raising the Standard of Resiliency	2
Cyber Threats	1
ICAT	2
Police Resiliency & Critical Incident Mindset	3
Handgun Qualification	3
Use of Force / Firearms	2.5
<u>Total Training Hours:</u>	<u>97.5</u>

Lieutenant Wilbur

2020's Portland, Oregon Protests & Civil Disorder	4
Crisis Communications for Law Enforcement	4
Managing Personal Energy for Balance/Productivity	4
2023 Northwest Leadership Seminar	20
Range - Handgun Drills	4
LEDS/CJIS Biennial Recertification	1
Medicolegal Death Investigator In-service	1.5
Range - Handgun Drills	4
High Risk Traffic Stops	0.5
Adult First Aid/ CPR /AED	2
Medicolegal Death Investigator In-service	1.5
Medicolegal Death Investigator In-service	1.5
Medicolegal Death Investigator In-service	1.5
DPSST Professional Standards Sanctions Database	2
OHIA - Trauma and Resilience, Officer Wellness	2
13th Annual OHIA Major Crimes Conference	20
2023 NW ICAC & Technology Conference	37.5
Lexipol First Responder Wellness: Lead. Win.	1
<u>Total Training Hours:</u>	<u>112</u>

Corporal Bowman



2020's Portland, Oregon Protests & Civil Disorder	4
Crisis Communications for Law Enforcement	4
Violent Extremism in America	4
Managing Personal Energy for Balance/Productivity	4
ASSIST Training	14
Northwest Leadership Seminar 2023	20
Range - Handgun Drills	4
LEDS/CJIS Biennial Recertification	1
Range - Handgun Drills	4
High Risk Traffic Stops	0.5
Adult First Aid/ CPR /AED	2
Assisting Individuals in Crisis	10
Group Crisis Intervention	10
Taser Instructor Course	16
DPSST Professional Standards Sanctions Database	1.5
2023 - EVOC Intersection Analysis: Police	2.5
2023 - Defensive Driving Course + A&D	3.5
Handgun Qualification	3
Trauma Informed Oregon	3
Hiring Right to Avoid Managing Tough	1.5
Hiring Right to Avoid Managing Tough	2
Leadership During Line-of-Duty Deaths	3
Homelessness Response - Do's & Don'ts	1.5
Establishing Professionalism in a Small Agency	7
ASSIST - Suicide Prevention Refresher	4
Defensive Tactics Refresher	3
<u>Total Training Hours:</u>	<u>133</u>

Officer Jordan



Veteran's Telling Their Story Video	0.5
PTSD/ Police Officers Tool Kit	1.5
Examining the Impact of Integrating Communications	0.5
2022 Airways Training Video Pt. Eval LE	1
Glock Armorer	8
LEDS/CJIS Biennial Recertification	1
Range - Handgun Drills	3
Range - Handgun Drills Instructed	4
High Risk Traffic Stops Instructed	0.5
Adult First Aid/ CPR /AED	2
DPSST Professional Standards Sanctions Database	1.5
Handgun Qualification Instructor	1
DPSST Professional Standards Sanctions Database	1
Taser Instructor Course	16
Use of Force / Firearms	2.5
Trauma Informed Oregon	3
Investigation Fundamentals, Decision-Making	16
Total Training Hours:	63

Officer Dietel



CIT 40-hour Training	40
Range - Handgun Drills	4
Range - Handgn Drills	4
High Risk Traffic Stops	0.5
Responder Be Well	4
Adult First Aid/ CPR /AED	2
DPSST Professional Standards Sanctions Database	1
Handgun Qualification	3
<u>Total Training Hours:</u>	<u>58.5</u>

Officer Salinas



Glock Armorer	8
Code 4 Concepts - Police Jiu-Jitsu	10
Defensive Tactics/ Knife Defense	4
LEDS/SJIS Biennial Recertification	1
Range - Handgun Drills - Instructed	1
Range - Handgun Drills	4
Introductory Survival Spanish for Law Enforcement	40
Range - Handgun Drills - Instructed	4
Adult First Aid/CPR AED	2
DPSST Professional Standards Sanctions Database	1
2023 EVOC Intersection Analysis: Police	2.5
2023 - Defensive Driving Course + A & D	3.5
Handgun Qualification - Instructed	3
1-2 Person CQB Building Clearing	16
Use of Force / Firearms	2.5
Patient Evaluation for Law Enforcement 2022 Video	2
Defensive Tactics Refresher	3
<u>Total Training Hours:</u>	<u>107.5</u>

Officer Thompson



LEDS/CJIS Biennial Recertification	1
Range - Handgun Drills	4
Introductory Survival Spanish for Law Enforcement	40
Range - Handgun Drills	4
High Risk Traffic Stops	0.5
Adult First Aid / CPR AED	2
DPSST Professional Standards Sanctions Database	1
Field Training Evaluation Program - Trainer training	24
2023 - EVOC Intersection Analysis: Police	2.5
2023 - Defensive Driving Course + A & D	3.5
2023 NW ICAC & Technology Conference	37.5
Patient Evaluation for Law Enforcement 2022 Video	2
Human Trafficking	3
Basic Search Warrants	3.5
<u>Total Training Hours:</u>	<u>104.5</u>

Officer Gipson

The REID Technique Interviewing	24
Defensive Tactics/ Knife Defense	4
Range - Handgun Drills	4
Adult First Aid/CPR AED	2
Arise	16
DPSST Professional Standards Sanctions Database	1
Handgun Qualification	3
LEDS/CJIS Biennial Inquiry Recertification	1
1-2 Person CQB Building Clearing	16
Basic Search Warrants	3.5
<u>Total Training Hours:</u>	<u>74.5</u>



Code Enforcement Officer Contier



LEDS/CJIS - Inquiry Certification	10
Adult First Aid/CPR AED	3
Taser 7 New Training/Certification	10
2023 OCEA Fall Conference	16
Public Agency Work Zone Traffic Control	4
<u>Total Training Hours:</u>	<u>43</u>

Administrative Assistant Mannix



Northwest Leadership Conference 2023	20
Adult First Aid/CPR AED	2
Trauma of Law Enforcement Training	21
LEDS Recertification - Inquiry/Entry	1
Responder Be Well	5
Financial Stress Management	2
CJIS Conference	16
Tri-Tech Forensic Training 2023	16
The REID Program on Hiring the Best	4
National Instant Criminal Background Check System	10
<u>Total Training Hours:</u>	<u>97</u>

Administrative Specialist Avila



PIO: Tactics for Effectively Managing the Media	2
Standard NIBRS Training	8
Responder Be Well	5
Financial Stress Management	2
LEDS Recertification - Inquiry/Entry	2
<u>Total Training Hours:</u>	<u>19</u>



2023 USE OF FORCE REVIEW

There were 16 documented Use of Force incidents in 2023. (17 cases in 2022)

- ❖ 81% occurred in the evening hours.
- ❖ 50% involved the use of alcohol.
- ❖ 18% involved the use of drugs.
- ❖ 31% involved a subject with some form of mental illness.
- ❖ 81% of these suspects were male.
- ❖ 56% involved the use of Physical Force. (hands on)
- ❖ 43% involved drawing the officer's weapon. (weapon displayed)
- ❖ There were no citizen complaints regarding any of these Use of Force incidents.
- ❖ One suspect was injured during one of these Use of Force incidents (scratches).



2023 Community Events

Clatsop County Citizen's Academy

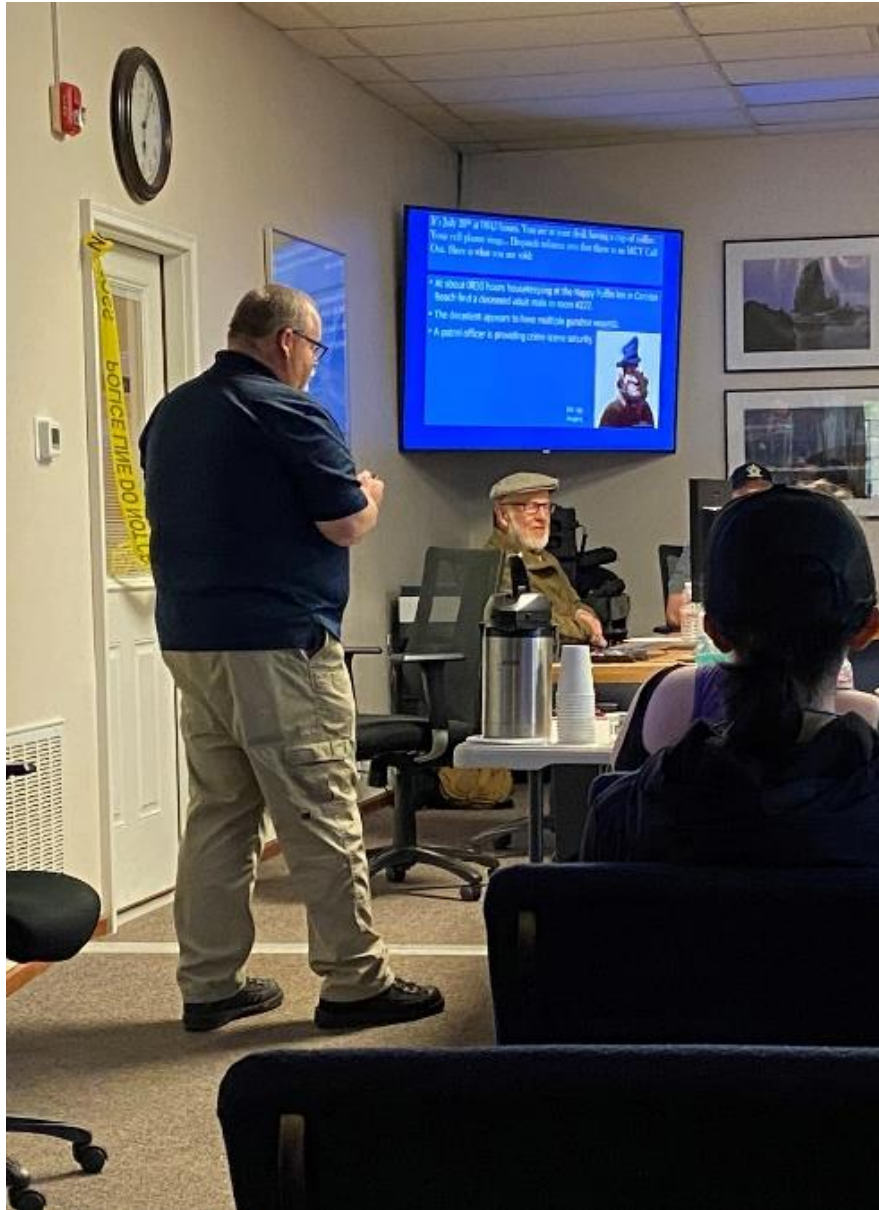
In 2007, the South County Citizen's Police Academy began. At the time it was only Seaside, Gearhart, Cannon Beach, and the Clatsop County Sheriff's Office.

In 2018 all other agencies in Clatsop County including Oregon State Police joined and it became the Clatsop County Citizen's Academy.

Each year except for a few (COVID) we graduate between 9 and 15 students.

The students really enjoy the class and the opportunity to learn about Law Enforcement services in Clatsop County.





National Night Out

- This year we held our 8th Annual National Night Out.
- Community and Businesses were very generous with their support as always
- For the 6th year there was a separate event in Haystack Heights on a different night as well.







Shop with a
Cop





Annual Coloring Contest





CANNON BEACH CITY COUNCIL

STAFF REPORT

WATER RESILIENCY PROJECT UPDATE

Agenda Date: May 14, 2024

Prepared by: Karen La Bonte, Public Works Director

BACKGROUND

At the April ‘Coffee with the Councilors’ session, a request was made for Public Works staff to provide an update on the Water Resiliency project for the Council and the community.

ANALYSIS/INFORMATION

In 2016 just before the completion of the City’s Masterplans, the State added an additional requirement for all cities to have a Seismic Risk Assessment and Mitigation Plan (SRAMP) as part of their official Masterplan.

The City of Cannon Beach has been identified as a *Level X* on the DOGAMI Oregon plate number 7 for earthquake and tsunami damage. This is the *highest risk category* for damage in the State of Oregon.

The 2013 Oregon Resilience Plan (ORP) has set a 50-year planning goal for cities to attain the capability to restore critical services within a one-week period following an earthquake/tsunami event, and to be able to restore all services within 3-6 months. It is recognized that services will be considerably more difficult for coastal communities to restore and could take up to 3+ years to restore complete services after a seismic event.

Tonight’s presentation is a brief update on the 5+ year effort to develop, fund and construct the city’s SRAMP plan.

Also, in your Council packet and attachments is a much more detailed update from Windsor Engineers, the Engineer of Record for this project, which outlines the progress as well as the in-depth professional analysis that has been conducted throughout the project process before making any final decisions to move forward with the final proposed design and engineering plan. Lastly, this attachment also addresses some recent questions that have been asked by Cannon Beach residents.

List of Attachments

A Windsor Engineers Report Dated 5/6/24



MEMO



TO: Karen La Bonte
FROM: Travis Tormanen
DATE: May 6, 2024
SUBJECT: DRAFT
Cannon Beach – Seismic Resiliency Program Update + Water System
Master Planning Update
City of Cannon Beach
Project No. 23001.03

INTRODUCTION

This memo is intended to provide Karen and the City of Cannon Beach with an update regarding two projects.

Water System Master Plan

Windsor Engineers is currently working on a water system master plan update. This update is funded by Business Oregon as part of Seismic Resiliency program, but its purpose is to look beyond just the Resiliency program and identify other short-term and long-term needs of the water system. The plan is underway. Completion is expected to occur near the end of the calendar year 2024. A new capital improvement plan will be prepared which identifies and prioritizes necessary projects for the City to maintain a safe, reliable, and regulatorily compliant water system.

Seismic Resiliency Program

The Cannon Beach Seismic Resiliency Program is proceeding as planned. There are three phases of this work.

- Phase 1 is under construction and is nearing completion.
 - Primary focus is the installation of seismic control valves at the North Reservoir and the Tolovana Reservoir.
- Phase 2 is in the final stages of the design process. The design is nearly complete and will go to bid once an easement issue is resolved.
 - The primary focus is to replace pipelines that are seismically vulnerable to failure between the springs and the Main Reservoir.
- Phase 3 is also in the design process.
 - The project includes three separate elements (water system master plan, reservoir design, and backbone pipeline design).
 - The water master plan is described above as it is a distinctive work task separate from the design and construction, but it is funded by Business Oregon as part of the Phase 3 funding package.



- All three elements are proceeding with planning and design scheduled to be complete in the Year 2024.

BACKGROUND ON PROJECT NECESSITY

The State of Oregon developed a 2013 Oregon Resilience Plan (ORP). The ORP set statewide goals for life safety including an emphasis on public water systems. The ORP called for critical services to be restored within days after an earthquake/tsunami event and all services to be restored within months. Given that the City of Cannon Beach is in the highest risk category (Level X) it was deemed critically important by the City and by Oregon Health Authority that appropriate measure be taken to comply with the findings of the ORP.

The City had a Water System Master Plan (Masterplan) completed by Civil West Engineers. As a follow-on to the Masterplan, it was also required by the state that cities complete a “Seismic Risk Assessment and Mitigation Plan” (SRAMP). This document was also completed by Civil West Engineers with the assistance of structural engineering reservoir experts Peterson Structural Engineers.

In 2019, the City issued a Request for Proposals to confirm the findings of the Masterplan and SRAMP and to integrate the Masterplan Capital Improvement Plan recommendations with the SRAMP capital project needs. Windsor Engineers were selected to complete this work. Windsor’s findings concurred with Civil West and Peterson.

Key findings:

- It was found that the Main Reservoir is not safe in a major earthquake event. It is vulnerable to major failure not only in a Cascadia Subduction Zone earthquake but also in a smaller earthquake. A new tank is necessary to comply with federal law and to achieve life safety for the City’s residents and visitors. It is being replaced only after extensive analysis by three different engineering experts showed that it is the most cost effective and reliable solution to solve the seismic shortcomings of the existing tank.
 - Civil West (water system engineering firm) reached this conclusion.
 - Windsor Engineers (water system engineering firm) reached this conclusion.
 - Peterson Structural Engineers reached this conclusion.
 - Kennedy Jenks Consultants (structural reservoir experts) reached this conclusion.
 - In addition, Windsor requested input from another engineering firm with reservoir seismic design expertise for an alternate opinion. They also agreed with the conclusions of others.
- The reason that the Main Reservoir is not considered resilient is that it was designed to prior codes that are not sufficient to meet current reservoir design requirements. In an earthquake ground movement and water sloshing would cause the concrete columns to fail and the roof to collapse.



- The Main Reservoir is otherwise in good condition and can remain in use for many years as long as a significant earthquake does not cause damage or failure. The City does have an option of potentially keeping the tank on site even after a new tank is built.
- Options were considered by all of the consultants about rehabilitation of the existing tank. The rehabilitation options did not save money and had major challenges associated with keeping the tank on-line during construction, safely working under power lines, and some other practical limitations. One problem is that even if the columns and roof is rehabilitated the rest of the tank would be many decades old and would not have as much life as a new tank would. Rehabilitation was considered but ultimately not chosen as the cost-effective solution for the City.
- The other key finding is that the existing main water line through the city in the north-south direction is very vulnerable to failure during an earthquake or during a tsunami event. The line has many dozens of water service connections. It would be very challenging to 'harden' the pipeline enough to avoid major failure in earthquake/tsunami events. After evaluation it was found to be a cheaper and more reliable option to build the north-south backbone pipeline further from the ocean shore and separate from the individual water services. The State Highway 101 alignment is favorable to a relatively low-cost installation of this backbone as compared to other routes on city streets west of the highway. The highway is also higher ground and further from the ocean and less susceptible to tsunami related failure.

SYSTEMATIC PROCESS TO BOTH SAVE LIVES AND TO COMPLY WITH REGULATIONS

The seismic resiliency program is a large undertaking. This is especially true for a city the size of the City of Cannon Beach which does not have as many people and financial resources as most larger municipalities could be expected to have.

To overcome this...

- The City went through many steps in their planning process with regards to technical analysis by experts, consultation with City Council, consultation with state regulators, financial analysis by City staff.
- The City Council approved various aspects of the project decisions as the projects leading up to these current projects occurred. Staff provided regular updates at the various stages of the project.
- Windsor Engineers was not involved in the Masterplan nor the SRAMP but has been involved in various aspects of the project since that time. We have found the City's process to be very thorough and methodical.
- Municipal projects of this size, in our experience, always involve third party engineering firms and third-party contractors. Even large agencies like the City of



Portland, Clackamas County, and Clean Water services use engineers and contractors to complete projects of this size. Despite the outside expertise that is brought in for projects of this size, it is still necessary that municipalities track projects and make key decisions. Windsor has been impressed at the steps taken along the way by the city staff including public works, city manager, finance department, planning department, IT department, etc. The Public Works team has involved the public works director, the assistant public works director, administrative assistants, the water system superintendent, other operations staff, and over the past year or so has had a dedicated engineer / former city councilman to help keep this project moving. The city team has been excellent to work with and has been very responsive and attentive.

IMPORTANCE OF BALANCING PROGRAM WITH OTHER NEEDS

The seismic program is a very important and necessary investment as has been described in the sections above. The maintenance and improvement of the City's existing water distribution system is also extremely important. Windsor has a number of observations related to the other system needs:

- The City has made very good progress completing projects identified in the Masterplan. Windsor has reviewed progress as part of the current Water System Master Plan efforts.
 - Of the 31 specific projects identified in the water Masterplan
 - 15 have already been completed.
 - 5 are underway at the current time as part of the resiliency program.
 - Other projects are ongoing and/or in early planning stages.
- The new Water System Plan Update will reprioritize project needs based on new information. Projects not yet completed from the past Masterplan will be incorporated into the revised Capital Improvement Plan as appropriate based on new information.
- Other new projects are likely to be identified as well.
- The City intends to keep budgeting for distribution system projects each year in addition to completing the Resiliency Program.
- Windsor concludes that the City is providing an appropriate balance between major program needs as compared to other shorter-term needs.
- The revised water system plan will enable the City to provide budgets and timing for each new project and to calculate impacts on the City's finances.
- Many utilities would have waited to update the master plan until the resiliency program was completed. The City had great foresight to complete the work concurrently. The water system modeling and the deep dive into system needs will enable critical needs to be identified sooner and reduce the risk of failures and challenges in coming years.

TECHNICAL CONSIDERATIONS



There have been a number of design decisions made. There have also been many questions brought up by City staff or by other stakeholders and interested parties. Some of these have been informal inquiries. Windsor would like to share some thoughts and observations related to issues that have been raised and/or issues that Windsor finds to be important points to make.

- Easement for Reservoir. The Conference Center easement is one item that is being worked out currently. The City began working on this easement approximately three years ago. The intent has always been to site the new tank in an area that works for the City's ratepayers and for the Conference Center by minimizing impacts to the property. The new tank is near the old tank. The proposed new tank location is sited in a place that is safely away from the power lines but that does not interfere with the Conference Center's site usage. The one impact of the new tank would be to interfere with a pathway that is used by pedestrians to reach a zip line location. The City has asked Windsor to provide alternative trail alignments. It is our understanding that negotiations have been underway for some time related to the fair value of the easement. Windsor feels that the City has been taking appropriate measures to obtain the easement and has been using the necessary outside assistance of engineering, legal services, and appraisal services.
- Highway 101 Backbone. Another issue that has been discussed is the use of Oregon Department of Transportation (ODOT) right of way along State Highway 101 for a pipeline route. The alignment was evaluated and ultimately recommended by Civil West Engineers in 2018. This was presented to the City Council for consideration at the time. Follow-up analysis by Windsor Engineers in 2019-2020 also confirmed that placing the Backbone along State Highway 101 is the recommended alternative for cost, reliability, flexibility, and community impact reasons. These findings were also presented to the City Council for consideration prior to seeking funding for the three phases of the resiliency program.
- Design Standards and Other Benefits. While new improvements are required to be designed to resilience standards meeting current codes, the design for achieving resilience provides benefits for not only Cascadia level of earthquake, it also provides excellent safety measures against smaller earthquakes, landslides, age related breaks, fires, or other unplanned circumstances that may result in disrupted water supply. These other events may be more likely to occur than the Cascadia Subduction Zone earthquake but fortunately the measures being taken would improve public safety either way.
- Basis for Design Decisions. The regulations that have been put in place by the State of Oregon related to resilience are based on many years of scientific knowledge. Extensive information is available to the City staff, its design professionals, and construction contractors. The professional engineers working on this project are required to follow current codes. Windsor Engineers believe that the current codes do have a good basis in science and are widely followed nation-wide and also in other countries that experience high levels of earthquake activity.



- Pipeline Materials.
 - There have been some questions about whether it is necessary to replace asbestos concrete (AC) pipelines and PVC pipelines. The answer is yes. Many of the existing pipelines are prone to failure in earthquakes, tsunamis, and landslides.
 - High density polyethylene (HDPE) is widely accepted as a common pipe material that reduced risk of failure during these events. Dozens of utilities in Oregon have HDPE installations in their water systems.
 - In addition to HDPE being more flexible to ground movement, since it is welded into a continuous length of pipe, there are far less joints and therefore less leaks as compared to other pipe types.
- Pumping Requirements. There is apparently a perception by some that replacing asbestos concrete (AC) pipe and PVC pipe with HDPE pipe could result in a requirement for pumping. This is not the case. HDPE pipe is very smooth walled. It is being installed at a large enough diameter to ensure that at least as much water can flow by gravity in the future as it does currently. There are no new pumping installations foreseen as part of this project and there are no improvements needed or planned to any existing pumping facilities.
- Repairability of HDPE. One of the features of the current resiliency program is that measures are being taken to provide the City with the supplies needed to enable easier repair of pipe breaks in the future. This will involve parts purchase and storage and training. It will be further addressed prior to completion of the three project phases.
- Demolition of Existing Tank. The existing Main Reservoir can be kept, or it can be demolished. The design team is able to accommodate either decision. It will become a policy decision based on a number of operational and cost factors. Keeping the tank adds flexibility to operations, avoids demolition costs, and provides more storage. It would, however, add an additional asset that requires on-going maintenance if it is not demolished.
- Depth of New Pipeline. The new pipelines will be installed at normal depths. Generally, there is not a need to bury pipelines deeply. Water pipelines are pressurized and do not need to be deeply buried like some gravity sewer and storm pipelines. New pipelines will not be deep in most cases. HDPE pipe will not need to be any deeper than PVC or AC pipe would need to be.
- Hemlock Main vs. ODOT Alignment for Backbone. This was addressed earlier in this memo somewhat, but there have been questions about the selection of pipeline routes. The highway alignment was determined by multiple engineering firms to be less costly and less disruptive than an in-town pipeline replacement project. It also gives the city more operational flexibility to address a multitude of possible pipe failure scenarios. Additionally, the highway is higher and further from the ocean than Hemlock.
- Mode of Tank Failure. There is apparently a misperception by some that the existing tank is more likely to slide downhill intact vs. crumble. This was not found to be the case based upon expert analysis by multiple firms. If the tank moves due to a large



earthquake, it will fail structurally. It is not likely to slide in any direction nor remain intact. Ground movement and water sloshing are projected to cause failure of structural elements of the tank.

- **Alternative Water Source.** There have been ideas presented of an alternative water source such as desalinization. Windsor Engineers did provide a source capacity analysis 2-3 years ago. The analysis did suggest that an eventual study of water sources may be a wise idea. The reason is not because the existing source has been inadequate but rather the reason would be to provide diversity of sources to protect against geologic changes, wildfire, extreme drought, etc. This has not been deemed a current priority and such a study has not been commissioned at this time. However, the water source capacity study did provide background information that will enable a future study to go forward easily should the City decide to do so.

OVERALL CONCLUSIONS

Windsor believes that the projects are on track with regards to schedule, cost, and regulatory compliance. We believe that the City is applying the necessary resources to properly monitor the project and see it through to successful completion.



CANNON BEACH CITY COUNCIL

STAFF REPORT

MICROPLASTICS COLLABORTION PROJECT OSU / PSU

Agenda Date: May 14, 2024

Prepared by: Karen La Bonte, Public Works Director

BACKGROUND

In December of 2023 Tala Navab-Daneshmand, Associate Professor and Associate Head for Graduate Programs at the Oregon State University, and Elise Granek, Professor Environmental Science Management at Portland State University, reached out to the city staff regarding our interest in joining a collaboration project between the two universities focused on microplastics and their impacts to the coastal environment.

The overall goal of this project is to identify feasible, cost-effective strategies to reduce microplastics in coastal watersheds and the resultant effects on marine organisms and ecosystems through practitioner and public engagement.

ANALYSIS/INFORMATION

To achieve the overall goal, one of the objectives of the study is to quantify the efficacy of washing machine filter installation across 15% of a municipality's households in reducing microplastics entering coastal watersheds via wastewater effluent. The study requires sampling both influent and final treated effluent in May 2024, Jan/Feb 2025, and July/Aug 2025. For each sampling period, we will collect three samples, one set every 10 days for one month.

Cannon Beach and Yachats are two coastal areas of interest to the team, and both agreed to participate in the collaborate study.

A brief presentation will be shared tonight to convey the overall project focus and the expected outcome over the course of the study.

RECOMMENDATION

No action from Council is needed at this time.

List of Attachments

None