

Meeting Summary

SE Bend Septic to Sewer Advisory Committee
Thursday, December 7, 2017



CITY OF BEND

Four Ingredients of Affordability: Construction Timing/Phasing; Financing

Attendees:

Advisory Committee

John Barnard	Connie Murray
Bethann Bicknase	Cheryl O'Donnell
Rod Cathcart	Geoff Perry
Frank Fiedler	Charlie Rowles
David Johnson	Frank Turek
Scott Johnson	Jen VanCamp

City Council Liaisons

Councilor Barb Campbell
Councilor Justin Livingston

Staff & Consultant Team

Tom Hickmann, P.E.	Justin Mason, P.E.
Susanna Julber	Adam Conway, P.E.
Anne Aurand	Shawn Koorn
Skip Martin, P.E.	Libby Barg
Sharon Wojda	Clark Worth
Melissa Bradley	Ron Hand
Ryan Oster	
Orrin Libolt	
Elizabeth Oshel	
Kayla Duddy	

Introductions

- Advisory Committee members approved meeting notes for the October 5 and November 7 meetings.

Four Ingredients of Affordability

- Shawn Koorn reviewed the four key ingredients of affordability to be considered by the Advisory Committee:
 1. *Reducing Project Costs*
 2. *Construction Timing/Phasing*
 3. *Financing*
 4. *Affordable for Whom?*
- Libby Barg surveyed the Committee on elements of affordability, using electronic polling technology. Several Advisory Committee members thought the exercise was premature until project cost estimates are available, and the polling exercise was postponed until a later meeting.
- Questions and comments from Advisory Committee members and others:
 - Why can't costs be standard over the entire area?
 - Would it be less costly without curbs, sidewalks and street lights? Tom Hickmann: no improvements are planned, beyond street repaving and replacing what's there now. Afterward, neighborhoods will look just like now.

- Some property owners adjacent to SEI say they were told sewers would be provided.

Ingredient #2 – Construction Timing/Phasing

- Justin Mason and Shawn Koorn presented an overview of how construction phasing can affect project costs:
 - What is construction phasing?
 - How does construction timing and phasing impact the project?
 - What can be done to minimize construction costs?
 - How does this impact financing?
- The project could be constructed in one or more phases. In general, fewer phases will likely reduce the overall time and cost.
- Advisory Committee/public questions and comments:
 - Can the project be built in one year? Justin Mason: Under any scenario, the project will take at least two years to construct.
 - The low bid method is not the best for the neighborhood. Like the SEI project, the City should require community coordination.
 - Will there be a single contractor like SEI, or multiple contracts? Who decides? Tom Hickmann: The City Engineer will decide.
 - Do more phases mean more cost? Hickmann: Yes.
 - The City should start a dialogue early with experienced contractors. Hickmann: That needs to be done within the confines of procurement rules.

Ingredient #3: Financing

- Shawn Koorn presented the various aspects of financing that influence project costs. A major issue is cost sharing. If Bend decides the sewer utility will share a portion of costs, that opens up more financing options.
- Questions and comments:
 - Does cost sharing determine the balance of who pays: sewer utility versus area property owners? Koorn: Yes.
 - Is the project eligible for SDC funding? Tom Hickmann: There's not much opportunity for that with the legal constraints for SDC funding.
 - Does Bend have a strong bond rating? Sharon Wojda: Yes, Aa2
 - Should the area's annexation history be factored into the cost sharing decision?
 - Why should property owners pay both SDC and connection fee?
 - Is a Craft3 loan a market rate second mortgage?

- What would be the rationale for no cost sharing? Without cost sharing, the project would be unaffordable for property owners. Most property owners can't even borrow that much.
- The City has reportedly offered incentives in the past for water hookups.
- Will the Council decide on cost sharing for the entire 2,500 unsewered homes – or just the project area?

Public Comment

Public comment was captured in earlier agenda items. Additional comments:

- Will there be public meetings on these topics? More Advisory Committee meetings?
- What about homes that need pumps? How many are in this category? Can these be mapped?
- Will the City of Bend start looking into sewerage a second neighborhood earlier than planned?
- Why was this area chosen for the City's initial focus?
- What's the solution for the Nottingham area, entirely on pressure systems?
- There are logical community-wide benefits that justify utility customers sharing the costs. LCDC goals require that cities make services available.
- Will the portions of the system on public property be paid by the City? This is a City problem – the City should pay.
- Other areas that were sewerage earlier – why were the costs so much less? Sharon Wojda: more grant funding was available to help offset the costs.
- Comment: allowing public comment during the meetings is working well.

Announcements

- Interim policies were adopted by City Council last week, and there have already been some signups by affected property owners.
- The upcoming January 11 and February 1 meeting dates and venues were confirmed. However, those meetings have since been postponed.