

# Temporary water rate increase explained

by Jim Tierney, Chairman, Vernonia Public Works Committee

This month the city sent out water bills that include a substantial, but temporary, increase of \$11.50 per residential water user each month. City staff and volunteers, and the City Council are well aware that this increase is going to hurt families in Vernonia. I have been asked to explain it. Unfortunately, to be accurate, I need to get a little technical. I will try to keep it simple.

Every city in Oregon must budget and account for its money using a bookkeeping system called Fund Accounting. This requires the city to categorize spending and the revenue that support it, into distinct funds. For example, the city has a water system improvement fund and a water system maintenance fund. Water system development charges (SDCs) are

revenues for improvement, while water rates fund system maintenance. The city is not supposed to mingle the income or expenses from one fund with any other fund. However, if circumstances make it prudent for the city to use assets from one fund to help another fund, the city can lend money, at interest, from one fund to the other – for up to two years. Adherence to these rules is assured by annual audits performed by independent accountants hired by cities to review their books.

This is the first half of the technical stuff The second part is about “loan reserves.” When cities and borrow money from the government or banks, the lenders protect themselves by requiring the borrower to set up and maintain a loan reserve. These reserves are often equal to a year of loan payments. In the case of a really large loan, a reserve could be \$100,000 or

more. If a borrower spends the money in a reserve, for any reason, the loan is in default. I am not certain how many loan reserve funds Vernonia has, but I think there are at least five.

During the 2005-06 fiscal year, the city inappropriately spent money from one of its water system loan reserves to pay off a loan on another project. Last year, city administrator Dick Kline discovered that the city had done this and that we were in violation of both our loan agreement and the fund accounting rules. Vernonia must adhere to the loan agreement by rebuilding this loan reserve fund to \$119,949 by 2009. Because the loan also required that both the payments and the reserve be paid by water user fees, to get out of default and back into compliance, the city had no choice ex-

**Please see page 17**

# Glass named to new city position

From page 1

ing any of this project in the event the committee is unable to raise matching funds. In response, Scott Laird told council that this is a ‘reimbursement’ grant in that funds are spent and then reimbursed, and that the entire amount need not be used if the committee cannot raise full matching funds. Laird said the project would be scaled back if necessary to match available funds. The grant includes the stipulation that the property be maintained for park and recreation purposes, of some sort, for 25 years.

Kline told council that the water flow on Rock Creek has dropped below 12cfs which requires the city to go to the “Second Level of Concern.” (See related article for details.) Councilor Brett Costley asked if the city is reading the water gauge every day. Both Kline and Joann Glass nodded yes,

but neither knew what the day’s reading said.

The budget is now on the city’s new financial software, Kline reported, and that once each department has seen and approved the reports, council will start seeing the new information.

Kline also read a memo from him addressed to Joann Glass: “It is my pleasure to inform you that you have been selected to fill the newly created, full-time position of Administrative and Financial Services Manager/City Recorder for the City of Vernonia. Effective September 16, 2007, you will serve on probationary status for a period of six (6) months, extendable as necessary, until your performance justifies transition to regular status. Your salary will be set at \$2827.17 per month, with an increase available upon successful completion of your

**Please see page 17**

## Community Calendar

SEPTEMBER 2007							OCTOBER 2007							NOVEMBER 2007						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
						1	1	2	3	4	5	6	4	5	6	7	8	9	10	
2	3	4	5	6	7	8	7	8	9	10	11	12	13	11	12	13	14	15	16	17
9	10	11	12	13	14	15	14	15	16	17	18	19	20	18	19	20	21	22	23	24
16	17	18	19	20	21	22	21	22	23	24	25	26	27	25	26	27	28	29	30	
23	24	25	26	27	28	29	28	29	30	31										
30																				

### VERNONIA

Alcoholics Anonymous	Mondays & Thursdays	6:30 p.m., Head Start Bldg.
American Legion Post #119	2nd Thursday	7:00 p.m., 627 Adams Avenue
Arts & Crafts Society	2nd Thursday	2:00 p.m., City Library
Booster Club	2nd Wednesday	7:00 p.m., VHS Library
Boy Scout Troop 201	Tuesdays	7:00 p.m., Scout Cabin
Boy Scout Troop 860	Wednesdays	7:00 p.m., LDS Church
Cemetery Beautification Comm.	2nd Thursday	6:30 p.m., City Hall
CERT	4th Wednesday	For Info Call 503-429-3018
Chamber of Commerce	2nd Wednesday	For Info Call 503-429-6081
Community Coalition	2nd Monday	12:30 p.m. School District Ofc.
Cub Scout Pack 201	Scout Cabin	For Info Call 503-429-4250
Friends of the Library	1st Tuesday	7:00 p.m., Vernonia Library
Girl Scouts, Neighborhood 4-2		For Info Call 503-819-0143
Hands On Art Committee	1st & 3rd Thursdays	4:00 p.m., City Hall
Izaak Walton League	3rd Thursday	For location call 503-429-7193
Lions Club	1st & 3rd Tuesdays	6:30 p.m., Buckhorn Restaurant
Municipal Airport Committee	4th Thursday	7:00 p.m., City Hall
Narcotics Anonymous	Saturdays	7:00 p.m., Head Start Bldg.
Pioneer Museum		For Info Call 503-429-3713
Public Works Committee	4th Tuesday	7:00 p.m., City Hall
Vernonia Cares Directors		For Info call 503-429-1414
Vernonia City Council	1st & 3rd Mondays	7:00 p.m., City Hall
Vernonia Community PTA	3rd Thursday	7:00 p.m., WGS Library
Vernonia Grange	3rd Monday	7:00 p.m., Grange Hall
Vernonia Health Center	2nd Monday	6:00 p.m., 510 Bridge St.
Vernonia Learning Center	1st Wednesday	7:00 p.m., VLC
Vernonia Parks Committee	3rd Wednesday	6:30 p.m., City Hall
Vernonia Planning Comm.	1st & 3rd Thursdays	7:00 p.m., City Hall
Vernonia Pride	3rd Thursday	1:00 p.m., City Hall
Vernonia Ridge Riders	Last Thursday	7:00 p.m., Senior Center
Vernonia RFPD Board	2nd Tuesday	7:00 p.m., Fire Station
Vernonia School Board	2nd Thursday	6:00 p.m., District Office
Vernonia Sr. Center Board	2nd Friday	1:00 p.m., Senior Center
Vernonia Transfer Station	2nd & 4th Saturdays, 8 a.m.-2 p.m.	Behind VHS
Vern. Volunteer Ambulance Assoc.	1st Thursday	7:00 p.m., Fire Station
Vernonia Volunteer Firefighters	2nd Monday	7:00 p.m., Fire Station
WOEC Directors	3rd Tuesday	7:00 p.m., WOEC

### MIST-BIRKENFELD

M-BRFPD Board Business Mtg.	2nd Tuesday	7:00 p.m., Main Fire Station
M-BRFPD Board Workshop	4th Tuesday	7:00 p.m., Main Fire Station
M-B Ambulance Drill	1st & 2nd Thursdays	7:00 p.m., Main Fire Station
M-B Fire Drill	1st & 2nd Wednesdays	7:00 p.m., Main Fire Station
M-B Helping Circle	2nd Monday	7:00 p.m., Main Fire Station
M-B SAR Drill	3rd Wednesday	7:00 p.m., Main Fire Station
M-B Volunteer Assoc.	1st Tuesday	7:00 p.m., Main Fire Station
Natal Grange	2nd Wednesday	7:30 p.m., Natal Grange Hall
T.O.P.S.	Mondays	6:00 p.m., Main Fire Station
Upr Nehalem Watershed Council	For date call 429-2401	7:00 p.m., Main Fire Station

### BANKS

Alcoholics Anonymous	Wednesdays	7:30 p.m., Methodist Church
Alcoholics Anonymous	Wednesdays	7:30 p.m., Methodist Church
American Legion Post #90	2nd Tuesdays	7:30 p.m., Main Street Post
Banks City Council	2nd Tuesday	7:30 p.m., City Hall
Banks Fire District #13	2nd Wednesday	7:00 p.m., Station 13
Banks Library Commission	3rd Tuesday	7:00 p.m., City Library
Banks Planning Commission	Last Tuesday	7:00 p.m., City Hall
Banks School Board	2nd Monday	7:30 p.m., Jr. High Library
Banks Youth Group	Sundays, Wednesdays	7:00 p.m., UMC Youth Bldg.
Chamber of Commerce	1st Thursday	12:30 p.m., Fire District Office
CPO 14	3rd Monday	7:00 p.m., City Library
Friends of the Library	2nd Tuesday	7:00 p.m., City Library
Lions Club	1st & 3rd Mondays	7:00 p.m., Brown Derby
Sunset Park Assoc.	3rd Wednesday	8:00 p.m., Gun Club
T.O.P.S.	Wednesdays	7:00 p.m., Administration Bldg.

### COLUMBIA COUNTY (All meet in St. Helens unless otherwise noted.)

Board of Commissioners	Wednesdays	10 a.m., Courthouse
Citizens for Senior Justice	2nd Tuesday	7:00 p.m., Sunset Park Church
Columbia Soil & Water District	3rd Wednesday	7:30 p.m., NRCS, 2514 Sykes
County Fair Board	2nd Monday	7:00 p.m., Fairgrounds 4-H Bldg.
County Parks Commission	3rd Monday	6:00 p.m., 1054 Oregon St.
Mental Health Advisory Comm.	3rd Tuesday	10 a.m., 2nd Floor, Courthouse
Comm. on Children & Families	3rd Thursday	5:30 p.m. OSU Ext., 550 N. Hwy. 30
Local Alcohol & Drug Plann. Comm.	2nd Tuesday	3:00 p.m., 2nd Floor, Courthouse

Organizations and meeting dates not listed may be included by calling 429-9410 or by mail to The INDEPENDENT, 725 Bridge Street, Vernonia, OR 97064.