

Wednesday, 7:00 p.m.

September 23, 1992

UTILITY RATE REVIEW COMMITTEE
MINUTES

Wastewater Treatment Plant

Newberg, Oregon

The meeting was called to order at 7:00 p.m.

Members Present:

Karlene Ferrell
Clyde Thomas
Gary Hay
Tracy Pinder
Kathleen Charron
Ken Bernard

Members Absent:

Leon Self
Mary Lou Dittman

Staff Present:

Duane R. Cole, City Manager
Bert Teitzel, Public Works Director
Kathy Tri, Finance Director
John Thomas, Utility Manager

City staff reviewed the sewer fund budget. The dollar amount necessary to be raised by rates was \$1,700,000. The total sewer budget is \$2,035,000. John Thomas developed for the committee a method for arriving at the rates which are proposed. Bert Teitzel reviewed the increases and decreases in the 1992-93 budget.

The committee questioned whether conservation would create an increase in the rates. The staff's reply was that there had been some reduction in volume with conservation, but that this is usually a short term phenomena. Water usage during the 1992 summer has been back on track with what it was in the past.

The sewer bonds were refinanced in 1986 and the water bonds refinanced during 1992. These bonds are at approximately 5.5% to 6% today and there is little possibility of refinancing them to achieve an additional savings.

The sewage treatment plant was indicated to be at 30% capacity and with the heavy debt load on the system this creates a problem for the rates.

Mr. Teitzel and Mr. Thomas answered questions regarding the CH2M Hill cost to serve study.

The staff indicated that further analysis and work with the study suggested that some of the assumptions used by CH2M Hill were not accurate. Staff indicated that further work with the model had been based on accurate information. It was also pointed out that by changing the City's billing system, the accurate information could be gathered after the first year.

The committee reviewed various ideas for reducing the rates. These included the following:

- Bond payment placed back in the property tax as of July 1, 1993.
- Monthly minimum charge should be higher for each residence.
- Assess non-profits more and charge a higher minimum to everyone.
- Charge the "sun birds" a higher minimum sewer if they leave during the winter when the averaging occurs.
- Develop the rates based on a monthly minimum in increments from \$2.00 to \$14.00.

It is also discussed that the City provide minimum 100 cubic feet amounts for treatment within the minimum.

Mr. Teitzel indicated that PGE had been contacted regarding upgrading motors and controls at the treatment plant as well as the lift stations. Staff indicated that they would look into saving money on personnel through health plans. No specific recommendations were made in that regard.

The meeting was adjourned at 8:40 p.m.

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