

Thursday, 7:00 P.M.

January 24, 1996

**UTILITY RATE REVIEW COMMITTEE
MINUTES**

Wastewater Treatment Plant

Newberg, Oregon

Members Present:

Brett Veatch
Paula Fowler
Myrna Miller
Donna John-Watson
Karlene Ferrell
Scott Reinhardt
Karl Rolf Buelتمان

Members Absent:

Barry Babin

Staff Present:

Duane Cole, City Manager
Chuck Liebert, Utility Manager
Katherine Tri, Finance Director
Greg Scoles, Community Development Director

1. Call to Order

The meeting was called to order at 7:05 pm by Chairperson Reinhardt.

2. Roll Call

3. Approval of Minutes

The January 10, 1996 minutes were approved as written.

4. Continued Business:

A. Alternative Rate Structures

Utility Manager, Chuck Liebert presented a number of charts and graphs which depicted:

- annual water production
- total wastewater treated

- total water production - August Day and Peak Day

There was then a question from a member of the public as to when the public could participate in the discussion. The Chair noted that although this is a public meeting the opportunity for public comment would be at the public hearing only. The Chair then asked for the committee's desire as to public comment and it was the consensus of the committee to have all public comment at the public hearing rather than at every meeting. It was noted that the public was welcome to attend all the meetings of the committee. The Chair then asked Mr. Liebert to continue with his presentation.

Mr. Liebert then showed additional graphs:

- Water Consumption by Class

There was a brief discussion as to how the winter average was used to calculate the wastewater rates. Myrna Miller asked if the projected rates would be provided with a 3-year projection rather than 10 years as shown. Mr. Liebert indicated he would provide that for the next meeting.

- Distribution of Single Family Usage by Season
- Per person Residential Consumption
- Annual per capita Consumption (all water)

Mr. Liebert then provided the committee with an overview of the major accounts.

- ADEC
- Allen Machinery
- Smurfit

It was noted that Allen Machinery has had a considerable impact on the water and sewer revenues with the closure of their food processing facility.

Mr. Liebert then reviewed the alternative rate modifications and assumptions with the committee. There was considerable discussion by the committee as to the various assumptions used for the alternatives. The committee requested that some additional information be provided related to a potential storm drainage fee, and increase in the S.D.C. for wastewater.

The committee also asked for 3 and/or 5-year projections for the revenues. Since a majority of the costs are related to the operation, the committee requested a review of the budget history for operation costs.

The committee then discussed the Replacement Fund and it was noted that this fund had some flexibility as to what amount is required for the fund. The committee indicated they would like to discuss the replacement fund at the next meeting. In addition, the committee discussed the possibility of directing additional S.D.C. funds to debt service. They would like to discuss the possibility of increasing the S.D.C. to allow for a higher contribution to the Debt Fund.

The committee then reviewed the budgeted capital projects and asked for a priority list for these projects. Staff reviewed all of the budgeted projects with the committee and indicated if the project was either a high or low priority.

Staff indicated that they would bring back additional capital project information for the committee to review at the next meeting. This would include a complete capital project list.

5. Next Meeting Date(s)

The committee agreed to meet on the 1st and 3rd Wednesday of each month.

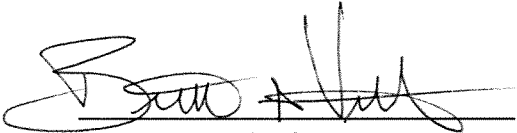
6. Adjournment

The chair adjourned the meeting at 8:55 pm. The next meeting is scheduled for February 7, 1996.

Passed by the Utility Rate Review Committee on this 7th day of February, 1996.

Passed Unanimously.

ATTEST:



Brett Veatch, Secretary