

Wednesday, 7 P.M.

May 27, 1998

**UTILITY RATE REVIEW COMMITTEE
MINUTES**

Wastewater Treatment Plant

Newberg, Oregon

Members Present:

Paula Fowler
Matson Haug
Barry Babin

James Gigandet
Kelli Highley

Myrna Miller
Rebecka Ratcliffe

Members Absent:

Karlene Ferrell

Others Present:

Duane Cole, City Manager
Randy Naef, Utilities Manager
Katherine Tri, Finance Director

Mike Soderquist, Comm. Dev. Director
Roger Currier, City Councilor
Donna Proctor, Mayor Ex-Officio

1. Call to Order

The meeting was called to order at 7:05 pm by Mayor Donna Proctor.

2. Roll Call

Roll call was noted by Kathy Tri, Finance Director.

3. Selection of Officers

Mayor Proctor opened the floor for nomination and election of officers. The officers elected were Paula Fowler as Chair; Rebecka Ratcliffe as Co-chair; and Kelli Highley as Secretary.

4. Selection of Terms for Committee Members

As per City ordinance, each committee member selected his/her preference on length of term. The committee consensus was that Jimmy Gigandet, Myrna Miller and Barry Babin shall serve for 1 year each, Kelli Highley and Mat Haug shall serve for 3 years each and Rebecka Ratcliffe and Paula Fowler will serve for 2 years and Karlene Ferrell shall finish her final year of her 3 year term.

5. Review Rate Setting Process

Mike Soderquist, Community Development Director, reviewed the procedures for the committee as listed in Ordinance No. 95-2418 Section 9 Items 1-14.

There was some question about the relationship of the systems development charges (SDC's) and the water/sewer rates. Duane Cole, City Manager, stated that the SDC's

must be reviewed in conjunction with the rates; utility costs not financed by SDC's must be financed by rates.

6. Review of Notebook & Meeting Schedule

Randy Naef, Utilities Manager, outlined the notebook contents, which included the following sections:

- I. Committee (Committee members roster and the ordinance establishing the committee and outlining its powers, duties and authority.)
- II. Agenda/Minutes
- III. Water
 - Ordinance No. 1040
 - 1990 Rate Study (CH2M HILL)
 - Capital Improvement Program (adopted by Council Resolution No. 98-2097)
 - Financial Information
 - Other (Sales Allocations; Water Consumption Statistics)
- IV. Systems Development Charges (Ordinance 2306; Article; "Development Impact Fees: A fair share formula for Success")
- V. Sewer SDC (Contains all documentation from 1996 meetings)

Mr. Naef asked the Committee to review the notebook in detail over the next week and prepare questions about the notebook contents for the next meeting. He suggested the Committee start by reviewing the 1990 rate study, as well as review the minutes of the 1996 meetings to gain some perspective and background.

There was a question of when policy items such as long term investments, grey water management issues, and other conservation issues should be discussed and applied to the current rate review process. Chair Fowler felt that some of those items would come up in the deliberation of agenda items. Mr. Babin suggested the Committee remain focused on the Committee's charge, which was to discuss rates and SDC's and then to give the City Council a recommendation.

Ms. Tri suggested the Committee take a tour of the City facilities, such as the water treatment plant, well sites, reservoirs, etc. She felt that it would give the Committee members a good understanding of how everything works. Later in the meeting it was decided that the July 28, 1998 meeting would start at 6:00 pm and be devoted to a tour of the City facilities.

7. Review Council Action on Capital Needs for Water System

Mr. Naef reviewed the Council action request on capital needs for the water system. He explained that Council approved an ordinance directing staff to proceed with a strategic plan which included: design and build a reservoir east of Newberg; pursue well 7 and well 8 while conducting preliminary engineering work for development of a new well field in the Gearins Ferry area; design and build the expansion of the water treatment plant; and implement a water conservation/curtailment program.

It was noted that the Committee recommendation of 1996 regarding sewer SDC's was never acted on by City Council due to staff turnover in the Community Development Department.

8. Select Committee Member(s) to be on Consultant Selection Committee

Mr. Naef explained that the City has hired CH2M HILL to finish the sewer rate study that they started two years ago; however, the City still needs to hire a consultant to perform the water rate study. Proposals for that work are due on June 5, 1998, with interviews of the top three consultants to occur the following week. The plan is to have the Finance Director, Utilities Manager, Community Development Director and one or two members of this Committee be on the selection committee. Kelli Highley volunteered to assist with the selection process and her offer was accepted.

9. Adjournment

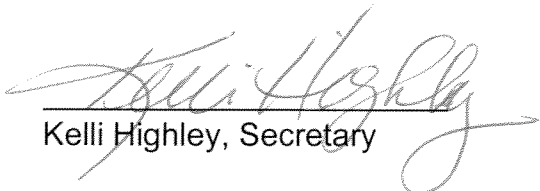
Chair Fowler suggested setting time limits for these Committee meetings. It was decided that the meetings be conducted from 7 to 9 pm. She asked staff to prepare the agendas to adhere to that time frame.

Chair Fowler reminded everyone that Ms. Tri will be present at the June 3, 1998 meeting to discuss all the financial reports in greater detail. The sewer rate consultant will present an outline of the study process at the June 9, 1998 and be available for questions.

The meeting was adjourned at 8:53 p.m.

Approved by the Utility Rate Review Committee on this 3rd day of June, 1998.

ATTEST:


Kelli Highley, Secretary