

Tuesday, 7 P.M.

July 14, 1998

**UTILITY RATE REVIEW COMMITTEE
MINUTES**

Public Safety Building

Newberg, Oregon

Members Present:

Paula Fowler, Chair
Matson Haug

Myrna Miller
Kelli Highley

Barry Babin

Members Absent:

Karlene Ferrell, James Gigandet, Rebecka Ratcliffe, Co-Chair

Others Present:

Duane Cole, City Manager
Randy Naef, Utilities Manager
Chuck Cox, City Councilor
Mr. Highley, Resident

Mike Soderquist, Comm. Dev. Director
Donna Proctor, Mayor Ex-Officio
Bob Tomlinson, CH2M Hill

1. Call to Order

The meeting was called to order at 7:00 pm by Chair Paula Fowler.

2. Roll Call

Roll call was noted by Randy Naef, Utility Manager.

3. Approval of Minutes

Minutes of the June 3 and June 9, 1998 meetings were approved.

4. Sewer Systems Development Charges (SDC's)

Bob Tomlinson, CH2M HILL, distributed handouts of information requested at the last meeting. He then reviewed the system valuation options methodology. There was discussion about the grant monies used in the methodologies. He continued with discussion on the "reimbursement fee" calculation.

Mr. Tomlinson distributed a comparison of the 1996 and 1998 CIP's, each of which showed the five year totals. He listed the 1996 projects that were not included in the 1998 list and explained that those projects were either completed or dropped for some other reason. Mr. Naef mentioned that many projects are held over to be completed the following year, but seldom dropped.

Mr. Tomlinson continued his discussion of the improvement fee calculation. He reviewed the combined (reimbursement plus improvement) fees ("SDC's") under the eight valuation scenarios to provide the range of SDC's that could be used. Based on his calculations the fee scenarios ranged from \$1791 to \$3384 per equivalent dwelling unit (edu).

Mr. Haug felt that the committee should refrain from making a recommendation to council on sewer SDC's until the decision on valuation methodology for water could be made. He felt the methodologies should be consistent between water and sewer or the committee should have a strong basis for deciding them differently. Mr. Tomlinson felt that was a good idea, but stated that, technically, they do not need to be the same.

Mr. Tomlinson stated that he might be able to prepare a draft water SDC's memo to be reviewed at the next meeting to compare with the sewer SDC recommendations.

Mike Soderquist acknowledged that there appeared to be a consensus of the committee to wait until the water valuation methodology option was decided before making a recommendation on the sewer, however, he wondered if they would like to state the option they are leaning toward while it was fresh in their minds.

Mr. Naef stated that the water decision would not be made for a few months and by waiting until that water valuation option was decided to make a recommendation on the sewer, the City would be extending significantly the process and losing revenues. Mr. Babin felt that if it was going to be that long for a decision to be made, then maybe the committee should go ahead and make a tentative decision, although he would like to sit on that decision until the following meeting. Mr. Babin asked how soon after this committee's recommendation would the decision go into effect. Mr. Naef stated that there was a noticing and public hearing process that needed to be followed that would take a couple of months.

Chair Fowler asked for each committee member to voice his/her tentative decision. Mr. Haug stated that he was in favor of the original cost method, but would like to sit on it for two weeks before making a final recommendation, unless there was a strong consensus to make a recommendation. Kelli Highley felt that if the committee recommended both sewer and water at once it would be too much for the council to decide at one time. She also felt that the entire committee should be present when the decision is made. Myrna Miller said she was leaning toward the original cost option. She also felt that a recommendation should be made soon as it takes so much time to get it through the process; however, she did agree that two different scenarios for the water and sewer options could present some problems. Chair Fowler also agreed that a decision should be made soon and felt it would be helpful to review all of the

methodologies so that if the recommendation were challenged, the committee would have a strong basis for defending their decision.

Duane Cole stated that, due to the noticing and public hearing process, the earliest this recommendation would go to council was October.

There was discussion about finalizing the recommendation on July 28 after the City tour. Chair Fowler felt that we need to devote an entire meeting to that decision and she did not feel that we would have time after the tour.

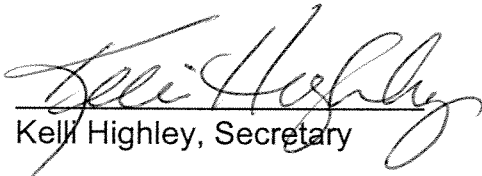
Motion: (Miller/Haug) "to delay the City facilities tour until August 11 and devote the July 28 meeting to finalizing the recommendation to council on the sewer SDC methodology option." Passed unanimously.

5. Adjournment

The meeting was adjourned at 8:58 pm, until the next meeting, which will be held on July 28 at 7:00 pm at the Newberg Public Safety Building.

Approved by the Utility Rate Review Committee on this 15 day of September, 1998.

ATTEST:


Kelli Highley, Secretary