Tuesday, 7 P.M. **July 28, 1998**

UTILITY RATE REVIEW COMMITTEE MINUTES

Public Safety Building **Newberg, Oregon**

Members Present:

Paula Fowler, Chair
Rebecka Ratcliffe, Co-chair
Myrna Miller
Matson Haug
Barry Babin
Kelli Highley

Members Absent:

Karlene Ferrell, James Gigandet

Others Present:

Mike Soderquist, Comm. Dev. Director
Randy Naef, Utilities Manager
Bob Tomlinson, CH2M HILL
Katherine Tri, Finance Director

1. Call to Order

The meeting was called to order at 7:00 p.m. Chair Fowler added "attendance of members" to the agenda. Mat Haug stated it would be helpful to have a discussion on sewer rates to assist with making the decision on sewer SDC's. That item was added to the agenda.

2. Roll Call

Roll call was noted by Kathy Tri, Finance Director.

3. Sewer System Development Charges (SDC's)

Randy Naef responded to the questions that were asked at the last meeting.

Bob Tomlinson reviewed one of the handouts ("System Valuation Methodology Options") that was distributed to the committee at the last meeting. He explained the inflation costs and how to use them in the different calculations.

Mr. Tomlinson then explained how to calculate the number of equivalent dwelling units (edu's) needed to fully pay debt service cost. He mentioned that a 3.6% annual growth increase figure was used in the calculation. There was discussion regarding the accuracy of the population figures used in these calculations.

Chair Fowler opened the floor for deliberation on a recommendation. All present committee members indicated they were in favor of the "original cost" methodology. Chair Fowler was in favor of the "replacement cost new less depreciation" option, as it would provide for a means to replace city facilities in case of catastrophic disaster.

Motion: (Babin/Miller) "Recommend to City Council the original cost valuation methodology for the sewer SDC's". Passed unanimously.

Mr. Haug suggested that we recommend to City Council a plan for periodic review of these SDC's. After extensive discussion, it was decided that the committee meets at the City Council's discretion and it is the responsibility of City staff to inform the City Council when it is necessary to call the committee together to review the issues.

Chair Fowler postponed all water methodology discussions until the meeting following the City facilities tour.

4. Attendance of Members

Chair Fowler indicated that there were two members, Karlene Ferrell and Jimmy Gigandet, not attending regularly. It was pointed out that Mr. Gigandet had a conflict on Tuesday nights and was considering resigning from the committee. As per the committee rules, these people are subject to termination.

Motion: (Fowler/Haug) "To remove both Ms. Ferrell and Mr. Gigandet from the Utility Rate Review Committee and recommend that City Council appoint two new members at their August 13, 1998 meeting". Passed unanimously.

It was confirmed that these individuals could reapply if they were again interested.

5. Sewer Rate Review Process

Mr. Haug restated his point that he thought sewer rates should be revisited along with SDC's. There was much discussion with the theme that they (sewer rates) were reviewed as part of the process two years ago and determined to be adequate. Unfortunately, inaction on the sewer SDC part of the last effort clouded the issue. Ms. Tri reiterated that the sewer rates were currently adequate.

6. Water CIP

It was decided that the water discussion would be postponed until after the tour. Consensus was that the tour would only include one of the active springs because of parking/access limitations and that casual attire and good walking or hiking footwear was recommended.

7. Adjournment

The meeting was adjourned at 8:45 pm, until the next meeting which will be held on September 15 at 6:00 pm at the Newberg Public Safety Building and which will include a facilities tour.

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

ATTEST: Kelli Highley

Kelli Highley, Secretary