

Tuesday, 7 P.M.

March 9, 1999

**UTILITY RATE REVIEW COMMITTEE
MINUTES**

Wastewater Treatment Plant

Newberg, Oregon

Members Present:

Paula Fowler, Chair
Rebecka Radcliffe

Myrna Miller
Dan Schutter

Kelli Highley

Members Absent: Matson Haug Barry Babin Debbie Sumner

Others Present:

Mike Soderquist, Community Development Director

Randy Naef, Utilities Manager

Katherine Tri, Finance Director

Gary Allen, Newberg Graphic

1. Call to Order

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

2. Roll Call

Roll call was noted by Kathy Tri.

3. Approval of Minutes

Highley/Schutter moved to approve the minutes of the February 23, 1999 meeting. Motion passed unanimously.

4. Water Rate Public Hearing

Chair Paula Fowler called the public hearing to order. Randy Naef gave the staff report.

Mr. Naef began by reviewing the rate making process which began in February 1998 with the Water Summit. The Water Summit triggered convening the committee to review water systems development charges, water rates and to finish the sewer systems development charge review. Since September the Committee has been reviewing water systems development charges and rates. He indicated that it has been a consensus building process. He then reviewed the five principles the committee adopted.

Mr. Naef then reviewed the cost of service rate making process. He reviewed the allocations to functions and user characteristics. He reviewed user characteristics. He noted the revenue requirements (budget) and capital needs. He indicated that costs were then assigned to classes of service, depending on the importance of the service to a class. He added that the committee then decided to address conservation issues and identified a new class for irrigation. He reviewed the three parts of the water rate structure. He indicated that the rates represented a true cost of service analysis. Mr. Naef showed how the

proposed rates would impact various customers using different amounts of water. He also showed a comparison with other metro suburban cities' rates. He indicated that the staff recommendation was the cost of service rate structure, including the new irrigation class.

Kelli Highley asked how the rates would be advertised to the customers. The staff responded that through newspaper articles and the next city-wide newsletter.

Paula Fowler then asked for public input.

Jadene Torrent, 304 Myrtlewood Court, spoke. She said water conservation is important and felt the rates did not give the right message on conservation. She hoped the committee would consider a different rate structure in its next review.

Paula Fowler closed the public hearing.

5. Deliberation

**MOTION: Miller/Highley moved to proceed to recommend original cost water systems development charges to the City Council.
Passed 5-0.**

The committee then discussed the city council packet and when they would be able to review it. Staff promised that the committee would be sent the packet by April 1 with comments back by April 8.

They then discussed when they should meet again. It was agreed that they would meet again in October 1999 to review sewer systems development charges and in October 2000 to review water systems development charges and water rates.

6. Adjournment

The meeting was adjourned at approximately 7:43 p.m. until the next meeting in October 1999.

Approved by the Utility Rate Review Committee on this ____ day of _____, 1999.

ATTEST:

Kelli Highley, Secretary