

Tuesday, 7 P.M.

June 10, 2002

**UTILITY RATE REVIEW COMMITTEE
MINUTES**

City Hall

Newberg, Oregon

Members Present:

Matson Haug

Dan Schutter

Members Absent:

Rebecka Ratcliffe

Ernie Amundson

David Maben

Barry Babin

Others Present:

Dan Danicic, City Engineer

Kathy Tri, Finance Director

Shaun Pigott, Consultant

1. Call to Order

The meeting was called to order at 7:05 p.m. by Chair Dan Schutter.

2. Roll Call

Roll call was noted by Kathy Tri.

3. Continued Business

The meeting focused on the issue of credits. Mat Haug was interested in developing a system of credits with quantifiable criteria. Dan Danicic indicated that the City does have a credit system in place to deal with quantity of storm water. Shaun Pigott added that if the City can manage the quantity, it will also be addressing quality. Credit programs are an effective tool for the City to work with property owners/developers. Mr. Pigott suggested the committee again read Issue Paper #3.

Shaun Pigott then reviewed a punch list of 10 agreed upon policies. These include the fact that the City has significant and currently unfunded needs for managing storm water quantity and quality. Second, the NPDES program may require the City to comply with Phase II requirements. Third, the City has three natural systems within its boundaries which should be managed. Dan Schutter questioned how the City would manage the water that comes from the County when the County does not participate in managing stream flows. Shaun Pigott indicated that the City may need to monitor the water which flows into the City. Fourth, the City needs to address a system which is at capacity. Mat Haug asked if the staff could document what happens in a major storm. Dan Danicic indicated that water backs up. Staff will ask Public Works to list the major problem areas in the City. Fifth, the estimated annual needs to manage the system is about \$536,000. Sixth, long term fixes to the system will require a dedicated and consistent revenue source. Seventh, the two primary sources of revenue would be a service charge and systems development charge. Shaun Pigott stated that the estimated systems development revenue would only be around \$46,000 per year. Kathy Tri added that the only way to reduce the monthly fee would be to reduce the budget. Eighth, the revenues would be dedicated to the storm sewer utility and the fees would be related to a customer's estimated use or contribution of runoff. Ninth, the appropriate

measurement is impervious surface. This approach has been upheld in the courts as appropriate. Shaun Pigott indicated that the average household, based on a random sample of 81 single family homes in Newberg, is 2,877 square feet. He stated that he expected it to be somewhere between 2,500 and 3,000 square feet. The split between residential and commercial is 40%/60%, respectively. Based on these facts, the monthly service charge would compute to \$4.14 per EDU and the systems development charge would compute to \$217 per EDU.

The primary point not receiving unanimous committee approval is credits. Mat Haug expressed concern about the need for clear directions. He also added that credits will put the costs of the system back on residential customers. Dan Schutter discussed the university and properties and adjacent roads which drain directly into one of the natural resources. Kathy Tri reminded members that ADEC also drains directly into Hess Creek. Shaun Pigott indicated that credits are not a major focus in other storm sewer systems. State law already requires the city to have credits for systems development charges. Questions to ask are does everyone pay, it is reasonable and measurable, is the City doing it to meet regulatory requirements, and can the City meet maintenance and service commitments, i.e., will someone clean out the catch basin regularly?

At the next meeting it was agreed to review the CIP with a 5 year focus and to review Issue Paper #3 on credits. Members present and staff agreed the June 24th meeting would be the last meeting of the summer and the committee would reconvene in September. Meanwhile, the staff would update the committee's progress to the City Council at the July 17 meeting.

The next meeting date will be June 24, 2002. The meeting was adjourned at approximately 8:30 p.m.

Approved by the Utility Rate Review Committee on this 24th day of June, 2002.

ATTEST:

Barry Babin, Secretary