

Tuesday, 7 P.M.

August 24, 2004

**CITIZENS RATE REVIEW COMMITTEE
MINUTES**

Public Safety Building

Newberg, Oregon

Members Present:

Ernie Amundson	Matson Haug	
Lou Larson	David Maben	Jeff Ratcliffe
Dan Schutter	Lon Wall (chair)	

Members Absent: Blane Hansen

Others Present: Kathy Tri, Finance Director
Jadene Stensland, Utility Engineer
Russ Thomas, Public Works Superintendent
James Bennett, City Manager

1. Call to Order

The meeting was called to order at 7:05 PM by Chair Lon Wall.

2. Roll Call

Roll call was noted by Kathy Tri.

3. Minutes

Haug/Ratcliffe moved to approve the minutes of July 27, 2004 meeting. Passed by those present.

4. Continue Reviewing Storm Water Rates

Kathy Tri reviewed the handouts presented to the committee. She said that since the books were closed on 2003-04, she was able to present to the committee actual revenues and expenses, 2004-05 adopted budget numbers with a comparison to the Rate Study numbers which were put together during the budget process. She also reviewed a breakdown of the 2003-04 Public Works' expenses by program: street sweeping, catch basin maintenance, and ditch/culvert/pipe maintenance. She and Russ Thomas explained that this breakdown was as close as they could come to show how the funds were spent. Mat Haug asked if we could breakdown the difference between residential and non residential. Russ Thomas responded by saying that commercial areas have a higher impact due to higher traffic volume. Pipes and ditches have about the same impact on the system. The oldest pipes are in the oldest part of town and are prone to failure whereas the commercial area is newer and has a larger system more capable of handling the flow requirements. Russ Thomas added that the amount of impervious area affects the number of catch basins required.

Russ Thomas explained that sweeping was preventive; repair of pipes and

culverts was corrective; and capital and good pipe condition was proactive. He added that while the City does not maintain private lots or much of the stream corridors, it did maintain overall responsibility for the whole system. Jeff Ratcliffe asked if the staff worked with the private land owners. Russ Thomas responded positively. He noted that many don't know what to do, don't know about what system is on their property; don't have staff to maintain it; or don't know where the water goes.

Dan Schutter asked Mr. Thomas what percent of sweeping was related to storm water. Mr. Thomas responded that typically street sweeping is more related to storm due to the removal of heavy metals and debris from the storm system and it does help maintain the asphalt. Mr. Schutter also asked if the City would be shifting more costs to the storm water fund. Mr. Thomas noted that as more history is developed, staff will evaluate where costs should be charged.

Mat Haug asked that if various property owners received credit for on site maintenance, where would the savings to the City show up. Jim Bennett responded that it would vary by business – location and type of business. Mat Haug stated that the purpose of credits is to reduce pollution and to improve water quality. Jim Bennett stated that it is hard to judge these generally and the impacts will vary by business. He noted that the Council already took action on the credits and is willing to look at residential credits. Mr. Haug asked if basing the fee on drainage units was still the fairest methodology. Russ Thomas responded positively.

David Maben asked how many private systems existed in the City. Russ Thomas knew of two: A-dec and George Fox University. Fred Meyer's system impacts the City's system. The other two also impact Hess Creek for which the City is responsible.

Leonard Rydell stated that the Committee should leave streets out because it is hard to say who is benefitted most. He agreed that EDU's was the way to go. He encouraged residential credits and recommended encouraging more green space in future developments and good behavior to reduce run off and improve water quality. He recommended adopting a fee schedule which encourages good behavior. Mr. Haug suggested the Council should request the Planning Commission to develop design standards to encourage good behavior. Mr. Rydell added that the City also needs to clean up problems already out there and there should be incentives to fix existing problems as well as develop new standards.

Haug/Larson moved to adopt the Staff recommendation (\$2.44/EDU/month).

Dan Schutter asked the staff if it could develop an even rate for 5 years. Kathy Tri noted that Debbie Galardi did a five year projection and the rate began at \$2.44 and increased to \$4.80 in 2008-09. Staff agreed to have the consultant develop an even 5 year rate. Ernie Amundson asked why can't the City exempt GFU and A-dec. Mat Haug suggested putting them in a separate class. David Maben reviewed A-dec's program. Russ Thomas noted that each has stream impacts. Mr. Maben said that parts of A-dec's system were new and some were not. In the old development, retention was not even thought of and noted that A-dec is willing to pay some. Lon Wall asked about GFU. Dan Schutter noted that many of the GFU properties are treated as single family homes. The university

does take care of the parking lots and catch basins and had a new retention system near the new office building.

Haug/Schutter moved to amend the motion to have staff come back to the next meeting with three user groups: residential, non-residential, and special categories with a fair allocation of costs. Passed 6-1 (Larson)

Mr. Haug stated that he was concerned that the City has two large properties which potentially could have a major impact on water quality. Lon Wall wanted to be sure that the methodology allowed the City to create a third category.

Lou Larson stated that he had problems with singling out two businesses and it could create a public relations problem for the City. The City has to be fair to everyone and someone can always come up with a reason on why they shouldn't pay. There is too much burden on the staff to implement a residential program and the return won't be significant. He was not sure of a public body where private groups are trying to influence public policy – the City needs to be fair to everyone. Mr. Wall supported Mr. Larson's comments.

Mat Haug moved to amend the motion which was withdrawn. He asked about the residential credit program. Mr. Bennett stated that staff was working on a program to be presented to the Council. Mr. Haug suggested the City should develop design criteria with benchmarks. Mr. Bennett added that it was reasonable for the Planning Commission to be a starting place.

The meeting adjourned at 8:25 p.m.

Approved by the Citizens Rate Review Committee on this September 8, 2004

Next Meeting: September 8, 2004