Wednesday, 7 P.M. **September 8, 2004**

UTILITY RATE REVIEW COMMITTEE
MINUTES

Public Safety Building **Newberg, Oregon**

Members Present:

Ernie Amundson		Blane Hansen	Dan Schutter
Jeff Ratcliffe	David Maben	Lou Larson	Lon Wall (chair)

Members Absent: Matson Haug

Others Present: Dan Danicic, City Engineer
Russ Thomas, PW Superintendent
Jadene Stensland, Utility Engineer
Mike Soderquist, CDD Director
Jim Bennett, City Manager
Debbie Galardi, Consultant

1. Call to Order

The meeting was called to order at 7:01 p.m. by Chair Lon Wall.

2. Roll Call

Roll call was noted by Jadene Stensland.

3. Minutes

The minutes of the August 24, 2004 meeting were passed by those present.

4. Continue Reviewing Stormwater Rates

Lou moved to divide the fee to 39% private citizens and 61% business community. The motion was tabled.

Dan Danicic presented the storm water fee, as an even rate, over a five-year period, would be $3.60 per EDU per month. This rate was compared to the incremental rate increase of $2.44/EDU per month in 04/05, $2.98/EDU per month in 04/05, up to $4.80/EDU per month in 08/09.

Dan Schutter supports the even rate and asked what was the reason behind the incremental increase. Dan Danicic said that staff has a full plate so it would take time to have staff resources up to speed. If an even rate was used, the funds would build the reserve account. Ernie asked if the reserve fund could be used to pay other funds. Jim Bennett stated that money cannot be transferred to the general fund. Only in special circumstances could a loan be created between funds and this is not anticipated. Lon Wall stated that the Budget Committee would not be inclined to allow borrowing between funds. Lou Larson stated the reason for the incremental increase was that it is more palatable to the tax payer and assists with the public's ability to pay.

Dan Danicic presented the credit contingency calculations. There are 6858 EDUs. The 10% contingency means that 686 EDUs are eligible. A 50% credit to ADEC and GFU is 310 EDU credits, leaving 375 EDU credits for other businesses. To provide 50% credit for ADEC and GFU as well as have 10% available for other businesses, the contingency would need to be increased to 18% and the even rate would increase from $3.60 to $3.70. If many businesses request the credit, the committee will need to revisit this issue. Staff recommends the 10% contingency at this time.

Lou/Blaine moved to adopt the stormwater fee of $2.44 per EDU per month for FY 04/05 and $2.98 per EDU per month for FY 05/06. Passed 5-2 (Ernie, Jeff)

Dan Danicic discussed the idea of creating a special category for businesses that have a private storm system. This would be difficult since many properties may drain directly into a stream. Staff preformed dye tests at GFU, ADEC and Fred Meyer. The information was presented on site maps. The maps showed how the private systems interact with the public storm system. The green color showed the surfaces that drain directly to the stream and red color shows water collected onsite, but goes to a public storm system before entering a stream. In most cases, the public system was impacted.

Therefore, Dan Danicic recommended revisiting the credit methodology instead of a creating a special category. If the water quality improvement component of the credit was increased from 10% to 20%, this would potentially allow entities to get the 50% maximum credit immediately, without any significant additional capital investment.

Ernie asked if this methodology is fair. Dan Schutter stated that he thought it was fair, but he believes that GFU will only be eligible for about 15% credit. David Maben stated that the older facilities do not have detention so those credits will be hard to get.

Dan Schutter asked for examples of water quality improvements. Dan Danicic stated that the improvement must actually treat the run-off, i.e., constructed vegetative swales and riparian improvements.

Dan Schutter/Jeff moved to amend the credit in the current rate structure, that water quality improvements (item F) shall be increased from 10% to a maximum of 20%, in so long as the maximum adjustment granted under the credit does not exceed fifty (50) percent. Passed 7-0.

Jeff Ratcliffe stated that duplexes should be considered residential and should not be eligible for credit.

The next meeting date will be a public hearing on September 22, 2004 at 7:00 p.m. in the Public Safety Building.

The meeting was adjourned at approximately 7:56 p.m.

Approved by the Utility Rate Review Committee on Sept 22, 2004.