

Tuesday, 7 P.M.

May 12, 2004

**CITIZENS RATE REVIEW COMMITTEE
MINUTES**

Public Safety Building

Newberg, Oregon

Members Present:

Ernie Amundson
Dan Schutter
Jeff Ratcliffe

Matson Haug
Lon Wall (chair)

David Maben
Lou Larson

Members Absent:

Blane Hansen

Others Present:

Dan Danicic, City Engineer
Kathy Tri, Finance Director
Debbie Galardi, Consultant

1. Call to Order

The meeting was called to order at 6:30 PM by Chair Lon Wall.

2. Roll Call

Roll call was noted by Kathy Tri.

3. Minutes

The minutes of the April 20, 2004 meeting were passed by those present.

4. Public Hearing: Sewer and Water Rates

Consultant Debbie Galardi presented the background for the water and sewer rate increases. She reviewed the committee's process, the financial plans, the summary of the cost of service findings and the proposed rate changes. She summarized noting the proposed rate changes for two years, depreciation for each utility was insufficient to avoid future debt.

Mat Haug asked about the depreciation versus the cost of future debt. Ms. Galardi noted that for the sewer system, when the old debt is paid of in the fall of 2004, this money will be available to go to the replacement reserve.

Kathy Tri then explained that the staff recommendation will be an 8% sewer rate increase. Staff concurred with the proposed water rate increase. She noted that if the City Council does not approve the committee's proposal, the committee will need to meet again.

Haug/Maben moved to adopt the sewer and water rate proposals. Passed by those present.

Dan Danicic then reviewed the meeting schedule for storm water. Lon Wall asked if the committee thought he should be at the Council meeting. Haug/Maben moved that the

chair should speak at the City Council meeting. Passed by those present.

The meeting adjourned at 7:00 p.m. The next meeting date will be June 15, 2004 at 7:00 p.m. at the Public Safety Building.

Approved by the Citizens Rate Review Committee on this June 15, 2004.

Next Meeting: Review of Storm Water Rates