

Tuesday, 7 P.M.

July 13, 2004

**CITIZENS RATE REVIEW COMMITTEE
MINUTES**

Public Safety Building

Newberg, Oregon

Members Present:

Matson Haug Lou Larson David Maben
Lon Wall (chair)

Members Absent: Ernie Amundson Blane Hansen Dan Schutter
Jeff Ratcliffe

Others Present: Dan Danicic, City Engineer
Kathy Tri, Finance Director
Jadene Stensland, Utility Engineer
Debbie Galardi, Consultant

1. Call to Order

The meeting was called to order at 7:00 PM by Chair Lon Wall.

2. Roll Call

Roll call was noted by Kathy Tri. There was no quorum

3. Minutes

None.

4. Public Hearing: Storm Water Rates

Debbie Galardi reviewed her handout summarizing the previous committee handouts. She noted that residential customers are projected to have a 22% increase while non residential customers are projected to have a 63% increase before credits. The base rate will be the same for each class.

Mat Haug questioned if non residential customers can sufficiently management storm water on their property to save the City money. Dan Danicic responded that the overall City system still needs to be maintained even if non residential properties are performing on-site maintenance. Kathy Tri indicated that the credits were to encourage on-site management. Lou Larson pointed out that the payback for on-site improvements is too long at this time. However, future developments can move in the direction of reducing storm water run off. Lon Wall added that he felt this was a reasonable starting point. Mat Haug then asked about the credit methodology. Debbie Galardi stated that it was simple, comprehensive, rate balanced and equitable. One hundred percent credits shouldn't be given because certain parts of the system are fixed but the credit does provide an incentive. It is a balance between the City's interest and developers.

Mat Haug asked for a definition of "best management practices." Dan Danicic responded that the language provides flexibility and recognizes future changes in

management practices. Further a property owner can appeal.

Citizen Mike Gougler noted that he sat on the Citizens Ad Hoc Committee. He stated that the committee reviewed design standards and the fee program. He noted three problem areas: (1) City public right of ways and public property, (2) non residential properties (businesses and education institutions), and (3) residences. There are three purposes to the storm water program. These include problem areas which need immediate repair, reducing demand on the existing system and educating the public. He stated that the recommended dollar amount is significantly less than what is needed. He added that residential credits could be added later. At this point it would be too expensive to monitor and manage.

Citizen Leonard Rydell spoke next. He stated that we have created an unlivable community. He drew a graph on the board noting the previous financing of the storm water system and what is now needed. He noted that this fee is unavoidable and is not tied to usage. He also objected to the 20 year CIP and stated that the City needs to think longer than 20 years, such as 50 years. He asked committee members to think about what kind of City they want to live in. He then showed them pictures of various storm water systems, including ditches and house connections. He advocated for narrow streets without curbs. He then reviewed the education program. He noted that sometimes people like some financial reward and suggested setting up a demo house. He wants the City to create an environment to make changes. He recommended a credit for all customers. He suggested an annual check off list for customers.

Mat Haug agreed with the zero run off goal. He expressed support for many of Mr. Rydell's ideas but felt that it will take some time to implement. He noted that we can't control the rain and there is no way to reimburse for street run off. However, credits are a progressive idea. He also noted that the City does have a 50 year boundary for planning purposes. He also challenged the pictures shown by Mr. Rydell. He noted that at the Transportation Task Force meetings, citizens were asking for sidewalks and that there could be ADA issues.

Lon Wall noted that this committee's charge was to develop an equitable rate system.

Mike Gougler stated that he appeared tonight to represent the Ad Hoc Committee's position. He supports the need for resources and recommends to accept the staff report and to begin the improvement projects. He recommended expanding the credit system as we go.

Lon Wall indicated that he had not heard anything tonight to change his position. Mat Haug indicated that he was comfortable with the recommendations and agreed with the goal.

There was a discussion about the legality of the public hearing and the committee concluded that a new public hearing had to be held. Kathy Tri indicated she would poll the committee members and would let everyone know the meeting date.

The meeting adjourned at 8:20 p.m.

Approved by the Citizens Rate Review Committee on this July 27, 2004.

Next Meeting: Public Hearing on Storm Water Rates