Wednesday, 6 P.M. **November 16, 2005**

CITIZEN RATE REVIEW COMMITTEE
MINUTES

Public Safety Building **Newberg, Oregon**

Members Present:

Ernie Amundson	Matson Haug (chair)	Dan Schutter
David Maben	Lou Larson	Chuck Zickefoose

Members Absent: Blane Hansen

Others Present:
Dan Danicic, Public Works Director
Jadene Stensland, Utility Engineer
Paul Chiu, Senior Engineer
Kathy Tri, Finance Director
Janelle Nordyke, Asst. Finance Director

1. Call to Order

The meeting was called to order at 6:05 p.m. by staff.

2. Roll Call

Roll call was noted by Kathy Tri. Chuck Zickefoose was introduced as the newest member.

3. Selection of Chair and Vice Chair

Motion to approve Mat Haug as chair and Dan Schutter as vice chair. Passed by those present.

4. Minutes

The minutes of the September 8, 2004 meeting were passed by those present.

5. New Business

Change to Water Systems Development Charge and Fire Truck Fee for Multi-family residences equipped with fire sprinklers:

Dan Danicic introduced the agenda item. The Council asked the Rate Committee to review the staff request prior to its review and passage. Mr. Danicic explained that a developer wanted to install a fire sprinkler system in a triplex and requested a credit on the systems development charge for the required larger water meter. The request to Council includes making the change retroactive.

Dan Schutter started by discussing the impacts on water demand. He noted that large complexes are not affected. Mat Haug asked why the City did not require sprinklers in all multi-family units. Dan Danicic responded that would require a change to the building code.

Mat Haug stated that the developer is asking the City to subsidize his development. Mr. Danicic responded that the developer is paying for installing the sprinkler system in the complex, including the larger meter cost. Mat Haug argued that the City was subsidizing the developer and he was going to turn around and make more money on his building because of the sprinklers. Ernie Amundson thought the City should encourage more developers to install sprinklers. Dan Danicic stated that the impact to the infrastructure is negligible. He questioned why the City should collect for infrastructure when there was no on-going demand. David Maben felt that it was appropriate to forgive the extra SDC for single family homes. He wondered about large complexes. At what point do you cut off the credit.

Mat Haug suggested that the staff go back to the SDC methodology. Lou Larson stated that sprinklers should be part of public policy. He was concerned about taking money away from the City to save money for a developer. He felt this was in conflict with the purpose of the SDCs. He opposed the staff request philosophically. Mat Haug reiterated that the policy should not be retroactive. Dan Schutter stated that the staff proposal makes sense. The City needs to be sure the charge is proportionate to demand. The City has to charge based on demand on the system. A sprinkler system does not put more demand on the water system. The City system will not be built bigger because of fire sprinklers.

Mat Haug stated that it was the height of greed for a developer to come in afterward and ask for reimbursement. He wants staff to prove that sprinklers in multi-family units do not have a SDC impact. Dan Danicic said that Mr. Haug read too much into the developer's intent. He knew his development would benefit but he did not want to wait for the City to get through the process.

MOTION: Haug/Larson moved to deny the staff's request and to consider the cost allocation of sprinkler systems as a component of the water SDC rate study in a public forum. Roll call vote:

Yea: 4 Nay: 2 Abstain: 0

Review Table of Contents:

Dan Danicic reviewed the proposed Table of Contents for the Rate Review notebooks to be delivered in December. Members asked to have the last rate review studies included. Mr. Amundson asked about the budget information. Staff responded that the budget information would include past history by account.

Meeting Schedule:

Staff reviewed the meeting schedule. No one expressed any problem with it.

Committee Membership:

Staff stated that it was having trouble filling committee vacancies. They suggested reducing the size of the committee from eight members to six. Mat Haug suggested the committee should have an odd number of members, such as seven. All committee members agreed. Staff will propose that recommendation to the City Council.

The next meeting date will be January 4, 2005 in City Hall. The meeting was adjourned at approximately 7:20 p.m.

Approved by the Utility Rate Review Committee on January 11, 2006.