

Wednesday, 7 P.M.

April 5, 2006

CITIZEN RATE REVIEW COMMITTEE  
MINUTES  
Newberg City Hall

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Members Present:

Chair Matson Haug  
David Maben

Charles Zickefoose  
Dan Schutter

Ernie Amundson

Members Absent:

Mike Gouglar

Mike Sylvester

Staff Present:

Dan Danicic, Public Works Director  
Paul Chiu, Senior Engineer  
Russ Thomas, Division Managers  
Kathy Tri, Finance Director  
Janelle Nordyke, Ass. Finance Director  
Kathleen Bochart, Recording Secretary

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**1. Call to Order**

The meeting was called to order by Matson Haug.

**2. Roll Call**

Roll Call was noted by Kathy Tri

**3. Approve March 8 and March 22, 2006 Minutes**

MOTION: Zickefoose/Amundson to adopt the minutes from the March 8 and March 22, 2006 meetings.

**4. Continued Business.**

A. Finish Review of Storm Water Rates.

Dan Danicic presented a staff report. Mr. Danicic stated that Russ Thomas will go over projects that have been completed in the past couple years and go over what is expected to be completed in the future. There have not been a lot of capital projects, it has mostly been maintenance.

Russ Thomas stated that until the storm water fee was started there was no many to do routine maintenance, lines were fixed when the city absolutely had to. Some things that the city has been working on recently is cleaning storm drains, removing mud from the roads and outlets and repairing catch basins, which have not been done for a long time. Something that the department has been working on is reviewing the Comprehensive Plan Map of the water system. Mr. Thomas stated that until now the city has not had the resources to confirm the map. Currently when the city is short on

employees to do a project, they go out and work on the map, confirming what is actually there. It has been found that approximately 50% of the map isn't accurate to what the city actually has. The city has also been doing work to prevent standing water so the West Nile virus does not spread. A new thing that the city has started is an education program, going to schools and local businesses and telling them what the environmental impact is that we cause. The city has currently purchased new manhole covers. It has a picture of a fish and tells people to not dump garbage into the system. This is something that the city is putting in at the new subdivisions and they cost the same as the plain ones. Mr. Thomas discussed

Russ stated that there are side street signs that we are going to be installing this summer. We have also done environmental talks in area schools on the environmental impact from what we are doing. This is something new. In addition to reg maintenance some of the specific things we have dealt with is: Pioneer Court. Storm ditch we have a 36" metal pipe that goes under a driveway and house and was always getting plugged and when it rained it would flood the houses, we dug a ditch interceptor that allows there to be the trash that people do put there but still allows for the water to go through.

Russ stated that they are setting money aside for certain projects. The new well addition, we just put in a new drainage system in that area.

Matson: this major re-routing of the pipe; is that on the master plan at this time.

Dan stated that it was in the master plan.

David: Pioneer; when was that subdivision put in?

Russ: in the 80's,

Kathy its been aggravated from oak knoll division.

Russ the pipe would fill up and the crawl spaces would fill up with water. we opened it up so we can handle the silt and now take care of some of those issues,

WE also addressed some other issues in the area. We rebuilt a curb and in doing so it fixed the problem, it was going over the curb and into yards.

One thing that we have found that is an unforeseen thing is that at Lynn Drive, there was a 36" concrete tile, that the tile has failed. We found it by accident and eventually it is possible that the road could fall in. and it wasn't cheap to repair but it needed to be done. that was about \$5000 repair. Another section that we repaired is that there was a drain interconnector at Oak Drive that came between two homes that was installed 25 years ago. The drain got plugged up by tree roots and was flooding homes and we replaced that and it cost \$18,000. Again something that we couldn't have done previously to this fee.

Kathy: if something like that happened before the fee how would we have dealt with that.

Russ: we would have got it opened as much as we could and if water runs through it then good. Later we would have come back and tried to find money to fix it later on.

Matson: would you walk through the 5 year capital project list with us consequences of doing or not doing.

Russ: the storm water repairs comes under Misc. repairs like the oak drive deal. Hadley Road, that was a project that was just completed. West 9<sup>th</sup>/Charles St. at the intersection the stormwater outfall goes over the bank and into the canyon. We're now at the point that we are going to loose 2 homes if we don't make the repairs and those are expected to be done this year.

Matson: Mike Sylvester made a point that there is a budget, its sitting in here and a project comes up, why don't we use that money to do the project.

Dan: if will have to come from somewhere else, probably the street fund, it's the closest to the storm water. that means that's \$15,000 of pot holes and road overlays that wont be fixed. Also if we didn't have the staff to deal with those projects we would have to take staff from other departments.

Ernie: Kathy told us we cant take money from other

Kathy said you cant use gas tax money for anything else other than street related things. Kathy stated that when we did that we were not able to cover all of the O&M costs in other departments.

Matson: asked Ernie how he would pay for the rates. Concrode coalition, if its unfunded how would you handle the situation, you are suggesting that there are other ways of paying for this.

Ernie said that this is a tax that is not voted on by the people.

Matson asked if you would rater borrow money when you need it or would you rater have it on hand incase something happens. So your preference would be that when these projects need to be done we would borrow the money.

Dan S. These systems have been maintained and built without this fee. Somehow it was done. I suspect that the cost to do it came out of the general fund.

Matson; so when there is a problem we would just go to the general fund and take it out from that.

Dan S. said that the work has been done and it has been done from the money in the general fund.

Kathy said that as far as I know it has always been from water, sewer and street funds. for at least 20 years ago it has not been from the general fund.

Dan S. our city has to figure out how to follow the mandate, the rates have both taken up general fund burder, city hall, eng, city manager. They have been switched from general fund to the rates. It is holding the like on the tazes but not on the work that needs to be done. To have to fee and then to come in and make a rate and make it go up by 20% it not acceptable. I think it's a good plan but as a rate payer I cant not afford that.

David said that he things that what Dan S is right on the spot. I agree with him. Dan asked Russ about the pipe on 9<sup>th</sup> street.

Russ said that it was put in back in the 70's

David asked if it was put in wrong.

Russ said that it wasn't, water erodes and eventually the supporting ground goes away and the pipe falls off, and it continues again.

David: today would you allow the pipe to be intalled that way.

Dan D said that he wasn't sure, but anything you do after 30 years, if you ignore it you are running into the potential of falling apart.

Russ said that the materials and standards were different when the line was put in.

Charles: how was theis done before the rate: it was dererred maintance, they are doing it now, any utility has to have a maintance program to maintain the capital improvements; The waste water treatment came in and gave money to build systems but no money to maintain the facilities. The fact that we have gone a number of years without money to maintain it the system is falling apart. I think you have to have a basis to maintain and keeping the program going. I think that as citizens are fooling ourself if we say that we are going to put ystems in and not provide the funds to maintain them.

Matson: I agree with charles and disagree with david and dan. 20% so we wont be speding more money on them. I hear what you are saying but you aren't getting anything for free around here, and you have to pay for what you have. If you want a decent infrastruacter then you have to pay for it. I f you don't have money for mainaince then it is going to continue to deteriorate. I am uncomfortable with anything less then what staff has proposed.

Russ: in my years (26) working for the city, I can only remember one time that we have replaced a storm water system...we have done many cheap fixes and how many times can you cheap fix a system. We are at the point that things are starting to fail.

Matson: It looks like either a difference: wait until it absolutely has to be done or get money and take care of the projects.

David: in the 27 years were there ay talk about a rate fee.

Russ said there were but it went through to the council and it never passed and have never had the money to cover it. Over the years there has been many talks of how to fix it. Many of these have been in the ground since 1900.

Kathy: what I handed out was a review, staff proposal: covered what was on the 20% increase proposal. Last meeting you asked for 5% increase. Which would take the rate to 3.13 in 2006 and 3.63 in 4 years with a \$ 50,000 \_\_\_\_\_ in the fund. In red are the things we would not be able to do with the 5% increase. We could probably finance one capital project a year, next year it would be vermillion. The 9<sup>th</sup> street would be in 08/09 carlton way would be 09/10. In 09/10 there would be \_\_\_\_\_. So what if we increased 20 this year and 5 each year after that. We would be able to hire one person and do one capital project a year. We wouldn't be doing any extra educations, it would leave us with \$300,000 for capital projects. 3.58 to 4.14 in 4 years. This increase in close to what we did 4 years ago.

10% year one 5% each following year. 102,000 at the end of 4 years. From 3.28-3.79.

2 years ago when we did the rate study we were projecting a 22% rate increase. We are open to what you want to do, we will work with the number and the money available and its up to you to make a recommendation, have a public hearing and then go to council with it.

Ernie: asked if we could make a motion to not raise the rate and look at it in 2 years.

Staff Proposal one, 0 20%/year rate foes from 3.58 to 6.18, cahs balance end of 4 years- 99,095

Committee Proposal 2 5%/year- 3.13 to 3.62. cash calance end of 4 years 3.13 to 3.62.

Staff proposal 2 – 20 in first year and 5 % next 3 years. – 3.58 to 4.14 cash balance 303, 493.

Staff popsal 3 – 10% year one 5% in next 3 years. 3.28-3.79 cahs balace I 4 years 102,237.

**MOTION: Ernie/** to not raise the rates and come back in 2 years and review them in 2 years. (Motion failed for lack of second.)

**MOTION: DAN S./David** to adopt the committee's proposal of 5% per year to the City Council ( 3 Yes/2 No [Haug, Amundson]) Motion carried.

Dan. if the council decided to decide to not take this then they will come back to the CRRC

Zickefoose- Yes

Haug- No

Amundson- No.

Maben- Yes

Schutter – Yes

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**MOTION Charles/Zickefoose** to amend Dan's motion to adopt plan number 1. (Motion failed)

Haug: yes

Maben: no

Schutter: no

Amundson: No.

Zickefoose: No.

Next meeting; april 19<sup>th</sup> water SDC's

Dan D. said that if we are not able to make that date then we will cancel the meeting and let you know.

Charles asked what would be the hold up on that.

Dan D said that this is the first time we have done the model by ourselves and we are waiting for Debbie to get back to us on it.

Matson asked when this would go to city council.

Dan D May 15.

David Maben: are we going to do everything we've passed all at one time.

Dan D said they would and would be effective of July 1.

Motion to adjourn: Charles/Dan S>