

Wednesday, 7 P.M.

May 3, 2006

CITIZEN RATE REVIEW COMMITTEE  
MINUTES  
Newberg City Hall

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**Members Present:**

Chair Matson Haug  
Dan Schutter

David Maiben  
Mike Gougler

Ernie Amundson  
Charles Zickefoose

**Members Absent:**

Michael Sylvester

**Staff Present:**

Dan Danicic, Public Works Director  
Kathy Tri, Finance Director  
Janelle Nordyke, Assistant Finance Director  
Kathleen Bochart, Recording Secretary

**Others Present:**

Barbara Meyer

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**1. Call to Order**

The meeting was called to order by Chair Matson Haug

**2. Roll Call**

Roll call was noted by Kathy Tri

**3. Approval of April 5, 2006 Minutes**

It was moved and seconded to approve the April 5, 2006 meeting minutes. Passed unanimously.

**4. Public Hearing**

**A. Water Rates**

Dan Danicic presented the staff report. He then reviewed the methodology of water rates that are divided into the 4 basic categories.

- Base Cost: Cost to provide water to residents.
- Extra Capacity Cost: Cost to provide peak flow in the summer time.
- Meter Charge Cost: City's cost to maintain existing water meters.
- Service Charge Cost: Billing cost for utilities.

The water rate methodology proposal is for a 5% rate increase within the next two years, which are as follows:

- Current Rate: \$2.34 per 100 CFT
- July 1, 2006: \$2.40 per 100 CFT
- July 1, 2007: \$2.60 per 100 CFT

To determine the proposed increases a rate model estimates all of the costs for the next 2 years for all O & M and major projects costs.

Dan Danicic indicated that the increase will support the 2 positions that will be added in 2006 (1) and 2007 (1), payment of gasoline and electric bills and debt service funding needed for the WTP.

Matson Haug asked if the board would present them selves to the public.

Dan Danicic stated the change in the rate for inside city usage is from \$2.34 to \$2.40 and then to \$2.60 and per 100 cubic feet of water consumed. The change in the outside city rates is from \$3.50 to \$3.60 and then to \$3.89. Each bill has a static fee of \$2.56 for a meter fee and \$1.30 for a service charge.

Kathy Tri stated that the golf course was in a public agency and not an irrigation. The public agency is \$2.18 per CFT and should be \$2.89 per CFT.

Discussion continued regarding the golf course public agency versus irrigation classifications.

**MOTION: Gougler/Maiben** to change the golf course classification from public agency to irrigation classification. (Unanimous) Motion carried.

**MOTION:** To adopt city council action to adopt new water rates effective July 1, 2006. Resolution No. 2006-2641 as amended with changes to the public agency and irrigation classifications. (Unanimous) Motion carried.

## **B. ORD. 2006-2645**

Dan Danicic stated that Aspen Estates had asked for a rate reduction since they put in a water line to city standards. Aspen Estates felt they should receive the inside city rates.

The committee held discussion and Dan Danicic stated that the recommendation would be presented to city council on May 15, 2006.

**MOTION: Gougler/Schutter** to adopt ORD 2006-2645 (Unanimous) Motion carried.

## **C. New Sewer Rates:**

Dan Danicic stated that the sewer rate is broken down into rates, separate charge for multi family units and volume charge which is based on winter water use. Based on those three areas sewer is charged per 100 cubic feet. He stated that the proposed commercial sewer increase is 3%. Dan Danicic explained the water reuse system and that it would be up in 2008.

**MOTION:** Maiben/Schutter to adopt ORD 2006-2642 New Sewer Rates. (Unanimous) Motion carried.

**D. Storm Water Rates.**

Dan Danicic presented the mythology of the storm water rates. After reviewing the O & M cost and capital project costs for the next 2-years the proposed increased for storm water rates is as follows:

- Current: \$2.98
- July 1, 2006 \$3.13
- July 1, 2007 \$3.29

**MOTION: Schutter/Gougler** to adopt Resolution 2006-2643 Adopting NW Storm Water rates effective July 1, 2006 (5 Yes/1 No [Haug]) Motion carried.

**E. Water Systems Development Charges:**

Debbie \_\_\_\_\_ provided handout material and explained how the SDC's were calculated and how everything starts with capacity. She noted that at any point in time the city may have full capacity for treatment but not for storage. The improvement fees in the capital improvement plan are needed to get the system in line for future demands. Debbie stated that the debt service for the reservoir is going to be paid by SDC's and noted the current fee for most ¾" residential customer lines was \$3,604.00.

Matson Haug suggested that the SDC's fee be reviewed every 2-years versus 4-years. Debbie suggested that the city look into collecting a administrative fee to cover the administrative costs that occur.

**MOTION Gougler/Schutter** to recommend to city council to look at water SDCs every 2 years.

Discussion continued regarding the reasonability for reviewing SDC's every 2-years versus other SDC's being reviewed when the master plan is updated.

**VOTE:** to recommend city council look at the Water SDCs every 2 years. (Yes 1 [Schutter] / 5 no) Motion failed.

**MOTION: Gougler/Maiben** to adopt fees and to review fees in accordance with current procedures (5 Yes/1 No [Schutter]) Motion carried.

**Next Meeting:** Date is to be announced.

**5. Adjournment:**

Gougler/Maiben