

Wednesday, 7 P.M.

August 15, 2007

**CITIZENS' RATE REVIEW COMMITTEE
MINUTES**

Wastewater Treatment Plant

Members Present:

Chair Matson Haug
Dan Schutter

Charles Zickefoose
Mike Gougler

David Maben

Members Absent:

Ernie Amundson

Michael Sylvester

Staff Present:

Daniel Danicic, PE, Public Works Director
Elizabeth Comfort, Finance Director

Others Present:

Debbie Galardi, Galardi, Consulting
Steve Abel, Stoel Rives LLP Attorneys
Mike Cerbone, WRG Engineering

1. Call to Order/Roll Call/Introductions

The meeting was called to order at 7:03 p.m. by Chair Matson Haug.

Roll call was noted by Elizabeth Comfort.

2. Minutes

MOTION: Zickefoose/Maben to adopt the August 1, 2007 minutes as modified.
Motion carried.

3. Per Plumbing Unit Cost for Water Information

Dan Danicic gave a brief summary concerning irrigation matters and SDCs. Discussions and questions followed concerning daytime/nighttime irrigation, residential and commercial users, and George Fox University and SCDs.

4. Conclude Water SDC Discussion

Deb Galardi gave a short presentation on plumbing fixture units. She explained the many issues on applying this system, such as a larger meter category for fire sprinkler systems, difficulty in capturing the use for non-residential, and difficulty in tracking when new fixtures are added after permits have already been established. Ms. Galardi continued to explain how the calculations are made. Drainage and water supply can differ and there

are significant variations that can exist within a class of use. Irrigation and residential issues were discussed, including efficiencies and PFUs for irrigation.

Discussion:

Mr. Maben stated he would rather it stay the old way.

Mr. Schutter has concerns for low income housing which needs to be addressed. The perplexity of calculating is not a real concern. The steps between the meters can be huge.

Mr. Haug wants to keep the meter size due to administrative costs.

Mr. Gougler supports the meter size approach and would continue along the lines of what the city has done and evaluate the capacity, giving credit for fire sprinklers. This encourages individuals to use them, which will be advantageous to the city and gives the opportunity to reward businesses for conservation.

Mr. Zickefoose wants to stay with the meter size. Explaining the process and administrative costs to the community may be difficult.

5. Conclude Wastewater SDC Discussion

Deb Galardi discussed the Revised Wastewater SCDs. Questions concerning upgrading the system were asked and Ms. Galardi explained reimbursement fees and how it works discounting the SDCs up front.

Discussion:

Mr. Maben stated the water is fine, but sewer is such an increase. It would be nice to phase it in.

Mr. Schutter feels this committee's responsibility is to have fair distribution of costs. This is fair and City Council should address whether it's phased in over a period of time or not. He is comfortable in presenting this to the Council by evaluating the methodology.

Mr. Haug feels the proposed rates are fair and trying to phase it in will cause a shift of costs to the existing users. Funding affordable housing is a concern and needs to be discussed separately. The City Council should adopt this.

Mr. Gougler does not agree that this is fair. There is a period of time in which the improvements need to be done and burdening people within the first 2 years is unfair. The best approach is to say yes, we agree with the bottom line and the rates need to be assessed without burdening the existing users.

Mr. Zickefoose is in favor of adopting the SDCs outlined. Rather than looking at it as a big jump, it's a lot of savings at the expense of doing things prior to this that needs to be paid for. This is how the community has chosen to do it.

Messer Abel and Cerbone feel that the proposed increase in the Wastewater SDC is excessive at 340%. This will place a significant burden on new development. Such a dramatic change will be politically unacceptable. They propose that the increase be phased in over a period of five years.

Dan Danicic stated it is a big increase in wastewater. The financing has to occur to pay for the improvements which need to be done within the next few years. The policy decisions need to be made by the City council. He asked that a motion be made on whether the economics support the model.

MOTION: Zickefoose/Gougler to adopt both water and wastewater SDCs as proposed. Motion carried.

Dan Danicic will contact Mr. Amundson and Mr. Sylvester concerning future meetings.

The City Council will have a public hearing on November 5, 2007.

Meeting was adjourned at 8:45 p.m.

Next Meeting September 5, 2007, 7 P.M. at the Senior Center.

Mike Gougler stated he will not be in attendance for that meeting.