

**CITIZENS' RATE REVIEW COMMITTEE
MINUTES**

Wastewater Treatment Plant

Members Present:

Dan Schutter Charles Zickefoose Mike Gougler David Maben
Mayor Bob Andrews, Ex-Officio

Members Absent:

Chair Matson Haug (excused) Ernie Amundson (unexcused)

Staff Present:

Daniel Danicic, PE, Public Works Director
Elizabeth Comfort, Finance Director
Deb Galardi, Galardi Consulting
Dawn Karen Bevill, Recording Secretary

Others Present:

Dave Scott, Aspen Estates

1. Call to Order/Roll Call/Introduction

The meeting was called to order at 7:04 p.m. by Vice-Chair Dan Schutter.

Roll Call was noted by Dawn Karen Bevill.

2. Minutes

MOTION: Zickefoose/Gougler to adopt the February 13, 2008 minutes. Motion carried by voice vote.

3. Conclude Biennial Rate Review – Water

Deb Galardi, Galardi Consulting recapped the preliminary findings and additional information requested at the CRRC meeting on February 13, 2008.

Deb Galardi reviewed the nonpotable rate analysis and the preliminary water system 5-year financial plan. The CIP is \$15 million for the major water treatment plant expansion project for just beyond the current planning window and \$3,400,811 as the ending fund balance for the water replacement fund with a 4-year projected rate increase of 12.5% to cash fund current improvements and build financing capacity for the water treatment plant expansion.

Deb Galardi continued on to review the existing and revised rates including the customer classes and current and proposed rates; proposed volume rates for nonpotable at \$3.30 for 2008/09 and \$3.71 for 2009/10. The customer class impacts system-wide for 2008/09 and 2009/10 at 12.50% and the 2007 rate comparison was discussed based on 9.6 ccf per month use.

The fund percentages regarding central services were discussed as well as the central service charges 2007/08 budget.

Water conservation rate structures were reviewed with Deb Galardi explaining that seasonal rates are time-differentiated. The variation of a seasonal rate structure charges two separate rates for water use in the peak versus off peak seasons.

MOTION: Gougler/Zickefoose moved to adopt the proposed 2-year rates with the condition that if the CRRC chooses to meet again during that 2-year period to discuss the implementation of a water conservation rate system, it has that option. Motion carried unanimously.

4. Discussion Regarding Outside User Charges

The committee reviewed the Utility Rate Review Committee minutes from January and February of 1999, as well as the Citizens' Rate Review Committee minutes from February, March, and May of 2006 regarding the outside water user rate. Questions were asked and discussion followed concerning the Newberg City Council's decision on May 15, 2006 to deny amending the City Code relating to water connections outside city limits.

Dan Schutter asked **Dan Danicic** if there could have been a change in the language regarding this matter when presented to the City Council in 2006 that would have brought about a different outcome.

Dan Danicic replied no and explained that the City Council asked him for his recommendation in 2006 which was to not pass the Ordinance.

Mike Gougler stated outside water users need to be annexed into the City in order to receive City benefits.

Dan Schutter stated he felt the CRRC needs to stay on track by first addressing matters of recommendation to be passed on to the City Council in May and then additional matters can be discussed.

The Rate Review Committee agreed that they should first complete review of the wastewater rates before considering outside user charges. This topic may be brought up at the April 23, 2008 meeting after the rate setting public hearing.

Mayor Bob Andrews stated he would like to see the details on the 4-tier system being implemented in the City of Bend.

MOTION: Zickefoose/Maben to adjourn at 8:35 p.m. until the next meeting on March 19, 2008 at the Wastewater Treatment Plant. Motion carried by voice vote.