

**CITIZENS' RATE REVIEW COMMITTEE
MINUTES
City Hall**

Members Present:

Matson Haug (Chair) Charles Zickefoose Mike Gougler Ernie Amundson Beth Keyser
David Maben Mayor Bob Andrews (ex-Officio) (8:30)

Members Absent: Tony Rourke (excused)

Staff Present:

Janelle Nordyke, Finance Director Crystal Kelley, Recording Secretary

Others Present: Hank Grum and Pat Haight

1. Call to Order/ Roll Call/ Introduction:

Chair Matson Haug called the meeting to order at 7:00 p.m. and asked for roll call.

2. Approval of Meeting Minutes:

Motion #1: Zickefoose/Maben moved to approve the Citizens' Rate Review Committee meeting minutes from January 6th, January 20th, and January 27th, 2010 (6 Yes/0 No) Motion carried.

3. Develop a formal policy for giving Grant Funds to non-profits. To include:

- **process for selection and distribution of funds**
- **application deadline (May 31 to give enough time for granting funds?)**
- **process for disbursing funds, and**
- **process for mid-year evaluation of appropriate use of funds with the possible intent of re-allocating unused funds to those non-profits who are better performing.**

Ms. Janelle Nordyke presented the staff report (see official meeting packet for full report). She stated when the City Council approved the new utility rates recommended by the Citizens' Rate Review Committee (CRRC); they requested staff put together a program to help those who need assistance paying their utilities bills. They asked the CRRC to come back together to address their request. If a resident qualifies as low income the City is going to provide them a water audit free of charge. The water audit would help identify areas where the citizen can improve water efficiency which would lower their utility bill. The water audit would also help the citizen decide what might need replacing in their home to reduce their cost for water. The plan staff put together only addresses concerns for low income customers that are responsible for their own utility bills. This does not include those who rent apartments or duplexes. These customers typically do not pay for their own water; it is paid for by the property owners. The City has added additional funds for the low income residential utility bill assistance program.

Ms. Beth Keyser asked why the CRRC was chosen to make these decisions. Ms. Nordyke stated since the CRRC recommended the utility rate increase, the City Council felt the decision would fall under the committee's role. Chair Matson Haug asked for confirmation that all CRRC members were okay with being asked to make the decisions being presented. It was agreed by the CRRC to be a part of the process.

Mr. Ernie Amundson asked where the money for the program is going to come from. Ms. Nordyke stated it will come from the water and wastewater rates equally. Mr. Charles Zickefoose asked what the effective date would be. Ms. Nordyke responded July 1, 2010.

Ms. Nordyke stated the City Council asked staff to come up with a recommendation. Staff felt the most they could offer was a total of \$15,000. The City has advertised the program to the community and has only received one request. It is undecided what will happen with the remaining money, should it not all be used for this program.

Chair Haug asked how much has already been approved for the program. Ms. Nordyke stated the Budget Committee has approved \$7,000. Staff is recommending increasing the amount to \$15,000. Mr. Amundson stated he is confused since they were told when they approved the rate increase that a certain amount of money was needed for projects in the City. Now the City is asking to use some of those funds that have already been spoken for to fund this program.

Mr. Mike Gougler stated the approved rate increase that came from the CRRC was the minimum they could accommodate with the projects the City had planned. He understands City Council wants to ensure the public knows they heard their concerns and are working to respond to their needs. It will reduce the amount of money they have for the capital improvement projects though. The committee has no choice but to come up with a system. When the budget comes up short again, they will have to come up with a way to fund the shortage. Mr. David Maben stated if the money is not used it will stay in the fund and could be available for the other projects they had in mind.

Pat Haight stated she learned from the City Council meeting that people that are hurting the most will not be getting a bill. The City Council asked staff to come up with another option for those who do not get a bill. Ms. Haight feels the City should not be in the social services business.

Chair Haug stated they already have \$7,000 approved for this program. The City Council would like to add funds to bring the funding available up to \$15,000. The resolution has been adopted by the City Council and approved. The CRRC would add another \$8,000 to the funds. City Council will need to come up with a policy.

Ms. Beth Keyser stated even if the CRRC disapproves they are still being asked to come up with standards and regulations for how to distribute the money. She is concerned with how the City is handling her money. Chair Haug stated the CRRC has the option to make any recommendations to City Council that they agree on. Mr. Amundson stated he would like to have the City form a group of three people; one staff person, one City Council member, and one CRRC member to look at each of the requests that come in.

Ms. Nordyke stated the process is to have non-profit organizations submit a request for the funds. Chair Haug asked what the recommendation from staff is on the process that should be used. Ms. Nordyke stated the only recommendation staff has is to set the application deadline for June. Love, Inc. is the only one who used all their money by the June 30 deadline the last time. The CRRC has been asked by the City Council to decide the process. The Council would like to see matching funds. In the past, the City has given the Yamhill County Assistance Program (YCAP) \$1,000 to use. The individuals come to YCAP and ask for assistance with their utility bills. YCAP takes responsibility for distributing the funds.

Mr. David Maben stated with the matching funds, the money left should be divided among those who do not have the funds. They should have to apply by a certain date. May 31 is the deadline for receiving applications. CRRC will look at the applications and determine which ones would provide matching funds since the money will go further with them. Mr. Zickefoose stated his church was acting as a second signer on the vouchers as

requests for funds were received. The Lutheran Church and Newberg Christian Church both used funds last year. The City is keeping track of the money as well.

Mr. Gougler stated the CRRC has discussed moving the application deadline. The process for keeping track of the funds is in place. The process to determine who to give the money to is what needs to be addressed. He likes the idea of having a small committee make the decision. Chair Haug stated he is not comfortable with a small committee making those kinds of decisions. Mr. Maben stated the money should be split evenly between the applicants. Ms. Nordyke stated that is the decision that has to be made. It is the application from the non-profit organizations that will determine who will get the funds. It would make sense to split the amount between the applications that come in.

Chair Haug asked what the time frame is for them to respond. Ms. Nordyke stated they will have until July 31, 2010. Mr. Maben stated they can look at any applications they received last year as well as how much they have already used. Mr. Amundson stated he does not feel they are going to come up with organizations that are willing to offer matching funds.

Chair Haug stated every year they may have a different group of non-profits. After the application deadline the decision of how to allocate the funds would be a brainstorming deliberation based on how they were used in the past. Mr. Gougler stated there are some non-profits that are able to get funds for this type of program. He is not concerned if they can set a condition. If they match the money they will get first priority.

Chair Haug stated he would like to see a public record passed by the City Council. Mr. Gougler stated the best way to handle the funds would be on a first come first serve basis. That would avoid the CRRC from having to make a decision they are uncomfortable with. You split the funds evenly between all the applicants once the deadline has passed.

Ms. Keyser asked why they want matching funds. Ms. Nordyke stated it would give an incentive to the non-profit organizations. Chair Haug asked if the non-profits get a grant for the funding that would be independent of the City. Mr. Gougler stated for the sake of distribution it gets too complicated for a matching option as an incentive.

Pat Haight stated Councilor Bart Rierson sent her an email letting her know the City has decided to give the vouchers to the non-profit organizations. They are discussing how the non-profit is going to qualify. The City should not be in this part of the business.

Mr. Gougler stated they are talking about making a distribution to a non-profit organization. He recommends they make a deadline for May 31. CRRC takes the applications after the deadline and give each applicant equal split of the funds. Mr. Zickefoose stated he is looking at the fact they have given \$9,000 to YCAP. Love, Inc knows the needs in town and can direct them to the right place. They can make it known in the community that the system exists. They have a good network and they do not allow others to milk the system. Mr. Amundson stated it will not look good if CRRC gave all the funding to Love, Inc.

Mr. Gougler stated the money is for non-profits and not just to get money to those who are in need. Every non-profit organization develops an identity with those it serves. Each non-profit needs to be able to establish a reason for their existence. He knows Love, Inc. can do it well but they are asking for multiple non-profits to establish themselves.

Chair Haug stated if you have ten non-profits that all apply there should be a way to measure the size of the organization and have that come into play. Mr. Gougler stated that concept puts them in the position of being a

judge rather than just establishing a policy. The small organization is also justified in receiving money. He still feels the best way to handle it would be on a first come first serve basis.

Chair Haug stated the CRRC will meet again at some point and they can review the program at a later time. If the system is not working they can make changes. Mr. Hank Grum stated the non-profits have the best information on how to distribute the money. Let the organizations decide how to distribute them.

Ms. Keyser asked to have a brief discussion on matching funds. Mr. Maben stated they will be able to reach a lot more people with a matching fund. Mr. Gougler questioned if they include the matching funds, does that mean the person that offers matching funds will get more money than the others? Under a typical grant matching funds works. In this case it does not apply. If you go with the matching funds you have to figure out how much they get. He does not want the only people who get it to be the ones with matching funds. They simply need to state the award would be given to the determined organizations who have submitted a request. Mr. Zickefoose would still like to give all the money to Love, Inc. and allow them to distribute the funds since they have the system in place already.

MOTION #2: Gougler/Amundson moved to approve \$4,000 in funding to be equally distributed among all non-profit applicants with an application deadline of August 31, 2010 and May 31, 2011 and forward. The applicants will be required to present an itemization to the City of who received the funds. A voucher system will be used for distributing the funds. (6 Yes/0 No) Motion carried.

4. Water Audits. Water Audit IGA with ETO for:

- a. financial assistance qualifiers. Coordinate with ETO. City pays fee; and**
- b. non-financial assistance qualifiers (rest of Newberg utility customers). Coordinate with ETO regarding those who wish for an audit. Customer pays estimated cost of \$50 + cost of supplies? Will put on the utility bill?**

Ms. Nordyke presented the staff report (see official meeting packet for full report). In addition to the voucher program, the City will require residents to have a water audit paid for by the City. The City Council has already adopted the idea and this is just information for the CRRC. The customer does not pay anything for this program. The water audit is separate from the non-profit voucher program.

Ms. Keyser asked if they are going to require the water audit once they request assistance from the program. Ms. Nordyke stated they would give them the water audit only if they request long term assistance for their utility bills. It is not just for one request. The City Council stated if the rest of the community would like to have a water audit they will need to pay for the audit themselves. In order to qualify for the \$10 per month utility assistance program they need to agree to have a water audit.

Ms. Nordyke stated the handout in the packet titled "Statement of Work" explains the details of how a water audit will work. Mayor Bob Andrews asked if Conservation Services Group, Inc. is a government organization. Ms. Nordyke stated she does not think it is. Mayor Andrews stated he does not feel they should frighten the public into an audit if they do not need one. You can offer the water audit rather than imposing it on them. If they are getting the funds they should not have to get the water audit. If they are exceeding what would be considered standard usage it should then be mandatory.

Mr. Gougler stated nothing the City does will have a bigger effect on the bottom line than water conservation. He does not have a problem requiring the water audit. The more opportunities they have to find problems the better. They should refer to it as a water conservation assistance visit rather than an audit. They will look at the

age of the facility first and determine if the water meter is running. The person doing the audit will know right away what areas need to be looked into. They should not force the audit on those who are in need of assistance. It should be looked at as an award to them rather than mandating it.

Mr. Maben stated if they wanted to advertise it for the rest of the City they can offer it to them at a rate that would be publicized. That would give those getting the assistance a chance to see the real value in what they are receiving. Ms. Keyser stated it should be mandated but packaged in a way that makes them feel they are being given a gift rather than being forced to take part in the audit. Ms. Nordyke pointed out the City will be offering the water audit for \$50.00 and the cost of supplies to others in the City who are not taking part in the utility bill assistance program. It does not cost the City anything if the citizen chooses to pay for the audit.

Chair Haug stated when they apply for the assistance if the water usage is 10% more than the average usage they need to have a water audit. Mr. Gougler stated in order for a program to be successful you have to keep it simple. Who will determine what the average usage would be since it can be based on how many are in the home and the normal water usage for that family? The best judge would be the age of the structure. Mr. Zickefoose stated he likes the plan of stating it as a benefit to the customer rather than a mandate. When they agree to the assistance program they volunteer for the water audit. Mayor Andrews stated he is not clear where they indicate it would be mandated. He does not feel the City Council stipulated it should be mandated. Ms. Nordyke responded in the application marked as Exhibit A which was adopted with Resolution 2010-2902.

Chair Haug asked the CRRC if they would like to recommend it become mandated or would they like to have it be voluntary. Mr. Amundson stated he would like to have them state if they refuse the audit after a certain amount of time, the assistance could be withdrawn. Mr. Gougler stated if the residents want money, he thinks the City needs to be allowed to evaluate the water conditions in their home.

MOTION #3: Gougler/Keyser moved to recommend to City Council to approve the water audit with minor changes to the application form. Also to change the language from water conservation audit to water conservation assistance visit. The visit will be a condition of receiving the assistance. (6 Yes/0 No) Motion carried.

- 5. Discuss ways for other Newberg utility customers who do not have a utility account to be eligible for financial assistance, such as:**
- **apartment complexes; and**
 - **mobile home parks.**

Mr. Gougler stated he would recommend they table this item on the agenda for a meeting at a later time. Mr. Amundson asked how urgent the issue is. Ms. Nordyke stated the decisions have to be determined by the end of September. They can schedule something for the first or second Tuesday in September to discuss this item. It was agreed they would discuss this issue at the next meeting which will be scheduled for sometime in September. Ms. Nordyke will send out an email to schedule the next meeting.

6. Questions:

There were no further questions from the CRRC.

7. Adjournment:

The Citizens' Rate Review Committee meeting adjourned at 9:15 p.m.



Recording Secretary



Citizens' Rate Review Committee Chair