

CITIZEN'S RATE REVIEW COMMITTEE
MINUTES
City Hall

Members Present:

Chair Tony Rourke
Charles Zickefoose

Mike Gougler
Demetri Tsohandaritis

Ernie Amundson
Mayor Bob Andrews (Ex-Officio)

Members Absent:

David Maben (excused)

Beth Keyser (excused)

Staff Present:

Janelle Nordyke, Finance Director
Rob Charles, PW Director
Sonja Johnson, Environmental Specialist
Crystal Kelley, Recording Secretary

Others Present:

Jim Keller

1. Call to Order/Roll Call/Introduction

Chair Tony Rourke called the meeting to order at 7:00 p.m. and welcomed the new Citizens' Rate Review Committee members.

2. Appoint Chair and Vice Chair

MOTION #1: Gougler/Tsohandaritis moved to appoint Ernie Amundson as Vice Chair (5 Yes/0 No) Motion Carried.

MOTION #2: Gougler/Amundson moved to appoint Tony Rourke as Chair. (5 Yes/0 No) Motion Carried.

3. Approval of CRRC Minutes from July 13, 2010 and September 7, 2010

MOTION #3: Rourke/Gougler moved to approve the CRRC minutes for July 13, 2010 and September 7, 2010 (5 Yes/0 No) Motion Carried.

4. Residential Storm Water Program

Mr. Rob Charles presented the staff report (see official meeting packet for full report). Jim Keller has requested credits through the stormwater program. He is looking for 100% credit through the program. Mr. Ernie Amundson asked if the comparable program figures presented are for residential customers or residential and commercial customers combined. Mr. Charles stated they are for the combined customers. Mr. Keller asked if the figures are for new stormwater. Ms. Sonja Johnson stated they are. She stated the City provided a free guide from Oregon State University to the citizens. The guide can be found on the water conservation table in City Hall. Mrs. Janelle Nordyke stated there are only two businesses that are currently taking advantage of the

credit program. The local businesses are A-dec, Inc. and George Fox University (GFU). Mr. Keller asked why A-dec, Inc. and GFU get the credit. Ms. Johnson shared A-dec, Inc. is eligible due to their work in public outreach. They send their stormwater through the spoil allowing them to take advantage of 50%. GFU has infiltration techniques on site. They do not get 100% of the credit. The maximum is 50% for commercial customers and 35% for residential customers.

Chair Tony Rourke asked how much of the fee is attributed to maintenance. Mr. Charles stated they did not have a breakdown of that. It is hard to break out that piece without looking at it on a case by case basis. Mr. Amundson asked if they are looking to change the policy in response to Mr. Keller's request. Mr. Charles stated the 35% credit opportunity was not afforded to him. They are here to talk about a request by Mr. Keller for a 100% credit program which would change the current program. Staff does not feel Mr. Keller's request is reasonable.

Mr. Mike Gougler asked Mr. Keller to give the details in regards to his request. Mr. Keller stated he has a total of 9.5 acres with paved streets and catch basins. They route the run off to the back of the property and it filters out across the lower pasture and empties out into Chehalem Creek. In the last 5 years they have paid over 7 thousand dollars in fees and they are not using the system. He rents the spaces to the tenants and they own the units. The water, wastewater and garbage are included in their rent. There are 46 dwelling units on his property. The units he owns are sitting on gravel and cement.

Chair Rourke stated he is assuming Mr. Keller's property is zoned developed non-single family property rather than commercial. Ms. Johnson stated Chair Rourke is correct and Mr. Keller would qualify for the 50% credit. Mrs. Nordyke stated rental units are not considered commercial property. Mr. Gougler stated the charges are created as a benefit to the user. Mr. Keller stated it is a user fee rather than a tax. Mr. Gougler stated it is not a fee that can be assigned to the direct use of stormwater. In order to get to his property Mr. Keller goes onto property that has stormwater benefits. Mr. Keller agreed that is correct. Mr. Gougler stated the fees are a way to spread the burden of draining the entire City. He agrees Mr. Keller is entitled to a credit. He feels the fee is similar to a tax but is a way of trying to assess the tax to allow some control over it.

Mr. Gougler stated the City has a new standard they have to meet with regards to stormwater. Ms. Johnson confirmed the City will be included in the new standard. Mr. Gougler stated he feels the CRRC needs to pay attention to having private lots maintain their catch basins and do their own detentions. Mr. Charles agreed it is a partnership that benefits both parties. Mr. Gougler stated when people do not apply for credit with the city we have no way of knowing what they are doing. Just sweeping the parking lots creates a benefit to the downstream water. The City would have information they need when someone makes a request for the program. They would then be able to have them fill out the needed paperwork which would benefit the City by helping them comply with DEQ. Chair Rourke stated they are here to determine if the numbers are good or if they should change the policy to 100%. Mr. Charles stated staff recommends they stay with the current program.

Mr. Gougler recommended they stay with the current credit program. Mrs. Nordyke stated this is the first time the CRRC has seen the residential stormwater credit program. They did discuss the details involved in the program in prior meetings. Staff will work directly with Mr. Keller to get his application into the City for the credit program. Mr. Gougler stated the role of the CRRC is to determine if they want to make a recommendation to modify the ordinance based on Mr. Keller's request.

MOTION #4: Gougler/Amundson moved to reject Mr. Keller's request to modify the program and recommend he work directly with the City on his request for credit. They also recommend the City leave the residential stormwater credit program as is and reject the request to modify the ordinance. (5 Yes/0 No) Motion Carried.

5. Rate Discussion for Wastewater based on CWSRLF Loan Received

Mrs. Janelle Nordyke presented the staff report. When the City passed the recommended rates for wastewater they discussed the possibility of free money from DEQ. They applied for a state loan and received a loan for \$11.5 million at 3.38% interest. The cost of the debt was figured at 4-5% in the last discussion. If the City did not get the free money they would stay with the rate increase of 16.9% which was recommended to the City Council. The City did not get the free money but did get a loan with a lower interest rate. The City is not planning on spending the full amount that was offered for the loan. The recommendation from staff is to leave the rate increase at the recommended rate of 16.9%. Chair Rourke stated the CRRC can't determine the financial impact for every percentage change in the interest rate of the loan. The City will only borrow what they are going to spend. The line of credit is up to \$11.5 million. The application is going before the City Council on February 7, 2011 to get approval to accept the loan. The 16.9% increase includes making payments back on the loan which will be less than originally projected.

MOTION #5: Rourke/Amundson moved to recommend the City does not change the rate increase that has already been agreed upon by the CRRC of 16.9%. (5 Yes/0 No) Motion Carried.

6. Utility Billing Assistance Program

a) Update on CSG water audit contract

Mrs. Janelle Nordyke presented the staff report (see official meeting packet for full report). The CSG water audit contract can serve as a third avenue for the City to provide residents who are responsible for their own utility bill more than one type of assistance. They have put together a program for water audits which is being sent to the City Attorney to ensure the contract is ready and it will then be implemented. There is nothing for the CRRC to vote on with this matter. It is on the agenda tonight as an informational item only. The contract is for low income residents who can get a 5-10 dollar credit per adult. Staff has already recommended the residents use the program. Ms. Johnson stated the water audit contract will help residents reduce their water usage which will also help them lower their utility bills. The CSG will invoice the City for what they do in addition to a charge of \$20 per household for the assessment and \$12 for the shower heads. The City will only be billed half the fee for the shower head and the total amount of \$20 for the water audit. The City has already seen 9 residents apply for the program as of today.

b) Update on non-profits/YCAP

Mrs. Janelle Nordyke presented the staff report (see official meeting packet for full report). It has become clear most residents will not go to a church and ask for assistance with their utilities but they will usually go to Love, Inc. Residents will be asked to sign up for the program which will allow them to get help up to three times. Chair Rourke recommends staff track how many people come to the City for assistance. It will help him determine later how to respond to the requests. Mrs. Nordyke stated YCAP has 3-4 different people who look at the applications they receive. It is up to them to monitor the money. They will get a maximum of \$9,000 and they can use it until they run out. Chair Rourke stated he also recommends the CRRC review the military credit dollar amount before they meet again. Mayor Andrews asked staff if the City has sent any advertisement to the military for the program. He stated they should make contact with the military department and make it known. Mrs. Nordyke stated they have not at this time. Chair Rourke stated they will send a recommendation back to staff to review the dollars in the military program similar to Love, Inc. They will also need to decide if they want to attach any additional strings. Mrs. Nordyke stated if they send out applications again in May and the same churches send in an application they will have to decide what they will do with the applications. Staff

sent the information to apply for the program to every non-profit organization in the City even if they do not offer assistance with utilities.

c) Options for utility relief for renters

Mrs. Janelle Nordyke presented the staff report. The CRRC has discussed the utility relief for renters in the past. They discussed at that time how they distribute the vouchers. Staff could not think of a way to give out the vouchers so they tabled the issue to allow the CRRC to review it later. Mr. Gougler stated the utility relief program is not a wealth distribution program. The City has to determine what would make a renter want to ask for an audit. Mayor Andrews stated they may be able to identify waste opportunities for renters. Chair Rourke stated in order to get a renter to make the phone call they have to provide an incentive to the renter since they do not pay a water bill. The City can give them something as a thank you for saving the City money and fixing the problem. Mr. Gougler stated if the City has a good database of the landlords in the area they can target them for the incentive. Chair Rourke stated the CRRC wants to effect change for conservation purposes. Mrs. Nordyke stated the City does have a database with the Landlords in the area. Mayor Andrews asked how many of the landlords are paying the utilities. Mrs. Nordyke stated they do not have that information broken down at this point. Ms. Johnson stated part of the program is education to the landlords. Staff created a brochure to show landlords how quickly the pay back is for them when the water usage of the renters goes down. This portion of the agenda is for information only and does not require any action from the CRRC.

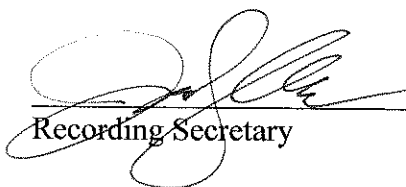
7. Questions

Chair Rourke asked the CRRC if they would like to meet prior to the non-profit letters going out for the Utility Assistance Program to discuss the policy. It was agreed by the CRRC they would like to assign rules once they get the applications back. He would like to have them consider meeting the end of June to review the applications. Mrs. Nordyke stated she would update her calendar to reflect that change.

8. Adjournment

The meeting adjourned at 9:11 p.m.

Approved by the Citizens' Rate Review Committee on this 14th day of September 2011.



Recording Secretary



Citizens' Rate Review Committee Chair