

**CITY OF NEWBERG
CITIZENS' RATE REVIEW COMMITTEE
WEDNESDAY, MARCH 5, 2014
7:00 PM MEETING**

PUBLIC SAFETY BUILDING TRAINING ROOM (401 EAST THIRD STREET)

I. CALL MEETING TO ORDER

Vice Chair Blair Didway called the meeting to order at 7:07 PM.

II. ROLL CALL

Members Present: Blair Didway, Vice Chair Ernie Amundson Helen Brown
Rick Rogers Charles Zickefoose
Mayor Bob Andrews, ex-officio

Members Absent: Tony Rourke, Chair (excused) Mike Gougler (excused)

Staff Present: Lee Elliott, City Manager, Pro Tem Janelle Nordyke, Finance Director
Jay Harris, Interim Public Works Director DawnKaren Bevill, Minutes Recorder

Others Present: Robert Soppe and Donald Guthrie

III. PUBLIC COMMENTS

Vice Chair Didway opened the public testimony.

Mr. Robert Soppe stated the summary of springs rate options should have been made available to the public before the meeting tonight as it is difficult to comment when there has been no time to review the material. In 2008, the Newberg City Council established a spring's customer class. It was very clear at that meeting that the rates for this class were to cover all expenses attributed to the springs system other than a 50% allocation of the capital improvement project that was near to be undertaken. It was also made clear that the phasing of rate increases would not change the standard. Mr. Soppe asked if Option B is completely consistent with this mandate; both for the expenses since it was established and for the future including opportunity costs.

IV. CONTINUED BUSINESS

1. Water, Wastewater, Stormwater Town Hall debrief

Ms. Janelle Nordyke, finance director, referred to the February 25, 2014, draft minutes regarding the water, wastewater, and stormwater town hall discussion and asked the committee for any comments or questions. Nothing was brought forward.

2. Decision of Springs Rates for Town Hall

Vice Chair Didway reviewed the three options regarding springs rates and asked for questions or comments.

Rick Rogers asked the impacts on the rates of a typical user based on Option B. Ms. Nordyke is not sure. He also asked if the single year or two-year payback is new. Ms. Nordyke replied a sample bill based on 10 cubic

feet a month would be \$132.71 at 100% corrosion control or \$118.11 at 50% corrosion control. She is not sure if the two-year payback is new.

Mr. Harris answered Mr. Soppe's question regarding whether Option B is consistent with the 2008 resolution for full cost recovery. Options A & B are both consistent with the 2008 resolution, but Option A does not have the corrosion control project in it.

Mr. Donald Guthrie stated he has been in meetings with the city, city manager pro-tem, and city engineer. The spring's customers were told they could have an extension until March 18, 2014, for the spring's customers to proceed with a formal motion, a second motion to the city council. They want to give a formal motion to city council for review and vote. Springs customers oppose Options A, B & C. Mr. Guthrie asked if a placeholder could be made so that they will be able to come back with a formal option prior to March 18, 2014, so the CRRC knows there is another motion coming. Mr. Harris stated this committee can modify motions as long as it meets the 2008 resolution.

Ernie Amundson asked staff if a motion could be prepared and emailed to the CRRC by March 16, 2014. Ms. Nordyke replied, yes, as long as it is received by March 16, 2014.

Vice Chair Didway called for a four-minute recess at 7:26 PM.

Vice Chair Didway stated there will be another option presented by the spring's customers before the springs town hall meeting on March 18, 2014.

Mr. Rick Rogers stated the three options are not the only options. Option A is calling for a dramatic increase in operations and maintenance by 100%; calling for an increase in pipe replacement and is including the amount of cost overrun that the city did not correctly project in the budget. Even with these options, the least of the options presented is a 58% increase for a small group of users. Option B is looking at 102% and Option C at 80%. The rest of the city users are only going to have a 7% increase. He does not believe and thinks it unfair the cost overrun needs to be funded by 65 users and the doubling of the operation and maintenance budget needs to be reviewed. The spring's customers have not doubled the city costs. 58% is extraordinarily high. .

3. Discussion on the Springs Town Hall format

Mr. Charles Zickefoose asked if staff has a recommendation regarding the format. Mr. Harris stated the city attorney should be in attendance regarding the decision. Staff needs his input regarding a recommendation not consistent with the 2008 resolution.

Mayor Andrews stated three options can be carried into the hearing on March 18, 2014, and at the same time the committee can be committed to reviewing and honoring a fourth option that the springs customers plan to bring to the CRRC by March 16, 2014. Recommendations can be made during deliberations on March 18, 2014.

MOTION: Zickefoose/Rogers moved to consider the three options presented by staff plus a fourth option presented by the spring's customers at the town hall meeting on March 18, 2014, while following the town hall meeting procedure. Motion carried. (5 Yes/ 0 No/ 2 Absent [Rourke, Gougler])

V. ADJOURNMENT

The Springs Town Hall/Public Hearing is scheduled for Tuesday, March 18, 2014, at 7:00 PM at the Public Safety Building.

The meeting adjourned at 7:46 PM.

Approved by the Citizen's Rate Review Committee on this 2nd day of April, 2014.

Matt Zuck 12-3-15
Citizens' Rate Review Committee Recording Secretary

[Signature] 12-3-15
Citizens' Rate Review Committee Chair

Minutes ~~are~~ signed by current Chair & Secretary on 12/3/15
due to no signature obtained when approved by CRRC.

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