

City of Newberg

Rate Review Meeting Minutes

February 24th, 2026

Call to Order

Chair Ned Knight called the Rate Review Committee meeting to order on February 24, 2026, at 5:32 PM.

Roll Call

Staff Natali conducted roll call with the following members present: Inen Buerkle, Mary Meyer, Leisha Adams, Derek Duff, Ned Knight, Ron Sinicki, and Roger Kuhlman. Absent: Derrick Wharff, Raquel Peregrino de Brito, and Peggy Kilburg (excused).

Pledge of Allegiance

The Committee participated in the Pledge of Allegiance.

Public Comments

City Staff Natali reported no public comments were received.

Public Hearing

Rate Review Town Hall

Chair Ned Knight opened the public hearing for the Rate Review Town Hall regarding proposed rate increases for 2027 and 2028. No declarations of conflict of interest were made.

Consultant Deb Gallardi from Gallardi Rothstein Group presented the comprehensive rate review analysis covering four infrastructure systems: wastewater, water, storm water, and transportation. The review process evaluated financial needs including capital improvements, debt service, operation and maintenance costs, and reserves against available revenue sources.

Wastewater System: Currently generates \$11 million in revenue. The system faces a major \$35 million oxidation ditch treatment plant project requiring use of existing cash reserves (\$14 million), systems development charge reserves (\$15 million), and a \$6 million internal loan from the Water Fund. The recommended rate increase is 4.1% annually to address inflation and support capital expenditures while utilizing reserves to minimize rate impacts.

Water System: Generates approximately \$8 million in revenue. Near-term improvements include \$6.6 million for House Bill 2001 compliance requirements. A major \$45 million water treatment plant is projected for 2033-2035, with approximately \$32 million anticipated to be funded through a property tax-supported bond. The recommended rate increase is 5% annually.

Storm Water System: Generates \$3 million in revenue with a 5-year capital improvement plan totaling \$6 million. The rate increase recommendation was reduced from the previously projected 6.5% to 4.5% annually due to favorable market conditions for pipe projects and refined capital cost evaluations.

Transportation Utility Fee: Generates \$1.45 million dedicated to pavement maintenance and preservation. The recommended increase is 4% annually to maintain pace with transportation-specific inflation as measured by the Engineering News Record Construction Cost Index.

City Manager Will Worthey noted that no major capital improvements of similar magnitude are anticipated in the 5-10 year horizon beyond those addressed in this rate cycle.

Public Comments

Chair Ned Knight reopened public comments. No additional comments were received.

Public testimony was received from Jim Talt, who praised the comprehensive presentation while providing feedback on slide formatting inconsistencies, and Robert Soppe, who raised questions about fixed versus variable rate structures, comparisons to other jurisdictions, and the preference for revenue-secured bonds over property tax bonds for the water treatment plant project.

Rate Review Committee Recommendations

Staff Liaison Kady Strode presented staff recommendations: 5% annual increases for water (both years), 4.1% annual increases for wastewater (both years), 4.5% annual increases for storm water (both years), and 4% annual increases for the transportation utility fee (both years).

Committee Member Ron Sinicki discussed the balance between maintaining essential services and managing affordability challenges, noting the city's proactive cost management and utilization of available economic relief programs. He emphasized that the recommended increases represent necessary responses to inflation and capital needs while maintaining fiscal responsibility.

Committee Member Roger Kuhlman inquired about future rate structure reviews. Consultant Deb Gallardi confirmed that comprehensive rate structure evaluations typically occur every five years, with the current process focusing solely on rate levels rather than structural changes.

Committee Member Leisha Adams raised questions regarding the proposed water treatment plant bond financing and expressed preference for revenue-secured bonds over property tax bonds for equity reasons.

Discussion addressed the communications officer fee elimination in 2027, providing a \$2.78 monthly reduction that partially offsets rate increases. City Manager Will Worthey indicated continued focus on debt reduction strategies to provide future rate relief.

For a typical residential customer, the combined utility bill impact would be a \$5.12 monthly increase in 2027 (2.8% total increase) and \$8.26 monthly increase in 2028 (4.4% total increase).

Motion: Committee Member Ron Sinicki moved to accept the staff recommendations for rate increases as presented. Committee Member Leisha Adams seconded the motion.

Vote:

- Committee Member Ian Buerkle: Aye
- Committee Member Mary Meyer: Aye
- Committee Member Leisha Adams: Aye
- Committee Member Derek Duff: Aye
- Committee Member Ned Knight: Aye
- Committee Member Ron Sinicki: Aye
- Committee Member Roger Kuhlman: Aye

Motion passed unanimously.

Next City Council Meeting – March 2nd

Staff Liaison Kady Strobe noted that City Council will receive an informational presentation on March 2nd, with the official public hearing and vote scheduled for March 16th.

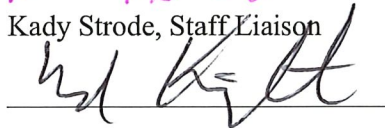
Adjournment

Chair Ned Knight adjourned the meeting.

Attested by:



Kady Strobe, Staff Liaison



Ned Knight, Committee Chair