

# AGENDA

## CITIZENS UTILITY ADVISORY BOARD

Wednesday, June 6, 2012  
6:00 p.m.

**JOHNSON CREEK FACILITY CONFERENCE ROOM**  
**6101 SE JOHNSON CREEK BLVD.**

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|-------|---|-----------------|
| I.    | CALL TO ORDER   | CUAB Vice Chair |
| II.   | INTRODUCTIONS   | CUAB Vice Chair |
| III.  | BOARD BUSINESS  |                 |
|       | Selection of Chair, Vice Chair, set meeting date/time               |                 |
| IV.   | CONSENT AGENDA  | CUAB Board      |
|       | A. Approve Minutes from March 7, 2012                               |                 |
| V.    | REPORTS   | Gary Parkin     |
|       | Update on Budget adoption process                                   |                 |
| VI.   | DISCUSSION  | Gary Parkin     |
|       | Work Plan   |                 |
| VII.  | MATTERS FROM THE BOARD  | CUAB Members    |
| VIII. | OTHER   |                 |
| IX.   | INFORMATION SHARING   | ALL             |
| IX.   | FUTURE MEETING DATE/AGENDA ITEMS                                    | ALL             |
|       | Next meeting: Wednesday, July 11, 2012                              |                 |
|       | Tuesday, July 17, 2012 (tentative) — review goals with City Council |                 |
| X.    | ADJOURN   |                 |

**CUAB MEETING MINUTES**  
**Wednesday, March 7, 2012**  
**Johnson Creek Facility Conference Room**  
**6101 SE Johnson Creek Blvd.**

**Members Present**

Charles Bird, Chair (via Skype)  
Beth Kelland, Vice Chair  
Bob Hatz  
Mike Scolar  
Monty Schroeder

**Staff Present**

Gary Parkin, Engineering Director  
Zach Weigel, Civil Engineer

I. CALL TO ORDER

Chair Bird called the meeting to order at 6:10 p.m.

II. INTRODUCTIONS

Charles is in Cortez, Colorado, expects to be back by April.

III. CONSENT AGENDA

Approved February 1, 2012 meeting minutes..

IV. REPORTS

Zach presented an update on the utility rate recommendation. The update included the latest budget numbers that show that revenue is lower than anticipated. Zach adjusted the rate recommendations and factored in two conditions:

1. The reduced revenue is accounted for in the revenue projections.
2. The projects to be constructed include at a minimum those mains under streets that are scheduled for paving by the SSMP.

With these considerations Zach provided a couple of alternative rate structures similar to the structure previously favored by the Board. A list of the projects and proposed rate structure presented by Zach is shown below.

### Minimum Water System Improvements to Meet SSMP Schedule

FY	Water Project	Project Cost	SDC Portion	FY Total Cost	Street Project FY
2013	Harrison St Phase II (21st Ave - Campbell St)	\$ 485,000	\$ 81,000	\$ 404,000	2014
2014	McBrod Ave (17th Ave - Ochoco St)	\$ 560,000	* \$ 79,000	\$ 481,000	2015
2015	17th Ave (Lava Dr - Ochoco St)	\$ 840,000	\$ -	\$ 840,000	2015
2016	Harvey St (32nd Ave - 42nd Ave)	\$ 490,000	\$ -	\$ 918,000	2017
	33rd Ave (North End - Harvey St)	\$ 88,000	\$ -		
	36th Ave (North End - Harvey St)	\$ 105,000	\$ -		
	42nd Ave (Olsen St - Harvey St)	\$ 235,000	\$ -		

\* Water SDC Funds Exhausted

### Minimum Water Rates to Meet SSMP Schedule

Fiscal Year	Equal Rate Increase				Equal Rate Increase - 10 Year			
	Rate Increase	Water Rate		Available Capital (1000's)	Rate Increase	Water Rate		Available Capital (1000's)
		Increase	Total			Increase	Total	
Current Year	15.50%	--	\$17.50	\$389	15.50%	--	\$17.50	\$389
2013 +1	17.10%	\$3.00	\$20.50	\$444	17.10%	\$3.00	\$20.50	\$444
2014 +2	14.70%	\$3.00	\$23.50	\$521	14.70%	\$3.00	\$23.50	\$521
2015 +3	12.70%	\$3.00	\$26.50	\$880	12.70%	\$3.00	\$26.50	\$880
2016 +4	8.80%	\$2.30	\$28.80	\$958	3.50%	\$0.90	\$27.40	\$958
2017 +5	8.10%	\$2.30	\$31.10	\$1,235	8.40%	\$2.30	\$29.70	\$1,235
2018 +6	7.50%	\$2.30	\$33.40	\$1,464	8.40%	\$2.50	\$32.20	\$1,464
2019 +7	7.00%	\$2.30	\$35.70	\$1,718	8.40%	\$2.70	\$34.90	\$1,718
2020 +8	6.50%	\$2.30	\$38.00	\$1,971	8.40%	\$2.90	\$37.80	\$1,971
2021 +9	6.00%	\$2.30	\$40.30	\$2,224	8.40%	\$3.20	\$41.00	\$2,224
2022 +10	5.70%	\$2.30	\$42.60	\$2,502	7.00%	\$2.90	\$43.90	\$2,502
2032 +20	3.85%	\$1.95	\$62.10		3.55%	\$1.82	\$62.10	

First 5 Year

Average	12.28%	\$2.72	\$808	11.28%	\$2.44	\$808
10 Year Average	9.41%	\$2.51	\$1,392	9.70%	\$2.64	\$1,392

### 5 Year Capital Improvement Plan

FY	Water Project	Project Cost	SDC Portion	FY Total Cost
2013	Harrison St Phase II (21st Ave - Campbell St)	\$ 485,000	\$ 81,000	\$ 404,000
2014	McBrod Ave (17th Ave - Ochoco St)	\$ 560,000	* \$ 79,000	\$ 481,000
2015	17th Ave (Lava Dr - Ochoco St)	\$ 840,000	\$ -	\$ 840,000
2016	Harvey St (32nd Ave - 42nd Ave)	\$ 490,000	\$ -	\$ 918,000
	33rd Ave (North End - Harvey St)	\$ 88,000	\$ -	
	36th Ave (North End - Harvey St)	\$ 105,000	\$ -	
	42nd Ave (Olsen St - Harvey St)	\$ 235,000	\$ -	
2017	Riverway Lane (Lava Dr - SE End)	\$ 140,000	\$ -	\$ 1,231,159
	River Road Pressure Boundary Reconfig.	\$ 160,000	\$ -	
	29th Ave (Van Water St - Roswell St)	\$ 123,000	\$ -	
	30th Ave (Van Water St - Roswell St)	\$ 123,000	\$ -	
	31st Ave (Van Water St - Roswell St)	\$ 123,000	\$ -	
	Roswell St (29th Ave - 32nd Ave)	\$ 126,000	\$ -	
	Malcolm St (29th Ave - 32nd Ave)	\$ 126,000	\$ -	
	Llewellyn St (32nd Ave - 34th Ave)	\$ 102,000	\$ -	
	Milwaukie High School Fire Flow Improve.	\$ 72,403	\$ -	
	CoM Johnson Creek Fire Flow Improvements	\$ 135,756	\$ -	

\* Water SDC Funds Exhausted

The Board favored the rate structure with the lower 5 –year average, primarily because it does not accumulate reserve levels as high as the other proposal.

#### V. DISCUSSION

Suggestions on the best way to present the proposed rate structure were provided and included

- the impact to low-medium-and high water users be shown
- show the increase in term of dollar amounts not percentages
- show overall increase of utility bill
- provide information about what is needed for each utility
- show pictures of pipes that have been replaced
- include actual bill as part of the presentation

VI. MATTERS FROM THE BOARD

Bob asked for information related to the need for hot water heaters to be protected from high pressure. His neighbor got a letter about the issue and did not understand it.

VII. OTHER

VIII. INFORMATION SHARING

IX. FUTURE MEETING DATE/AGENDA ITEMS

A meeting will be held on March 13, 2012 with CC and CCSD#1

X. ADJOURN

The meeting ended at 8:05 p.m.

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Beth Kelland, Vice Chair

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Gary Parkin, Scribe

## CUAB/Engineering Department Work Plan 2012-2013

Item	Definition	Status	Complete Date
1. <b>Street improvement funding program</b>	CUAB to provide review of implementation including street selection and allocation of funding. Review progress against program goals.	Program instituted by CC on Jan 2, 2007. CUAB to review progress on implementation of program goals	Ongoing
2. <b>2013-2017 CIP</b>	Review the implementation of the adopted plan. Make recommendations on adjustments.	Ongoing	Present to CUAB Jan 2013
3. <b>Water Master Plan</b>	Review the newly adopted plan, focusing on recommendations and project implementation.	Ongoing	Sept 2012
4. <b>NE wastewater extension and annexation project</b>	Review cash flow as the loan for the sewer extension project to the area north-east of Milwaukie (West of Linwood, north of King Rd) is paid back as properties connect.	City is collecting reimbursements as properties are annexed and connected.	March 2013 (continuing as connections are made)
5. <b>Review UGMA agreement(s) and impact to City utilities</b>	Check the viability of the Urban Growth Management Agreements relative to the City's ability to provide utility service	Provide feedback as Council considers annexation options.	July 2012
6. <b>Issues from Public Works</b>	(As needed)	Ongoing as issues come up.	
7. <b>Waste water treatment-rate structure</b>	Review proposed rate structures as the City looks at the best way to accommodate the treatment cost.	Staff is engaging the services of a rate expert. Options will developed, recommend preference to Council.	Summer-Fall 2012