

AGENDA

CITIZENS UTILITY ADVISORY BOARD

Wednesday, September 21, 2011
6:00 p.m.

JOHNSON CREEK FACILITY CONFERENCE ROOM
6101 SE JOHNSON CREEK BLVD.

- | | | |
|-------|---|-------------------------|
| I. | CALL TO ORDER | CUAB Chair |
| II. | INTRODUCTIONS | CUAB Chair |
| III. | CONSENT AGENDA | CUAB Board |
| | A. Approve Minutes from September 7, 2011 | |
| IV. | REPORTS | |
| | None | |
| V. | DISCUSSION (Executive Session per ORS 192.660(2)(h)) | |
| | A. Wastewater Treatment issues | Commissioner Paul Savas |
| VI. | MATTERS FROM THE BOARD | CUAB Members |
| VII. | OTHER | |
| VIII. | INFORMATION SHARING | ALL |
| IX. | FUTURE MEETING DATE/AGENDA ITEMS | ALL |
| | Next meeting: Wednesday, October 5, 2011 (Provide feedback to City Council on wastewater treatment issue) | |
| X. | ADJOURN | |

CUAB MEETING MINUTES
Wednesday, September 7, 2011
Johnson Creek Facility Conference Room
6101 SE Johnson Creek Blvd.

Members Present

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

Staff Present

Zach Weigel, Civil Engineer
Gary Parkin, Engineering Director
Bill Monahan, City Manager

Others

Harlan Jones, City Attorney's office
Jeremy Ferguson, Mayor (arrived at about 6:40 as the water rate study was being discussed).

I. CALL TO ORDER

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

II. INTRODUCTIONS

III. CONSENT AGENDA

Minutes from the August 3, 2011 meeting were approved.

IV. REPORTS

A. Review Water Master Plan Rate Study

Zach began by reviewing the master plan information provided in the previous meeting, focusing on the estimated structural life of 75 years that is assumed for the water pipes. The 75-year life requires a \$2 million annual capital outlay for pipe replacement (replaces all pipes in 75 years).

Zach then presented several options that would provide the \$2 million/year in different fashions. The most aggressive rate profile to provide the \$2 million next year would require a 70% rate increase next year, and just inflationary increases (3.25%) thereafter. The least aggressive rate profile shown, 11% for five years with an 8.38% average, provides \$2 million after 8 years.

Comments:

- Mike asked about the reserve amount (set by fiscal policy last year after some assessment). He recommended that the reserve be reevaluated, keep it conservative. He also recommended that a multiyear rate schedule be adopted.
- Beth's initial preference was for #2 the least aggressive.

- Charles stated his preference for the last rate schedule (one that shows \$2.50 increases for the first five years and then lesser increases). He asked about the reaction to this year's increases. The Mayor said that he had responded to four direct calls.
- Mike said that the \$2.50 increase was not looking for the highest amount.
- Beth said she could support the \$2.50 preference

The Board moved on a motion by Beth seconded by Bob that:

The CUAB supports the flat \$2.50/month rate proposal over the other rate proposals presented as part of the Water Master Plan's rate study.

V. MATTERS FROM THE BOARD

Beth brought up the issue of term limits. For the CUAB it takes a lot of time to learn about the utilities so that informed decisions can be made. The newly enacted term limits will hamper the ability of the Board to accomplish their mandate of overseeing utilities issues for the Council.

Bob also made the point that Charles (who will be termed out this spring) is an important part of the knowledge base that the CUAB needs to weigh in on utility issues. Master plans are developed over a couple of years and then amended several years later. Having continuity in the CUAB is important.

After some discussion, it was agreed, that a letter would be written and submitted to the City Council, outing the CUAB position for their consideration.

VI. OTHER

Executive Session began at about 7:15 pm

VII. INFORMATION SHARING ALL

VIII. FUTURE MEETING DATE/AGENDA ITEMS ALL

Next meeting will be at a special time, devoted to wastewater treatment issues with County Commissioner Paul Savas presenting.

Meeting will be September 21, 2011 at 6:00 at the Johnson Creek facility.

IX. ADJOURN

The meeting ended at 8:40 p.m.