

AGENDA

CITIZENS UTILITY ADVISORY BOARD

Wednesday, December 3, 2014
6:00pm

JOHNSON CREEK FACILITY CONFERENCE ROOM
6101 SE JOHNSON CREEK BLVD.

- | | | |
|------|--|--------------|
| I. | CONSENT AGENDA | CUAB Board |
| | A. Approve Minutes from
November 5, 2014 meeting | |
| II. | REPORT | |
| | A. Intergovernmental Agreement with
Clackamas River Water (from last meeting) | CUAB Board |
| III. | DISCUSSION | |
| | A. Water rate structure | Gary Parkin |
| | Review information about tiered rates, the
Bellevue study, the City's rates and how the
City bills its customers. Develop position on
the City water rates. | |
| IV. | MATTERS FROM THE BOARD | CUAB Members |
| V. | FUTURE MEETING DATE/AGENDA ITEMS | ALL |
| | Next regular meeting: January 7, 2014 | |
| VI. | ADJOURN | |

CUAB Meeting Minutes
Wednesday, November 5, 2014
Johnson Creek Facility Conference Room
6101 SE Johnson Creek Blvd.

Members Present

Vincent Alvarez, Chair
Michael Osborne
Joel Bergman
Kevin Hasey

Members Absent

Greg Deane

Guest Present

None

Staff Present

Jason Rice, Engineering Director
Casey Camors, Finance Director

I. CALL TO ORDER

The meeting was called to order at 6:15pm.

II. CONSENT AGENDA

The October 1, 2014 meeting minutes were approved.

III. Report

A. Intergovernmental Agreement with Clackamas River Water

Casey Camors, the City's Finance Director, proposed a draft Intergovernmental Agreement (IGA) to consolidate billing services for the Dual Interest Area "A" with Clackamas River Water (CRW).

The CUAB was supportive of an IGA with Clackamas River Water in order to take advantages of the billing efficiencies. No major concerns were expressed.

B. Jurisdiction of Water Structures within the Dual Interest Area "A"

Jason Rice, the City's Engineering Director, presented a question of whether the City should take over jurisdiction of water infrastructure in the Dual Interest Area "A".

In concept the group supported the idea of serving the area with water; however, without a cost analysis, the group was not ready to make a full recommendation. The group then requested that Jason Rice finish a cost analysis for serving the area with water prior to making a formal recommendation.

IV. Discussion

A. None

MATTERS FROM THE BOARD

A. None

V. FUTURE MEETING DATE/AGENDA ITEMS

December 3, 2014

VI. ADJOURN

The meeting ended at 8:10pm

Vincent Alvarez, Chair

Jason Rice, Scribe

We will review and finalize this report for the City Council at our December meeting. I've included some of the basic materials used and a synopsis of the group's conclusions. Please note any additional material you think would be helpful and consider additional points that you believe explain the CUAB position.

The CUAB was asked to review the tiered water rate structure and make a recommendation on replacing the current water rate structure with a tiered or similar structure. The group was also asked to consider removing or lowering the fixed portion of the current rate.

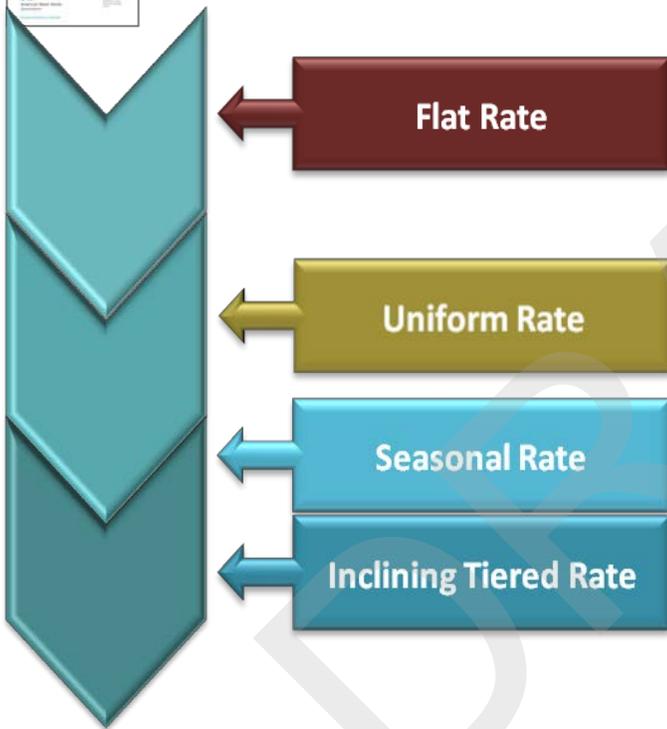
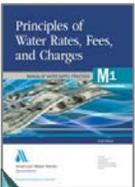
The group reviewed rate structure information, mostly in the form of presentation materials provided by the Finance Department. The areas of focus were:

1. How equitable the structure was
2. Revenue Stability
3. Administrative application
4. Understandable to customers

The CUAB made the following discoveries in determining that the water rate structure should not be changed at this time:

- The current structure provides for the straight forward cost for service
- The structure is collecting revenue at the desired level
- The existing structure provides good revenue stability
- Equity is difficult to quantify
- Tiered rate structures seem most appropriate when water costs vary by quantity or the need/desire to conserve is high. Neither situation is present for the Milwaukie system.
- Fixed costs are a real factor and it is equitable to charge for them

Tiered rates are a refinement of the Uniform rate structure we use. Tualatin Valley Water District is a local water provider that used the tiered structure.



City rates include a fixed charge (except for low-income) and charge for different meter sizes.

Wastewater and Water

UTILITY	Residential Charges			Low Income Charges			Commercial Charges		
	Treatment	Billing & Administration	Volume	Treatment	Billing & Administration	Volume	Treatment	Billing & Administration	Volume
	(per EDU)	(per account)	(per CCF of water consumption)	(per EDU)	(per account)	(per CCF of water consumption)	(per EDU)	(per account)	(per CCF of water consumption)
Wastewater ¹ effective July 1,	\$27.54	\$8.07	\$2.60	\$13.77	\$4.04	\$1.30	\$59.87	\$8.07	\$2.60

1. Residential wastewater volume charge is determined by the average monthly water usage from December to March (winter average). The winter average is adjusted annually on March 31st.

	Fixed	Volume Charge		Fixed	Volume Charge		Fixed	Volume Charge
Water ² effective July 1, 2014	6.81	3.09		exempt	3.09		6.81	3.09

2. Fixed water rate of \$6.81 is for a 3/4" meter or smaller. The base rates for larger meters are as follows:

Commercial/Multifamily Meters		Standby Meters for Fire Flow Purposes	
Meter Size	Monthly Base Rate	Meter Size	Monthly Base Rate
1"	\$ 9.50	2"	\$ 10.15
1.5"	15.33	4"	36.54
2"	23.81	6"	53.21
3"	58.70	8"	72.23
4"	100.91	10"	91.25
6"	148.89	12"	110.28

Stormwater and Streets

UTILITY	Single Family Residential	Low Income	Commercial
Stormwater effective July 1, 2014	\$14.89	\$7.45	\$14.89 per 2,706 sq. ft. of impervious area
Street Maintenance Ord. #1966 effective July 1, 2007	\$3.35	Exempt	\$.35 per daily trip generated ³

Full billing cycle rates for street maintenance in other residential categories are:

Street Maintenance Rates for	
Residential	Rates
Multifamily	\$2.10 per
Elderly housing	\$1.40 per
Mobile homes	\$1.40 per
Congregate care	\$.70 per

3. Commercial daily trip generation is calculated based on type of use and building square feet. Monthly bill is capped at \$250, indexed annually by to the CPI published by the Bureau of Labor Statistics Current maximum is \$291.89. (Municipal Code Section 3.25.060.)

A comparison of the current structure and the tiered structure used by Tualatin Valley Water District (TVFR):

