

## CITIZENS UTILITY ADVISORY BOARD

In-person and Video Meeting  
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## MINUTES

February 5, 2024

**Present:** David Chitsazan, William Johnson, Mary Rowe, Leslie Schockner, Sofie Sherman-Burton

**Absent:** None

**Guest(s):** None

**Staff:** City Engineer Jennifer Garbely  
Assistant Finance Director Michael Osborne  
Public Works Director Peter Passarelli  
Accountant Judy Serio

### CALL TO ORDER

Passarelli started the meeting at 5:36 pm.

### 1. INTRODUCTIONS

### 2. COMMUNITY COMMENTS

None

### 3. REVIEW AND APPROVAL OF JANUARY 8, 2024, MINUTES

**Rowe** made a motion to approve the minutes as written. **Chitsazan** seconded the motion.

Motion passed with the following vote: Chitsazan, Johnson, Rowe, Schockner, Sherman-Burton voting “aye.” (5:0)

### 4. CIP REVIEW

**Garbely** presented the projects discussed at the January meeting with the addition of each project’s cost.

- Washington Street area improvements will cross over budget years; the projected cost is \$7.9 million.
- The East Monroe Street greenway project will receive money from Metro to assist in funding the project; the projected cost is \$5.7 million.
- The central Monroe Street greenway project will receive money from ODOT and urban renewal funds; the projected cost is \$3.1 million.

- Harvey Street improvements scope added wastewater project and paving of surrounding dead-end streets; the projected cost is \$5 million.
- Ardenwald north improvements added paving of additional streets; this is the next project to go out for construction. American Rescue Plan Act (ARPA) funds will be used for this project; the projected cost is \$4 million.
- King Road improvements include additional water and stormwater improvements, for failing drywells and addressing double lines that will need to be fixed prior to paving the street. The street will remain open during construction since this is a bus route but will have a reduced speed posted; the projected cost is \$8.2 million.
- Stanley improvements is a new project and an inter-governmental agreement with the county is being drafted. A grant will be funding part of this project; the projected cost is \$6 million.
- Waverly Heights sewer reconfiguration has been in the CIP for a long time. Water Environment Services (WES) is paying for 33% of this project that is in the middle of residential properties, in which the city has obtained easements. There has been quite a bit of root intrusion in the lines; lining the pipes would be a cost savings but this ultimately depends on the project design. The projected cost is \$3.4 million.
- Water projects
  - Well 8 bring back online; projected cost is \$300 thousand.
  - Water treatment plant improvements include conditioning assessment, update electrical; projected cost \$775 thousand.
  - Concrete tank improvements will add a new liner and have seismic upgrades; projected cost \$850 thousand.
  - The new reservoir includes finding a location, evaluating pressure zones, and design.

**Garbely** stated that Logus Road planning will work on the design piece to provide a good estimate of cost. Currently there is no funding for this project.

## **5. GOOD NEIGHBOR PROGRAM**

**Passarelli** provided members with background of the program. The program alleviates the impacts to the surrounding neighborhoods. The \$1 per EDU collected totals approximately \$140 thousand a year which can be used for landscaping, odor control studies, treatment, and debt service payment of the Full Faith and Credit bonds for Milwaukie Bay Park improvements. Water Environment Services (WES) and the city have a new agreement that was signed in 2023 to make improvements to the area. The Kellogg Good Neighbor Committee was dissolved by the City Council.

**Schockner** asked what the funds could be used for.

**Passarelli** responded it can include improvement of recreational opportunities, fish and wildlife habitat, purposes that both the city and WES agree on, or education of WW treatment and outreach. Both parties want community engagement, and this is the reason

it will be included in the CUAB responsibilities. The budget does have a line item for the good neighbor program. Committee and community input for potential projects is welcome, some potential projects that could be funded with KGN money includes Roswell detention restoration, Elk Rock Island support, Spring Creek daylighting analysis, Riparian restoration efforts (International Way), watershed council support, and enhancements near the Kellog treatment facility. Future meetings will have more discussion, this was meant as an introduction to the program.

**Schockner** asked if there is the possibility for the city to partner with Portland on future projects.

**Passarelli** responded given the change to the geographical area, the city would be responsible for finding the contractor and administering the funds.

## **6. RATE SETTING DISCUSSION**

**Passarelli** presented staff rate recommendations to members: proposed 3% increase for each year of the biennium in water; no increase for wastewater and stormwater; SAFE and SSMP have automatic increases of 5.64% for each fee. By the end of the next biennium, 2025-2026, all bond proceeds should be expended. A cost-of-service study should be done for the 2027-2028 budget period to make sure future rate recommendations are in line with infrastructure needs.

**Chitsazan** asked about the climate fee which was proposed a year ago at a City Council meeting. Would the city consider a tiered rate structure for water increases.

**Passarelli** responded that it is how the rate increase is designed; in the previous budget, the larger customers saw an increase while residential customers experienced a 1% increase; the 3% is overall, not 3% for an individual customer.

**Rowe** stated Milwaukie water rates are favorable compared to other agencies in the area.

**Passarelli** added that the utility assistance program is available and those customers who use 3 units or less of water during a billing period, received a reduced rate.

Discussion ensued among members about the percentage increases being experienced across all types of utilities and rate study consultants will be a considerable expense that will cost more than the 3% revenue increase collected by the city.

**Passarelli** shared the assumptions used to determine the recommended rate increases. The growth in customers has been in multi-family, with no large new water customers, no change in customer usage. Expenses have seen an increase in electricity and material costs. The upcoming budget proposes the addition of 1 new FTE in water; with utilities spending 75% of CIP. Handouts provided illustrated the policy reserves required for each utility fund; reserves are the amount of funds each utility must have in reserve to cover operating costs, emergencies, and other expenses. A rate study would assist in developing a better financing plan for projects. For SAFE and SSMP there will need to be systemic fixes to make sure there will be enough money for the possibility of future debt.

Members discussed the water rate recommendation and what it might mean for future years.

**Rowe** made a motion to approve the proposed rate increases: 3% in water, 0% in wastewater and stormwater, and 5.64% in SSMP and SAFE. **Schockner** seconded the motion.

Motion passed with the following vote: Chitsazan, Johnson, Rowe, Schockner, Sherman-Burton voting “aye.” (5:0)

**Chitsazan** requested more concrete information of the rate design be provided at the April meeting.

## **7. CUAB BYLAWS**

Members discussed the redlines provided in a draft document of the bylaws. Numerous questions arose from the discussion:

- Committee title should include subcommittee instead of board.
- Change committee name to Community Utility Advisory Committee
- Do all budget committee members need to be appointed to the CUAB? Or if a BC member wanted to decline, could they be replaced with another community member? Could this be stated in the bylaws?
- How would a leave of absence be treated? What do other boards do if a member wanted to recuse themselves for an amount of time?
- The board did not want to be responsible for taking minutes and volunteered Finance staff member.
- The board wanted a summary of the guidelines for emails and what makes a meeting. Like being able to email prior to a meeting to discuss matters. The question of the “Adelphia Project” was acceptable to pass along.
- Can the chair position rotate at each meeting to other members to opportunity to run the meeting?
- Can the quorum be a majority of the active members?

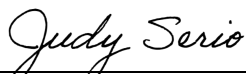
**Osborne** commented that the questions raised will be discussed with the City Recorder for answers.

## **8.ADJOURN**

**Chitsazan** made a motion to adjourn the meeting. **Rowe** seconded the motion. Motion passed with the following vote: Chitsazan, Johnson, Rowe, Schockner voting “aye” (4:0). Sherman-Burton left early.

The meeting adjourned at 7:11 pm.

Respectfully submitted,

  
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Judy Serio, Secretary / Accountant