CUAB MEETING MINUTES
Thursday, March 31, 2011
Johnson Creek Facility Conference Room
6101 SE Johnson Creek Blvd.

Members Present
Charles Bird, Chair
Bob Hatz, Vice Chair
Beth Kelland
Mike Scolar

Staff Present
Brad Albert, Civil Engineer
Jason Rice, Civil Engineer
Zach Weigel, Civil Engineer

Absent
None

I. CALL TO ORDER

Chair Bird called the meeting to order at 6:25 p.m.

II. INTRODUCTIONS.

III. CONSENT AGENDA

Minutes from the March 3, 2011 meeting were approved.

IV. REPORTS

A. Utility Budget Update
Zach started with the review of the Water Utility budget spreadsheet. He provided the group with two rate increase scenarios. The first scenario reflected a rate increase for fully funding the proposed CIP. The second scenario reflected a rate increase to fully fund the proposed CIP and add a FTE to the Water Utility Department. Zach explained the importance of adding a FTE because of treatment and maintenance requirements of the City's water system.

Comments:
- Charles asked when the Water Master Plan was last adopted. Charles also asked if this proposed rate increase include the new Water Master Plan or if there could be surprises from the new Master Plan that are not budgeted.

- Zach stated that the last Water Master Plan was adopted in 2001 and surprises may occur and future rates may need adjusting.

- Mike asked is an additional FTE was needed in the Water Department.

- Charles suggested that the group should listen to all proposals before debating whether an FTE is needed.

Jason shared the Wastewater Utility budget spreadsheet. The spreadsheet showed the rate increases to fully fund the proposed CIP. Jason explained the clay pipe replacement program and work the City would like to do ahead of the light rail project. Jason also explained that the personnel services figures are more accurately shown with this spreadsheet.

Comments:
- Charles and Beth asked why the figures decreased.

- Jason explained that the Finance Department was able to obtain more accurate accounting information than the previous spreadsheet. Jason showed that a treatment rate of 5% is included in the spreadsheet. Jason also explained the fiscal policy rule of 25% contingency for each fund and how that is reflected.

- Beth wanted to know if other funds that are not utility funds will incorporate a 25% contingency rule. She also wanted to know if the rate includes the Wastewater surcharge.

- The group stated that they didn't think that was the intention for other funds, only the utility funds. The rate that was presented did incorporate the Wastewater surcharge.

- The CUAB group stated that the surcharge should be better shown or outlined in the spreadsheet.

Brad presented the Stormwater Utility budget spreadsheet. He explained the need for the rate increase to cover the fully funded CIP, the NPDES permit requirements, and UIC permit requirements.

Comments:
- Charles wanted to know why the City should be paying for the Kellogg Creek Dam removal.

- Brad explained how the Kellogg Creek is part of the overall storm system the City is responsible to maintain.

General CUAB group discussion comments:

- Mike stated that the total rate increase for a single household is just over $5 per household and that it wasn't really out of the question.

- The group wants the Cash Spot money to get paid back to the Wastewater fund and that it is clearly shown in the spreadsheet.

- If a FTE is added to the Water Utility Department, the group wants to make sure that the new position is performing duties that are not currently able to be performed.

- Show that the City has looked at a minimum rate increase approach and what is essential.

- Separate the Wastewater surcharge rate to clearly show that it is included in the overall rate.

CUAB Motion: the CUAB unanimously passed a motion recommending utility rate increases as proposed by the Engineering Department including the modified capital improvement plan and reinstating a water utility FTE.

The recommended rates:
Stormdrainage: 7.50% ($.70/mo increase in average bill)
Water: 15.50% ($2.30/mo increase in average bill)
Wastewater: 7.00% (increase to current rate with surcharge - $2.40/mo increase in average bill and no more surcharge)
Overall: 9.11% ($5.40/mo increase in average bill)

V. MATTERS FROM THE BOARD

VI. OTHER

VII. INFORMATION SHARING ALL

VIII. FUTURE MEETING DATE/AGENDA ITEMS ALL

Next meeting: Wednesday, May 3, 2011

IX. ADJOURN

The meeting adjourned at 8:40 p.m.

Charles Bird, Chair

Brad Albert, Scribe