

# **AGENDA**

## **CITIZENS UTILITY ADVISORY BOARD**

**Wednesday, October 6, 2010**  
**6:00 p.m.**

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

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|-------|--|--------------|
| I.    | CALL TO ORDER  | CUAB Chair   |
| II.   | INTRODUCTIONS  | CUAB Chair   |
| III.  | CONSENT AGENDA   | CUAB Board   |
|       | A. Approve minutes from June 9, 2010 and Sept 1, 2010                      |              |
| IV.   | REPORTS  |              |
|       | A. Wastewater Master Plan Adoption<br>(information only)                   | Gary Parkin  |
|       | B. Update on Policy Code – billing issues<br>(information only)            | Andrew Parks |
|       | C. Budget Review Board collaboration<br>(information only)                 | Andrew Parks |
| V.    | MATTERS FROM THE BOARD   | CUAB Members |
| VI.   | OTHER  |              |
| VII.  | INFORMATION SHARING  | ALL          |
| VIII. | FUTURE MEETING DATE/AGENDA ITEMS   | ALL          |
|       | Discuss the need for a second October meeting with the Budget Review Board |              |
|       | Wednesday, November 3, 2010  |              |
| IX.   | ADJOURN  |              |

**CUAB MEETING MINUTES**  
**Wednesday, June 9, 2010**  
**Johnson Creek Facility Conference Room**  
**6101 SE Johnson Creek Blvd.**

**Members Present**

Bob Hatz, Vice Chair  
Beth Kelland  
Mike Scolar

**Members Absent**

Charles Bird, Chair (present via phone/video feed)

**Staff Present**

Gary Parkin, Engineering Director  
Andy Parks, Interim Finance Director  
Pat Duvall, Acting City Manager

**Guests**

Mayor Jeremy Ferguson

I. CALL TO ORDER

Vice Chair Hatz called the meeting to order at 6:05 p.m.

II. INTRODUCTIONS.

III. CONSENT AGENDA

Minutes from the May 5, 2010 meeting were presented, and adopted without change.

IV. REPORTS

- A. Andy Parks reviewed the City/CCSD#1 Settlement Agreement terms and provided information on the impact of the pending settlement with a rate for treatment of \$20/EDU in 2010, \$23 in 2011 and \$26 in 2012. Additional rate increases of about 12% in 2011 and 27% in 2012 would be needed to fully recover costs. The information is preliminary, and an EDU count will be postponed until a long-term agreement is reached (an EDU audit is planned for 2011 for use in 2012).

Andy Parks reviewed billing alternatives, including monthly billing, credit and automatic withdrawal. Andy talked about providing an incentive (like 2% reduction) for those using auto pay since it was less costly for the City. The CUAB agreed that this would be a good thing to pursue.

Andy presented a table showing current revenue and expenditure requirements, showing the revenue with surcharge and planned rate increase, and the expenditures for collection and treatment. He asked the

board to consider continuation of the wastewater surcharge (it was set to expire when an agreement with the County was reached).

**Motion from the board:**

Maintain the wastewater rate surcharge as-is until monthly billing is in place at which time it will be rolled into regular rate.

The motion passed 3-0 with one abstention (Vice Chair Hatz)

Questions were asked about the EDU billing basis. Andy said it was easier to bill and required less staff time but he was comfortable with the consumption based method.

Andy discussed the need to set a rate for capital for the City's collection system, minimum 60 days cash for minor repairs, etc. and planning to replace major capital needs when needed rather than when funds are available (borrow to complete if needed).

V. MATTERS FROM THE BOARD.

VI. OTHER

VII. INFORMATION SHARING

VIII. FUTURE MEETING DATE/AGENDA ITEMS

Next meeting: Wednesday, July 7, 2010. Plan for field trip to Tri-City plant.

IX. ADJOURN

The meeting adjourned at 8:25 p.m.

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Bob Hatz, Vice Chair

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Gary Parkin, Scribe

**CUAB MEETING MINUTES**  
**Wednesday, September 1, 2010**  
**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**

Gary Parkin, Engineering Director  
Andy Parks, Interim Finance Director (arrived at 7:10)

**Guests**

None

**I. CALL TO ORDER**

Chair Bird called the meeting to order at 6:05 p.m.

**II. INTRODUCTIONS.**

**III. CONSENT AGENDA**

Minutes from the June 9, 2010 meeting will be completed and presented for adoption at the next meeting.

**IV. REPORTS**

Gary discussed the Wastewater Master Plan. It was in the adoption phase last year when, because of the treatment plant issue, the adoption process was stopped. Now that the treatment issue has reached a conclusion, the adoption process will continue. Chairman Charles Bird mentioned that rates would be a main master plan issue.

The board commented on the Kellogg treatment plant with Bird relating that simple fixes and taking away the smell would be sufficient from his perspective (someone living near to the plant). Beth Kelland said that having a plant like Vancouver's was a good vision and that not much money should be spent on the plant that will be obsolete.

Interim Finance Director Andy Parks reported on the monthly billing issue, including changing the municipal code, and needing to quantify billing loss. He also mentioned the need for accurate water meters. The board raised questions about meter reads.

Andy discussed a billing equity issue is caused primarily by the fact that wastewater treatment for Milwaukie is provided by three different entities, City of Portland, Clackamas County (Kellogg), and Oak Lodge Sanitary District. Each jurisdiction charges a different treatment rate. Current policy is that each

account pays based on where their treatment is done. The billing equity proposal is for the City to charge all accounts using the same treatment cost basis. That is, the total treatment cost for the City is proportioned to all accounts.

Andy presented information showing that since there are relatively few accounts served outside of the Kellogg plant, there was very little effect on the wastewater sewer rates by combining the treatment cost. The exception would be for any accounts with extremely large usage that were treated outside of the Kellogg plant. To account for this he suggested that those customers using more than 500 ccf (hundred cubic feet of water usage) would pay the treatment costs per the treating jurisdiction's rate. After discussion a motion was proposed.

**Motion from the board:**

Equalize rates for services billed and collected by the City of Milwaukie, for all customers using up to 500 ccf per two-month billing cycle. Those customers using more than 500 ccf per the billing cycle will be billed the City rate on usage up to 500 ccf and the charge assessed to the City for consumption above 500 ccf per two-month billing cycle.

The motion passed 3-0 with one abstention (Vice Chair Hatz)

- V. MATTERS FROM THE BOARD.
- VI. OTHER
- VII. INFORMATION SHARING
- VIII. FUTURE MEETING DATE/AGENDA ITEMS  
Next meeting: Wednesday, October 6, 2010.
- IX. ADJOURN

The meeting adjourned at 8:45 p.m.

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Charles Bird, Chair

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Gary Parkin, Scribe