

**City of Keizer
Water Rate Task Force
Minutes
Monday, June 24, 2002
Keizer City Hall – Council Chambers**

1. Call to Order:

The meeting was called to order at 5:41 p.m.

2. Roll Call:

The following members were present: Councilor Jerry McGee, City Manager Chris Eppley, Public Works Director Rob Kissler, Keizer Citizen Mike Kurtz, Keizer Citizen Louise Kennel, Keizer Citizen Jim Nightengale, Finance Director Susan Gahlsdorf, Utility Billing Technician Elsa Palacios, Keizer Citizen Garry Whalen, Mayor Lore Christopher and Utility Billing Clerk Karen Sergeant.

Absent: Keizer Citizen Jack Lowery

3. Approval of Minutes:

The minutes of April 29, 2002 were approved as written.

4. Discussion:

Rob Kissler opened up the meeting asking for input from everyone regarding the draft report from Black & Veatch.

Rob Kissler questioned the figures on page 15 in reference to the rate that the water is being pumped. He is assuming that the figures should have two more zeroes added to them. He will check with Karyn Johnson from Black & Veatch for clarification.

Rob Kissler also questioned the assumptions on routine capital expenditures listed on page 6. He feels these figures will fluctuate more.

Chris Eppley wanted to know whether the City has a 10-year Routine Expenditures CIP. Rob Kissler let him know that we do not.

Jerry McGee had questions about the percentages listed on page 34. He wanted to know what it is a % of. Rob Kissler will get a clarification from Karyn Johnson on this.

Jerry McGee wanted to know the advantages of acquiring 3 small bonds versus 1 large bond. Susan Gahlsdorf explained the laws and rules of bonds.

Rob Kissler let the group know about the rate structure package that Black & Veatch is providing the City of Keizer with. The package will enable us to change the projected numbers – increasing/decreasing – depending on the circumstances.

Jerry McGee brought up, for discussion, whether duplexes should be listed as “Single Residential” instead of “Multiple Residential”. Rob Kissler referred him to Karyn’s data showing that since there are only 193 duplexes it wouldn’t change the figures significantly one way or the other.

Jerry McGee then questioned why the “Multiple Residential” customer would pay less per cubic feet (cf) for water than a “Single Residential” customer. Rob Kissler explained that because they are such a smaller group they are putting less of a strain on the system.

Jerry McGee still doesn’t agree that they should pay less. He still feels that duplexes should be charged the same rate as “Single Residential” and should be listed as such instead of as a “Multiple Residential”. Louise Kennel agrees with Jerry McGee. Mayor Christopher would agree with Jerry if we would pull all multiple accounts (duplexes, triplexes, fourplexes, etc) – don’t just give the duplexes the benefit of being in a different class.

The group agrees that the whole issue of moving duplexes to a different class is more of a political issue versus an economic issue.

Jerry McGee asked about changes to this proposal. When can these be suggested. Rob Kissler responded that we need to bring those changes forward tonight. Jerry McGee moved to have duplexes be moved to the “Single Residential” category. Garry Whalen seconded the motion. The group voted: 5 in favor, 1 in opposition, to this move.

Mayor Christopher asked when the changes would be implemented. Rob Kissler let everyone know that his suggestion would be to put these changes in place in October 2002.

Chris Eppley suggested sending out a listing to all customers showing the increases proposed for the next couple of years, not just the increases for this year, to help better prepare people.

Rob Kissler asked if there were more questions on the Rate Study or is the group ready to bring this packet to Council.

Jerry McGee questioned the SDC increases. Rob Kissler suggested we handle the SDC fees at a separate time. Garry Whalen agrees with Rob. He feels we need to move the rest of the proposal forward. He thinks we need to look at them more closely to find the balance in the increases.

Mayor Christopher feels this packet shouldn’t move forward to the Council unless we send the whole packet – including the SDC portion. She recommends another meeting to

discuss only SDC's to give everyone more time to review the information. Jerry McGee agrees on the "whole packet" option. He would like to have this committee agree on the whole packet before moving it forward.

The group agreed to have another meeting to focus on the whole SDC issue.

Rob Kissler also went over the Water Fees meeting minutes showing the proposed fee increases. He asked the group to look over the proposal and bring back to the next meeting any questions or suggestions.

5. Adjourn:

This meeting was adjourned at 7:02 p.m.

DRAFT