

PACIFIC CITY JWSA JOINT BOARD OF DIRECTORS/ADVISORY COMMITTEE
SPECIAL MEETING MINUTES

February 8, 2010

Chairman Kellow called the February 8, 2010 Joint Board of Directors/Advisory Committee Special Meeting to order at 5:30 PM, in the Authority's meeting room.

Chairman Kellow said that the purpose of the meeting was to discuss SDC fee increases.

Directors present: Doug Kellow, Carolyn McVicker, Larry Rouse and Anne Price. Dick Carter was absent

Advisory Committee members present: Betty Robinson, Scott Culp, Doug Olson, Allan Willis and George Baumgardner.

Guests present: Ben Johnson and Dave Baxter

Staff present: Tony Owen

DISCUSSION OF THE PROPOSED SDC SCHEDULE

Tony Owen handed out spread sheets for water and wastewater SDC proposals. Mr. Owen stated that the previous SDCs were based upon the 2005 Master Plans which had about 13 million dollars worth of needed improvements. Mr. Owen continued that the 2009 Master Plans update for costs and additional projects were at 20 million dollars for water and about 13 million dollars for sewer. Mr. Owen said that the SDC increases were based on those amounts.

Mr. Owen continued that sewer SDCs are currently \$6,023.00 with a proposed rate of \$7,188.00 for a 5/8" x 3/4" meter. Mr. Owen stated that water SDCs are currently \$6,316.00 with a proposed rate of \$13,306.00 for a 5/8" x 3/4" meter based on growth.

Director Rouse pointed out that the numbers on the spreadsheet for Newport are incorrect and pointed out that the highest five fees are all in small coastal communities.

Director McVicker stated that no community would require the same amount of improvements during the same 20 year period. Mr. Owen said it was very difficult to compare one district or city to another. Mr. Owen continued that some communities have revenue bonds for infrastructure where as others charge higher monthly fees. Discussion ensued.

Scott Culp reminded the group that when the bond was voted on it was known that at some point PCJWSA would have to go back to the customer base and ask for more money. Mr. Culp asked if the SDC rates were raised would PCJWSA not have to go back to the customers and ask for more money. Mr. Owen said no, that some projects were for growth but there were also some for basic infrastructure. Mr. Owen said that after Horn Creek there would only be about \$500,000.00 left in the water fund and SDC's would not fund the other projects yet to be completed.

Mr. Owen explained that the SDCs were evaluated every time the master plans were updated (approximately every five years) and again every year based on McGraw Hill construction cost index. Discussion continued regarding the funding of future projects and when and the amount of the increases would be applied.

Mr. Willis asked the Authority Manager what he wanted to be accomplished at the night's meeting. Mr. Owen said he would like it to be made known to the Board of Directors the Advisory Committees opinions on the direction of the proposed SDCs, whether that would require another meeting, more dissemination of information or whether or not the Advisory Committee approved of the proposal.

Discussion returned to the different Master Plans projects and which were upcoming in the near future.

Mr. Owen recommended that PCJWSA go forward to adopt the proposed fees and decide later when and on what schedule the new fees would be implemented.

Mr. Olson recommended that the projects continue forward but phase-in the SDC fee increases. Mr. Culp recommended phasing in the increase of SDCs over three to four years. Ms. Robinson was in agreement, as was Mr. Willis.

Director Rouse said that if the Board took that approach, that the money lost from phase-in would never be recovered because it is a onetime fee. Director Rouse recommended increasing the SDCs all at once.

Mr. Baumgardner was asked his opinion and he replied that he agreed with the phase-in approach.

Director McVicker asked the Committee if PCJWSA was to phase-in the fees and lose \$100,000.00 with the first twelve permits how does it explain to the public who's going to pay for that lost revenue. Discussion continued.

Chairman Kellow asked Mr. Owen about public hearings and Mr. Owen responded that two public hearings are mandatory and then the Board of Directors could make a decision how and when to adopt and implement the new fees.

CHAIRMAN/DIRECTOR COMMENTS

None

Director Kellow adjourned the regular meeting at 6:34 PM.

The PCJWSA Board of Directors approved these minutes on April 6, 2010 by the following votes:

Aye_____ Nay_____ Abstain_____ Absent_____

ATTEST:

Doug Kellow, Chairman

Tony Owen, Authority Manager