

**Utility Advisory Board
Summary Notes
April 15, 2009**

Members Present: Chairperson John Goodrich; Bill Bennett; Edward Keonjian; Michael Monical

Members Absent: Gretchen Katko; Ray Kindley; Alice Richmond

Staff: Gene Green, Public Works Director; Richard Seals, Finance Director

1. Chairperson John Goodrich called the meeting to order at 6:07pm. Introductions were made. He noted that there is a quorum and Alice Richmond provided her written proxy.
2. The March minutes were approved (4-0)
3. Richard Seals reviewed City finances and passed out the annual finance report that summarizes the audit. The audit was filed with the Secretary of State in February. It received the first clean opinion in a while and it is available on the City website. The City is now deep in budgets and a bi-annual budget was introduced this year. A PowerPoint presentation is available if anyone is interested. Richard provided printed copies of the 5-year financial projections in the Water, Sewer and Storm Utilities. He ran 5% increases for 5 years out, which is the maximum increase without voter approval. He inserted operations and maintenance expenses to prepare the 2nd and 3rd scenarios of what the rates could spike to. Last week he suggested that this meeting would be a good time for the Board to propose a utility rate recommendation statement to the City Council.

Richard explained the reserve policy which is 15% in total, split two ways - contingency reserve at 10% of the water fund and ending fund balance at 5%. Only the contingency reserve can make a supplemental budget and spend, whereas the ending fund must carry forward.

4. Chairperson John Goodrich provided the board with a draft letter to the Council of the Board's rate recommendation. The Board discussed various rate increase scenarios to recommend for the next year.

Michael Monical made a motion to vote on the revised letter to the Council (attached) of the Board's recommended utility rate increases to bring on line the

Capital Maintenance Plan (CMP) as identified in the approved master plan. Bill Bennett seconded the motion, it passed by unanimous vote (4-0)

5. John Goodrich attended the South Fork Water Board meeting last Thursday, where the SFWB proposed a 7% increase in their wholesale water cost. They have a \$90,000 revenue shortage due to Clackamas River Water getting water from a different source. They did identify budget cuts that would put the increase in wholesale water costs at 5%.
6. Gene Green said Pioneer Consulting Inc. from Woodbury, CT had been selected for the utility rate study. The firm wants to meet with the UAB in May and with the City Council and Finance Director as well. The City would like the study started within 90 days. Gene will get a schedule of when the new consultant can meet with the board.
7. The Chairman adjourned the meeting at 7:00pm.