

DRAFT

UTILITY ADVISORY BOARD
SUMMARY NOTES
August 20, 2008

MEMBERS PRESENT: Chairman Delmazzo, Bill Bennett, Gretchen Katko, John Goodrich, Edward Keonjian, Ray Kindley, Alice Richmond

MEMBERS ABSENT: NONE

GUESTS: Chris Uber, Murray, Smith & Assoc.
Brian Ginter, Murray, Smith & Assoc.

STAFF: Jim Whynot, Water Division Supervisor
Dennis Wright, Engineering

Chairman Delmazzo called the meeting to order at 6:00 PM.

Introductions of members, guests, and staff were made around the table.

Agenda Item 1. Water Master Plan Update - Develop Capital Improvement Plan and Capital Maintenance Plan.

The Water Master Plan Update was presented by Chris Uber and Brian Ginter from Murray, Smith & Associates. Chris Huber summarized. Tasks 1-6 are completed.

Reviewed task 7 Deliverable: Develop a Capital Improvement Plan and Capital Maintenance Plan covering the culmination of the previous six tasks worth of work: developing inventory, developing water demand forecast, evaluating storage, existing facilities in the system, analyzed the distribution system, and supply evaluation. Task 7 and 8 documents the Capital Improvement Plan (CIP), Capital Maintenance Plan (CMP), and looks at the cost allocations of those proposed improvements. Covers System Development Costs (SDC) analysis. Looks at finance options. Identifies potentially where the money is going to come from to pay for the improvements.

The first step is development of CMP, which builds upon existing system inventory, and evaluation existing facilities. Reviewed the summary of the recommended CMP at bottom of Technical Memo # 7. The biggest line item is asbestos pipe replacement, shown historically to be piping that has issues. Continuing a program of replacing pipe that the city started about 20 years ago is recommended here. The idea is to complete

the replacement of all the pipe in the 20 year planning period, spreading out over the time period. Reviewed galvanized steel pipe replacement, PRV vaults and seismic replacement to steel reservoirs generally older than 20 years. Reviewed assessment of motor control system and demolishing abandoned water reservoir.

Agenda Item 2. Water Master Plan Update - Prepare cost allocation and Financing Options.

Recommendation was made for a Water Rate Study, to develop a rate structure for the next 5-10 years and determine how that funding would be supported, to cover cost of service and for implementation of this project next year, and for that information to come back to UAB and to Council.

The schedule of meetings for project completion was discussed. It was requested that the schedule be sent out by email to UAB members.

Agenda Item 3. Discussion of water rates increase needed for 2009

A water rate increase would be effective January 2009. Council has incorporated 5% increase in budget. The UAB Chairman requested that the Finance Director or City Manager make a presentation at the next UAB meeting regarding the rate increase and what increase is needed. UAB members need actual numbers before a vote. Staff to arrange.

Need information from City Finance staff regarding water fund reserves, bond covenant reserves, discuss with staff regarding water rate study implementation, timeline for water rate increase for 2009 and any voter issues that would need to go out in the future. Request was made to add to next agenda: vote on water rate study.

By unanimous vote it was decided to invite City Finance staff to present next month and to hold two meetings: Meeting 1) Do presentation and open discussion, and Meeting 2) Discuss and make recommendation.

It was noted that public announcement will need one week notice. Recommendation was made for additional communication by email regarding splitting next meeting into two, and moving up from 3rd Wednesday to 2nd Wednesday.

Agenda Item 4. Ten highest water users in the city.

Overall, average gallons per person per capita in West Linn is not out of line.

Chairman Delmazzo adjourned the meeting at 7:27pm.