

SOUTHWOOD PARK RATE COMMITTEE MINUTES
March 31, 2021

Meeting called to order 7:03pm

Present: Sue Weston

Kelli Byrd

Eric Leatham

Helen Johnson

Whit Middlecoff

Lisa Hilker

KC Rogers

Phil Kubishta

Began meeting with Powerpoint to:

- Clarify what replacing the pump entails
- Look at water customers' average usage and billing
- Looked at cost to switch to monthly billing (\$785/month); discussed feasibility of changing to monthly bills
- Looked at 4 proposals submitted, & what they would mean for added income to district and added costs to average customer
- Short aside on committee membership
- Opened to committee discussion

- Whit shared interactive spreadsheet he put together that takes all levels of usage into account, demonstrating what would happen with different rate structures
- Kelli questioned how much increased income we want to aim for
- Discussion of varying tier structures to arrive at increased income of \$50,000 – 55,000
- Helen suggested that customers could voluntarily pay monthly to accommodate their budgets
- Eric suggested implementing a base rate that would include the average customer's 7ccf, with tiers from 8ccf up based on usage above 7
- Committee played around with numbers; base rate of \$40/7ccf with increases at higher tiers
- Adjusted spreadsheet to account for bimonthly billing periods
- Discussed other fees—1" lines, ADUs, new account fees
- Whit expressed concern about whether large increase would trigger some rate-approval public process
- Sue explained 60-day notice process
- KC explained his understanding of rate regulations
- Whit thanked Lisa for her help with his spreadsheet
- Motion by Sue to tentatively approve this rate structure; seconded by Eric
- Helen approved
- KC looked up new account fees

- KC asked whether this would be a 5-year plan, & strongly suggested we create a 5-year plan since we might trigger some rate process with another large increase next year; we could plan small increases each year
- Sue voted yes
- Whit voted no if we'll have a more difficult process to raise rates in future years; he can adjust spreadsheet to reflect 5-year plan, but not on the fly
- Eric would like to do 5-year plan but also wants to be sure Hiland can do tiered system.
- Hiland has told KC that implementing tiered system won't cost more
- Kelli is in favor of doing something for the year but wants to know how much repairs are going to cost. She doesn't believe we can do a 5-year plan without knowing what we'll need 5 years from now.
- Whit is concerned about KC's interpretation of our ability to do further rate increases.
- Sue said we plan to seek an attorney's opinion on rate increases; we're not sure about Oregon Revised Statutes on water rate increases. Future small rate increases appear to be OK.
- Whit thinks we should seek attorney opinion before settling on increase.
- Eric said we've been in touch with several attorneys & plan to choose one at next board meeting.
- Sue mentioned timeline for rate increase process, including customer notices. Every month we don't approve an increase sets us back one month on fundraising.
- Eric suggested we approve current plan tentatively, based on what we learn from attorney.
- Kelli said we shouldn't wait to a year to make 5-year plan.
- Sue asked if we vote on motion on table, to put this plan in place.
- Vote: Helen, yes; Sue, yes; Whit, no; Kelli, yes; KC, no; Eric, no.
- Next step, get attorney's opinion, then reconvene as committee.
- Whit offered to adjust spreadsheet to account for 5-year plan.
- Much discussion on choosing attorney.
- Discussion on scheduling emergency board meeting to choose attorney before next regularly scheduled meeting. 2-3 days public notice required. We can advertise on website & put out board meeting signs.
- Next step: choose attorney & ask about rate increase law.
- Suggested that we hold board meeting in one week (April 7) before budget committee meets.
- Sue suggested that 1 week might be short time frame to find attorney & get answer.
- Whit said he's never seen attorney who didn't want to make money.
- Eric responded that he contacted 8 attorneys to get 3 responses.
- Board will have short meeting on April 7 to choose attorney.
- Next rate committee meeting will be Wednesday April 14, 2021 at 7pm.

Adjourned at 8:25pm.

Minutes by Sue Weston