

**CITY OF MILWAUKIE
CITY COUNCIL MEETING
SEPTEMBER 4, 2001**

CALL TO ORDER

The 1869th meeting of the Milwaukie City Council was called to order by Mayor Bernard at 6:05 p.m. in the City Hall Council Chambers. The following Councilors were present:

Larry Lancaster

Jeff Marshall

Staff present:

Mike Swanson,
City Manager

Tim Ramis,
City Attorney

Alice Rouyer,
Planning Director

Michelle Gregory,
Neighborhood Services Manager

Dennis Lively,
City Engineer

Jack Ostlund,
Associate Engineer

Jim Colt,
Police Captain

PLEDGE OF ALLEGIANCE

PROCLAMATIONS, COMMENDATIONS, SPECIAL REPORTS, AND AWARD

Mayor Bernard read a proclamation recognizing the month of September 2001 as *National Alcohol and Drug Addiction Recovery Month*.

CONSENT AGENDA

Mayor Bernard read the list of consent agenda items:

- A. City Council Minutes of August 20 & 21, 2001;**
- B. Resolution 26-2001 to Amend the City's Current Contract for the Juvenile Diversion Panel;**
- C. Resolution 27-2001 Amending Resolution 17-2001 Setting Fees for Services; and**
- D. Resolution 28-2001 Granting Consent to Clackamas County to Administer Dog Control and Licensing.**

It was moved by Councilor Marshall and seconded by Councilor Lancaster to adopt the consent agenda. Motion passed unanimously among the members present.

AUDIENCE PARTICIPATION

None.

PUBLIC HEARING

Volume Based Sewer Rate

Mayor Bernard called the public hearing on the proposed sanitary sewer rate charge to order at 6:09 p.m.

The purpose of this hearing was to consider public comment on the proposed volume based sewer charges.

Staff Report: **Ostlund** introduced Ed Cebron, Financial Consulting Solutions Group, Inc. (FCSG), consultant who worked with the Citizens Utility Advisory Board (CUAB) and staff on the proposed rate structure.

Cebron reviewed the background of the volume based rate structure. After adopting a sewer rate increase in February 2000, Council directed staff to determine if a volume based structure would be more equitable than the flat rate method. After reviewing policy and technical options with the CUAB, several key issues were identified: conservation should be encouraged and rewarded, billing based on residential customer winter usage is appropriate, and transition to a new structure should be phased in over 3 years. In addition to charging a more equitable fee, proposed charge is intended to create financial stability for the utility.

The CUAB considered patterns of customer usage and recommended the 3-year program with gradual increases. Customers will have the opportunity to evaluate their conservation options during that time. The impact on City revenues is neutral and is not intended to create untoward increases.

Councilor Marshall was concerned about accounting for administrative costs, including consumer education, related to implementing the new rate structure.

Cebron said additional funds, generated while customers adapt, can be used for additional administrative expenses. There will be certain start up costs related to researching customer records and developing administrative procedures.

Councilor Lancaster understood this was a very complex issue and would be concerned if rate increases were needed to support rising administrative costs. He asked if the impact of zero-volume usage had been determined.

Cebron said impact would be slight since research shows there are actually very few zero-volume customers. Those on wells will be locked into the system average until such time as they connect to the municipal system.

The group discussed the low-income residential rate, and **Cebron** believed applications were approved based on Clackamas County standards. There are currently about 100 low income customers.

Councilor Lancaster noted this is a pay-as-you-go program and all fractions are rounded down when bills are calculated.

Correspondence: None.

Public Testimony: None.

Carla Bantz, 4439 SE Pennywood Drive, Milwaukie, spoke in opposition to the increase. She believed the proposed rate structure would place a burden on families, and seniors would not see the rate decrease they anticipated. She was concerned additional residents would have their water shut off each month.

Sara, 6136 SE Monroe, Milwaukie, was opposed to the rate structure. Families with children would have high utility bills. She did not feel the public information accurately stated the percentage of increases.

Lee Cox, 11656 SE 48th Avenue, Milwaukie, supported the volume based rate structure. She believes the current flat rate subsidizes large families with high water consumption.

Councilor Lancaster felt the volume based rate proposal was the best compromise and discussed rising treatment costs.

Staff Comments: None.

Close Public Hearing: **Mayor Bernard** closed the public testimony portion of the hearing at 6:45 p.m.

Council Decision:

Councilor Marshall agreed volume based method seems to be the best compromise and is perceived as being overall the most equitable. It encourages the option to conserve. He suggested residents write the Clackamas County Board of Commissioners and urge construction of a new, more efficient treatment plant to replace Kellogg.

Councilor Lancaster said the Council will remain open to other community suggestions as the 3-year program is implemented.

It was moved by Councilor Lancaster and seconded by Councilor Marshall to adopt the resolution establishing sewer service charges. Motion passed unanimously among the members present.

RESOLUTION NO. 29-2001:

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
MILWAUKIE, OREGON, ESTABLISHING SEWER SERVICE CHARGES.**

OTHER BUSINESS

Recommendation to South Corridor Policy Group

It was moved by Councilor Marshall and seconded by Councilor Lancaster to forward the Milwaukie City Council recommended options to the South Corridor Policy Group for further study. Motion passed unanimously among the members present.

Other

Councilor Marshall expressed his concern with flaglot language in the Comprehensive Plan and suggested the Planning Commission review it.

Rouyer said the Planning Commission is scheduled to discuss flaglot standards at its September 25 meeting.

Mayor Bernard announced the City Council discussed updating the Community Goals at its September 1 work session and will meet with staff to discuss action plans.

ADJOURNMENT

It was moved by Councilor Marshall and seconded by Councilor Lancaster to adjourn the meeting. Motion passed unanimously among the members present.

Mayor Bernard adjourned the meeting at 6:50 p.m.

Pat DuVal, Recorder