

Minutes  
FAIRVIEW CITY COUNCIL WORK SESSION  
FAIRVIEW CITY HALL  
1300 NE VILLAGE STREET  
FAIRVIEW, OREGON 97024

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SEPTEMBER 18, 2002 – 5:30pm

I. CALL TO ORDER/  
ROLL CALL

Mayor Vonderharr called the meeting to order at 5:45pm.

PRESENT: Mayor Roger Vonderharr  
Councilor Ken Quinby  
Councilor Sherry Lillard  
Councilor James Raze  
Councilor Barbara Jones

ABSENT: Councilor Len Edwards  
Councilor Steve Owen

STAFF PRESENT: Mary Jo Briggs, City Administrator  
Bob Cochran, Public Works Director  
John Andersen, Community Development Director  
Roy Wall, Finance Director  
Tammy Shannon, Administrative Assistant

II. WORK SESSION  
Water/Sewer Rate Philosophy  
(Cochran/Wall)

Ray Bartlett, Utility Fee Consultant, and Finance Director Roy Wall provided Council with a PowerPoint presentation regarding the City's water and sewer rate philosophy. The two primary issues discussed were revenue requirements and rate design.

In discussing the revenue requirements from rates, both the Municipal Model and Utility Model were detailed. It was explained that the Municipal Model is used by nearly every municipal utility in Oregon, while the Utility Model is used by all privately owned water utilities in Oregon and by some municipalities for wholesale water customers.

In discussing rate design, Mr. Bartlett explained that there were two general theories of equity:

- Ability to pay- Rates are based on some measure of wealth or income such as a property tax, which is seldom used in US rate making
- Pay according to usage- Rates are based on usage, which is frequently used in the US.

Mr. Bartlett reported that the two primary issues with user rates were customer classes and measurements of usage.

The four common rate structures, along with a comparison of each, were detailed:

- Commodity Rate Only
- Base & Commodity Rates
- Base & Commodity Rates with Allowance
- Base & Increasing Commodity Rates

It was recommended that the City continue using the Municipal Method of determining annual revenue requirements. Additionally, the following recommendations were made:

1. Continue using the current Commodity only rate structure for storm water utility.
2. Continue using the base rate according to meter size plus single commodity rate for water utility.
3. Continue with the current three customer classes that fix the monthly rate for residences and a small base rate plus single commodity rate for commercial customers with regards to wastewater utility.

After discussion, Council concurred that the City should continue using the current rate structures under the Municipal Model.

DISCUSSION ON LAND  
USE DECISIONS  
(Beery)

City Attorney Pam Beery provided Council with a brief presentation on land use applications and decision-making.

III. ADJOURNMENT

Councilor Jones moved and Councilor Raze seconded the motion to adjourn. Mayor Vonderharr adjourned the meeting at 7:20pm.

AYES: 5  
NOES: 0  
ABSTAINED: 0

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Mayor Roger Vonderharr

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Dated:

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Tammy Shannon  
Administrative Assistant