

# City of Newberg

## Rate Review Meeting Minutes

January 27<sup>th</sup>, 2026

### Call to Order

Chair Ned Knight called the Rate Review Committee meeting to order on January 27, 2026, at 5:32 PM.

### Roll Call

Staff Natalí conducted roll call with the following members present: Derek Wharff, Inen Buerkle, Mary Meyer, Ned Knight, Ron Sinicki, Roger Kuhlman, Peggy Kilburg. Absent: Leisha Adams (expected to participate virtually), Derek Duff, and Raquel Peregrino de Brito (excused). Derek Duff arrived at 5:34 PM.

### Pledge of Allegiance

The Committee participated in the Pledge of Allegiance.

### Public Comments

No public comments were received.

### Reports and Presentations

#### Water CIP Presentation

Staff Liaison Kady Strode presented an updated utility bill format that now separates flat fees from consumption fees as previously requested by the committee.

City Manager Will Worthey presented the current and future water projects:

- The Oak Knoll Booster pump station is complete and came in \$150,000 under budget due to staff building the housing and reusing old pumps.
- Water plant basin covers are 90% complete with expected finish this month, though Will noted the project was mandated by DEQ despite questionable scientific basis.
- Current biennium includes \$300,000 placeholder for unexpected underground discoveries.
- Main Street water main project is progressing with railroad permission secured.
- The groundwater treatment plant, projected for the 2030s, will be a major future necessity with estimated costs of \$45-50 million. Current water plant capacity is 5.5 mega gallons per day, which will be insufficient for future needs. Geotechnical studies are complete, and funding will likely require bonding action.
- HB 2001 water projects include 1,200 feet of water main replacements in south downtown to address infrastructure weaknesses.

## Water Financial Presentation

Deb Galardi of Galardi Rothstein Group presented the water financial analysis:

- Water rates are the primary funding source (86%) for the water system.
- Historical water rate increases fluctuated between 0-7%, with current 5% increases implemented for FY 2025-26.
- National trends show water rates typically increase at double the rate of inflation.
- Significant capital improvements are needed, particularly the future water treatment plant.
- Current financial plan includes \$32 million in property tax bond funding for the plant, with some cash funding.
- The water fund has loaned \$6 million to the sewer fund, which will be repaid with interest.
- The 5% annual rate increases are projected to continue, adding approximately \$3 per month each year to a typical residential bill.
- The property tax bond for the water plant could add approximately \$0.69 per \$1,000 of assessed value.
- The plan balances resilient infrastructure funding while maintaining adequate contingency reserves.

Staff emphasized the importance of pursuing external funding to reduce costs and noted the challenges of balancing needs against affordable rates.

## Additional Information

Supplementary documents were provided on the updated utility billing format that included both the printed and electronic invoice versions.

## Next Meeting – February 10th

The next meeting will be held on February 10th at 5:30 PM and will cover storm and TUFF utilities.

## Adjournment

Chair Ned Knight adjourned the meeting.

Attested by:

A handwritten signature in black ink, appearing to read "Kady Strode", written over a horizontal line.

Kady Strode, Staff Liaison

A handwritten signature in black ink, appearing to read "Ned Knight", written over a horizontal line.

Ned Knight, Committee Chair