

# CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

## Study Session Worksheet

Presentation Date: June 4, 2013                      Time: 11:00 am      Length: 30 minutes  
Presentation Title:      Good Neighbor Fund - City of Milwaukie Request Operations  
Department:                      Water Environment Services  
Presenters:                      Mike Kuenzi

### ACTIONS REQUESTED

The BCC is being asked to endorse or deny the request by the City of Milwaukie ("City") to utilize the Good Neighbor Fund to support a long term capital commitment associated with the park improvements adjacent to Kellogg Treatment Plant.

### EXECUTIVE SUMMARY

The City and Clackamas County Service District No. 1 ("CCSD#1") entered into a 25 year service agreement for wastewater treatment in December 2012 (the "Agreement"). As part of that Agreement, CCSD#1 sets aside the equivalent of \$1 per month per equivalent dwelling unit ("EDU") within the City's limits into a special CCSD#1 fund, generally called the "Good Neighbor Fund," to be used to make the Kellogg Plant a better neighbor within the City. At time of execution of the Agreement, the City had 10,939 EDUs, so the current annual amount of the fund is \$131,268. The City constituted a special committee and considered various proposals for use of those funds, which must be approved by CCSD#1 as consistent with the purposes of CCSD#1.

The City of Milwaukie recently requested to utilize and commit a portion of the Good Neighbor Fund for long-term debt payments associated with their waterfront park improvements on and adjacent to the Kellogg Treatment Plant. The Agreement allows the City to request up to 80% of the monthly revenues deposited in the Good Neighbor Fund to be remitted to the City's sewer utility fund to support debt service payments for certain capital projects. The Agreement further stipulates that "CCSD#1 shall grant such a request so long as (i) the remitted revenues will support a project that is a fund approved purpose, (ii) that in the reasonable opinion of CCSD#1 staff, the proposed project will not violate the legal authority of the district's authorizing statutes; and (iii) the Parties shall reach agreement regarding the future ownership and/or maintenance of the resulting capital project." Staff has determined that the project is consistent with the Agreement since the proposal deals in part with the entryway to the Kellogg Plant, parking, and surrounding landscaping.

The District's contribution to the Good Neighbor fund is annually tied to the number of connections reported by the City of Milwaukie. In the proposed FY2013-14 budget, \$132,000 has been set aside. The exact requested utilization has yet to be finalized but is anticipated to amount to approximately 40% to 50% of the annual allocation. In addition, this request will be a 20-year commitment dependent on the final bond package and sale. The District will not be directly responsible for any of the City's bond commitments.

The City presented their request to the District advisory committee on May 15<sup>th</sup>, 2013. The Committee endorsed their request predicated on the City and CCSD#1 coming to terms on the agreement currently under negotiation regarding the City's request for an easement on the District's property and change in entry path to the Kellogg Plant. Staff is bringing the City's Good Neighbor Fund request to the BCC for final direction because the total commitment exceeds the financial authority of the Director.

