



CLACKAMAS

**WATER  
ENVIRONMENT  
SERVICES**

Gregory L. Geist  
Director

June 18, 2020

Board of County Commissioners  
Clackamas County

Members of the Board:

**RESOLUTION ADOPTING THE WATER ENVIRONMENT SERVICES  
2020-21 FISCAL YEAR BUDGET AND MAKING APPROPRIATIONS**

<b>Purpose/Outcomes</b>	Budget adoption for Water Environment Services (“WES”).
<b>Dollar Amount and Fiscal Impact</b>	Water Environment Services FY 2020-21 budget in the amount of \$187,516,693 with appropriations totaling \$114,010,217.
<b>Funding Source</b>	WES funds. No General funds.
<b>Duration</b>	July 1, 2020 through June 30, 2021.
<b>Previous Board Action/Review</b>	May 26, 2020 – WES Budget Committee approved the FY 2020-21 budget as presented.
<b>Counsel Review</b>	This Resolution was reviewed and approved by County Counsel on June 8, 2020.
<b>Strategic Plan Alignment</b>	1. WES Customers will continue to benefit from a well-managed utility. 2. Build public trust through good government.
<b>Contact Person</b>	Doug Waugh, Finance Manager <a href="mailto:dougwau@clackamas.us">dougwau@clackamas.us</a>
<b>Contract No.</b>	N/A

**BACKGROUND:**

The attached Resolution and exhibit adopts the budget as published and approved by WES’ Budget Committee in accordance with state budget law.

The Budget Committee for WES met on May 26, 2020 to consider its budget. The budget for WES was unanimously approved as recommended by staff. The attached resolution establishes a Fiscal Year 2020-21 budget for WES of \$187,516,693 and makes appropriations of \$114,010,217.

This resolution to adopt and appropriate the Fiscal Year 2020-21 budget has been reviewed and approved by County Counsel.

**RECOMMENDATION:**

Staff respectfully recommends the Board of County Commissioners of Clackamas County, as the governing body of Water Environment Services, approve the Resolution adopting the budget and making appropriations for Fiscal Year 2020-21 for Water Environment Services.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Greg Geist". The signature is written in a cursive style with a horizontal line extending to the right.

Greg Geist, Director  
Water Environment Services

**BEFORE THE BOARD OF COUNTY COMMISSIONERS  
OF CLACKAMAS COUNTY, STATE OF OREGON**

A Resolution Adopting a 2020-21  
Fiscal Year Budget and Making  
Appropriations for the Period of  
July 1, 2020 through June 30,  
2021



Resolution No. \_\_\_\_\_

WHEREAS, the proposed expenditures and resources constituting the budget for Water Environment Services for the period of July 1, 2020 through June 30, 2021, inclusive, has been prepared, published and approved by the Budget Committee, and that the matters discussed at the public hearing were taken into consideration, as required by Oregon statutes; and

WHEREAS, in accordance with ORS 294.920 and Executive Order No. 20-16, the notice of this public hearing and a financial summary were published in The Oregonian on June 6th, 2020 and on the internet at Clackamas.us/budget on June 8th, 2020; and

WHEREAS, ORS 294.456 and ORS 294.910 require municipal corporations to make appropriations when adopting the budget, as shown in Exhibit A.

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS, AS THE GOVERNING BODY OF CLACKAMAS WATER ENVIRONMENT SERVICES, THAT:

The budget is hereby adopted for the Fiscal Year 2020-2021 in the amount of **\$187,516,693.00** and establishes appropriations of **\$114,010,217.00** as shown in the attached Exhibit A, which by this reference is made a part of this resolution.

ADOPTED this 18<sup>th</sup> day of June, 2020.

CLACKAMAS COUNTY BOARD OF COUNTY  
COMMISSIONERS as the Governing Body  
of Water Environment Services:

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Recording Secretary

**WATER ENVIRONMENT SERVICES  
FISCAL YEAR 2020-2021 BUDGET  
EXHIBIT A**

**SANITARY SEWER OPERATING FUND**

Materials and Services	\$ 25,015,516
Special Expenditures	
Transfers	18,268,056
Contingency	4,169,000
<b>TOTAL OPERATING FUND EXPENDITURES</b>	<b><u>\$ 47,452,572</u></b>

**SANITARY SEWER SYSTEM DEVELOPMENT CHARGE FUND**

Capital Outlay	\$ 8,723,500
Special Expenditures	
Contingency	2,180,875
<b>TOTAL SYSTEM DEVELOPMENT CHARGE FUND EXPENDITURES</b>	<b><u>\$ 10,904,375</u></b>

**SANITARY SEWER CONSTRUCTION FUND**

Capital Outlay	\$ 29,124,500
Special Expenditures	
Contingency	7,281,125
<b>TOTAL CONSTRUCTION FUND EXPENDITURES</b>	<b><u>\$ 36,405,625</u></b>

**SURFACE WATER OPERATING FUND**

Materials and Services	\$ 5,089,029
Special Expenditures	
Transfers	3,000,000
Contingency	848,000
<b>TOTAL OPERATING FUND EXPENDITURES</b>	<b><u>\$ 8,937,029</u></b>

**SURFACE WATER SYSTEM DEVELOPMENT CHARGE FUND**

Capital Outlay	\$ -
Special Expenditures	
Contingency	-
<b>TOTAL SYSTEM DEVELOPMENT CHARGE FUND EXPENDITURES</b>	<b><u>\$ -</u></b>

**SURFACE WATER CONSTRUCTION FUND**

Capital Outlay	\$ 2,141,500
Special Expenditures	
Contingency	535,375
<b>TOTAL CONSTRUCTION FUND EXPENDITURES</b>	<b><u>\$ 2,676,875</u></b>

**STATE LOAN FUND**

Principal and Interest	\$ 612,581
Special Expenditures	
Transfers	200,000
Reserve	53,104
<b>TOTAL DEBT SERVICE FUND EXPENDITURES</b>	<b><u>\$ 865,685</u></b>

**REVENUE BOND FUND**

Principal and Interest	\$ 6,768,056
Special Expenditures	
Reserve	-
<b>TOTAL DEBT SERVICE FUND EXPENDITURES</b>	<b><u>\$ 6,768,056</u></b>



Gregory L. Geist  
Director

June 18, 2020

Board of County Commissioners  
Clackamas County

Members of the Board:

**BOARD ORDER AMENDING AND ADOPTING RATES AND CHARGES FOR  
WATER ENVIRONMENT SERVICES**

<b>Purpose/Outcomes</b>	Amend and adopt rates and charges for Water Environment Services.
<b>Dollar Amount and Fiscal Impact</b>	Inflationary adjustments to sanitary sewer and surface water rates.
<b>Funding Source</b>	Ratepayer payments for services.
<b>Duration</b>	July 1, 2020 through June 30, 2021.
<b>Previous Board Action/Review</b>	None.
<b>Counsel Review</b>	This Board Order was reviewed and approved by County Counsel on June 8, 2020.
<b>Strategic Plan Alignment</b>	<ol style="list-style-type: none"> <li>1. WES Customers will continue to benefit from a well-managed utility.</li> <li>2. Build public trust through good government.</li> </ol>
<b>Contact Person</b>	Doug Waugh, Finance Manager <a href="mailto:dougwau@clackamas.us">dougwau@clackamas.us</a>
<b>Contract No.</b>	N/A

**BACKGROUND:**

The attached Order changes the Equivalent Dwelling Unit (“EDU”) monthly charge for wholesale sanitary sewer service within Rate Zone One (contiguous with the boundaries of the Tri-City Service District) of Water Environment Services (“WES”) from \$23.75 to \$24.95 per EDU. The City of Oregon City will be charged an additional amount of \$1.65 per EDU to offset the City’s right of way usage fee. The City of Gladstone will be charged an additional amount of \$1.25 per EDU to offset the City’s right of way usage fee. The monthly service charge for retail sanitary sewer service within Rate Zone One will be adjusted from \$36.40 to \$38.25 per EDU.

The retail EDU monthly charge for sanitary sewer service within Rate Zone Two (contiguous with the boundaries of Clackamas County Service District No. 1) will be adjusted from \$50.55 to \$51.25/EDU, and the retail Equivalent Service Unit (ESU) for surface water management services within Rate Zone Two will be adjusted from \$7.30 to \$7.65/ESU. Ratepayers in the City of Happy Valley will be charged an additional amount of 5% or approximately \$2.56 per EDU for sanitary sewer service and approximately \$0.38 per ESU for surface water management service to offset the City’s right-of-way usage fee. The wholesale EDU monthly charge for sanitary sewer service in Rate Zone Two changes from \$37.90 to \$37.95/EDU.

The monthly service charge for retail surface water service will be adjusted from \$4.45 to \$4.65 per Equivalent Service Unit within Rate Zone Three (contiguous with the boundaries of the Surface Water Management Agency of Clackamas County).

These changes are effective for service rendered on and after July 1, 2020. The Order further requires WES to amend its published service charge schedule to reflect this change.

The change in charges for monthly sanitary sewer service and monthly surface water service for WES is pursuant to the Fiscal Year 2020-2021 budget approved by WES' Budget Committee on May 26, 2020, and adopted by the Board on June 18, 2020.

**RECOMMENDATION:**

Staff recommends the Board of County Commissioners of Clackamas County, as the governing body of Water Environment Services, approve the Order amending and adopting rates and charges for Water Environment Services.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Greg Geist".

Greg Geist, Director  
Water Environment Services

**BEFORE THE BOARD OF COUNTY COMMISSIONERS  
OF CLACKAMAS COUNTY, STATE OF OREGON**

In the Matter of an Order Amending  
and Adopting Rates and Charges for  
Water Environment Services,  
Clackamas County, Oregon

ORDER NO.

Page 1 of 3

This matter came for hearing before the Board of County Commissioners of Clackamas County, Oregon ("Board"), as the governing body of Water Environment Services ("WES"), in public hearing on June 18<sup>th</sup>, 2020.

WHEREAS, WES finds that WES' Rules and Regulations allow for adoption and amendment of rates and charges by order;

WHEREAS, in order to meet the continuing obligations and ensure effective performance of WES, it is necessary for WES to adopt a wholesale sanitary sewer equivalent dwelling unit ("EDU") charge within Rate Zone One of \$24.95 per EDU per month. The City may set such additional amounts for monthly sanitary sewer user charges which shall be added to WES' wholesale sanitary sewer charge, and the entire amount shall be billed by the City;

WHEREAS, in order to meet the continuing obligations and ensure effective performance of WES, it is necessary for WES to adopt a retail sanitary sewer charge within Rate Zone One of \$38.25 per EDU per month;

WHEREAS, in order to meet the continuing obligations and ensure effective performance of WES, it is necessary for WES to adopt a retail sanitary sewer charge within Rate Zone Two of \$51.25 per EDU per month;

WHEREAS, in order to meet the continuing obligations and ensure effective performance of WES, it is necessary for WES to adopt a retail surface water equivalent service unit ("ESU") charge within Rate Zone Two of \$7.65 per ESU per month;

WHEREAS, in order to meet the continuing obligations and ensure effective performance of WES, it is necessary for WES to adopt a retail surface water charge within Rate Zone 3 of \$4.65 per ESU per month;

WHEREAS, in order to meet continuing obligations and ensure equity amongst ratepayers and avoid a budget deficit, it is necessary for WES to adopt a methodology that allows for charges to any municipal customer of WES that levies, charges, taxes or otherwise imposes additional costs on WES relating to the use of public right of way within that municipality in an amount equal to the cost of such levy, charge, tax or other cost plus the maximum statutorily allowed interest rate to be charged for late fees;

**BEFORE THE BOARD OF COUNTY COMMISSIONERS  
OF CLACKAMAS COUNTY, STATE OF OREGON**

In the Matter of an Order Amending  
and Adopting Rates and Charges for  
Water Environment Services,  
Clackamas County, Oregon

ORDER NO.

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WHEREAS, in order to implement such methodology for Fiscal Year 2020-21, WES shall charge the City of Oregon City \$1.65 per month per EDU served by Oregon City, in addition to the \$24.95 wholesale EDU rate, all effective July 1, 2020, pursuant to WES' approved budget. WES shall charge the City of Gladstone \$1.25 per month per EDU served by Gladstone, in addition to the \$24.95 wholesale EDU rate, all effective July 1, 2020, pursuant to WES' approved budget. WES shall charge the customers of WES residing within the City of Happy Valley an additional 5% or approximately \$2.56 per EDU per month for sanitary sewer service and an additional 5% or approximately \$0.38 per EDU per month for surface water services pursuant to the adopted rate methodology, all effective July 1, 2020, pursuant to WES' approved budget.

The Board, having held a hearing, considered testimony, factual supporting materials and the above findings and rate methodology, and being fully advised, it is hereby ORDERED:

1. Effective July 1, 2020, WES' published service charge schedule is amended in part to reflect the changes in charges below:
  - a. WES' wholesale sanitary sewer service charge shall be \$24.95 per month for each dwelling unit or equivalent dwelling unit as assigned each class of service, which shall be paid by the City for each user from the date of connection of such user to the sewerage system within Rate Zone One (contiguous with the boundaries of the Tri-City Service District). Payment shall be made to the City in which the property is located for subsequent remittance to WES, except for those areas billed directly to the users by WES. WES shall bill for and directly receive the retail charge of \$38.25 for retail sanitary sewer customers within Rate Zone One. WES shall bill the City of Oregon City an additional \$1.65 per EDU, pursuant to the adopted rate methodology. WES shall bill the City of Gladstone an additional \$1.25 per EDU, pursuant to the adopted rate methodology. WES shall set the sewer service charges for each user based upon WES' service charge schedule.
  - b. WES' retail sanitary sewer service charge shall be \$51.25 per month for each dwelling unit or equivalent dwelling unit within Rate Zone Two (contiguous with the boundaries of Clackamas County Service District No. 1). WES shall charge retail customers of Rate Zone Two residing in the City of Happy Valley an additional 5% or approximately \$2.56 per EDU for sanitary sewer service pursuant to the adopted rate methodology. WES' wholesale sanitary sewer service charge within Rate Zone Two shall be \$37.95 per month for each dwelling unit or equivalent dwelling unit as assigned each class of service, which shall be paid by the Cities of Milwaukie and Johnson City for each user from the date of connection of such user to the sewerage system within Rate Zone Two.
  - c. WES' retail surface water service charge shall be \$7.65 per month for each service unit or equivalent service unit within Rate Zone Two (contiguous with the boundaries of Clackamas County Service District No. 1). WES shall charge retail customers of Rate Zone Two residing in the City of Happy Valley an additional 5% or approximately \$0.38 per EDU for surface water service pursuant to the adopted rate methodology.



**BEFORE THE BOARD OF COUNTY COMMISSIONERS  
OF CLACKAMAS COUNTY, STATE OF OREGON**

In the Matter of an Order Amending  
and Adopting Rates and Charges for  
Water Environment Services,  
Clackamas County, Oregon

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- d. WES' retail surface water service charge shall be \$4.65 per month for each service unit or equivalent service unit within Rate Zone Three (contiguous with the boundaries of the Surface Water Management Agency of Clackamas County).
2. WES staff is directed to publish the amended service charge schedule in accordance with this Order.
3. In all other respects, the Rules and Regulations of WES remain in full force and effect.
4. An executed copy hereof shall be kept on file at Water Environment Services.

PASSED this 18th day of June, 2020, after public hearing by the Board of County Commissioners at its regular meeting.

BOARD OF COUNTY COMMISSIONERS  
OF CLACKAMAS COUNTY, OREGON  
As the Governing Body of  
Water Environment Services

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Recording Secretary



Gregory L. Geist  
Director

June 18, 2020

Board of County Commissioners  
Clackamas County

Members of the Board:

**RESOLUTION ADJUSTING SYSTEM DEVELOPMENT CHARGES FOR  
WATER ENVIRONMENT SERVICES FOR FY 2020-2021**

<b>Purpose/Outcomes</b>	Ensuring continued collection of system development charges and increasing the revenues received from new development within Water Environment Services ("WES").
<b>Dollar Amount and Fiscal Impact</b>	Projected to collect ~\$125,000 in additional wholesale Sanitary Sewer System Development Charges ("SDC") revenues annually. Projected to collect ~\$2,200 in additional Rate Zone Two Surface Water SDC revenues annually.
<b>Funding Source</b>	No General Funds involved.
<b>Duration</b>	Permanent.
<b>Previous Board Action/Review</b>	In June 2019, the Board adopted a Sanitary Sewer SDC of \$7,850 and a Surface Water SDC of \$211.
<b>Counsel Review</b>	This Resolution was reviewed and approved by County Counsel on June 8, 2020.
<b>Strategic Plan Alignment</b>	1. WES Customers will continue to benefit from a well-managed utility. 2. Build public trust through good government.
<b>Contact Person</b>	Doug Waugh, Finance Manager <a href="mailto:dougwau@clackamas.us">dougwau@clackamas.us</a>
<b>Contract No.</b>	N/A

**BACKGROUND:**

Water Environment Services, an intergovernmental partnership formed under ORS Chapter 190 ("WES")'s Rules and Regulations allow for inflationary adjustments to the Sanitary Sewer and Surface Water System Development Charges ("SDCs").

On May 26, 2020, staff presented to Water Environment Services' Budget Committee the Fiscal Year 2020-21 budget, which included an inflationary increase in the Sanitary Sewer SDC of 1.98% to \$8,005, and an inflationary increase in the Surface Water SDC of ~1.9% to \$215. The Budget Committee unanimously voted to recommend approval of the budget, which included the increases.

**RECOMMENDATION:**

Staff respectfully recommends that the Board of County Commissioners, as the governing body of Water Environment Services, adopts the resolution increasing the sanitary sewer wholesale services system development charge to \$8,005, and increasing the surface water system development charge to \$215 for WES Rate Zone Two.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Greg Geist", with a stylized flourish extending to the right.

Greg Geist, Director  
Water Environment Services

**BEFORE THE BOARD OF COUNTY COMMISSIONERS  
OF CLACKAMAS COUNTY, STATE OF OREGON**

A Resolution Adjusting System  
Development Charges for Water  
Environment Services for Fiscal  
Year 2020-2021

ORDER NO.

Page 1 of 2

This matter coming before the Board of County Commissioners of Clackamas County, Oregon, as the governing body of Water Environment Services (the "Board"),

WHEREAS, on June 29, 2017, the SDC methodology for CCSD No. 1 and TCSD were adopted as the System Development Charge ("SDC") methodology for Water Environment Services ("WES"); and

WHEREAS, WES' Rules and Regulations allow for adjustments to SDCs by resolution based upon the periodic application of a specific cost index; and

WHEREAS, inflationary calculations are to be based upon Construction cost changes in the Engineering News Record Construction Cost Index; and

WHEREAS, the percent change in the Engineering News Record's average annual construction cost index for 2019 reflected an increase of one and ninety-eight hundredths percent (1.98%) from 2018; and

WHEREAS, on May 26, 2020, the Water Environment Services Budget Committee approved the Fiscal Year 2020-21 budget for WES, which included a Sanitary Sewer wholesale SDC rate of \$8,005 and a Surface Water SDC rate of \$215; and

WHEREAS, in order to meet the continuing obligations and ensure effective performance of WES, it is necessary to adopt an increased Sanitary Sewer wholesale SDC of \$8,005, and also adopt an increased Surface Water SDC within Rate Zone Two of \$215;

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS, AS THE GOVERNING BODY OF WATER ENVIRONMENT SERVICES, THAT:

1. Effective July 1, 2020, the WES wholesale sanitary sewer service system development charge shall be adjusted by approximately 1.98% to Eight Thousand Five Dollars (\$8,005.00) per equivalent dwelling unit as defined and applied by the WES Rules and Regulations and the previously-adopted methodology; and
2. Effective July 1, 2020, the WES surface water system development charge within Rate Zone Two shall be adjusted by approximately 1.9% to Two Hundred Fifteen Dollars (\$215.00) per equivalent service unit as defined and applied by the WES SDC ordinance and the previously-adopted methodology; and
3. WES staff is directed to publish these updated SDC charges where appropriate, in accordance with this order; and
4. An executed copy hereof shall be kept on file at WES.

**BEFORE THE BOARD OF COUNTY COMMISSIONERS  
OF CLACKAMAS COUNTY, STATE OF OREGON**

A Resolution Adjusting System  
Development Charges for Water  
Environment Services for Fiscal Year  
2020-2021.

ORDER NO.

Page 2 of 2

ADOPTED this 18th day of June, 2020.

CLACKAMAS COUNTY BOARD OF COUNTY  
COMMISSIONERS as Governing Body  
of Water Environment Services:

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Chair

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Recording Secretary