

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS
Sitting/Acting as THE BOARD OF DIRECTORS OF WATER ENVIRONMENT SERVICES
Policy Session Worksheet

Presentation Date: 5/15/18 **Approx. Start Time:** 3:00 PM **Approx. Length:** 15 minutes

Presentation Title: Fees and Charges Proposed Changes

Department: Water Environment Services (WES)

Presenters: Chris Storey, WES Assistant Director & Doug Waugh, WES Finance Manager

Other Invitees: None

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Seeking Board approval for adjustments to the septage, lien search, and delinquency charge fees applied by WES. The proposed increases are:

Septage fee: From \$0.08 per gallon to \$0.12 per gallon, resulting in ~\$35,000 in additional revenue.

Lien Search fee: From \$18 per search to \$25 per search, resulting in ~\$20,000 in additional revenue.

Delinquency charge: From 0.75% per month to 1.25% per month, resulting in ~\$80,000 in additional revenue.

EXECUTIVE SUMMARY:

As part of the Boards annual process for reviewing fees and charges applied by various County Departments, WES is proposing to update the three user fees noted above. If approved, these changes will be included in the budget proposal for FY18-19 to take effect on July 1, 2018 along with other rate changes, such as the monthly service rate.

These three fees were identified out of over twenty that WES charges as being significantly below market compared to our peer agencies. Even with the increases, WES will remain in the bottom third of peer agencies with respect to its fees. The septage fee increase, after implemented, will still be the lowest in our peer group. For example, the City of Portland charges \$0.145 per gallon and Clean Water Services charges \$0.16 per gallon. The lien search fee is increasing to reflect the increased cost of staff time in responding to escrow company requests. And the delinquency charge increase is proposed in an effort to incentivize customers to pay their bill on time. WES, because of the nature of sewer service, does not turn off service. It can, however, certify unpaid bills onto property tax rolls and collect that way. There is a small but persistent group of customers who appear to desire for that amount to be certified to the property tax rolls, which delays collection significantly. It is hoped that increasing the delinquency fee will decrease the number of significantly delayed collections.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? YES NO

What is the cost? No cost. \$135,000 additional revenue What is the funding source? N/A

STRATEGIC PLAN ALIGNMENT:

- How does this item align with your Department's Strategic Business Plan goals?

Additional revenues will provide additional resources for all programs to achieve their strategic goals.

- How does this item align with the County's Performance Clackamas goals?

Additional resources to help insure the provision of effective and efficient government.

LEGAL/POLICY REQUIREMENTS: Part of the County's annual fee and charges review process.

PUBLIC/GOVERNMENTAL PARTICIPATION: Fee change proposals are part of the budget adoption process, and will be subject to WES Advisory Committee review as part of the budget as well as the WES Budget Committee and ultimately the Board budget adoption public hearing process.

OPTIONS:

- 1) Preliminarily approve proposed adjustments to all three fees.
- 2) Preliminarily approve proposed adjustments to one or two of the fees.
- 3) Do not approve any of the proposed adjustments.

RECOMMENDATION:

Staff recommends Option 1, preliminarily approving proposed adjustments to all three fees.

ATTACHMENTS:

None.

SUBMITTED BY:

Division Director/Head Approval _____

Department Director/Head Approval _____

County Administrator Approval _____

For information on this issue or copies of attachments, please contact Chris Storey @ 503-742-4543
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