



Gregory L. Geist
Director

June 9, 2022

Board of County Commissioners
Clackamas County

Members of the Board:

Approval of Board Order Amending and Adopting Rates and Charges for Water Environment Services. Fiscal Impact is approximately \$1.1 million in additional sewer and surface water monthly service charge revenue. No County General Funds are involved.

Purpose/Outcomes	Approval of Board Order Amending and Adopting Rates and Charges for Water Environment Services. Fiscal Impact is approximately \$1.1 million in additional sewer and surface water monthly service charge revenue. No County General Funds are involved.
Dollar Amount and Fiscal Impact	Inflationary adjustments to sanitary sewer and surface water rates. Fiscal impact is approximately \$1.1 million in additional annual sewer and surface water monthly service charge revenue.
Funding Source	Ratepayer payments for services.
Duration	July 1, 2022 through June 30, 2023.
Previous Board Action/Review	The WES Budget Committee approved the FY 2022-23 budget as presented on May 23, 2022. Presented at Issues on June 7, 2022
Strategic Plan Alignment	<ol style="list-style-type: none"> 1. WES customers will continue to benefit from a well-managed utility. 2. This board order aligns with the County strategic priority to ensure safe, health and secure communities by ensuring funding for WES to provide sewer and surface water services to protect public health and the environment.
Counsel Review	This board order was reviewed and approved by Amanda Keller, Assistant County Counsel, on May 25, 2022.
Procurement Review	Was this item reviewed by Procurement? No If no, provide brief explanation: The board order to adopt rates and charges is not required to be reviewed by Procurement.
Contact Person	Ron Wierenga, WES Assistant Director (503-742-4581)
Agreement No.	Not Applicable.

BACKGROUND:

The attached board order changes the Equivalent Dwelling Unit (“EDU”) monthly charge for wholesale sanitary sewer service within Rate Zone 1 (contiguous with the boundaries of the Tri-City Service District) of Water Environment Services (“WES”) from \$25.30 to \$26.55 per EDU. The City of Oregon City will be charged an additional amount of \$1.75 per EDU to offset the city’s right of way usage fee. The City of Gladstone will be charged an additional amount of

\$1.35 per EDU to offset the city's right of way usage fee. The monthly service charge for retail sanitary sewer service within Rate Zone 1 will be adjusted from \$38.80 to \$40.75 per EDU.

The retail EDU monthly charge for sanitary sewer service within Rate Zone 2 (contiguous with the boundaries of Clackamas County Service District No. 1) will be adjusted from \$51.45 to \$52.15 per EDU, and the retail Equivalent Service Unit ("ESU") for surface water management services within Rate Zone 2 will be adjusted from \$7.75 to \$8.15 per ESU. Ratepayers in the City of Happy Valley will be charged an additional amount of 5% or approximately \$2.61 per EDU for sanitary sewer service and approximately \$0.41 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 2 remains at \$37.95 per EDU.

The monthly service charge for retail surface water service will be adjusted from \$4.70 to \$4.95 per ESU within Rate Zone 3 (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, 2022. The board order further requires WES to amend its published service charge schedule to reflect this change.

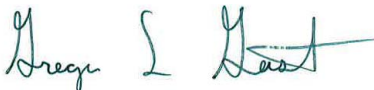
The change in charges for monthly sanitary sewer service and monthly surface water service for WES is pursuant to the Fiscal Year 2022-2023 budget approved by WES' Budget Committee on May 23, 2022, and adopted by the Board on June 9, 2022.

The attached resolution has been reviewed and approved by County Counsel.

RECOMMENDATION:

Staff recommends the Board of County Commissioners of Clackamas County, as the governing body of Water Environment Services, approve the Board Order Amending and Adopting Rates and Charges for Water Environment Services. Fiscal Impact is approximately \$1.1 million in additional sewer and surface water monthly service charge revenue.

Respectfully submitted,



Greg Geist, Director
Water Environment Services

Attachments: Board Order



RECORDING MEMO

New Agreement/Contract

Amendment/Change/Extension

Other: _____

Originating County Department: _____

Purchasing for: _____

Other party to contract/agreement: _____

Title from Business Meeting Agenda:

After recording please return to:

Clerk to the Board please complete below this line after Board approval _____

Board Agenda Date: _____

Agenda Item Number: _____

**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
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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 9th, 2022.

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 1 of \$26.55 per EDU per month. A 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 1 of \$40.75 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 2 of \$52.15 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 2 of \$8.15 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 \$4.95 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;

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WHEREAS, in order to implement such methodology for Fiscal Year 2022-23, WES shall charge the City of Oregon City \$1.75 per month per EDU served by Oregon City, in addition to the \$26.55 wholesale EDU rate, all effective July 1, 2022, pursuant to WES' approved budget. WES shall charge the City of Gladstone \$1.35 per month per EDU served by Gladstone, in addition to the \$26.55 wholesale EDU rate, all effective July 1, 2022, pursuant to WES' approved budget. WES shall charge the customers of WES residing within the City of Happy Valley an additional 5% or approximately \$2.61 per EDU per month for sanitary sewer service and an additional 5% or approximately \$0.41 per ESU per month for surface water services pursuant to the adopted rate methodology, all effective July 1, 2022, pursuant to WES' approved budget.

NOW THEREFORE, the Clackamas County Board of County Commissioners, acting as governing body of Water Environment Services, having held a hearing, considered testimony, factual supporting materials and the above findings and rate methodology, and being fully advised, hereby orders as follows:

1. Effective July 1, 2022, 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 \$26.55 per month for each dwelling unit or equivalent dwelling unit as assigned to 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 1 (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 \$40.75 for retail sanitary sewer customers within Rate Zone 1. WES shall bill the City of Oregon City an additional \$1.75 per EDU, pursuant to the adopted rate methodology. WES shall bill the City of Gladstone an additional \$1.35 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 \$52.15 per month for each dwelling unit or equivalent dwelling unit within Rate Zone 2 (contiguous with the boundaries of Clackamas County Service District No. 1). WES shall charge retail customers of Rate Zone 2 residing in the City of Happy Valley an additional 5% or approximately \$2.61 per EDU for sanitary sewer service pursuant to the adopted rate methodology. WES' wholesale sanitary sewer service charge within Rate Zone 2 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 2.
 - c. WES' retail surface water service charge shall be \$8.15 per month for each service unit or equivalent service unit within Rate Zone 2. WES shall charge retail customers of Rate Zone 2 residing in the City of Happy Valley an additional 5%

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or approximately \$0.41 per EDU for surface water service pursuant to the adopted rate methodology.

- d. WES' retail surface water service charge shall be \$4.95 per month for each service unit or equivalent service unit within Rate Zone 3 (contiguous with the boundaries of the Surface Water Management Agency of Clackamas County).
2. WES staff are 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.

ADOPTED this 9th day of June, 2022.

Water Environment Services:

Chair

Recording Secretary