

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Staff Presentation Worksheet

Presentation Date: March 1, 2011 **Time:** 10:30 **Length:** 30 minutes

Presentation Title: On-Site Septic Program Evaluation and Recommendations

Department: Water Environment Services (WES)

Presenters: Mike Kuenzi, Dan Henninger

POLICY QUESTION

How should Clackamas County reduce the risk to Clackamas County Service District #1 (CCSD#1) of administering the On-site Septic Program, a county-wide program that is currently underwritten by the CCSD#1 ratepayers?

ISSUE & BACKGROUND

Since 1974, Clackamas County has been a contract agent for the Oregon Department of Environmental Quality (DEQ) providing regulatory oversight for the installation, maintenance and repair of on-site septic systems throughout the County. Currently, within Clackamas County there are over 50,000 septic systems serving approximately 110,000 people, generating approximately 11-million gallons of wastewater per day.

The On-site Septic System Program (On-site Program) was transferred to Water Environment Services (WES) in 2001 is currently the only County-wide function that it provides. The program does not have any general county funding and relies solely on current program fees and CCSD#1. Historically, CCSD#1 has guarantees salaries, benefits and expenses of the program and makes up any incurred annual deficient. WES has recently completed an evaluation of the On-site Program, key finding of the evaluation are summarized below:

- The On-site Program is generally fee supported, with new septic system fees subsidizing program expenses associated with failures and rehabilitation of existing septic systems.
- Over the past 3-years, the On-site Program has experienced budget deficits of about \$200,000 per year. The prior 6 years the program generated budget surpluses ranging from \$96,000 to \$229,000. Those surpluses were recognized as revenues of CCSD#1.
- In general, activity and revenues associated with existing septic systems have stayed relatively constant, while new septic system activity and revenues closely mirrors new housing starts, which have sharply declined during in the past 3-years

- On-site Program fees have not been adjusted since 2001; some existing septic system fees have been reduced during the same period. All On-site programs fees are below what DEQ charges for the same services.

QUESTION(S) PRESENTED FOR CONSIDERATION

- Should the On-site Program continue to be administered by WES/Clackamas County?
- What is the best way to way to protect human health and water quality through the regulations of on-site septic systems in Clackamas County?
- How much of the cost of administering the On-site Program should be supported by fees?
- Who should bear the potential risk of underwriting the On-site Program?

OPTIONS AVAILABLE

- Turn administration of the On-site Program within Clackamas County back to DEQ
- Have a different County Department administer the On-site Program within Clackamas County
- WES continues to administration of the On-site Program within Clackamas County with additional funding provided by the County general fund as necessary
- Adjust fees so that On-site Program is 100% self funded.

RECOMMENDATIONS

Based on the recently completed evaluation of the On-site Program, staff recommends the following:

- WES should continue to administer the On-site Program within Clackamas County
- The On-site Program should be 100% funded through fees and move away from being underwritten by CCSD#1 within 2-years. This can be accomplished by keeping new system fees at current levels and adjusting existing system fees to current DEQ levels.
- Modify the existing Safety Net Program rules in order to assist a broader group of low income property owners. Increase annual funding of the Safety Net Program over time from the current \$50,000 to \$100,000. The additional funding would be provided by new system fees, grants, and partner agencies.
- Adjust On-site Program fees annually to reflect actual operating costs.

SCHEDULE FOR STUDY SESSION

Division Director/Head Approval _____
Department Director/Head Approval _____
County Administrator Approval _____

For information on this issue or copies of attachments, please contact Kathy Frasier @ 503-353-4566.