



**Water Environment Services Advisory Committee
AGENDA**

Date: January 16, 2025
Time: 6:00 – 7:30 pm
Format: Zoom
Link to Zoom: <https://clackamascounty.zoom.us/j/83879483345>

Facilitator: Greg Geist, WES Director & Newly Appointed Chair

Time	Topic	Action
6:00 pm <i>2 minutes</i>	Call to Order <i>Greg Geist</i>	Roll Call
6:02 pm <i>7 minutes</i>	New Year Welcome & Membership Update <i>Greg Geist, Director</i>	Inform
6:09 pm <i>5 minutes</i>	Appoint Chair/Vice-chair <i>Greg Geist, Director</i>	Motions to Appoint
6:14 pm <i>5 minutes</i>	Approve October Minutes <i>Chair</i>	Motion for Approval
6:19 pm <i>6 minutes</i>	Public Comment <i>Each public member who would like to speak will have 3 min. The meeting adjourn time may vary depending on public comments.</i>	Comment
6:25 pm <i>15 minutes</i>	Committee Roles & Bylaws Reminders <i>Chair</i>	Inform
6:40 pm <i>45 minutes</i>	SDC Discussion <i>Erin Blue, Finance Manager</i>	Inform & Discuss
7:25 pm <i>5 minutes</i>	WES Advisory Committee Discussion <i>Chair</i>	Share
	Adjourn	



Minutes for Clackamas Water Environment Services (WES) Advisory Committee - DRAFT

Location: Zoom

Video link: <https://www.youtube.com/watch?v=RKDU55RGWwQ>

Time: 6:00-7:00pm

Date: October 17, 2024

Acting Chair: Greg DiLoreto, Secretary: Chris Koontz

Approval of previous meeting's minutes: Yes

Attendees:

Members in attendance: Rita Baker, Christopher Bowker, Christina Brow, Carol Bryck, Richard Craven, Greg DiLoreto, Anthony Fields, William Gifford, David Golobay, Brian Johnson, Roseann Johnson, Adam Khosroabadi, Denyse McGriff, Michael Milch, Michael Morrow, Neil Schulman

Quorum was established.

Members not in attendance: Renee Harber, Preston Korst, Kathryn Miller

Meeting called to order at 6:00PM by Chair DiLoreto.

Agenda items with timestamps from video linked above:

- **00:01:47** Director Updates – Presenter: Greg Geist, Director (Inform)
- **00:19:55** Approve September Minutes – Facilitator: Greg DiLoreto, Chair (Consensus Approval)
- **00:20:27** Public Comment – Facilitator: Greg DiLoreto, Chair (Comment)
- **00:20:40** RiverHealth Grant Annual Report – Presenter: Gail Shaloum, Natural Resources Scientist & Rita Baker, WES Advisory Committee Member (Inform)
- **00:37:00** FY25/26-29/30 Capital Improvement Plan (CIP) Summary – Presenter: Jeff Stallard, Capital Program Manager & Erin Blue, Finance Manager (Motion for Support)
- **00:58:33** WES Advisory Committee Report-Outs (Share)

Motions: The WES Advisory Committee recommends approval of the FY 25/26-29/30 Capital Improvement Plan as presented:

Chair: Greg DiLoreto called for the vote. A vote was taken.

First to motion: Anthony Fields. Seconded by: William Gifford.

all in favor/0 opposed/0 abstention. Motion to Recommend Carries.

Announcements: None

Meeting adjourned at 7:01pm by Chair DiLoreto

Respectfully submitted by:
Chris Koontz

WATER ENVIRONMENT SERVICES ADVISORY COMMITTEE BY-LAWS

Pursuant to Resolution No. 2017-110 approved on September 14, 2017 by the Board of County Commissioners of Clackamas County (“Board”) acting as the governing body of Water Environment Services (“WES”), the Board created a standing Advisory Committee consisting of customers, stakeholders and city representatives of WES.

1. PURPOSE

The purpose of the Water Environment Services Advisory Committee (“WESAC”) is to provide input and make recommendations on surface water and wastewater issues affecting the WES service area. WES serves the cities of Gladstone, Happy Valley, Johnson City, Milwaukie, Oregon City, West Linn, plus the communities of unincorporated Clackamas County.

The committee’s charge is to:

- A. Provide a forum for coordinating, learning, understanding and gathering input on surface water and wastewater plans, policies, rules and regulations, fees, and projects;
- B. Review, discuss and make recommendations on proposed operational and multi-zone capital improvements to the region’s surface water and wastewater treatment systems, master plans, investment strategies and capital projects; and
- C. Advise on and support implementation of educational and public engagement strategies on issues relating to wastewater services, bio-solids management, surface water management, watershed health, erosion control and other related topics.

2. MISSION

WESAC is intended to strengthen WES’ relationships with its key stakeholders and customers at both the regional and local levels for the purpose of maintaining a strong and fully functioning operation that supports surface water and wastewater services in Clackamas County.

3. DUTIES

- A. Members shall review, discuss and make recommendations to WES and the governing body of WES (“Board”) on surface water and wastewater policy issues, rates, financial and budgetary policies, new programs and capital improvement plans that have the potential to impact WES’ service area;
- B. Members shall provide WES with feedback on new fees, rules and regulations, and other long-range planning initiatives;
- C. Members shall recommend a five-member subcommittee to serve as the WES budget committee, which will perform duties consistent with county practices and state law;

- D. Each member shall represent his or her community or interest group to ensure WES projects and policies reflect the community's input and needs; and
- E. Members shall support and assist, where feasible, with implementation of public engagement strategies on issues relating to wastewater services, bio-solids management, surface water management, watershed health, erosion control and other related topics.

4. MEMBERSHIP AND TERMS

A. WESAC shall be composed of 21 voting members and two non-voting members.

B. Membership to include:

- Voting members:
 - 6 ratepayers from cities within the service area
 - 2 ratepayers from the unincorporated portion of Clackamas County who reside within the service area
 - 6 elected officials
 - 2 environmental representatives
 - 2 members of the development community
 - 2 business owners or managers from service area
 - 1 representative from the City of Milwaukie¹

Each voting member of WESAC shall be entitled to one vote on all issues presented at regular and special meetings. Proxy votes will not be allowed.

- Non-voting members:
 - 1 member from WES management
 - 1 member from Board of County Commissioners

5. ORGANIZATION AND PROCEDURE

A. At its first regular meeting of the calendar year, WESAC members shall select a chair and vice chair from its membership.

B. The chair is responsible for running the meetings and providing input on the meeting agendas in collaboration with WES management staff.

C. In the absence of the chair, the vice chair shall have all of the authority of the chair.

D. The term for each member of WESAC shall be three years. Terms shall begin on January 1 and expire on December 31.

E. Members shall serve at the pleasure of the Board and may be removed at any time by the Board without cause, with the exception of elected members.

¹ WES and the City of Milwaukie entered into an IGA for the provision of wastewater services on July 1, 2012, which requires WES to include a representative designated by Milwaukie on the WES advisory committee.

- F. A vacancy occurs when a committee member resigns, dies, is no longer eligible to serve, or is removed. A vacancy shall be filled by appointment by the Board of County Commissioners, with the exception of elected member vacancies. The person appointed to fill the vacancy shall serve the remainder of the unexpired term and until a successor is elected or appointed to that office.
- G. Members shall receive no compensation for their services.
- H. If a member is unable to attend a meeting, he or she is expected to notify the WES staff liaison at least 24 hours prior to the meeting.
- I. Two absences without advance notification may necessitate replacement of the committee member.
- J. All voting members must be residents of the WES service area or own a business or work for a business, governmental agency or non-profit located in the service area.

6. MEETINGS

- A. Regular meetings of WESAC are to be held once per quarter. Additional meetings may be scheduled as appropriate.
- B. Meetings shall be noticed and conducted in accordance with Oregon Public Meeting Laws.
- C. Unless otherwise covered by these bylaws, all WESAC meetings shall be conducted in accordance with Robert's Rules of Order.
- D. A majority of seated voting members shall constitute a quorum. When a quorum is in attendance, recommendations may be made upon a majority vote of committee members present.
- E. All meetings are open to the public. WES staff and the committee determines the means of participation of the public observers. Public comments will be allowed at each meeting.
- F. WES' designee shall maintain records for WESAC.

7. REPORTING PROCEDURES

WESAC shall make its reports, findings and recommendations to the Clackamas County Commissioners and Water Environment Services through dedicated committee members and WES staff.

8. TRAINING OPPORTUNITIES

WES is committed to providing opportunities for committee members to enhance their knowledge of WES' business and bring back that information to the full advisory committee. WES will commit to pair a staff member with the advisory committee member to attend a training relevant to WES' business, with no obligation to attend by the advisory committee member. These training opportunities are subject to the following guidelines:

- A. **Eligibility to participate:** Must be a committee member in good standing and have missed no more than one meeting in the previous 6 months.
- B. **Frequency:** No more than once per year for an individual committee member. If there is a larger, full committee training, no committee member would be excluded from participating.
- C. **Report:** Committee members will provide at least a verbal report to the larger committee on what was learned at the next available WESAC meeting.
- D. **Reimbursement:** Committee members will have to comply with and follow the Clackamas County travel policy, even if their attendance is partially sponsored by their current employer.
- E. **Training Opportunities Optional:** Any training requires approval of the WES Director and is subject to budget availability.

9. RECORDS

All records of the WESAC shall be subject to disclosure except as allowed by exemptions of the Oregon Public Records Law.

10. AMENDMENTS

These bylaws may be amended. Proposed amendments shall be submitted to County Counsel for approval. Upon approval of County Counsel, the proposed amendments shall be approved by the members of the WESAC.



WES Advisory Committee Chair & Vice Chair

Roles and Duties

Vision: Where We Are Going

Be a collaborative partner in building a resilient clean water future where all people benefit and rivers thrive.

Mission: Why We're Here

Clackamas Water Environment Services produces clean water, protects water quality and recovers renewable resources. We do this by providing wastewater services, stormwater management, and environmental education. It's our job to protect public health and support the vitality of our communities, natural environment, and economy.

Purpose: WES Advisory Committee

The purpose of the WES Advisory Committee is to provide input to WES staff and make recommendations on surface water and wastewater issues affecting the service area. Throughout the year committee members are encouraged to provide input in a forum format (6 meetings per year). WES serves the cities of Gladstone, Happy Valley, Johnson City, Milwaukie, Oregon City, Rivergrove, West Linn, plus the communities of unincorporated Clackamas County.

The WES Advisory Committee's (WESAC) charge is to:

- Provides a forum for coordinating, learning, understanding and gathering input on surface water and wastewater plans, policies, rules and regulations, fees, and projects;
- Reviews, discusses and makes recommendations on proposed operational and multi-zone capital improvements to the region's surface water and wastewater treatment systems, master plans, investment strategies and capital projects; and
- Advises on and supports the implementation of educational and public engagement strategies on issues relating to wastewater services, bio-solids management, surface water management, watershed health, erosion control and other related topics.

Chair Role:

The primary responsibility of the Chair is to lead the committee, provide agenda input, facilitate discussions, and ensure effective decision-making.

- **Lead the Committee:** Exemplify being a collaborative partner in building a resilient clean water future where all people benefit and rivers thrive. Represent WES AC as a community leader, speak on behalf of committee either at events or before the Board of County Commissioners.
- **Provide Agenda Input:** By working with WES staff throughout the year to determine agenda topics.

- **Facilitate Meetings & Discussions:** Ensure meetings stay within time allotted. Leading meetings effectively by following Robert's Rules of Order, which ensures discussions are orderly, democratic, and inclusive. Make an intentional effort in engaging committee members. This structure helps all members have a voice, keeps debates organized, and aids in making fair, transparent decisions.

Vice Chair Role:

Shares the responsibilities with the chair, as outlined above. Upon absence of Chair, Vice Chair will assume roles above to lead committee meetings as acting Chair.

Chair & Vice Chair Time Commitment per committee meeting (six per year):

Email review of agenda and previous meeting's minutes: 15 minutes

Run of show: 1 hour via Zoom

AC Meeting: 2 hours via Zoom

Misc. meeting material review and meeting prep: 1-2 hours

Chair & Vice Chair appointment:

At its first regular meeting of the calendar year, WESAC members shall select a chair and vice chair from its membership. Members can nominate the current chair/vice-chair, themselves, or another member of the committee.



January 16, 2025 WES Advisory Committee Meeting

System Development Charge Update

Ron Wierenga, Deputy Director
Erin Blue, Finance Manager

Agenda

- 1 / System Development Charges (SDCs) Overview**
- 2 / SDC Calculations - General**
- 3 / Application of SDCs**
- 4 / 2024 SDC Analysis**
- 5 / Comparison with Neighboring Jurisdictions**
- 6 / WES SDC Background**
- 7 / Financial Impact**
- 8 / Options for Next Steps**



SDC Overview

- What are SDCs?
 - One-time fees charged for new development or changes to existing development
- Oregon Statute
 - Uniform framework
 - Reimbursement and improvement fee components
 - Accounting and reporting requirements
- SDC Methodology
 - Application of statutory framework and organizational policy



SDC Overview

- WES Rules and Regulations
 - Administration and application of SDCs
 - Assignments by type and class of development
- Establishment and Modification

Type of Change	Action Required	Notice Required
Methodology Update	Adoption at a public hearing	90 day notice 60 day review
Increase based on updated Project List	Adoption by resolution or order; public hearing <u>if requested</u>	30 day notice
Periodic Inflationary Adjustment	Adoption by resolution or order	



SDC Calculations - General

Two Main Components:

- Improvement Fee – funds planned capital improvements that will increase system capacity
- Reimbursement Fee – recovers costs for existing capacity



**Improvement
Fee**

Growth projections from
population forecast

SDC-eligible portion of listed
capital projects

**Reimbursement
Fee**

Existing units served &
growth projections from
population forecast

Net investment in existing
facilities

- Cost basis divided by existing and/or future units of capacity
- Expressed in unit of measure equivalent to system use of an average single-family residential dwelling (EDUs or ESUs)

SDC Calculations - General

Cost Basis Adjustments

- Fund Balances
 - Represent unspent SDCs
 - Reduce the cost basis of the related SDC component
- Compliance Costs
 - Authorized by statute
 - Covers *“the costs of complying with the provisions of ORS 223.297 to 223.314, including the costs of developing system development charge methodologies and providing an annual accounting of system development charge expenditures.”*



SDC Calculations – Reimbursement Fee

Buy-in to existing infrastructure with available capacity

Cost Basis

- Net Investment in System
 - Cost of Wastewater/Stormwater Assets in Services, less:
 - Assets used primarily for maintenance
 - Donated facilities
 - Accumulated depreciation
 - Principal on outstanding debt

Capacity Basis

- Expressed as Equivalent Dwelling Units (EDUs) or Equivalent Service Units (ESUs)
- Allocated among current and future users of existing infrastructure
 - Current users based on average EDUs/ESUs for FY 2023/24
 - Future users based on FCS Group December 2022 Population Study



SDC Calculations – Improvement Fee

Share of the cost to expand the system to accommodate new growth

Cost Basis

- SDC-eligible portion of projects in an adopted capital plan
 - Based on the proportion of each project attributable to growth
- Reduced by improvement fee existing fund balance

Capacity Basis

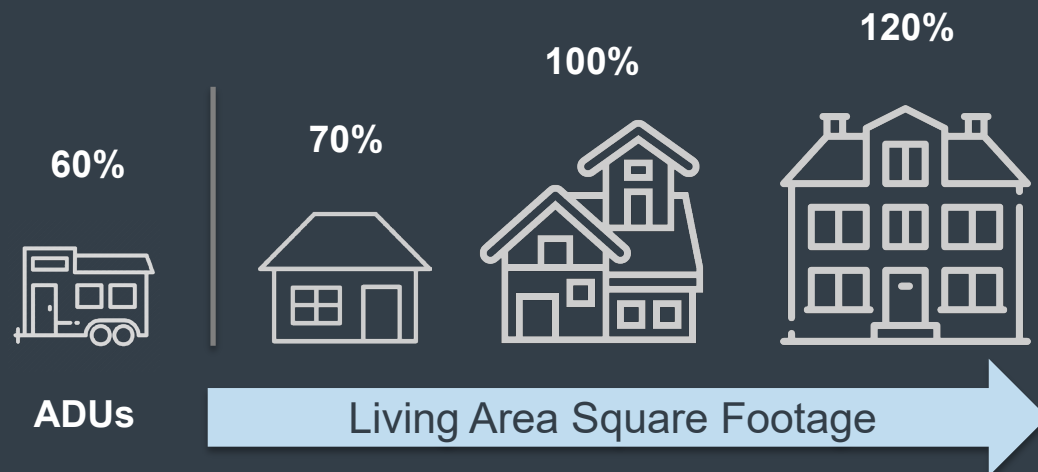
- Expressed as Equivalent Dwelling Units (EDUs) or Equivalent Service Units (ESUs)
- Allocated to future users of capacity provided by the eligible projects
 - Future users based on FCS Group December 2022 Population Study



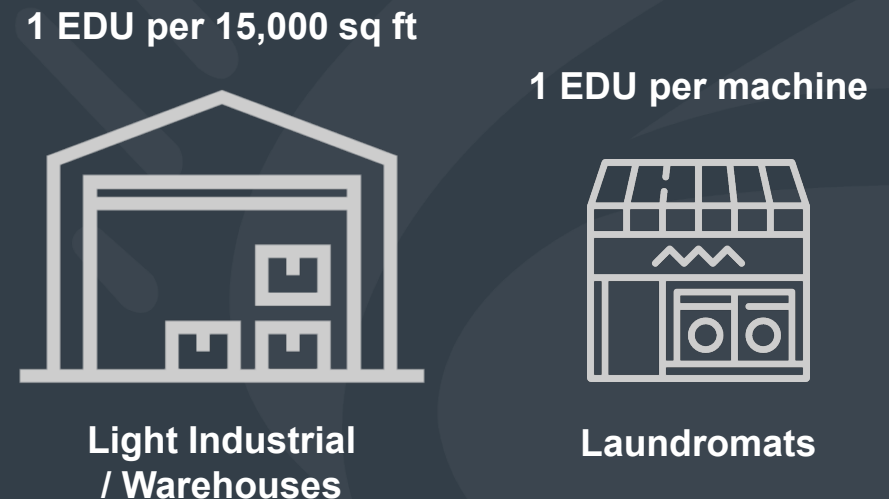
Application of SDCs

- Fees are assessed based on the type of development and its impact to the system
- EDU & ESU assignments are specified in WES' Rules

Tiered Single-Family Residential EDU Assignment



Non-Residential EDU Assignment - examples



Application of SDCs



WES Rules and Regulations – Exemptions:

- Pre-existing structures/uses
- Rate Zone 3
- Unincorporated areas of Hoodland, Boring, and Fischer Forest Park in Rate Zone 2
- Boring and Hoodland Assessment Districts

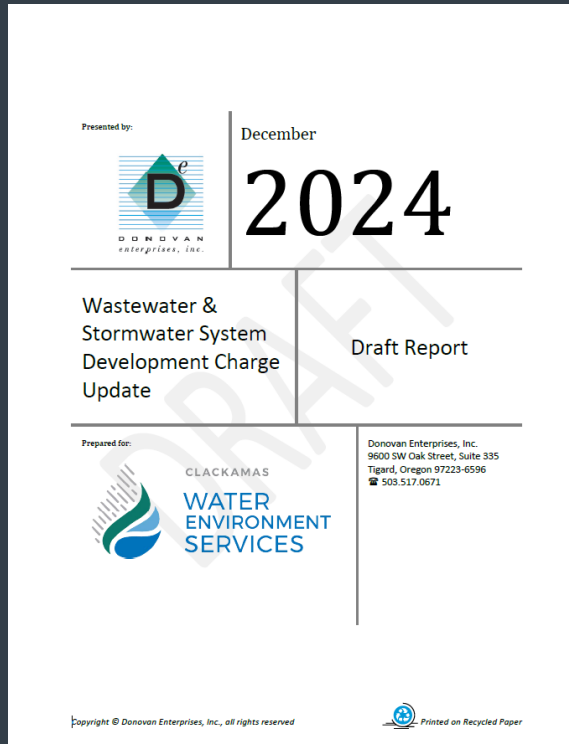


Discounts / Other Exemptions

- Governing body may elect not to charge calculated rate
- Governing body may implement additional exemptions



Purpose of 2024 SDC Analysis



- Incorporate updated Project List based on FY 2025/26 -2029/30 CIP
- Incorporate updated growth projections from 2022 population study
- Review the basis for charges to ensure a consistent methodology
- Provide formal documentation of assumptions, methodology, and results



SDC-eligible Project Examples

Wastewater

Project	Est. Total Project Cost	SDC Eligibility
Tri-City Outfall	\$63.7 M	22%
Willamette Pump Station and Force Main	\$38.1 M	50%
Inflow & Infiltration Reduction Program	\$13.7 M	100%

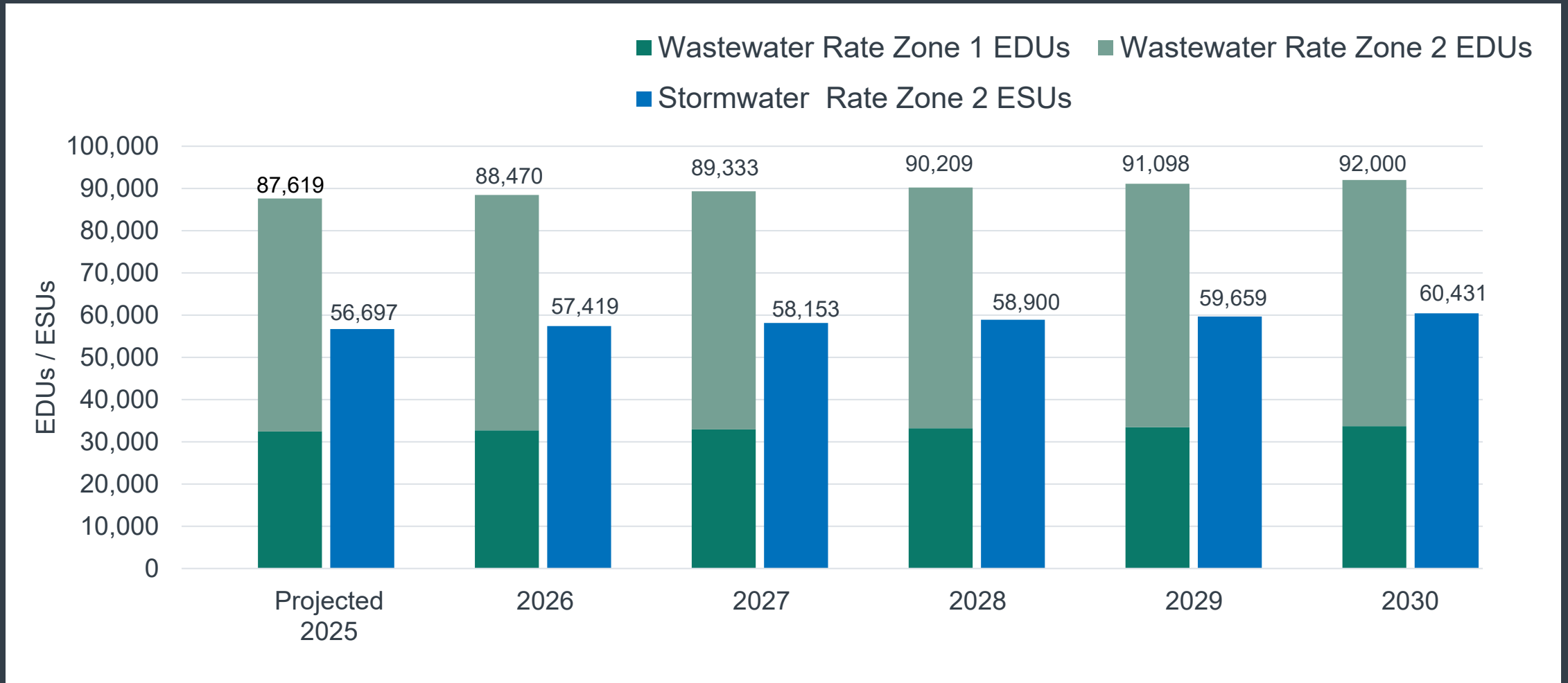
Stormwater

Project	Est. Total Project Cost	SDC Eligibility
NCRA Stormwater Master Plan	\$0.6M	50%
Regional Stormwater Pond	\$3.5M	100%



2024 SDC Calculation – Capacity Basis

Wastewater and Stormwater Growth Projections



2024 SDC Calculation - Wastewater

Reimbursement Fee

Utility Plant in Service (adjusted NBV)	\$ 219,151,609
Less: Donated Assets	(46,598,208)
Less: Principal on long term debt	(119,926,939)

Reimbursement Fee Cost Basis **\$ 52,626,462**

Existing and future EDUs 92,000

Reimbursement Fee per EDU **\$ 572**

Improvement Fee

SDC-Eligible Projects in Proposed CIP	\$ 99,635,000
Less: SDC Fund Balance	(50,880,971)

Improvement Fee Cost Basis **\$ 48,754,029**

Future EDUs 4,381

Improvement Fee per EDU **\$ 11,128**

Total Wastewater SDC

Component	Calculated SDCs	SDCs as of July 1, 2024
Reimbursement Fee	\$ 572	\$ -
Improvement Fee	11,128	9,100
Compliance Fee*	585	-
Total WES Wastewater SDC per EDU	\$ 12,285	\$ 9,100

**compliance fees are based on an assumed flat 5% fee on total calculated reimbursement and improvement fees*

2024 SDC Calculation - Stormwater

Reimbursement Fee

Utility Plant in Service (adjusted NBV)	\$ 27,036,093
Less: Donated Assets	(13,705,277)
Less: Principal on long term debt	(826,379)

Reimbursement Fee Cost Basis **\$ 12,504,437**

Existing and future EDUs 60,431

Reimbursement Fee per ESU **\$ 207**

Improvement Fee

SDC-Eligible Projects in Proposed CIP	\$ 3,820,000
Less: SDC Fund Balance	(2,883,946)

Improvement Fee Cost Basis **\$ 936,054**

Future EDUs 3,735

Improvement Fee per ESU **\$ 251**

Total Stormwater SDC

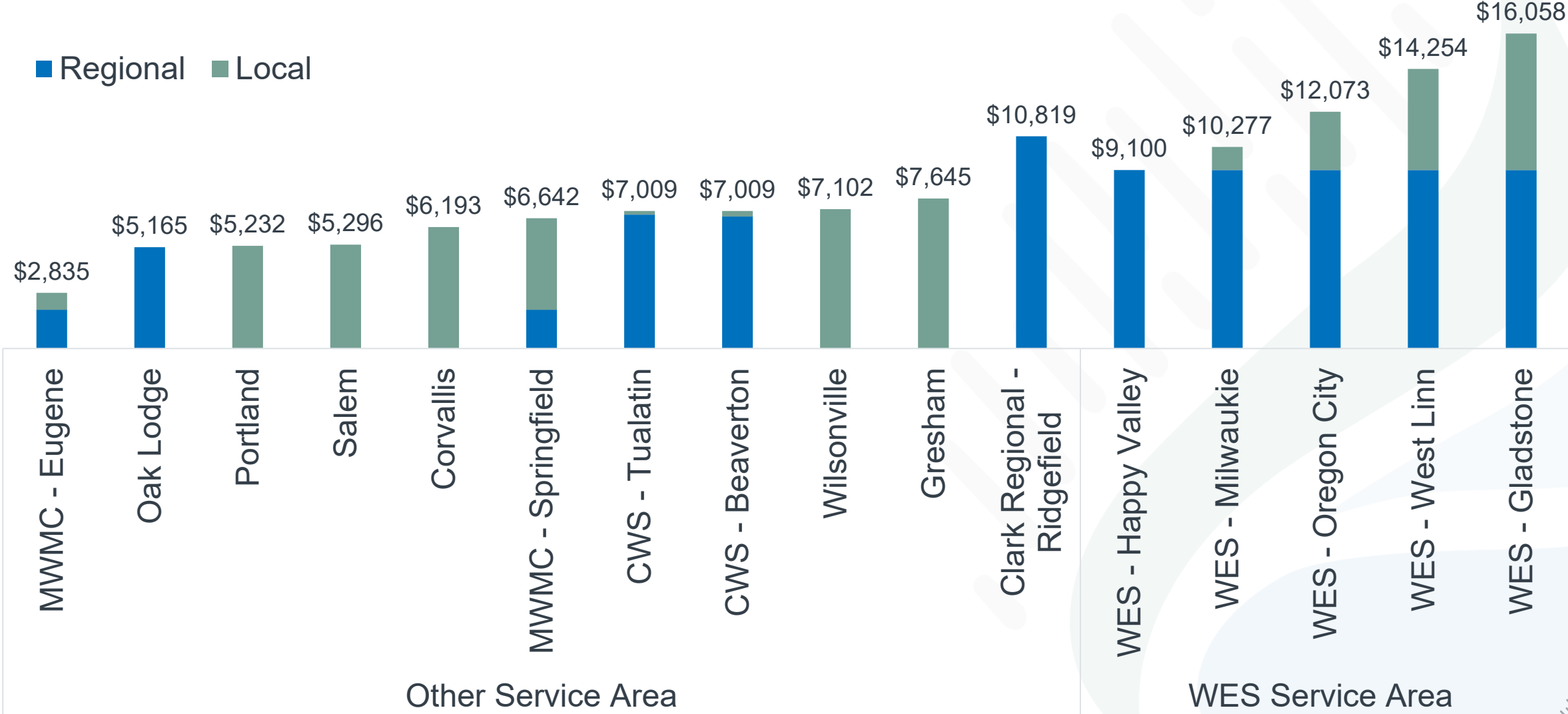
Component	Calculated SDCs	SDCs as of July 1, 2024
Reimbursement Fee	\$ 207	\$ -
Improvement Fee	251	246.50
Compliance Fee*	22	-
Total WES Stormwater SDC per ESU	\$ 480	246.50

**compliance fees are based on an assumed flat 5% fee on total calculated reimbursement and improvement fees*

Neighboring Communities' SDCs – Wastewater

Single-Family Residential

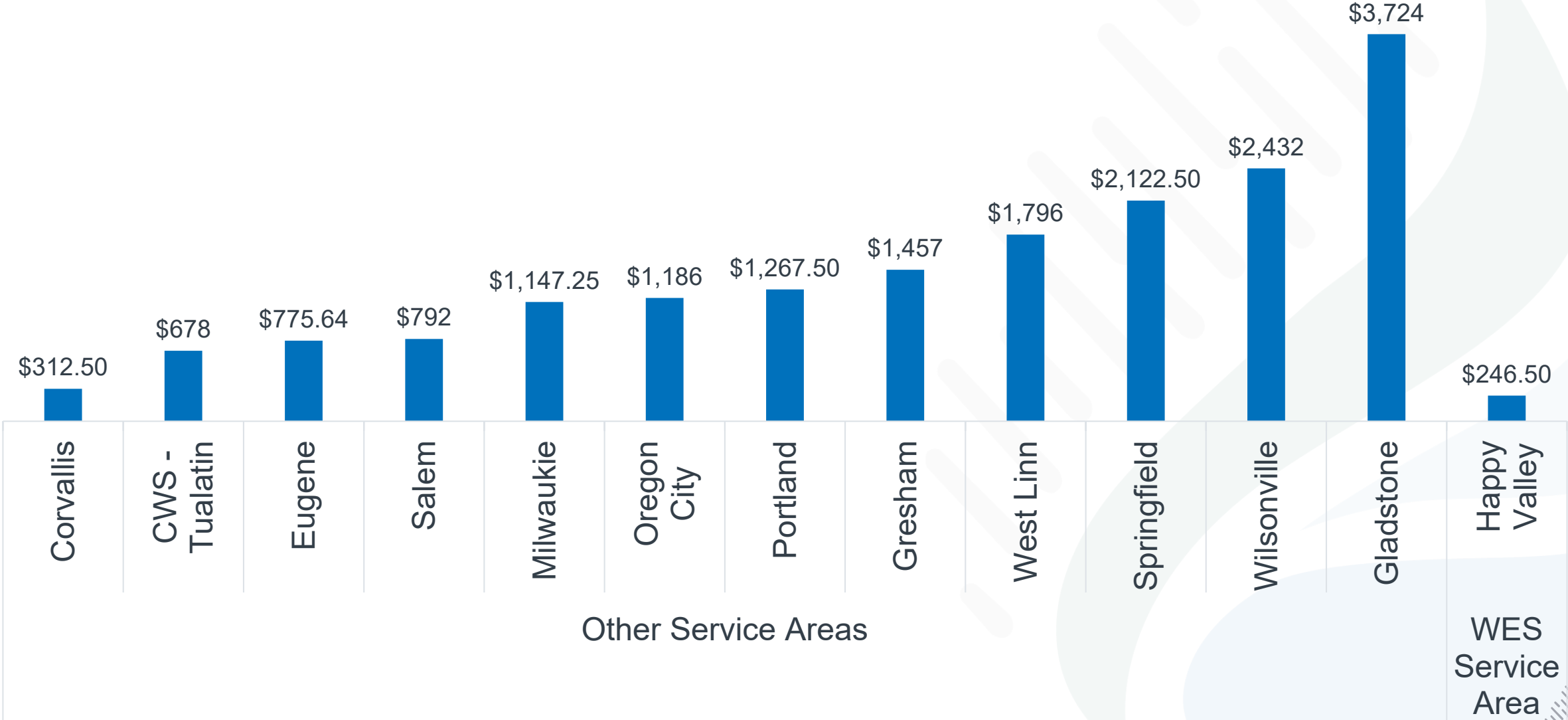
Data as of December 2024



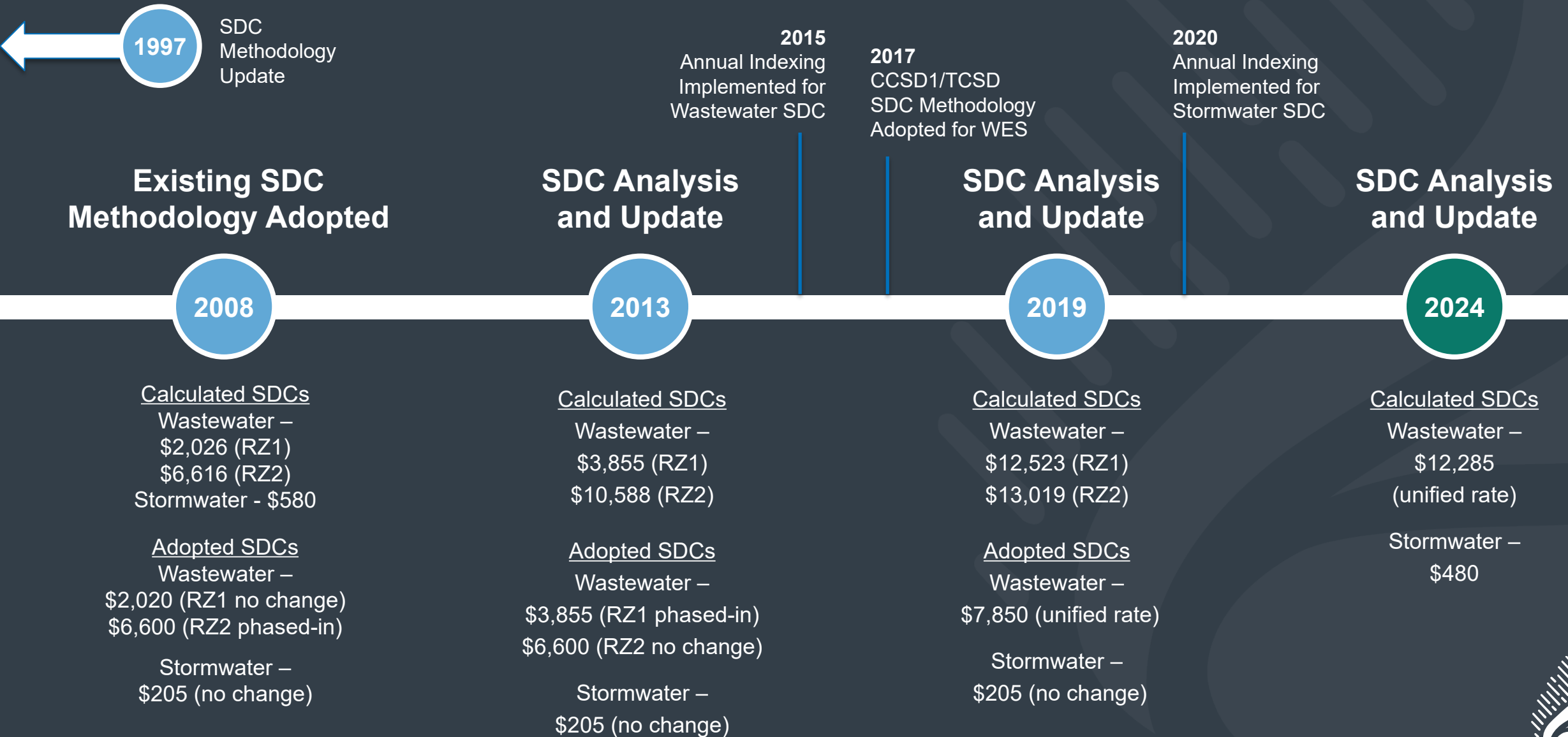
Neighboring Communities' SDCs – Stormwater

Single-Family Residential

Data as of December 2024

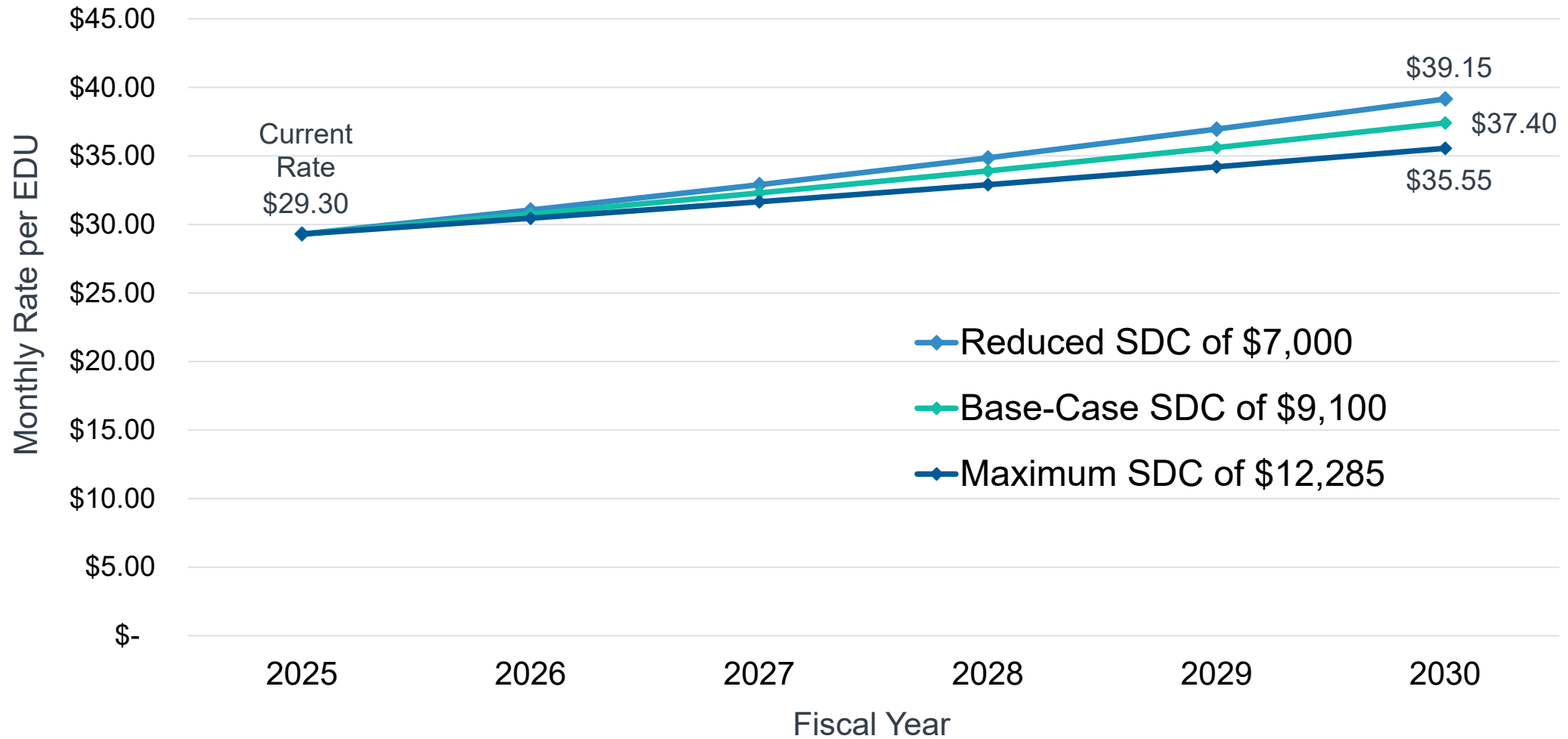


WES SDC Background



Hypothetical SDC Impact on Monthly Rates

Wastewater Treatment Monthly Rates under Reduced, Base-Case, and Maximum SDCs



Hypothetical SDC Impact on Long-Term Financial Planning - Wastewater

Financial Planning Variable	SDC Scenario		
	Reduced SDC of \$7,000	Existing SDC of \$9,100	Maximum SDC of \$12,285
Timing of Next Debt Issuance	FY 2026/27	FY 2026/27	FY 2026/27
Anticipated FY 2026/27 Borrowing	\$13.4 million	\$11.7 million	\$8.6 million
Debt Service Coverage with SDCs	158% - 237%	159% - 255%	166% - 277%
Forecasted SDC Fund balance, June 30, 2030	\$1.9 million	\$5.7 million	\$10.4 million



Options for Next Steps

- Adopt the calculated SDC
- Keep the current SDC
- Other:
 - Adopt an amount less than the maximum allowable
 - Phase-in full or partial increase
 - Reduce the SDC

