

# AGENDA

## CITIZENS UTILITY ADVISORY BOARD

Wednesday, November 4, 2009  
6:00 p.m.

**JOHNSON CREEK FACILITY CONFERENCE ROOM**  
**6101 SE JOHNSON CREEK BLVD.**

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|-------|---|------------------------|
| I.    | CALL TO ORDER   | CUAB Chair             |
| II.   | INTRODUCTIONS   | CUAB Chair             |
| III.  | CONSENT AGENDA  | CUAB Board             |
|       | A. No items   |                        |
| IV.   | DISCUSSION  |                        |
|       | A. Wastewater treatment issues  | CUAB Board             |
|       | Issues to consider: Financial health of the utility considering looming treatment issues. Strategies to protect the wastewater utility from treatment cost increases such as a temporary rate increase. |                        |
|       | B. Community Partnership  | Gary Parkin            |
|       | Status, implications for the City. Info from the October 20th City Council meeting, and the October 22 <sup>nd</sup> Partnership meeting.   |                        |
| V.    | REPORTS   |                        |
|       | A. Wastewater Communication Task Force  | Beth Kelland, Bob Hatz |
|       | Report on meetings held, materials provided by the task force to the rate payers.<br>Discuss Charles' draft letter: edit, implementation.   |                        |
| VI.   | MATTERS FROM THE BOARD  | CUAB Members           |
| VII.  | OTHER   |                        |
| VIII. | INFORMATION SHARING   | ALL                    |
| IX.   | FUTURE MEETING DATE/AGENDA ITEMS  | ALL                    |
| X.    | ADJOURN   |                        |

**CUAB MEETING MINUTES**  
**Wednesday, September 2, 2009**  
**Johnson Creek Facility Conference Room**  
**6101 SE Johnson Creek Blvd.**

**Members Present**

Bob Hatz, Vice Chair  
Beth Kelland  
Mike Scolar

**Members Absent**

Charles Bird, Chair

**Staff Present**

Gary Parkin, Engineering Director

Guests

I. CALL TO ORDER

Vice Chair Hatz called the meeting to order at 6:05 p.m.

- II. INTRODUCTIONS—City Councilor Deborah Barnes and Mayor Jeremy Ferguson were present to participate in the wastewater discussion. Ted Kyle of Oakmont Engineering was introduced; he is a consultant on contract with the City to assist in the Kellogg treatment plant issue.

III. CONSENT AGENDA

Minutes from the August 5, 2009 meeting were presented, and adopted with one change (in the Introductions paragraph).

IV. DISCUSSION

A. The Kellogg Plant Update –

Ted Kyle walked the group through the PowerPoint report on the Wastewater negotiations between CCSD#1 and the City that was presented to the City Council at their Sept 1, 2009 meeting. The discussion that followed considered the City's treatment options and relative merits. The bulk of the discussion was then focused on the need to inform City residents about the treatment issue. Mayor Ferguson brought up the idea of a task force for the purpose of communicating the wastewater message. Beth and Bob will participate on behalf of the CUAB.

Some ideas that were mentioned: use the Mayor's utility bill to show how it would be affected by the wastewater treatment cost increase, look at providing basic information mailed with the utility bills, make sure the information is easy to understand.

- B. Revised By-Laws proposed for the Community Partnership – Councilor Barnes updated the group on the Community partnership proceedings. The Board remains opposed to joining any partnership that commits the City to a unilateral program of providing for the growth of areas outside the City.

V. Reports

- A. Information on sewer treatment options – not discussed (was briefly discussed during the Kellogg Plant report.

VI. MATTERS FROM THE BOARD—None.

VII. OTHER—None.

VIII. INFORMATION SHARING

IX. FUTURE MEETING DATE/AGENDA ITEMS

It was decided to try and schedule a brief meeting (later scheduled for Friday Sept 4<sup>th</sup> from 4:00 – 5:00) to meet with Charles Bird (he will be in town for the Labor Day weekend). A meeting was held with Charles and Bob Hatz in attendance and Mike Scolar via phone. Charles was briefed on the Sept 2<sup>nd</sup> meeting and was asked to write a letter in response to the letter written by Commissioner Peterson to the citizens of Milwaukie. He agreed to provide a draft of the letter (included in the packet for the Nov 4<sup>th</sup> meeting).

Next meeting: October 7, 2009: 6:00 p.m. (later cancelled)

X. ADJOURN

The meeting adjourned at 8:05 p.m.

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Bob Hatz, Vice Chair *for*  
Charles Bird, Chair

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Gary Parkin, Scribe

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## Waste Water Treatment Capacity Advisory Committee

### Bylaws

The Board of Commissioners of Clackamas County in its roles as the governing body of Clackamas County, of Clackamas County Service District No. 1, and of the Tri-City Service District (BCC), desires to form a permanent advisory committee, in addition to the existing service district advisory committees, composed of interested partners regarding the planning, construction, management, and financing of wastewater treatment infrastructure in Clackamas County. This committee shall be the Wastewater Treatment Capacity Advisory Committee (the "Committee").

#### Article 1. Committee Scope and Composition.

Section 1.1 Purpose. The Committee shall:

- (a) Review, discuss and make recommendations on proposed operational and multi-district capital improvements to the region's wastewater treatment system, programs, and capacity;
- (b) Review and make recommendations regarding expenditures of funds relating to the same; and
- (c) Perform other projects as assigned by the Board, as such may be suggested by the Director of Water Environment Services (WES) or requested by the Committee and approved by the BCC or as otherwise provided for in these bylaws.

Section 1.2 Membership. The following geographical areas and municipal entities shall have representation on the Committee:

- (a) Unincorporated Clackamas County within the boundaries of CCSD#1;
- (b) City of Damascus;
- (c) City of Gladstone;
- (d) City of Happy Valley;
- (e) City of Milwaukie;
- (f) City of Oregon City; and
- (g) City of West Linn.

Section 1.3 Appointment. The governing political body of each city shall appoint one representative and one alternate to the Committee. The BCC shall appoint the representative and

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alternate for the unincorporated areas pursuant to the terms and procedures of the advisory committee policy of Clackamas County.

**Article 2. Term and Responsibilities.**

Section 2.1 Term. The Committee will have an indefinite term or until dissolved by mutual agreement of the Members or by the BCC. A member may withdraw at any time without penalty of any kind.

Section 2.2 Duties and Rights. Each member shall have the following duties and/or rights:

(a) *General Rights*. Membership has no effect on the existing rights and duties of each service district and each member.

(b) *General Duties*. Each Member agrees that the Committee shall make recommendations and request actions consistent with: 1) cost effective operations of the county service districts, 2) the requirements of ORS Chapter 451, and 3) each Member's obligation to pay for the costs associated with growth of service needs.

(c) *Access to Meetings and Records*. All meetings and records of the Committee shall be held, maintained and/or made available consistent with Oregon Public Meetings Law and Oregon Public Records Law, as applicable.

(d) *Master Planning*. The Committee shall review and make recommendations on regional wastewater treatment system master plans regarding existing and future wastewater treatment capacity.

(e) *Investment Strategy*. The Committee shall review and make recommendations on investments and/or expenditures for land, capital facilities, and equipment as necessary to implement the Master Plans.

(f) *Environmental Compliance*. The Committee shall review and make recommendations about environmental management and permitting where regional interests intersect with existing jurisdictional responsibilities.

(g) *Rate Evaluation*. The Committee shall review and make recommendation to the BCC on wholesale wastewater treatment rates to be assessed to all areas.

(h) *Future Membership*. The Committee shall discuss criteria and make recommendations on the addition and conditions of any future members who apply to the BCC for membership to this agreement or Committee. Consideration for membership in this agreement and Committee shall follow the process and shall meet the minimum criteria as outlined in Article 4.

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*(i) Non Treatment Capital Facilities.* The Committee may make recommendations to the BCC to lend or advance funds for the purposes of construction of non-treatment wastewater capital facilities, i.e. water reuse, biosolids programs, temperature control infrastructure, industrial pretreatment programs, etc. The Committee shall include in its recommendations how the funds are to be secured and the repayment terms including principal, interest, and related expenses.

**Article 3. Decisions and Procedures.**

Section 3.1 Voting. The appointed members to the Committee shall be allocated votes as set forth below:

- (a) The Cities of Gladstone, Oregon City and West Linn shall be awarded 1 and 1/3 votes each.
- (b) The cities of Damascus, Happy Valley, and Milwaukie shall be awarded 1 vote each.
- (c) The unincorporated area of north Clackamas County shall be awarded 1 vote.

Section 3.2 Recommendations to the BCC. The Committee will vote on all Committee recommendations to the BCC. All Committee recommendations will be on the basis of a majority vote of its members present. A quorum shall be members holding at least 5 eligible votes. The Committee shall provide a report to the BCC regarding its recommendations for investments or expenditures for new wastewater treatment assets or recommendations to change wholesale rates regarding wastewater treatment assets or recommendations to amend the Committee Bylaws. Minority reports and recommendations may be sent to the Board at the request of one or more Members.

Section 3.3 Voting Revisions. If the membership of the Committee changes due to the addition of new members or withdrawal of any members the Committee shall, as part of its actions reallocate votes on the Committee in an appropriate manner to recognize the new member or loss of a member.

Section 3.4 Meetings. The Committee will meet quarterly, or at the request of the BCC. Additional meetings may be called by the Chair as he/she deems necessary.

Section 3.5 Staffing. WES staff will perform as County staff liaisons to the Committee.

**Article 4. New Membership.**

This section does not apply to founding members (See section 1.2) and applies only to those who apply for membership after the formation of the Committee.

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Section 4.1 Process.

- (a) Prospective new members must submit a written request for admission to the Committee and provide evidence of their ability and willingness to meet the criteria set forth below. The Committee will review this written request for admission and forward a recommendation to the BCC prior to any decision regarding the prospective new member.
- (b) Entities that meet the criteria for membership, as set forth below, may petition for admission on the Committee. The BCC may require additional information from the prospective new member before making a final decision on membership.
- (c) The BCC shall be the sole entity in approving membership to the Committee. The BCC will receive a recommendation from the Committee about the addition of new members prior to any final decisions on membership.

Section 4.2 Criteria. To be approved as a new member by the BCC a prospective new member must:

- (a) Accept, without reservation or conditions, all agreements, by-laws, and procedures governing the wastewater treatment system that are in place at the time of their entry on the Committee;
- (b) Have a minimum of 5,000 ratepayers who obtain wastewater treatment from a County or City service district;
- (c) Agree to and paying an equitable share of the costs of improvements, expansion, or changes of existing and/or new or additional wastewater treatment facilities and related infrastructure; and
- (d) Be required at the discretion of the BCC, and upon recommendation from the Committee, contribute capital or physical assets as part of their share in the cost of major improvements or expansions of existing and/or new or additional wastewater capacity.

# IMPORTANT SEWER RATE INFORMATION

In August 2009 Clackamas County Service District No. 1 imposed a new rate on Milwaukie that would raise the sewer treatment portion of ratepayers' bills by more than \$14 per month. The County Board of Commissioners approved this rate increase to help finance the expansion of the District's wastewater system which is now necessary because of growth that has already occurred outside of Milwaukie.

The Milwaukie City Council believes the increase, as currently imposed, is unfair to Milwaukie ratepayers. The City Council and Board of County Commissioners have not yet resolved the issue.

Given the uncertainty of the situation, ***the City Council is considering a temporary surcharge on your sewer bill to establish a reserve account for dealing with a possible sudden increase.*** This notice is for your information. We will share more information as it becomes available.

*MORE INFORMATION ON REVERSE*



VISIT THE CITY'S WEBSITE FOR MORE INFORMATION AT [WWW.CITYOFMILWAUKIE.ORG](http://WWW.CITYOFMILWAUKIE.ORG)

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## WHAT YOU CAN DO:

Contact the Clackamas County Board of Commissioners, the governing body of Clackamas County Service District No. 1 by writing a letter, email, calling or providing testimony at one of its meetings.

Board of County Commissioners

2051 Kaen Road

Oregon City, OR 97045

Phone: (503) 655-8581

Fax: (503) 742-5919

Email: [bcc@co.clackamas.or.us](mailto:bcc@co.clackamas.or.us)

The Commissioners meet every

Thursday at 10 a.m. in the BCC

Hearing Room at the address above.

Gary Parkin,

In our last meeting the Citizens Utility Advisory Board (CUAB) recommended that an open letter be sent from Milwaukie's Mayor to all Milwaukieans, as a reaction to the June 29<sup>th</sup> letter from Lynn Peterson, Commissioner, Clackamas County Board of Commissioners. In addition it was recommended that copies of the letter be sent to all those listed on the county's letter. Ms Peterson wrote the letter in her capacity as Chair of the Governing Board of Clackamas County Service District No, 1 (CCSD#1) and was written on CCSD#1 letterhead.

The CUAB recommends that a fact sheet be attached to the letter from the Mayor. This fact sheet could be similar to the one The Milwaukie Engineering Department put together for the street maintenance funding. That fact sheet was instrumental in gaining public support and ultimately achieving three additional sources of funding for our streets. The board believes that a similar approach is needed in this case.

The CUAB recommends that the letter and fact sheet be positive and upbeat (as much as possible) while reacting to the assertions Lynn Peterson made in her letter.

It is recommended that the following be considered in drafting a letter from the Mayor:

We are writing to you our Utility rate payers and citizens of Milwaukie to let you know about the discussions and negotiations with CCSD#1 (Clackamas County Service District Number 1). The service district is a part of the County government and is controlled by the Clackamas County board of commissioners. The County has provided waste water treatment services to Milwaukie businesses and residents at the Kellogg facility in down town Milwaukie in the Waterfront Park. This facility was cooperatively built by the city and county in 1970. For several years the county and Milwaukie have been negotiating to renew the serviced agreement. On July 31 the county, on its own, stopped negotiations, terminated the current contract and expressed its intentions of charging Milwaukie a rate which is more than two times the current rate.

Basically the city agrees with the precepts Chairwoman Lynn Peterson presented in her letter; that is "Milwaukie will not pay for costs resulting from growth in areas outside of Milwaukie and that Milwaukie will pay its fair share of treatment costs". However the county has refused to explain or justify its extremely high rate increase, or show how the costs of growth were divided.

In the May 22 negotiation session, Milwaukie representatives proposed a rate of \$13.xx per month based on an objective analysis. The county countered with a rate which included growth related costs, and unnecessary insurance costs, this is shown in the attached fact sheet. The county's reply to this was to terminate negotiations and cancel the contract. The Milwaukie council is hopeful that the county will resume negotiations however is prepared to take necessary actions to obtain a fair rate which does not include the cost of growth in areas outside of Milwaukie.

Sincerely,

Charles Bird,  
Chair, Milwaukie Citizens Utility Advisory Board