

RESOLUTION NO. 2021-45

RESOLUTION ACCEPTING CLEAN WATER SERVICES SANITARY SEWER UTILITY RATES, SURFACE WATER MANAGEMENT RATES, SURFACE WATER MANAGEMENT SYSTEM DEVELOPMENT CHARGES AND SANITARY SEWER SYSTEM DEVELOPMENT CHARGES, EFFECTIVE JULY 1, 2021, AND REPEALING RESOLUTION NO. 2019-29

WHEREAS, Forest Grove Code Section 52.01(A) and as set forth in the Agreement with Clean Water Services, Page 5, Section 4.B., of the Agreement requires the City to collect rates and charges set by Clean Water Services (CWS) and that the Council establish those rates annually by resolution; and

WHEREAS, Clean Water Services provides the City of Forest Grove sanitary sewer treatment and surface water management (SWM) billed on per dwelling unit; and

WHEREAS, Clean Water Services will set regional utility rates for its sewer and SWM utilities, effective July 1, 2021; and

WHEREAS, Clean Water Services is proposing increased sewer rates by 4.5% and SWM rates by 5.4%, effective July 1, 2021; and

WHEREAS, the City will set its local sewer and SWM rates, effective July 1, 2021; and

WHEREAS, Clean Water Services Board of Directors increased its SWM System Development Charges (SDC) by \$25, raising the fee from \$560 to \$585 per Equivalent Dwelling Unit (EDU), effective July 1, 2021; and

WHEREAS, Clean Water Services Board of Directors increased its Sanitary Sewer SDC by \$150, raising the fee from \$5,800 to \$6,085 per EDU, effective July 1, 2021; and

WHEREAS, the City of Forest Grove will retain 20 percent (20%) of the Sanitary Sewer SDC as set forth by agreement with Clean Water Services.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:

Section 1: The City Council authorizes the City to collect Sanitary Sewer and Surface Water Management rates and charges as set forth by Clean Water Services Board of Directors, effective July 1, 2021.

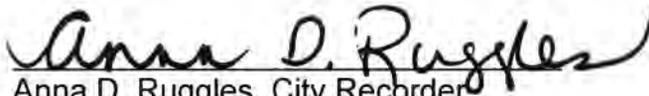
Section 2: The City Council authorizes the City to collect Sanitary Sewer and Surface Water Management System Development Charges as set forth by Clean Water Services Board of Directors, effective July 1, 2021.

Section 3: The City of Forest Grove shall retain 20 percent (20%) of the Sanitary Sewer System Development Charges as set forth by Clean Water Services Board of Directors to be effective July 1, 2021.

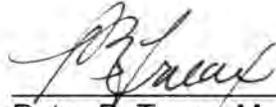
Section 4: Resolution No. 2019-29 is repealed upon the effective implementation date of the foregoing rates.

Section 5: This resolution is effective immediately upon its enactment by the City Council.

PRESENTED AND PASSED this 28th day of June, 2021.


Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 28th day of June, 2021.


Peter B. Truax, Mayor



A place where families and businesses thrive.

<i>CITY RECORDER USE ONLY:</i>	
AGENDA ITEM #:	<u>9.</u>
MEETING DATE:	<u>06/28/2021</u>
FINAL ACTION:	<u>RESO 2021-45</u>

CITY COUNCIL STAFF REPORT

TO: *City Council*

FROM: *Jesse VanderZanden, City Manager*

MEETING DATE: *June 10, 2021*

PROJECT TEAM: *Paul Downey, Administrative Services Director
Gregory Robertson, Public Works Director*

SUBJECT TITLE: *Accepting CWS Rates for FY 2021-22*

ACTION REQUESTED:

<input type="checkbox"/>	Ordinance	<input type="checkbox"/>	Order	<input checked="" type="checkbox"/>	X	Resolution	<input type="checkbox"/>	Motion	<input type="checkbox"/>	Informational
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X all that apply

ISSUE STATEMENT: Clean Water Services (CWS) sets rates and charges for services for sewer and surface water management (SWM) that it provides in addition to sewer and SWM system development charges (SDC). The City Council adopts a resolution authorizing the City to collect those funds on behalf of CWS. Staff has prepared a resolution for Council consideration that authorizes the City to collect fees based on the rates established by the CWS Board of Directors.

BACKGROUND: CWS has adopted the following rate increases to be effective July 1, 2021:

- Sewer rates – 4.5% increase
- SWM rates - 5.4% increase
- Sewer SDC – 5% increase from \$5,800 to \$6,085 per equivalent dwelling unit (EDU)
- SWM SDC – 4.5% increase from \$560 to \$585 per EDU.

The City collects the sewer and SWM rates and charges and remits the funds to CWS. The City collects the SDC and sends CWS its portion of the SDC fees collected while retaining the portion that belongs to the City. The impact to the monthly single-family residence for the increases in sewer and SWM fees were discussed in the resolutions increasing the City fees for sewer and SWM.

FISCAL IMPACT: The City retains 20% of the Sewer SDC and 100% of the SWM SDC so the City will collect more revenue for each permit issued. The total fiscal impact will be dependent on the number of permits issued.

STAFF RECOMMENDATION: Staff recommends the City Council approve the attached resolution accepting CWS rates for sewer and surface water management services.

The District is proposing the following utility rate increases in FY 2021-22:

- Increase the regional sanitary sewer rate by 4.5%
The regional rate is charged to all District customers to support the operations, maintenance and investments in the pipes, pumps and advanced facilities that collect and clean 62 million gallons a day of wastewater to some the highest standards in the nation before returning it to the Tualatin River.
- Increase the local sanitary sewer rate by 4.5%
The local rate is charged to District customers in Banks, North Plains, Gaston, King City, Durham and unincorporated Washington County. The local rate supports operation and maintenance of the local collection system and 24-hour emergency response.
- Increase the regional SWM fees 5.4%
The regional rate is charged to all District customers and supports watershed restoration, constructing and maintaining regional stormwater facilities.
- Increase the local SWM fee by 5.4%
The local rate is charged to District customers in Banks, North Plains, Gaston, King City, Durham and unincorporated Washington County for services such as sweeping streets and maintaining water quality facilities.
- To help fund capital investments at Clean Water Services, increase sanitary SDCs from \$5,800 to \$6,085 per Equivalent Dwelling Unit. SWM SDCs would increase from \$560 to \$585 per Equivalent Service Unit. An SDC is a one-time assessment charged when customers connect to the District's system. It's set for the entire District.

The sanitary sewer and SWM rate increases will add an estimated \$2.57 per month to the typical residential customer's combined bill, a total combined rate increase of 4.6%.

10-YEAR UTILITY ►
 RATE HISTORY
 Sanitary sewer
 and SWM average
 monthly rates
 for single family
 residential

Fiscal Year	Combined Sanitary and SWM Monthly Rates (per EDU & ESU)	Percentage Rate Increases	
		Combined Annual	10-Year Annual Avg (13-22)
2013	\$43.08	4.44%	
2014	\$44.71	3.78%	
2015	\$46.36	3.69%	
2016	\$48.04	3.62%	
2017	\$49.76	3.58%	
2018	\$51.52	3.54%	
2019	\$53.35	3.55%	
2020	\$55.20	3.47%	
2021	\$55.20	0.00%	
2022	\$57.77	4.66%	3.4%

Average combined monthly service fees for sanitary sewer and SWM utilities have risen at a 10-year average annual rate of 3.4%.

Average sanitary sewer bills are substantially lower than those of a majority of local service providers (see chart on next page). This is especially notable since Clean Water Services provides a substantially higher level of wastewater treatment than nearly all local, regional and national providers of comparable services. Looking forward, the District’s current financial forecast includes projected annual rate increases of 5.0% - 5.5% for the next 10 years.

City / Agency	Level of Treatment	FY 2020-21 Average Monthly Sanitary Charge	FY 2020-21 Average Monthly SWM Charge	FY 2020-21 Average Monthly Combined Bill	Estimated Rate Change for FY 2021-22	Estimated Combined Monthly Bill
Clean Water Services	Advanced Tertiary	\$45.95	\$9.25	\$55.20	4.5% sani & 5.4% SWM	\$57.77
Lake Oswego	Secondary provided by Portland	\$76.93	\$17.64	\$94.57	3.9% sani & 7% SWM	\$98.84
McMinnville	Advanced Tertiary	\$70.94	\$0.00	\$70.94	2.5% sani	\$72.70
Portland	Secondary	\$92.40	\$30.05	\$122.45	3.15%	\$126.31
Salem Rates effective 1/1/2021	Secondary	\$43.81	\$16.41	\$60.22	3% sani & 5% SWM	\$62.37
Vancouver, WA Rates effective 1/1/2021	Secondary	\$46.40 (a) \$71.77 (b)	\$11.80	\$58.20 (a) \$81.48 (b)	3% sani & 5% SWM	\$60.23 (a) \$84.15 (b)

(a) Inside city limits (b) Outside city limits

Agency	Sanitary	SWM	Total
Clean Water Services	\$48.02	\$9.75	\$57.77
Vancouver Inside	\$47.84	\$12.39	\$60.23
Salem	\$45.14	\$17.23	\$62.37
McMinnville	\$72.70	\$-	\$72.70
Vancouver Outside	\$71.76	\$12.39	\$84.15
Lake Oswego	\$79.97	\$18.87	\$98.84
Portland	\$95.31	\$31.00	\$126.31

Estimated Monthly Single Family Combined Bill

Rates calculated using CWS system average of 8 CCF use

◀ TYPICAL MONTHLY SEWER AND SWM BILL COMPARISON RATE HISTORY District provides a higher level of wastewater treatment than nearly all local, regional and national providers of comparable services

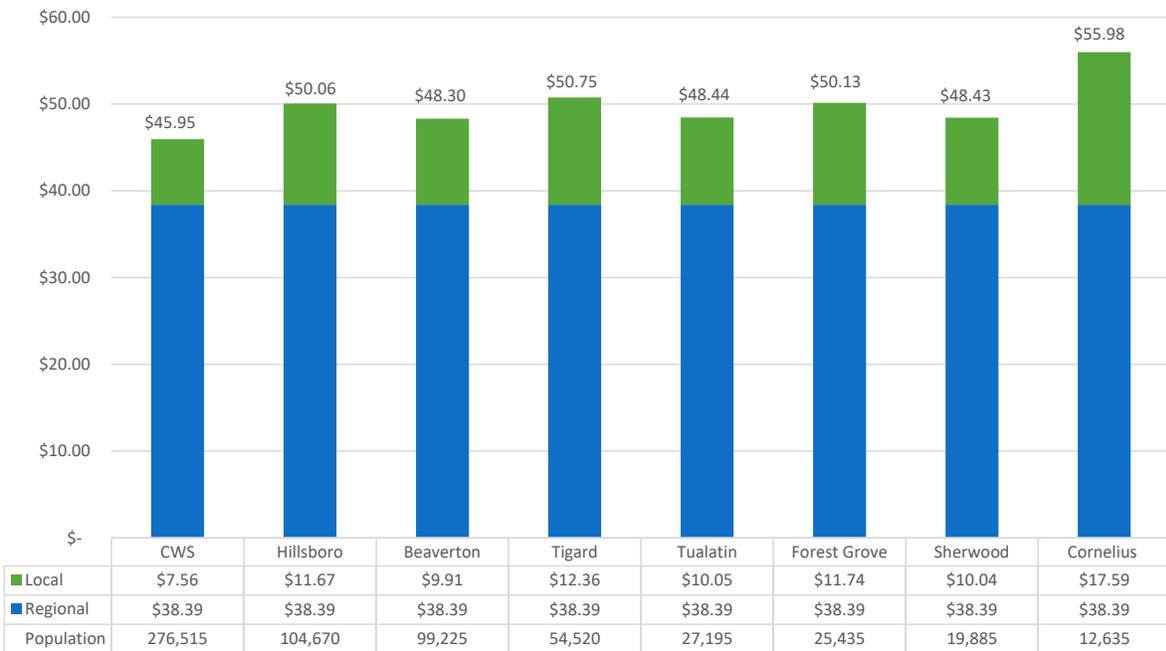
Clean Water Services bills customers who reside in Washington County within the urban growth boundary; the cities of Banks, Gaston, Durham, North Plains and King City; and small portions of Clackamas and Multnomah counties for sewer and surface water management services.

Customers also served by Tualatin Valley Water District receive a single bill that combines charges for our services along with the water charges.

The seven larger cities bill their customers directly for city services as well as services we provide. Each city remits the regional portion of revenue to Clean Water Services. These cities may add additional local surcharges or right-of-way fees to their bills. These charges are retained by each city.

CWS has been able to maintain lower rates for local services due to the size of our service area and customer base. The Urban Unincorporated area and small cities account for 42% of customer accounts and almost 45% of the population in Washington County.

SANITARY SEWER RATE ▼ By Jurisdiction



SWM RATE ▼ By Jurisdiction



The incorporated cities have a smaller customer base to spread costs of operation over and have increased their local rates to meet these needs.

ATTACHMENT(s): Resolution