



CITY OF MILWAUKIE

Community Utility Advisory Committee AGENDA

May 5, 2025, at 5:30 p.m.

Dogwood Community Room – 1st Floor of City Hall

Video Meeting: The CUAC will hold this meeting through Zoom video meetings. The public is invited to watch live by joining the Zoom webinar <https://us02web.zoom.us/j/81034401878?pwd=s2eh6aGDKFmrw52vX83DLpc14ROfl1.1> for details. **This meeting will not be broadcast or recorded.**

Written comments may be submitted by email to finance@milwaukieoregon.gov.

1. Introductions – All
2. Community comments
3. Review and approval of November 4, 2024, minutes
4. Water & Wastewater utility rate study – John Ghilarducci, FCS Principal
5. Water & Wastewater revenue requirements – Peter Passarelli
6. CIP evaluation criteria - Peter Passarelli
7. Brief update on Good Neighbor Program – Peter Passarelli
8. Utility bill invoice update – Michael Osborne
9. Bylaws – Michael Osborne
10. Adjourn

Future Meeting Dates:
Nothing scheduled

CITIZENS UTILITY ADVISORY BOARD

In-person and Video Meeting
www.milwaukieoregon.gov

MINUTES

November 4, 2024

Present: David Chitsazan, William Johnson, Mary Rowe, Leslie Schockner, Sofie Sherman-Burton

Absent:

Guest(s): John Ghilarducci, FCS Group, Principal
Charles Bird, Island Station

Staff: Finance Director Michael Osborne
Public Works Director Peter Passarelli
Accountant Judy Serio

CALL TO ORDER

Osborne started the meeting at 5:32 pm.

1. INTRODUCTIONS**2. COMMUNITY COMMENTS**

Charles Bird, Island Station, asked for clarification on projects for his that are eligible for Good Neighbor funds. In reference to the August minutes, noted the Good Neighbor funds should be more than what was stated in the minutes.

Passarelli responded that there will be updates for both questions during the meeting.

3. REVIEW AND APPROVAL OF AUGUST 5, 2024, MINUTES

Chitsazan made a motion to approve the minutes as written. **Rowe** seconded the motion.

Motion passed with the following vote: Chitsazan, Johnson, Rowe, Schockner, Sherman-Burton voting "aye." (5:0)

4. WATER & WASTEWATER UTILITY RATE STUDY

Passarelli gave an overview of the FCS Group's presentation. The rate study presented will apply to the next biennium.

Ghilarducci began the presentation by going over the existing city utility rates and their components. A comparison of surrounding cities' water and wastewater rates was presented. Milwaukie is a wholesale customer of Water Environment Services (WES).

Johnson asked why the rates are high.

Ghilarducci and **Passarelli** stated contributing factors include process improvement, aging infrastructure, wastewater is capital intensive and there are regulatory requirements.

Chitsazan asked if there have been any major corporate infractions in the last few years.

Passarelli responded there have been past industrial activities that have impacted ground water.

Ghilarducci continued with the importance of a rate study. Revenues must cover utility costs and are dedicated to the utility's purpose. Policies, priorities, and initiatives are quantified along with providing a true cost of service. The study communicates the impact of the financial decisions to the public. Rate study steps include financial policy evaluation, revenue requirement forecast, cost of service analysis, rate design and communication plan.

Schockner asked if the rate design considers the cost-of-service study.

Ghilarducci responded yes.

Ghilarducci continued with the revenue requirement. Operating costs are regular and ongoing while capital costs are periodic. The financial policy and policy recommendations will determine if bonding should be done. The policy will build in minimum fund balance requirements. Water has more volatile revenues compared to wastewater.

Sherman-Burton asked if climate change affects this study.

Passarelli responded there has been a decrease in water consumption; there are quite a few contributing factors.

Ghilarducci continued with rate funded capital, that is a capital mechanism. Repairs should be paid with cash while maintenance should be paid with debt. Maintenance is based on a city's capital assets database. Revenue bond debt rates must be set that the debt service payments are secure and there is enough money to cover the debt service payments.

Ghilarducci presented the capital funding philosophy which includes cash, debt, and a hybrid method. The cost-of-service analysis will determine how to equitably distribute the costs. Revenue requirements by cost bucket that make up the service costs were presented for water and wastewater. Customer classes have different weight based on contributing factors. The study looks at it by customer class. A flow chart was presented for allocating administrative costs of service.

Chitsazan asked if fire storage requirements were reviewed during the study.

Committee members discussed fire storage requirements.

Ghilarducci explained how costs will be equitably distributed to recover target level of revenue. Next steps include revenue requirement analysis, cost of service analysis, rate design, and council meetings.

Committee members discussed the presentation materials and asked questions.

5. GOOD NEIGHBOR PROGRAM

Passarelli began with a summary of last meeting's discussion. The current equivalent dwelling unit (EDU) count generates \$142K in revenue a year, which WES pays in July every year. Debt service is \$84K through 2029 for Milwaukie Bay Park. The current balance of funds is \$371K as of November 22, 2024, which accounts for an upcoming debt service payment of \$7,800 for interest only.

Bird asked if there would be a restriction on additional debt.

Passarelli responded it is a possibility if it meets the criteria. The map of the eligible area was presented to committee members.

Schockner asked if there was coordination with the Kellogg dam removal project.

Passarelli responded since there are a limited amounts of funds available and they will be used for other projects. Project eligibility requirements were presented to the committee. Program guidelines were presented. Determining when the review of applications time frame will take place, as there will be work in drafting the grant agreements.

Rowe commented applications should be done in a timely manner in order to coincide with the summer weather.

Schockner mentioned May is a busy month when budget hearings are scheduled, applications should be done in the fall.

Passarelli added there will be a lot of staff time upfront by himself and the Finance department.

Rowe asked if the implementation will be a heavy lift for staff. Would there be a way to coordinate all city grants offered at the same time.

Passarelli responded that staff is trying to use existing templates. The selection criteria were presented to the committee.

Schockner asked an applicant's track record will be included in the selection criteria.

Passarelli responded that criteria can be added, such as matching funds. The application has not been drafted.

Rowe asked funds would be used to pay for labor.

Passarelli responded funds cannot be used for staff or contractors. External projects will require a grant agreement, and quarterly reporting on project expenditures and submission of a project completion report.

6. CUAB BY-LAWS

Osborne opened the discussion of the draft committee bylaws.

Rowe would like the Term of Office section clarified.

Osborne will have the City Recorder clarify requirements and edit the section appropriately.

Schockner requested the draft minutes included in the packet for the subsequent meeting be added to the bylaws.

Chitsazan made a motion to approve the bylaws with the stated edits. **Sherman-Burton** seconded the motion.

Motion passed with the following vote: Chitsazan, Johnson, Rowe, Schockner, Sherman-Burton voting “aye.” (5:0)

7.ADJOURN

Schockner made a motion to adjourn the meeting. **Chitsazan** seconded the motion. Motion passed with the following vote: Chitsazan, Johnson, Rowe, Schockner, Sherman-Burton voting “aye” (5:0).

The meeting adjourned at 7:30 pm.

Respectfully submitted,

Judy Serio, Secretary / Accountant

Draft CIP Project Evaluation Criteria

Comprehensive Planning Outcome and Policy Alignment – The Comprehensive Plan, Climate Action Plan, Transportation System Plan (TSP), utility system plans, urban forest management plan, and other strategic management plans are prepared to provide the City of Milwaukie with a valuable aid for continuing efforts to meet and exceed goals set forth by City Council. Plans include those documents that have been prepared internally to assure consistent adherence to industry best practices, as well as those documents that have been created with the assistance of outside consultants. The score will be based on answers to the following questions:

- a. How many policies(s)/strategy(ies) outlined in strategic planning documents does this project align with?
- b. Does the project help meet the goals of the City Council?
- c. Is the project consistent with the comprehensive plan?
- d. Is the project consistent with the governing body's policies?

Scoring Scale (0-3) weighting (3)

0	1	2	3
The project does not align with any policies or strategies outlined in strategic planning documents	The project aligns with one (1) policy or strategy outlined in a strategic planning document	The project aligns with two (2) policies or strategies outlined in a strategic planning document	The project aligns with three (3) or more policies or strategies outlined in a strategic planning document

Regulatory Compliance – This includes compliance with regulatory mandates from regulatory agencies such as EPA, Oregon Department of Environmental Quality, Oregon Health Authority, compliance with the Americans with Disabilities Act, and other County, State and Federal regulations. This also includes compliance with City code. The score will be based on answers to the following questions:

- a. Does the proposed project address a current regulatory mandate? If yes, which one(s)?
- b. Will the proposed project proactively address a foreseeable (within the next 5 years) regulatory mandate? If yes, which one(s)?
- c. Does the proposed project have a lasting impact on promoting regulatory compliance over the long term (more than 10 years)?

Scoring Scale (0-3) weighting (3)

0	1	2	3
The project does not address a regulatory compliance issue	The project provides a short-term fix for an existing regulatory compliance issue or for	The project provides a moderate-term fix for an existing regulatory compliance issue	The project resolves a pressing or long-term regulatory compliance issue and at least half of

	one anticipated in the near future		the project budget is tied to meeting a regulatory compliance standard
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Sound Fiscal Stewardship – Some projects may impact the operating budget for the next few years or for the life of the facility. A new facility will need to be staffed and supplied, therefore having an impact on the operational budget for the life of the facility. Replacing a streetlight with a more energy efficient model may decrease operational costs. The score will be based on answers to the following questions:

a. Will the proposed project require additional funding (i.e., personnel, annual maintenance, equipment outside of what is included in the project)?

b. Will the proposed project reduce staff time and City resources currently being devoted, and thus have a positive impact on the operational budget over the lifetime of the project (i.e., the return on investment is a net positive)?

c. Will the proposed project present a revenue generating opportunity?

Scoring Scale (0-3) Weighting (1)

0	1	2	3
The project will have a negative impact of more than \$10,000 on the budget.	The project will have a minimal (+/- \$10,000) impact the operating budget as it is cost/revenue neutral	The project will have a moderate positive impact on the budget (generate revenues or create savings) of \$10,000 to \$25,000.	The project will have a significant positive impact on the budget (generate revenues or create savings) of more than \$25,000.

Efficient & Effective Processes – Moving forward capital projects in a manner that allows for intentional and consistent delivery of city services is important. Projects will score higher in this category if they eliminate frustration and help streamline processes, have a critical timing/location component, or help us improve system reliability. The score will be based on the answers to the following questions:

a. How does the proposed project enhance timely, accurate, accessible, and transparent information, processes, and services?

i. Will this project help streamline operations?

b. Is this part of an integrated project?

i. Do other projects require this one to be completed first? Or vice versa?

ii. Can the proposed project be done in conjunction with other projects? (i.e., installation of sidewalks and street lighting within the same block)

c. Is the project part of a larger program?

Scoring Scale (0-3) weighting (1)

0	1	2	3
The project will not help achieve any of the 3 outlined criteria	The project will help achieve 1 of the 3 outlined criteria	The project will help achieve 2 of the 3 outlined criteria	The project will help achieve all 3 of the 3 outlined criteria

Equity & Inclusion—Projects will score higher in this category if it moves the City towards fair and equitable delivery of services so that no group is disadvantaged or burdened. The score will be based on the answers to the following questions:

- a. Does the proposed project consider equity in the allocation of funds?
- b. How does the proposed project improve residential connectivity (i.e., increase the number of residential units within a half mile of amenities, Americans with Disabilities Act (ADA) improvements)?
- c. How does the proposed project help improve service delivery or ensure that destinations are more equitable?

Scoring Scale (0-3) weighting (2)

0	1	2	3
The project will not help achieve any of the 3 outlined criteria	The project will help achieve 1 of the 3 outlined criteria	The project will help achieve 2 of the 3 outlined criteria	The project will help achieve all 3 of the 3 outlined criteria

Environmental Sustainability—Projects that consider the long-term environmental consequences, big and small, acknowledging the impacts may extend beyond our boundaries will score higher in this section. The score will be based on the answers to the following questions:

- a. Does the proposed project help meet the climate goals of the city?
- b. Does the proposed project improve green space or access to residential use of public land for environmentally sustainable uses?
- c. Does the proposed project account for climate adaptation (increasing severity of flooding and extreme temperatures), including the necessary budget?

Scoring Scale (0-3) weighting (2)

0	1	2	3
The project will not help achieve any of the 3 outlined criteria	The project will help achieve 1 of the 3 outlined criteria	The project will help achieve 2 of the 3 outlined criteria	The project will help achieve all 3 of the 3 outlined criteria

Community Engagement –Projects that invite and welcome all community members to collaborate and innovate with us will score better in this area. The score will be based on the answers to the following questions:

a. Is it likely this project will improve community satisfaction within one of the following outcome areas

- a. Bike and Pedestrian
- b. Transportation
- c. Parks
- d. Economic Development
- e. Community Affordability
- f. Arts and Culture

b. Does the project budget include the appropriate funding/resources for the desired level of public participation? What level of public participation is anticipated?

Scoring Scale (0-3) weighting (1)

0	1	2	3
The project is not anticipated to impact community satisfaction nor has funding been identified for public participation	The project is anticipated to impact one (1) or more community satisfaction criteria OR has funding identified for public participation	The project is anticipated to impact one (1) community satisfaction criteria AND has funding identified for public participation	The project is anticipated to impact two (2) or more community satisfaction criteria AND has funding identified for public participation

Asset Condition - What is the condition of the building or infrastructure? It is critical to renovate, replace, or dispose of infrastructure before it reaches a point of failure and strategically time improvements to minimize cost (ex. replace the roof before water damage compromises the rest of the building).

Scoring Scale (0-3) weighting (2)

0	1	2	3
The project replaces or renovates a new asset	The project replaces or renovates an asset that is within the first 20% of its life cycle	The project replaces or renovates an asset that is within 21-60% of its life cycle	The project replaces or renovates an asset that is past 60% of its life cycle

External Funding – Capital improvement projects may be funded through sources other than City funds. Grants through various agencies, public private partnerships, and donations can all be sources of external funding for a project. The percentage of total cost funded by an outside source will determine the score in this category.

Scoring Scale (0-6) weighting (1)

0	1	2	3	4	5	6
0% to 15% External Funding	15% to 30% External Funding	30% to 45% External Funding	30% to 45% External Funding	45% to 60% External Funding	60% to 75% External Funding	75% to 100% External Funding

Economic Development – The City has several valuable commercial and industrial areas (i.e. the International way industrial area, Milwaukie Marketplace, Downtown, North Milwaukie Innovation Area) that support and sustain thousands of jobs. These areas are critical for providing livelihoods, as well as helping maintain some form of jobs/housing balance, which can reduce the need for longer commutes and greenhouse gas emissions.

A. Will the project have the potential to promote economic development in a new area of the city?

B. Will the project continue to promote economic development in an already developed area?

Scoring Scale (0-4) weighting (1)

0	1	2	3	4
The project will not aid in growth, economic development and increased tax revenue		An equal portion of the project will promote growth, economic development and increased tax revenue as well as have no impact on growth.		The project will encourage future economic growth and increased tax revenue.

Scoring Scale (0-3) weighting (1)

0	1	2	3
The project is primarily residential serving	The project replaces or renovates an asset that is within the first 20% of its life cycle and serves a commercial or industrial area	The project replaces or renovates an asset that is within 21-60% of its life cycle and serves a commercial or industrial area	The project replaces or renovates an asset that is past 60% of its life cycle and serves a commercial or industrial area



CITY OF MILWAUKIE

Community Utility Advisory Committee

May 5, 2025



Agenda



- Revenue Requirements
- Capital Improvement Plan Criteria
- Good Neighbor Program

Water Revenue Requirements

- Revenue Needs & Rate Pressure
 - Annual Revenue requirement grows from \$5.1M (FY24) to \$8.5M (FY29) – a 67% increase.
 - Major drivers: capital projects (e.g., PFAS), inflationary O&M, debt service
 - PFAS treatment is required by 2029
- Will require large increases to water rate beginning FY 27
 - Reviewing options to mitigate
 - Safe Drinking Water Revolving Loan – Lower interest rate
 - Adjustments to water CIP
 - Shift non-treatment related projects
 - Refinement of project budgets
 - Revenue requirement assumes 100% CIP execution
- Next Steps
 - Back in August with further detail – Discussion with Rate Study Consultant

SAFE Fee Revenue Requirements

Background

- SAFE (Safe Access for Everyone) funds pedestrian and bicycle infrastructure.
Current revenue does not fully cover debt service and required transfers to the General Fund.
Existing debt supported past construction of improvements

Funding Gap & Rate Adjustment Need

- A 15% rate increase is required by July 1, 2026.
Needed to cover debt service and General Fund obligations.

Future Construction Considerations

- FY 2026: +15% to meet current obligations
FY 2028: Additional increases needed to fund new SAFE construction via new debt.

Next Steps

- Rate modeling and Council consideration needed in FY 2025–26.
Future adjustments should align with CIP and community priorities.

CIP Evaluation Criteria: Weighting Recommendations

CIP Evaluation Criteria

Comprehensive Planning Outcome and Policy Alignment

Regulatory Compliance

Sound Fiscal Stewardship

Efficient & Effective Processes

Equity & Inclusion

Environmental Sustainability

Community Engagement

Asset Condition

External Funding

Economic Development

Why Weight Evaluation Criteria?

Align

Align investments with Milwaukie's strategic goals

Prioritize

Prioritize projects that meet urgent or long-term needs

Promote

Promote transparency and consistent decision-making

Help

Help differentiate projects that support multiple city values

Currently Heavily Weighted Criteria

Regulatory Compliance - 3

Comprehensive Plan / Council
Goal Alignment - 2

These are critical for risk
mitigation and strategic direction.

Considerations for Weight Rebalancing

Most categories currently weighted at 1

Risk of score flattening across projects

Some values (e.g., Equity, Sustainability) may be underemphasized

Room to recognize integrated, multi-benefit projects

Proposed Revised Weighting Table

Category	Proposed Weight
Regulatory Compliance	3
Comp Plan / Policy Alignment	3
Equity & Inclusion	2
Environmental Sustainability	2
Sound Fiscal Stewardship	2
Asset Condition	2
Efficient & Effective Processes	1
Community Engagement	1
External Funding	1
Economic Development	1

Optional Strategic Bonus

Apply +1 point for projects meeting 3+ mid-weight goals

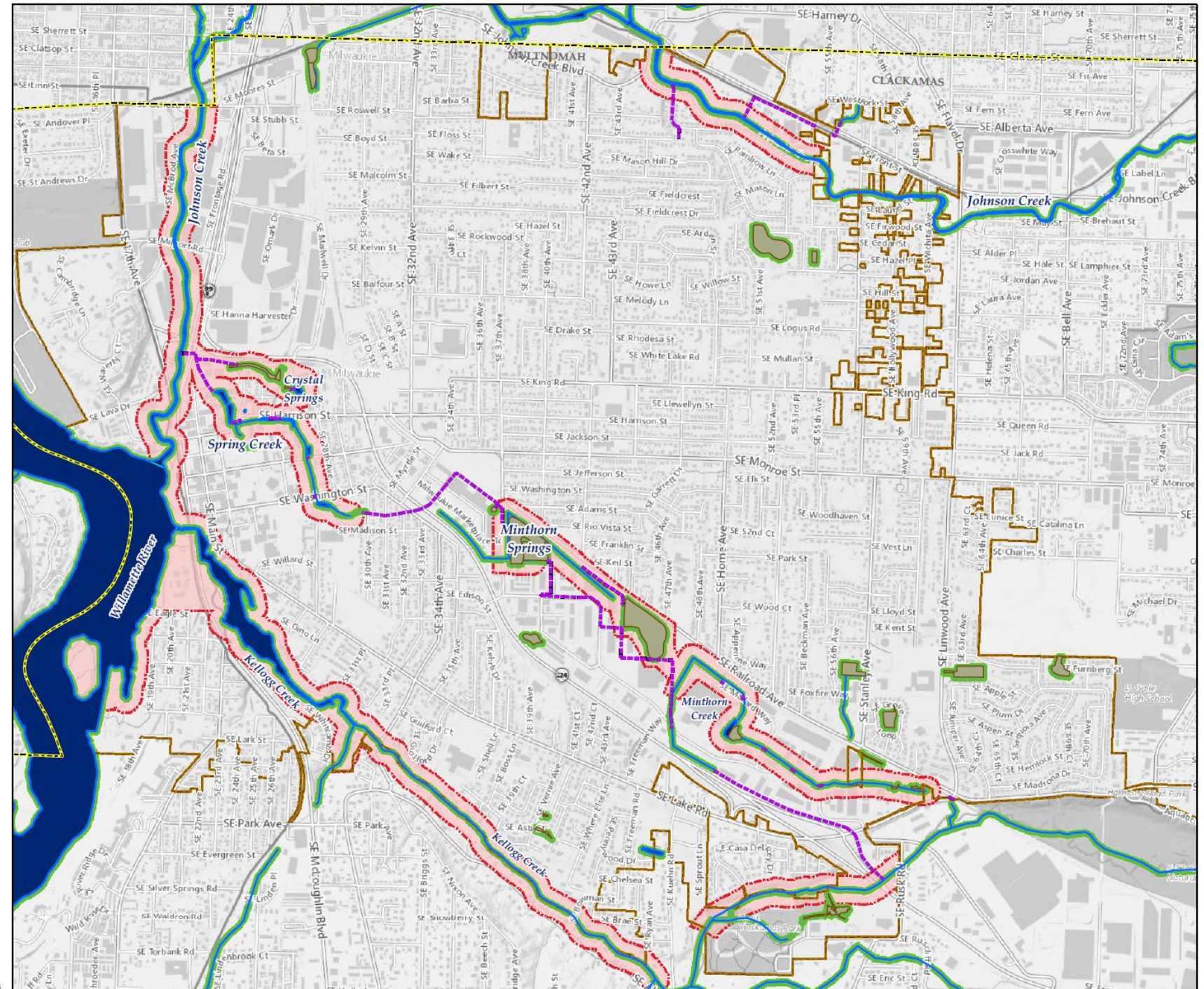
Recognizes multi-dimensional value (e.g., equity + sustainability + engagement)

Encourages integrated project outcomes

City of Milwaukie Proposed Good Neighbor Program Areas

-  Milwaukie City Limits
-  County Boundary
-  Storm Piped Streams
-  Wetlands
-  Streams
-  Water Bodies
-  Vegetated Corridors
-  Proposed Good Neighbor Program Areas

Note: Vegetated Corridors (or WQR, the water quality resource Areas)



Data Sources: City of Milwaukie GIS, Clackamas County GIS, Metro Data Resource Center

Date: Thursday, March 31, 2022

The information depicted on this map is for general reference only. The City of Milwaukie cannot accept any responsibility for errors, omissions or positional accuracy. There are no warranties, expressed or implied, including the warranty of merchantability or fitness for a particular purpose, accompanying this product. However, notification of errors would be appreciated.

GIS Coordinator
City of Milwaukie
6101 SE Johnson Creek Blvd.
Milwaukie, OR 97206
(503) 786-7498

0 0.5 1 Miles

Milwaukie Good Neighbor Program Grant



Application Period:
March 15 – June 30,
2025



Eligible Applicants:

Non-profit organizations
Neighborhood District
Associations (NDAs)
City departments



Funding Available:

Up to \$50,000 for eligible
external projects
Internal projects subject to fund
availability



Project Types:

Improve recreational
opportunities (e.g., pathways,
parks, trails)
Enhance fish and wildlife
habitat and riparian areas
Collaborate with Clackamas
WES on approved purposes
Promote education on
wastewater and surface water
management



Apply online:

[www.milwaukieoregon.
gov/publicworks/good-
neighbor-program-grant](http://www.milwaukieoregon.gov/publicworks/good-neighbor-program-grant)



CITY OF MILWAUKIE

10501 SE Main St
Milwaukie, OR 97222
milwaukieoregon.gov
503.786.7525
utilitybilling@milwaukieoregon.gov

Customer Name: JOHN WINSLOW
Service Address: 4201 SE JEFFERSON ST

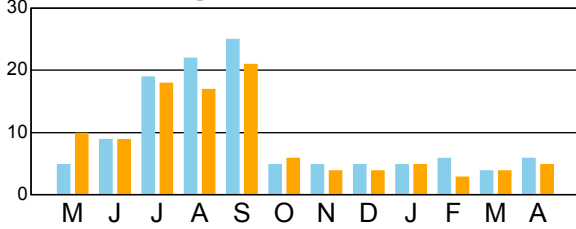
Account Statement

Billing Date	4/30/2025
Account Number	08-1390-03
Date Due	5/15/2025
Amount Due	\$136.81

Your account may be assessed a late fee if not paid by the due date.

Water Usage

Service From 03/20 - 04/20



Prior
Cons

Current
Cons

CCF Water Used

6

Winter Average

5

Account Summary

Previous Account Balance	\$123.82
Adjustments	\$0.00
Payments	-\$123.82
New Charges	\$136.81
Total Amount Due	\$136.81

Bill Comments

Payments received AFTER April 24th may not be reflected on this statement. Access your account 24 hours a day, 365 days a year online! Toll free payment line 833-441-1752.

PLEASE UPDATE BILL PAY REMITTANCE ADDRESS PO BOX 34901 SEATTLE WA 98124-1901

If checks are mailed to Milwaukie City Hall they will be returned to you to be sent to correct address

Having difficulties paying your bill? Please use our Temporary Assistance Program found here: www.milwaukieoregon.gov/low-income under "Supporting Documents".

Paperless Billing! You can help keep Milwaukie green by going to www.milwaukieoregon.gov, and clicking 'Paperless Billing' under Useful Links. To register, you'll need: Account Number **08-1390-03** and Identification Number **E70A-8AFA** To pay your utility bill online, click the "Pay a Ticket or Utility Bill" link.

Detailed Account Activity

Meter Readings (4/16) (3/17)	Consumption CCF (748 Gal.)	Consumption Charge Variable Rate	Base Rate	Water Charges
575 569	6	\$26.52	\$9.35	\$35.87
Consumption	Consumption Charge \$3.99 / Unit	CCSD #1 Treatment	City Base Rate	Sewer Charges
5	\$19.95	\$34.36	\$4.35	\$58.66
Original Contract		Balance Remaining		Contract Charges

Rate	Storm Units	Storm Charges
\$29.47	1.00	\$29.47
Rate	Dwelling Units	Street Charges
\$6.06	1.00	\$6.06
Rate	Dwelling Units	SAFE Charges
\$6.75	1.00	\$6.75
Fireline Size		Fireline Charges

Payment Coupon



City of Milwaukie
10501SE Main St
Milwaukie, OR 97222

Service Location	4201 SE JEFFERSON ST
Account Number	08-1390-03
Date Due	5/15/2025
Total Amount Due	\$136.81

2469 1 AV 0.545 5/453 002493 0001:0001

JOHN WINSLOW
KATHLEEN WINSLOW
4201 SE JEFFERSON ST
MILWAUKIE OR 97222-5308

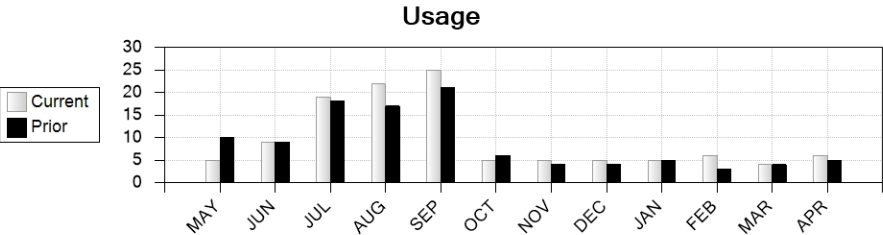


08139003 00013681 6



CITY OF MILWAUKIE
UTILITY BILLING
PO BOX 34901
SEATTLE WA 98124-1901

Customer Name			Service Address			Account Number
JOHN WINSLOW			4201 SE JEFFERSON ST			08-1390-03
Status	Service Dates			Bill Date	Due Date	
	From	To	# Days			
Active	3/20/2025	4/20/2025	31	4/30/2025	5/15/2025	



CURRENT		PREVIOUS		USAGE
DATE	READING	DATE	READING	
4/16/2025	575	3/17/2025	569	

PREVIOUS BALANCE	\$123.82
PAYMENTS	(\$123.82)
ADJUSTMENTS	\$0.00
PAST DUE AMOUNT	\$0.00

Consumption is measured in CCF (748 Gallons)

WATER CONSUMPTION	26.52
WATER BASE RATE	9.35
WASTEWATER TREATMENT	34.36
WASTEWATER CONSUMP	19.95
WASTEWATER BASE RATE	4.35
STREET MAINTENANCE	6.06
STORM MAINTENANCE	29.47
SAFE	6.75

CURRENT BILL	\$136.81
AMOUNT DUE	\$136.81

CUSTOMER ACCOUNT INFORMATION - RETAIN FOR YOUR RECORDS



CITY OF MILWAUKIE
10501 SE MAIN ST
MILWAUKIE, OR 97222
(503) 786-7525
WWW.MILWAUKIEOREGON.GOV



JOHN WINSLOW
KATHLEEN WINSLOW
4201 SE JEFFERSON ST
MILWAUKIE, OR 97222

Please return this portion with your payment.

Account Number	AMOUNT DUE
08-1390-03	\$136.81
Due Date	5/15/2025
Service Address	
4201 SE JEFFERSON ST	

CITY OF MILWAUKIE
PO BOX 34901
SEATTLE, WA 98124-1901