



CITY OF MILWAUKIE

Citizens Utility Advisory Board AGENDA - Revised

February 5, 2024 at 5:30 p.m.

Dogwood Community Room – 1st Floor of City Hall

Video Meeting: The CUAB 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/84030872657?pwd=UTlobVg2bIBlckVaY2IKbHJ1QlpUQT09>) 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 January 8, 2024 minutes
4. CIP Review – Jennifer Garbely/Peter Passarelli
5. Good Neighbor Program - Peter Passarelli
6. Rate setting discussion – Peter Passarelli
7. CUAB By-Laws - All
8. Adjourn

Future Meeting Dates:

August 5, 2024

November 4, 2024

CITIZENS UTILITY ADVISORY BOARD

In-person and Video Meeting
www.milwaukieoregon.gov

MINUTES

January 8, 2024

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

Absent: None

Guest(s): None

Staff: City Engineer Jennifer Garbely
Public Works Director Peter Passarelli
Assistant City Manager Emma Sagor
Accountant Judy Serio

CALL TO ORDER

Passarelli started the meeting at 5:36 pm.

1. INTRODUCTIONS

Committee members and staff introductions.

2. COMMUNITY COMMENTS

None

3. FOLLOW-UP

Review and approval of minutes from December 4, 2023, meeting.

Rowe made a motion to approve the December 4, 2023, minutes as written. **Johnson** seconded the motion. Motion passed with the following vote: Chitsazan, Johnson, Rowe, Schockner, Sherman-Burton voting “aye” (5:0).

Comparable utility rates

Passarelli provided members generic examples of commercial utility accounts; an explanation of the types of commercial rates and how they are calculated was also provided. In the utility rate comparison for residential customers, there was information of other agencies’ staffing levels along with solid waste information. Most of the agencies listed are surface water utilities, compared to Milwaukie which is a groundwater utility. The city maintains the collection system and the city sets the rates.

Clackamas County's WES treatment division works with the city to set the rate that pays for capital costs.

Committee members asked questions of the information provided and discussion ensued throughout this part of the meeting.

4. PRESENTATION ON NEXT STEP IN RATE SETTING PROCESS: HISTORICAL DATA AND FORECASTING ASSUMPTIONS

Passarelli presented revenue projections for water, wastewater, stormwater, SSMP and SAFE, which do not have any assumptions built-in, based on customer class and meter size only. A detailed conversation of water-based charges included a description of each water-based user charge. Fire service is commercial and multi-family accounts who are required to provide sprinklers, charges based on pipe size. Deduct meter are industrial customers where the units of water are removed from the wastewater calculation because water is consumed into the product the company makes. Irrigation accounts differ between commercial and residential customers. The calculation of projected water revenues was presented. The only difference are low water users who consume less than five units of water.

Wastewater revenue is based on winter average and a base charge. There are several customer classifications and a treatment charge, which is paid to Clackamas County WES division.

Stormwater revenue is based on a residential flat rate; commercial and multi-family is calculated using the impervious surface area.

SAFE (Safe Access for Everyone) and SSMP (Street Surface Maintenance Program) charges are trip generated based; residential is a flat fee and commercial and multi-family are dependent on type of use that fall under different categories. These fees are adjusted each biennium based on Seattle CCI (city cost index) 5-year average.

Passarelli explained the considerations when projecting rates which includes anticipating growth in residential housing and not anticipating much commercial growth.

Garbely highlighted a few of the upcoming budget's CIP (capital improvement plan) projects including Monroe Greenway, Harvey Street improvements, King Road improvements, Logus Road, Stanley improvements, water engineering services, and Stanley reservoir.

Passarelli added the Stanley reservoir project will be using ARPA (American Rescue Plan Act) money; the project is slated for October 2024 – April 2025. The SCADA (Supervisory Control and Data Acquisition) project is scheduled to be completed by June 2024.

5. CUAB BYLAWS

Members agreed to review and edit bylaws via email.

6.ADJOURN

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

The meeting adjourned at 7:35 pm.

Respectfully submitted,

Judy Serio, Secretary / Accountant

Citizen's Utility Advisory Board

www.milwaukieoregon.gov/bc-cuab

BYLAWS

Adopted 1/1/2021

By Resolution 21-2021

ARTICLE I – NAME

The name of this Board is the Citizens Utility Advisory Board (CUAB).

ARTICLE II – PURPOSE & AUTHORITY

- A. Purpose.** The purpose of the Board is to advise the City Council on matters relating to city utility rates and capital improvement programs through the following activities:
- Reviewing existing rate structures and capital improvement programs;
 - Advise the City Council on matters relating to utility rate structures and capital improvement programs;
 - Promoting public knowledge and understanding of the City's utility programs; and
 - Such other activities as the council may assign. (Ord. 1798 § 1 (part), 1996)].
- B. Authority.** The Board is authorized by Milwaukie Municipal Code (MMC) Chapter 2.11. Citizens Utility Board.

ARTICLE III – MEMBERSHIP

- A. Membership.** The Board consists of 5 members, all of whom must either live in the city, own a business in the city, or pay for city administered utilities (water or wastewater). No member may be an officer, agent, or employee of the City of Milwaukie.
- B. Appointment.** As outlined in the MMC, the mayor appoints Board members with the consent of the City Council. The citizen members of the Budget Committee are appointed to serve on the CUAB. As outlined in MMC 2.10.040 and in the city's Code of Conduct for Board and Committee Members, Board members serve at the pleasure of the City Council.
- C. Term of Office.** Board member terms are for a period of 4 years. Board members may serve no more than 2 consecutive full terms, unless there is an interval of at least one term before reappointment. Current Board members may be reappointed to the Board if they do not exceed the established term limits for the Board.
- D. Vacancies.** If a Board member resigns or otherwise vacates their position, the City Council will fill the vacancy in the same manner as the original appointment. Member resignations should be submitted in writing to the chair and staff liaison.
- E. Code of Conduct.** To ensure the city's boards and committees operate in an efficient, consistent, and orderly manner, and that Board members comply with Oregon's public meetings and records laws, the City Council adopted a Code of Conduct for Board and Committee Members. Board members are expected to review, sign, understand, and abide by the Code of Conduct.

ARTICLE IV – MEETINGS

- A. Open Meetings.** All Board meetings are public meetings as set forth by Oregon's Public Meetings Laws, Oregon Revised Statute (ORS) Chapter 192.

- B. Meeting Conduct.** Board meetings will be conducted efficiently and transparently as outlined in these bylaws, the MMC, relevant state and federal laws, and by the city's Code of Conduct for Board and Committee Members. Where these bylaws or other city guides do not provide direction, the most recent edition of Robert's Rules of Order will be followed.
- C. Regular Schedule.** The Board will hold regular meetings as determined by the MMC, the City Council, or the chair and staff liaison. The Board's regular schedule will be to meet **quarterly, 5:30 pm on the first Monday at the Milwaukie City Hall Community Room.**
- 1. Special Meetings.** Special meetings may be called at the request of the chair or a majority of the Board. If a special meeting is called, the chair and staff liaison will set a date and time taking into consideration such factors as the availability of the Board members and staff, and a meeting location.
 - 2. Closed Sessions.** The Board may meet in closed, or executive, session as allowed by ORS 192.660(2) and consistent with MMC 2.04.090.
- D. Attendance & Absences.** Board members are expected to attend all meetings, events, and activities of the Board. As outlined in the MMC and Code of Conduct, if a member fails to regularly attend meetings, the member may be removed from the Board through the process outlined in the Code of Conduct.
- 1. Absences.** If a Board member is unable to attend a meeting, it is the member's responsibility to inform the chair and staff liaison before the meeting.
- E. Quorum & Related Matters.** For the purposes of conducting Board business, including holding official meetings, a majority, or quorum, is **3** of the voting membership of the Board.
- 1. Lack of Quorum.** If there is no quorum of Board members within 15 minutes following the scheduled start time of a meeting, the meeting is cancelled. If the chair or staff liaison knows that a quorum will not be present at the meeting, they will notify the Board members before the meeting about the cancellation.
 - 2. Rescheduling Agenda Items.** If a meeting is canceled due to a lack of a quorum, all agenda items that were scheduled for the cancelled meeting will automatically be placed on the next regularly scheduled meeting agenda unless the chair or staff liaison determines that a special meeting is needed to address the items. The staff liaison will ensure that the required public meeting notices will be posted for the next meeting.
- F. Agenda Order.** The chair and the staff liaison will coordinate and arrange the meeting items as necessary to achieve an orderly and efficient meeting. In general, the order of business will be as follows:
1. Call to Order
 2. Announcements
 3. Approval of Minutes
 4. Community Comments
 5. Business Items
 6. Public Hearings [for Planning Commission only]
 7. Board Member Reports
 8. Adjournment
- G. Adjournment Time.** Board meetings will end no later than insert time. However, by majority vote of the members present the adjournment time may be extended.
- H. Voting.** All Board members who are present at a meeting, including the chair and officers, are allotted one vote each on all motions. The concurrence of a majority of the whole **board** present shall be required to determine any matter before the **board**. In the case of a tie vote,

the matter fails. When a vote is taken all members must vote unless a member abstains from voting and cites the reason for abstaining for the record. The Board secretary or staff liaison will call the roll, altering the order of members called. The chair will vote last.

- I. **Motions & Related Matters.** Any Board member may make a motion. A motion needs a second to be considered, otherwise it fails.
 1. **Reconsideration of Actions Taken.** A Board member who voted with the majority may move for a reconsideration of an action at the same meeting only. The second of a motion may be a member of the minority. Once a matter has been reconsidered, no motion for further reconsideration may be made without unanimous consent of the Board.
- J. **Minutes & Related Matters.** The written and approved meeting minutes are the official record of the meeting.
 1. **Preparing the Minutes.** The Board secretary or city staff will be present at each meeting and will provide written minutes. Written minutes should not be a verbatim transcript but should give a true reflection of the matters discussed at the meeting and the views of the participants. The written minutes must include at least the following information:
 - a. The date, time, location of the meeting;
 - b. Names of the Board members present;
 - c. All motions and proposals;
 - d. The results of all votes;
 - e. The substance of any discussion on any matters; and,
 - f. A reference to any document discussed at the meeting.
 2. **Recordings.** As allowed by state law, all public meetings may be recorded by the city, Board, or the public. It will be at the discretion of city staff if an official audio, video, or digital recording of the meeting is created, and if the meeting video is broadcast or streamed live.
 3. **Posting & Approval.** The staff liaison will make the draft written meeting minutes available to the public within a reasonable time after the meeting. The Board will review and vote upon the minutes at its next meeting after the minutes have been written. Approved minutes will be posted on the city's website and retain permanently as required by Oregon Administrative Rule (OAR) 166-200-0235(5)(a).

ARTICLE V – OFFICERS & ASSIGNED DUTIES

- A. **Officers.** The officers of the Board will consist of a chair, vice chair and secretary.
 1. **Election of Officers.** Members will elect the officers annually during the first meeting in August? Any member may nominate another member as an officer. Officers may be re-elected. If an officer is unable to complete their term, the Board will hold a special election to fill the vacant officer position.
- B. **Duties of the Chair.** The chair will preside and preserve the order of Board meetings, review agendas and confer on business with the staff liaison and sign all documents memorializing Board actions. The chair will set reasonable time limits for community comments and testimony.
- C. **Duties of the Vice Chair.** If the chair is absent or otherwise disqualified from serving, the vice chair will perform all duties and be subject to all the responsibilities of the chair. If both the

chair and vice chair are absent from a meeting, the remaining members present will elect an acting chair for that meeting.

D. Duties of Other Officers.

[The Secretary will take minutes of the meeting.]

E. Duties of Board Members. The role of a Board member is to participate in the Board's work and activities as assigned by the City Council by attending meetings and events and participating in discussions and decisions. As outlined in the city's Code of Conduct, Board members must behave in an appropriate manner when performing their duties as Board members in-person and in written or digital communications.

1. **Meeting Preparation.** Board members must prepare for participation at a meeting by fully reviewing the staff report and any materials provided by city staff.
2. **Site Visits.** Before Board meetings, members are encouraged to visit sites that are subjects for design review actions. If a Board member visits a site, the member will report on the record any information gained from the site visit that is not consistent with the information included in the application or staff report.
3. **Compensation.** Board members will receive no compensation for their service. However, the city may reimburse a member for an authorized expense.
4. **Conflicts of Interest.** In accordance with ORS 244.120, a member of the Board may not participate in any Board proceeding in which any of the following persons or businesses have a direct or substantial financial interest:
 - i. The Board member or the spouse, brother, sister, child, parent, father-in-law, or mother-in-law of the Board member;
 - ii. Any business in which the Board member is then serving or has served within the previous two years; or
 - iii. Any business with which the Board member is negotiating for or has an arrangement or understanding concerning prospective partnership or employment.
 - iv. A member must disclose any actual or potential interest at the meeting of the Board where the action is being taken.
- ~~5. **Statement of Economic Interest.** Commissioners are required to file annual statements of economic interest as required by ORS 244.050 with the Oregon Government Ethics Commission (OGE). [Planning Commission only]~~

F. Duties of City Staff. The city will assign a staff liaison to the Board and, as appropriate and available, will assign administrative staff to support the Board. Staff liaisons will act as the Board's primary point of contact for Board members, city staff, and the general public. Staff will ensure that the Board's meetings are held in accordance with state public meeting laws and will support the Board's activities.

1. **Orientation of New Members.** When new Board members are appointed, the staff liaison and chair will provide an orientation to the new members as necessary. In addition, city staff may provide other training opportunities to Board members.
2. **Board Manual.** For the efficient documentation of the Board's operations, city staff may compile and maintain a Board manual.

G. Subcommittees & Other Committees. The Board may find it necessary to form subcommittees to investigate areas relevant to the Board's purpose. The Board may identify members to serve on select subcommittees. A majority of the members will need to consent

to the formation and membership of a subcommittee. When requested by the City Council, city staff, or other city boards and committees, the Board may select members to serve as a Board representative on another committee.

ARTICLE VI – GOALS & AMENDMENTS

- A. Goals.** The Board will annually establish project and outcome goals that align with the goals of the City Council and the city. The Board will establish an annual workplan to document its progress towards achieving its goals.
- B. Amending the Bylaws.** The Board will review its bylaws annually or as necessary and will prepare and propose appropriate bylaw amendments to the City Council. The City Council retains all authority to amend these bylaws as outlined in MMC 2.10.050.
- C. Annual Review.** The Board will meet annually with the City Council to review the Board's goals, workplan, and any proposed bylaw amendments.

From: [Emma Sagor](#)
To: [David Chitsazan](#); [mary](#)
Cc: [Leslie Schockner](#); sofie.sherburt@gmail.com; johnson.william7136@gmail.com; [Michael Osborne](#); [Judith Serio](#); [Peter Passarelli](#)
Subject: RE: Reminder: CUAB meeting Monday, mtg agenda
Date: Monday, February 5, 2024 10:20:25 AM

Greetings all,

David is correct—all of our boards, committees, and commissions are covered under the serial electronic meeting rules, and replying all constitutes a discussion of official committee business, so it needs to be included in the public record. It's not a biggie in this instance (and I appreciate the dialogue on the bylaws!), but going forward, you should avoid replying all so that these discussions can happen on the record at a meeting.

For this case, Judy, could you please include the three messages below from Leslie, David, and Mary in the meeting record for tonight's CUAB meeting?

Thanks all! I will do a better job putting a [*please don't reply all*] reminder in emails going forward

Also, I will not be there this evening, but Michael and Judy will be there representing team Finance. Thank you!

Emma

Emma Sagor

Assistant City Manager
she • her • hers
503.786.7573 (o) • 360.852.2014 (m)
City of Milwaukie
10501 SE Main St. • Milwaukie, OR 97222

From: David Chitsazan <dchitsazan@gmail.com>
Sent: Monday, February 5, 2024 9:52 AM
To: mary <mary.rowe101@gmail.com>
Cc: Leslie Schockner <leslieschockner@gmail.com>; Emma Sagor <SagorE@milwaukieoregon.gov>; sofie.sherburt@gmail.com; johnson.william7136@gmail.com; Michael Osborne <OsborneM@milwaukieoregon.gov>; Judith Serio <SerioJ@milwaukieoregon.gov>; Peter Passarelli <PassarelliP@milwaukieoregon.gov>
Subject: Re: Reminder: CUAB meeting Monday, mtg agenda

This Message originated outside your organization.

Hi Everyone,

Thank you both for the input! To Leslie/Mary's points, my comments:

1. Secretary - definitely agree (city should staff someone to record notes/minutes).
2. Naming of committee - I'm personally good with citizens over community, but not terribly

motivated either way. I like the idea of renaming to Citizens Utility and Infrastructure Advisory Board.

3. Bylaws distinction - I personally think Article III, #B draws that distinction (from Peter's email 1/4/24). One item that we maybe could briefly discuss with the council at the Budget Committee is potential filling issues if someone appointed to the Budget Committee doesn't want to do CUAB. We're all comfortable with it (shoutout us!), but in the future, we'll need to clarify with the council if a budget committee member has to be CUAB or not (e.g. as y'all mentioned, double the work of the standard budget committee).
4. I like the idea of "majority of active members" instead of 3.
5. I have no strong preference either way for this.
6. (Mary's point) # of Members - I like this idea, and think it would be dependent on the conversation with council potential (my comment on #3 above).

Also Emma, correct me if I'm wrong, but I vaguely recall a message from Scott (city recorder) that we aren't supposed to reply all to emails for some reason. That could very well be for the MRCCAC or something else, but let us know. Thanks again everyone and see y'all tonight!

Sincerely,
David

On Mon, Feb 5, 2024 at 7:36 AM mary <mary.rowe101@gmail.com> wrote:

Hi

I had sent my suggested edits to the bylaws to Emma and to Peter this weekend. I did raise the same concern that Leslie expressed in item 1 about it being staffed with a notetaker rather than relying on a citizen. I also expressed concerns about putting in an absolute # members as we did see a change to # of budget committee members recently.

I did not raise Leslie's other points but agree about consistency with naming conventions for Boards, committees etc. Since this is a revamped way for the business of the CUAB to be undertaken, I think it is a good time to look at the name also and see if it is consistent with naming of other entities and is still accurate for the work being tasked.

Mary

On Sun, Feb 4, 2024 at 11:29 PM Leslie Schockner <leslieschockner@gmail.com> wrote:

I realize I am probably late with this, but I am hoping folks have time to read through it before our discussion Monday night. I am raising some issues that I have previously discussed with staff about the by-laws in general, and feel like they are still things I would like the group to consider as a whole.

1. My first point, and probably the one I feel most strongly about is the issue of adding a secretary and the taking of minutes. I had discussions with staff before the first meeting of this group about my opposition to a citizen member being required to take minutes at these meetings. I raised the issues that the new CUAB members have already agreed to double their workload, and it is not reasonable to expect one of them to take notes. It's clear that a committee member was not tasked with this before since the position of secretary has not been in the bylaws before. I also made the point that if a citizen member has to take minutes then that person cannot fully participate in the evaluation and decision-making wrt to the actual business of the committee. I also made the point that this committee is now a sub-committee of the Budget Committee, which has always had staff support for this task; therefore I think that support should be extended as a matter of course to this subcommittee. After all, the members of this group are making decisions and recommendations which directly affect the ratepayers and the budget itself. I was assured that staff from Finance would continue to take notes by the previous Finance Director, but I would like to have this support formally confirmed. I personally would not have a problem with having a secretary would would be charged with reviewing and editing minutes, but others

might.

2. My second point relates to the name of the committee - the Citizen's Advisory Utility Board. I was given to understand that there had been previous discussion and agreement to changing from Citizen's to Community. My thought - and I am just throwing it out for consideration, is that if the name were to be changed why not make it reflective of the full workload, eg, utility rate review and recommendation, as well as capital projects. My initial idea was something like Utility and Infrastructure Committee, although maybe there is some historical reason to include citizen or community. I am just throwing it out for consideration.
3. And on the topic of CUAB being a subcommittee of the Budget Committee, the draft bylaws we received don't make that relationship clear to my mind.
4. And another drafting organizational points that might be helpful. I suggest the quorum requirement be changed from "3" to "a majority of the active members." This would resolve the issue that just recently happened when the membership was reduced. If the committee was at 5 or 4, a quorum would still be 3, but if it went down to 3, it could still conduct business as long as 2 members showed up.
5. And finally this just bugs me in terms of language. The City Code refers to Boards and Commissions, but not Committees, yet of 11 entities listed, only 2 are

commissions (CUAB and Planning), 3 are boards (Library, Parks and Rec, and Tree), and the other 6 are committees. This one is now a subcommittee of a committee, but is called a board and referred to in the bylaws as a committee. I think it is confusing to use two terms for the same thing, particularly when committees are not even mentioned in the code. Just pointing out we could agree on a single term for this entity at least.

I look forward to more good work tomorrow and really want to thank Peter for being so thorough in following up with answers to our questions before we get to the meeting.

On Fri, Feb 2, 2024 at 4:00 PM Emma Sagor <SagorE@milwaukieoregon.gov> wrote:

Greetings, CUAB members!

We are looking forward to seeing you on Monday. The agenda was [posted online on Monday](#), but I realized I did not follow up with an email sharing the link with you all—my apologies. You can find the agenda and minutes attached.

Please let us know if you have any questions.

Thank you!

Emma

Emma Sagor

Assistant City Manager

she • her • hers

503.786.7573 (o) • 360.852.2014 (m)

City of Milwaukie

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CITY OF MILWAUKIE

Citizens Utility Advisory Board Rate Recommendations



Feb 5, 2024

Purpose



- Good Neighbor Program
- CUAB rate discussion / recommendations for FY 2025 and FY 2026
- Overview of the integrated CIP program, which included SAFE, SSMP, and Gas Tax funded projects
- Information on large or high impact projects slated for construction during the 2025-2026 biennium.

Good Neighbor Program



- New agreement signed between WES and City in 2023
 - Allowed for expanded use both in purpose and geographically
- Approximately \$140K in revenues per year
 - Based on EDU count
- \$90K debt service for MBP through 2029
- About \$50K a year available

Good Neighbor Project Eligibility

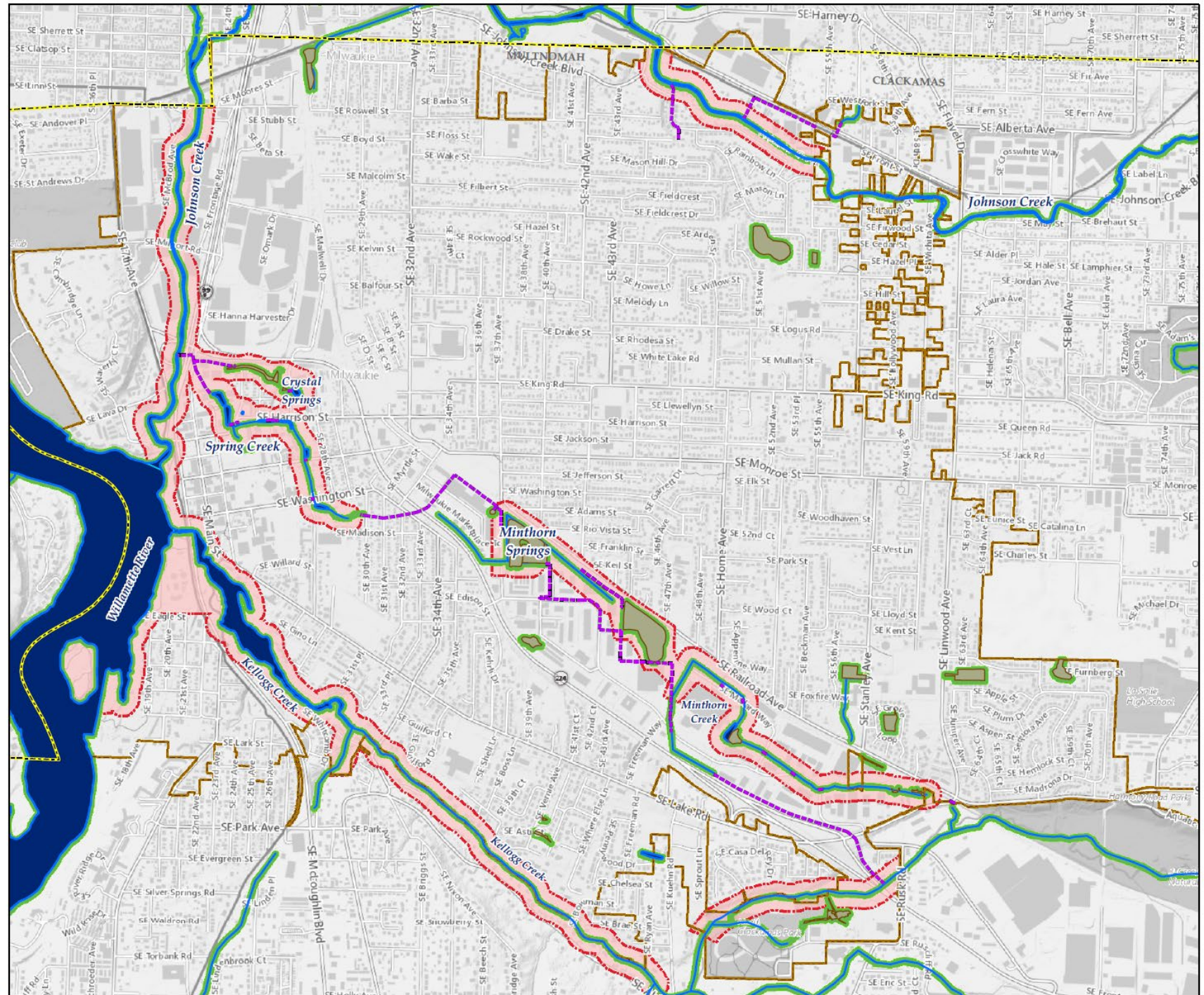


- Eligible projects must have at least one of the following purposes:
 - Provide improved recreational opportunities, such as pathways, parks, and trails.
 - Enhance fish and wildlife habitat and riparian areas.
 - Create opportunities for collaboration and leverage resources between the city and WES relating to another purpose approved by the Parties.
 - Enhance public knowledge on wastewater treatment and surface water management and what they can do to protect water quality through education and special projects.

**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

Potential Projects



- Roswell Detention Restoration
- Elk Rock Island Support
- Spring Creek Daylighting Analysis
- Riparian Restoration efforts - International Way
- Increase Support to Watershed Councils
- Enhancements near the Kellogg Treatment Facility

Staff Rate Recommendations



- Water – 3%, 3%
 - Long-term projection
 - Develop higher confidence Project Estimates
 - Cost of Service Study and Financing Plan
- WW – 0%, 0%
 - 2.5% projected increase in FY2027 through FY 2028
 - Cost of Service Study
- Storm – 0%, 0%
 - 2.5% increase in FY 2027 and FY 2028
 - Storm System Plan will update future Capital
- Transportation
 - SAFE – 5.64 % - Seattle CCI 5 yr Average
 - SSMP – 5.64%
 - Proceeds from 2023 Bond should be expended by 2026/2027

Assumptions



- Minor Growth – less than 0.5%
 - Mainly Multi Family
 - avg 3.8 units of water for each new multi family unit
- No new large water customers
- No change in customer water usage
- Expenses
 - Increases for electricity and material costs
 - 1 new FTE – water
 - Budget assumes CIP -100% expenditures
 - Target 75%
 - Historically 50-55%

Policy Reserve Requirements




- Water - Below Target in FY 2027
- Wastewater – Current projections indicate Fund above target until 2029
 - Includes 2.5% increase beginning in 2027
 - Increase to 3% keeps above target
- Storm – Current Projections indicate Fund above target through next six years
 - Includes 2.5% increase beginning in 2027

Wastewater

| CITY OF MILWAUKIE | | Waste Water Projected Revenue | | | | | |
|---------------------------------------|----------------------------|-------------------------------|---------------------|--------------------|---------------------|---------------------|---------------------|
| Description | FY 2024 Projected Total | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 |
| Waste Water Sales | \$8,938,960 | \$9,067,840 | \$9,118,446 | \$9,345,872 | \$9,578,519 | \$9,816,982 | \$10,061,407 |
| Intergovernmental -WES | | \$876,300 | \$576,300 | | | | |
| Good Neighbor Distribution | | \$141,000 | \$141,000 | \$141,000 | \$141,000 | \$141,000 | \$141,000 |
| ARPA | | \$745,000 | | | | | |
| Interest Income | 140,000 | 100,000 | 75,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Reimbursement Fee - SDC | 150,000 | 211,500 | 93,400 | 116,196 | 8,000 | 8,000 | 8,000 |
| Reimbursement District | 25,000 | 43,000 | 43,000 | 43,000 | 43,000 | 43,000 | 43,000 |
| Rental Revenue | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| Recovered Expenditures | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| Miscellaneous | 500 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 |
| Operating Revenue | \$9,260,460 | \$11,198,640 | \$10,061,146 | \$9,710,068 | \$9,834,519 | \$10,072,982 | \$10,317,407 |
| Total Operating Revenues | \$9,260,460 | \$11,198,640 | \$10,061,146 | \$9,710,068 | \$9,834,519 | \$10,072,982 | \$10,317,407 |
| Description | FY 2024 Projected Total | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 |
| Operating Expenses: | | | | | | | |
| Personnel Services | \$557,000 | \$576,694 | \$596,524 | \$626,350 | \$657,668 | \$690,551 | \$725,079 |
| Materials and Services | \$283,000 | \$246,000 | \$259,000 | \$266,770 | \$274,773 | \$283,016 | \$291,507 |
| Treatment Costs | \$5,300,000 | \$5,400,000 | \$5,450,000 | \$5,545,375 | \$5,642,419 | \$5,741,161 | \$6,028,219 |
| Franchise Fee (City Streets) | \$262,000 | \$274,791 | \$278,817 | \$285,722 | \$292,785 | \$300,024 | \$307,445 |
| Transfer to Other Funds (City | \$1,460,000 | \$1,550,000 | \$1,550,000 | \$1,627,500 | \$1,708,875 | \$1,794,319 | \$1,884,035 |
| Debt Service | \$191,259 | \$191,867 | \$193,567 | \$190,067 | \$191,567 | \$188,943 | \$97,708 |
| Vehicles | \$150,000 | \$310,000 | \$75,000 | \$165,000 | \$65,000 | \$900,000 | |
| Capital Outlay | \$2,620,620 | \$4,397,500 | \$1,627,300 | \$528,000 | \$1,349,000 | \$461,000 | \$434,000 |
| Total Operating Expenses | \$10,823,879 | \$12,946,852 | \$10,030,208 | \$9,234,784 | \$10,182,087 | \$10,359,015 | \$9,767,993 |
| Operating Income | -1,563,419 | -1,748,211 | 30,938 | 475,285 | -347,567 | -286,033 | 549,414 |
| Cash Forward Beginning Year | \$5,732,971 | \$4,169,552 | \$2,421,340 | \$2,452,278 | \$2,927,562 | \$2,579,995 | \$2,293,962 |
| Balance | \$4,169,552 | \$2,421,340 | \$2,452,278 | \$2,927,562 | \$2,579,995 | \$2,293,962 | \$2,843,377 |
| Policy Reserve Requirement (25%) | \$1,965,500 | \$2,011,871 | \$2,033,585 | \$2,087,929 | \$2,144,130 | \$2,202,268 | \$2,309,071 |
| Debt Service Policy Reserve | \$191,259 | \$191,867 | \$193,567 | \$190,067 | \$191,567 | \$188,943 | \$97,708 |
| Total Policy Reserve | \$2,156,759 | \$2,203,738 | \$2,227,152 | \$2,277,996 | \$2,335,697 | \$2,391,211 | \$2,406,779 |
| Maximum capital expense per FY | \$4,633,413 | \$4,615,102 | \$1,852,426 | \$1,177,566 | \$1,593,298 | \$363,751 | \$870,598 |

Stormwater

|  CITY OF MILWAUKIE | | | | | | | |
|---|--------------------------|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Stormwater Projected Revenue | | | | | | | |
| Description | Projected FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 |
| Storm Water User Fees | | | | | | | |
| Residential | \$2,282,127 | \$2,282,241 | \$2,282,356 | \$2,339,529 | \$2,398,017 | \$2,457,967 | \$2,519,416 |
| Residential -Low Income | \$39,079 | \$39,081 | \$39,083 | \$40,062 | \$41,063 | \$42,090 | \$43,142 |
| Commercial | \$2,822,005 | \$2,850,367 | \$2,879,015 | \$2,951,134 | \$3,024,913 | \$3,100,535 | \$3,178,049 |
| Storm 50% Reduction | \$177 | \$177 | \$177 | \$181 | \$186 | \$190 | \$195 |
| Storm 35% Reduction | \$2,069 | \$2,069 | \$2,069 | \$2,121 | \$2,174 | \$2,228 | \$2,284 |
| Storm Water Fees | \$5,145,456 | \$5,173,935 | \$5,202,699 | \$5,333,027 | \$5,466,352 | \$5,603,011 | \$5,743,086 |
| Intergovernmental | \$585,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other Federal Grants | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Tree Permits and Fees | \$40,000 | \$47,500 | \$47,500 | \$47,500 | \$47,500 | \$40,000 | \$40,000 |
| Miscellaneous Fees and Charges | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 |
| Interest Income | 275,000 | 60,000 | 60,000 | 30,000 | 30,225 | 30,452 | 30,680 |
| Rental Revenue | 2,000 | 3,000 | 3,000 | 3,000 | 3,000 | 0 | 0 |
| Recovered Expenditures | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| Miscellaneous | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Total Operating Revenues | \$6,061,456 | \$5,298,435 | \$5,327,199 | \$5,427,527 | \$5,561,077 | \$5,687,463 | \$5,827,766 |
| Operating Expenses: | Projected FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 |
| Personnel Services | \$804,000 | \$873,848 | \$887,363 | \$931,731 | \$978,318 | \$1,027,234 | \$1,078,595 |
| Materials and Services | \$346,000 | \$377,000 | \$384,000 | \$318,270 | \$327,818 | \$337,653 | \$347,782 |
| Franchise Fee (City Streets) | \$426,000 | \$413,915 | \$416,216 | \$426,642 | \$437,308 | \$448,241 | \$459,447 |
| Transfer to Other Funds (City Services) | \$1,405,000 | \$1,475,250 | \$1,475,250 | \$1,549,013 | \$1,626,463 | \$1,707,786 | \$1,793,176 |
| Debt Service | | | | | | | |
| Vehicles | \$112,000 | \$150,000 | \$895,000 | \$225,000 | \$390,000 | \$150,000 | \$150,000 |
| Capital Outlay | \$8,115,000 | \$4,166,000 | \$971,000 | \$535,000 | \$2,366,000 | \$1,034,560 | \$2,805,000 |
| Total Operating Expenses | \$11,208,000 | \$7,456,013 | \$5,028,829 | \$3,985,656 | \$6,125,907 | \$4,705,473 | \$6,634,000 |
| Operating Income | -\$5,146,544 | -\$2,157,578 | \$298,370 | \$1,441,871 | -\$564,830 | \$981,989 | -\$806,234 |
| Cash Forward Beginning Year | \$8,937,628 | \$3,791,084 | \$1,633,507 | \$1,931,877 | \$3,373,747 | \$2,808,918 | \$3,790,907 |
| Balance | \$3,791,084 | \$1,633,507 | \$1,931,877 | \$3,373,747 | \$2,808,918 | \$3,790,907 | \$2,984,673 |
| Policy Reserve Requirement (25%) | \$745,250 | \$785,003 | \$790,707 | \$806,414 | \$842,477 | \$880,228 | \$919,750 |
| Total Policy Reserve | \$745,250 | \$785,003 | \$790,707 | \$806,414 | \$842,477 | \$880,228 | \$919,750 |
| Maximum capital expense per FY | \$11,160,834 | \$5,014,504 | \$2,112,169 | \$3,102,334 | \$4,332,441 | \$3,945,239 | \$4,869,923 |

SAFE




CITY OF MILWAUKIE

SAFE

| Description | Projected Current FY 2024 | FY2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 |
|---|------------------------------|---------------------|--------------------|--------------------|---------------------|---------------------|---------------------|
| SAFE | | | | | | | |
| Residential | 462,170 | 488,259 | 515,821 | 544,939 | 575,674 | 608,142 | 642,441 |
| MFR | 193,838 | 204,780 | 216,340 | 228,552 | 241,443 | 255,060 | 269,446 |
| Commercial Classifications | | | | | | | |
| Commercial Total | 655,544 | 692,549 | 731,644 | 772,945 | 816,539 | 862,592 | 911,242 |
| SAFE Fee Total | 1,311,551 | 1,385,588 | 1,463,805 | 1,546,437 | 1,633,656 | 1,725,794 | 1,823,129 |
| Intergovernmental (other) | 0 | 2,000,000 | 3,500,000 | 0 | 0 | 0 | 0 |
| Interest Income | 35,000 | 100,000 | 100,000 | 11,598 | 12,252 | 12,943 | 13,673 |
| Proceeds from Debt | | 0 | 0 | 0 | 0 | 0 | 0 |
| Bond Premium | | | | | | | |
| Total Operating Revenue | 1,346,551 | 3,485,588 | 5,063,805 | 1,558,035 | 1,645,908 | 1,738,737 | 1,836,802 |
| Operating Expenses: | | | | | | | |
| Materials and Services | \$7,500 | \$12,000 | \$12,000 | \$12,000 | \$12,000 | \$12,000 | \$12,000 |
| Transfer to Other Funds (City Services) | \$685,000 | \$722,000 | \$722,000 | \$758,100 | \$796,005 | \$835,805 | \$877,596 |
| SAFE/SSMP Debt Service | \$963,981 | \$963,994 | \$963,983 | \$963,983 | \$963,983 | \$963,983 | \$963,983 |
| Capital Outlay | 2,125,000 | 7,668,800 | 4,101,500 | 293,000 | 1,263,000 | 2,369,000 | 844,000 |
| Total Operating Expenses | \$3,781,481 | \$9,366,794 | \$5,799,483 | \$2,027,083 | \$3,808,000 | \$4,180,788 | \$2,697,579 |
| Operating Income | -\$2,434,930 | -\$5,881,206 | -\$735,678 | -\$469,048 | -\$2,162,092 | -\$2,442,051 | -\$860,776 |
| Cash Forward Beginning Year | 10,443,134 | \$8,008,204 | \$2,126,999 | \$1,391,321 | \$922,273 | -\$1,239,819 | -\$3,681,870 |
| Balance | \$8,008,204 | \$2,126,999 | \$1,391,321 | \$922,273 | -\$1,239,819 | -\$3,681,870 | -\$4,542,647 |
| Policy Reserve Requirement (17%) | \$281,602 | \$288,659 | \$288,657 | \$294,794 | \$301,238 | \$308,004 | \$315,108 |
| Reserve for Capital | | | | | | | |
| Reserve for Debt Service | \$963,981 | \$963,994 | \$963,983 | \$963,983 | \$963,983 | \$963,983 | \$963,983 |
| Total Policy Reserves | \$1,245,583 | \$1,252,653 | \$1,252,640 | \$1,258,777 | \$1,265,221 | \$1,271,987 | \$1,279,091 |
| Maximum capital expense per FY | \$8,887,622 | \$8,543,146 | \$4,240,181 | -\$43,505 | -\$1,242,040 | -\$2,584,857 | -\$4,977,738 |

SSMP



|  CITY OF MILWAUKIE | | | | | | | |
|---|--------------------------------------|---------------------|---------------------|--------------------|---------------------|--------------------|--------------------|
| SSMP | | | | | | | |
| Description | Projected Current FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 |
| Street Maintenance Fee (SSMP) 315 | | | | | | | |
| Residential | 416,311 | 439,811 | 464,639 | 486,035 | 508,393 | 531,779 | 556,241 |
| MFR | 179,471 | 189,602 | 200,305 | 209,529 | 219,167 | 229,249 | 239,794 |
| Commercial | | | | | | | |
| Commercial Total | \$573,521 | \$605,896 | \$640,099 | \$669,575 | \$700,376 | \$732,593 | \$766,292 |
| Street Maintenance Fee Total | \$1,169,302 | \$1,235,309 | \$1,305,042 | \$1,365,139 | \$1,427,936 | \$1,493,621 | \$1,562,327 |
| | | | | | | | |
| Privilege Franchise Fee | \$370,000 | \$388,500 | \$408,000 | \$408,000 | \$408,000 | \$408,000 | \$408,000 |
| Local Gas Tax | \$130,000 | \$130,000 | \$130,000 | \$130,000 | \$130,000 | \$130,000 | \$120,000 |
| Interest Income | \$100,000 | \$50,000 | \$100,000 | \$10,239 | \$10,710 | \$11,202 | \$11,717 |
| Misc | | | | | | | |
| Proceeds from Debt | | | | | | | |
| SSMP Total | \$1,769,302 | \$1,803,809 | \$1,943,042 | \$1,913,378 | \$1,976,645 | \$2,042,823 | \$2,102,045 |
| | | | | | | | |
| Operating Expenses: | Projected Current FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 |
| Materials and Services | \$12,000 | \$12,000 | \$12,000 | \$12,000 | \$12,000 | \$12,000 | \$12,000 |
| Transfer to Other Funds (City Services) | \$535,000 | \$561,750 | \$561,750 | \$589,838 | \$619,329 | \$650,296 | \$682,811 |
| SAFE/SSMP Debt Service | \$629,838 | \$629,847 | \$629,838 | \$629,838 | \$629,838 | \$629,838 | \$629,838 |
| Capital Outlay | \$2,703,594 | \$2,268,000 | \$2,952,000 | \$791,000 | \$4,329,000 | \$1,322,000 | \$711,000 |
| Total Operating Expenses | \$3,880,432 | \$3,471,597 | \$4,155,588 | \$2,022,676 | \$5,590,167 | \$2,614,134 | \$2,035,649 |
| Operating Income | -\$2,111,130 | -\$1,667,788 | -\$2,212,546 | -\$109,298 | -\$3,613,522 | -\$571,311 | \$66,396 |
| Cash Forward Beginning Year | \$9,840,237 | \$7,729,107 | \$6,061,319 | \$3,848,773 | \$3,739,476 | \$125,954 | -\$445,357 |
| Balance | \$7,729,107 | \$6,061,319 | \$3,848,773 | \$3,739,476 | \$125,954 | -\$445,357 | -\$378,961 |
| | | | | | | | |
| Policy Reserve Requirement (17%) | \$92,990 | \$97,538 | \$97,538 | \$102,312 | \$107,326 | \$112,590 | \$118,118 |
| Debt Service Reserve Requirement | \$629,838 | \$629,847 | \$629,838 | \$629,838 | \$629,838 | \$629,838 | \$629,838 |
| Total Reserve Requirements | \$722,828 | \$727,385 | \$727,376 | \$732,150 | \$737,164 | \$742,428 | \$747,956 |
| | | | | | | | |
| Maximum capital expense per FY | \$9,709,873 | \$7,601,935 | \$6,073,398 | \$3,798,325 | \$3,717,790 | \$134,215 | -\$415,917 |

Rate Design Considerations



- Water

- Maintain a dual tiered Rate structure
- increase commercial /industrial fixed customer charges to bring rates closer to cost of service.
- 3% increase in FY 2025 through FY 2026 based on current projections.
- Maintain current low income program

- Wastewater

- Maintain the current 50% low-income discount on the monthly charge and on treatment equivalent dwelling unit (EDU) charge
- Revenue neutral adjustment to commercial and industrial fixed charges

Washington Area Improvements



Project Cost - \$7,929,729

Project to cross over FY 2024 to be completed in FY 2025

Funds will roll over through a supplemental

Central Monroe Greenway: transitions from intersection; \$1.55 M thru IGA with ODOT, plus City UR and city transportation funds - 2025/26

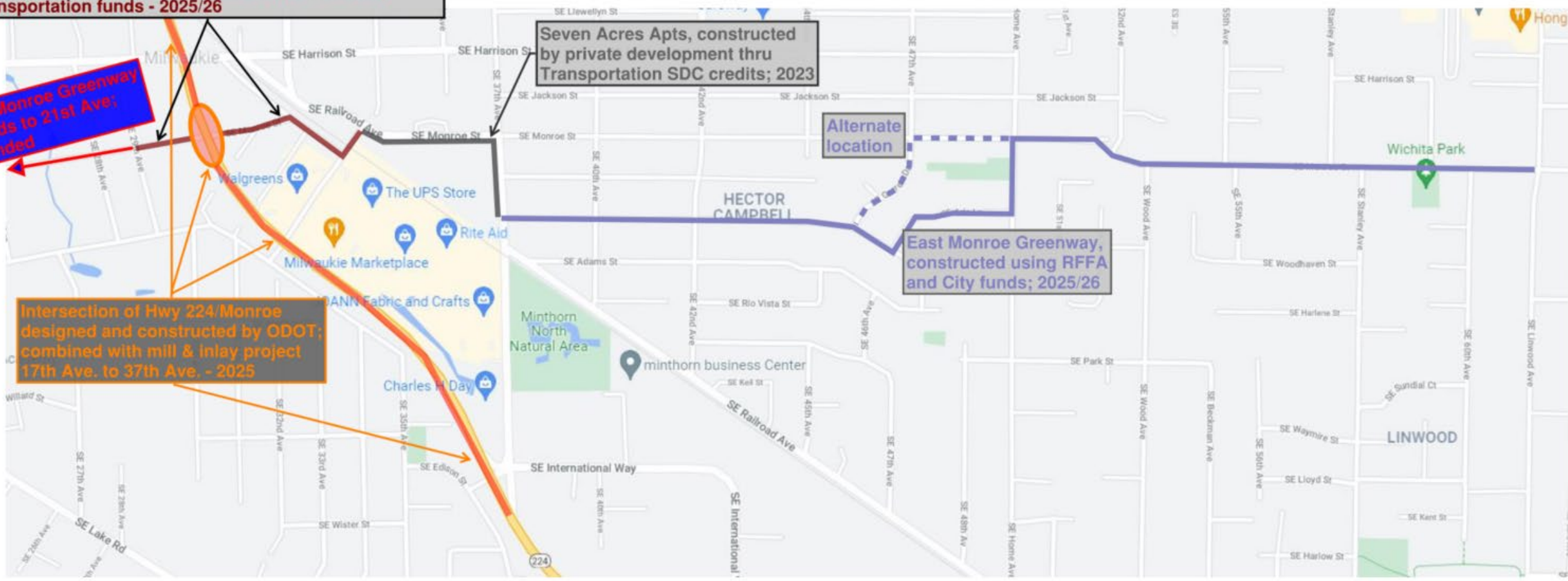
Seven Acres Apts, constructed by private development thru Transportation SDC credits; 2023

Alternate location

East Monroe Greenway, constructed using RFFA and City funds; 2025/26

West Monroe Greenway extends to 21st Ave; unfunded

Intersection of Hwy 224/Monroe designed and constructed by ODOT; combined with mill & inlay project 17th Ave. to 37th Ave. - 2025

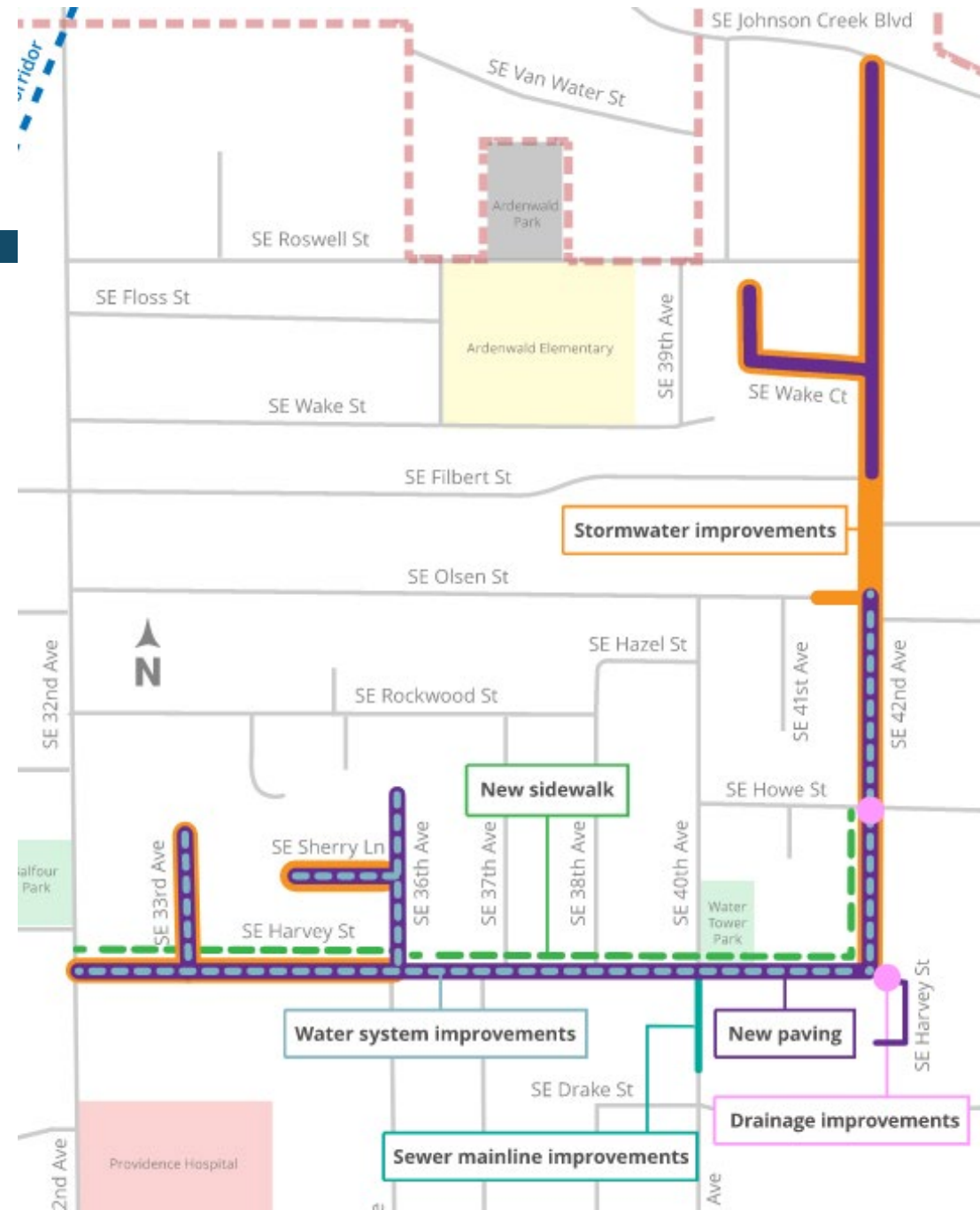


Monroe Greenway

- East Monroe Greenway –**
 - Cost \$5,757,788
 - Construct late FY 2026 to FY 2027
- Central Monroe Greenway –**
 - Cost \$ 3,132,000
 - Construct FY 2026

Harvey Street Improvements

- Cost \$5,018,000
- Construction to start in FY 2025 and finish in FY 2026
- Additional Wastewater and dead-end streets to pave

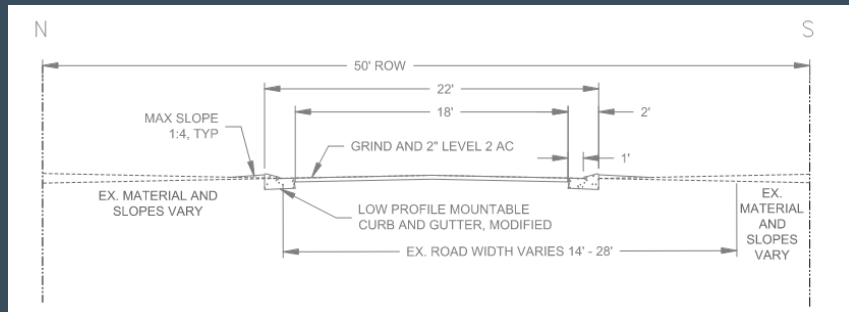
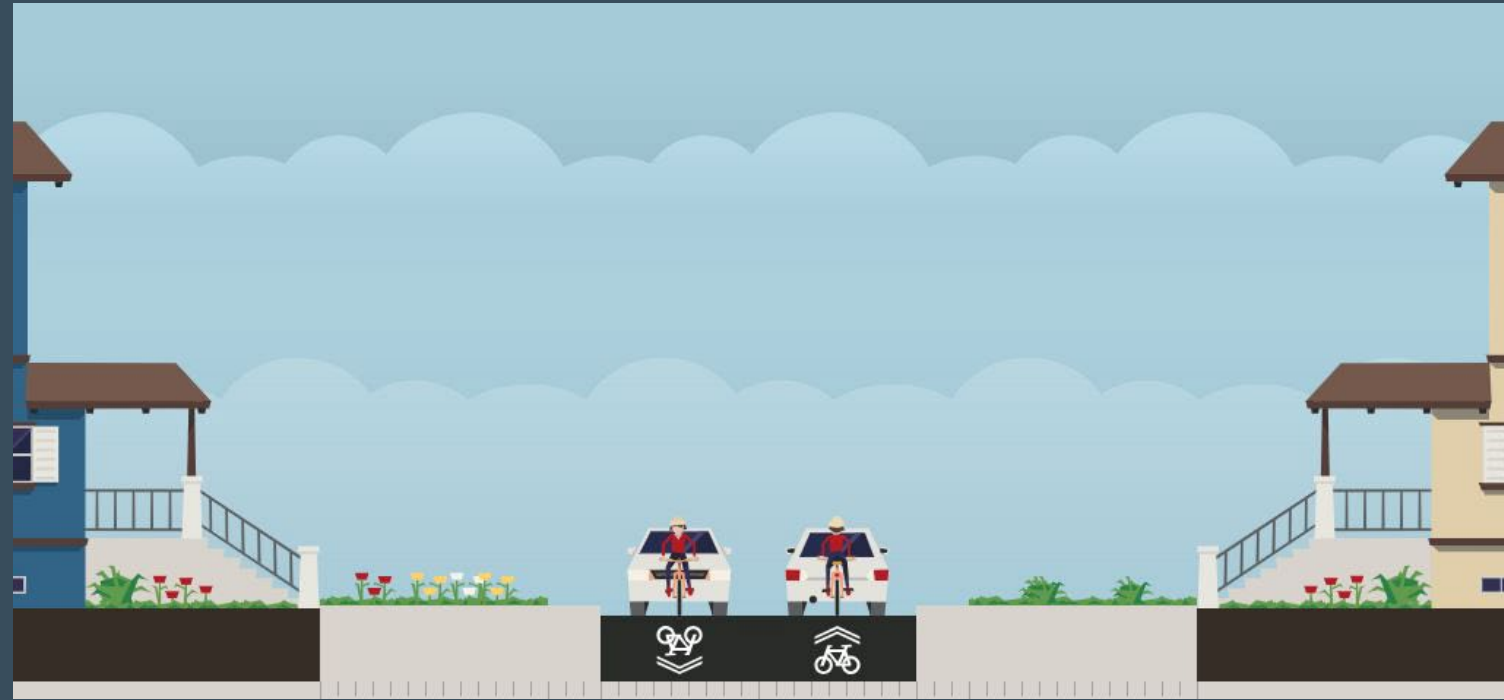


Ardenwald North Improvements

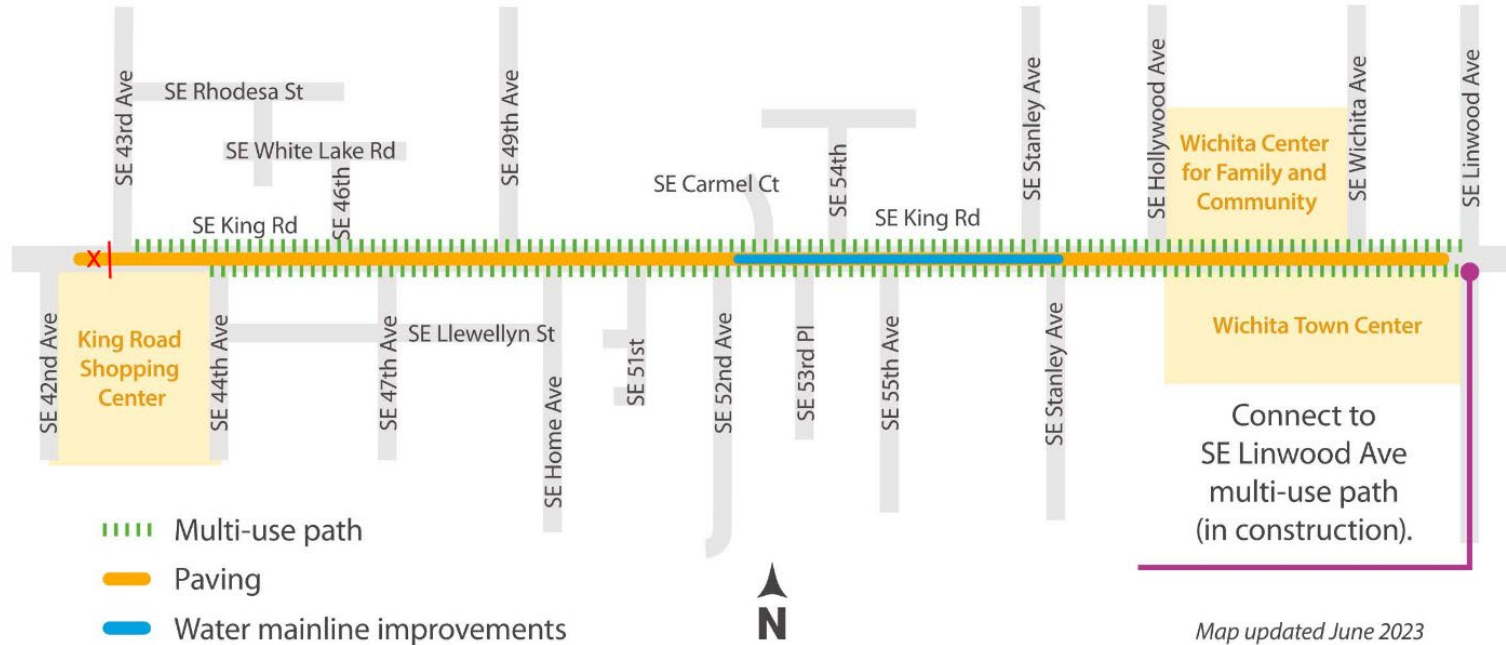
Cost \$4,020,000

Construct FY 2025

Additional streets to pave



King Road Improvements



Status

- Cost \$8,199,000
- Construct FY 2025 to early FY 2026
- Additional Water and stormwater



Stanley Improvements

Funding

- URA County \$3,500,000
- Safe Routes to School Grant \$2,000,000
- Transportation \$500,000

Timeline

- Design FY 2025
- Construct FY 2026 -2027



Waverly Heights Sewer Reconfiguration Project

Cost:

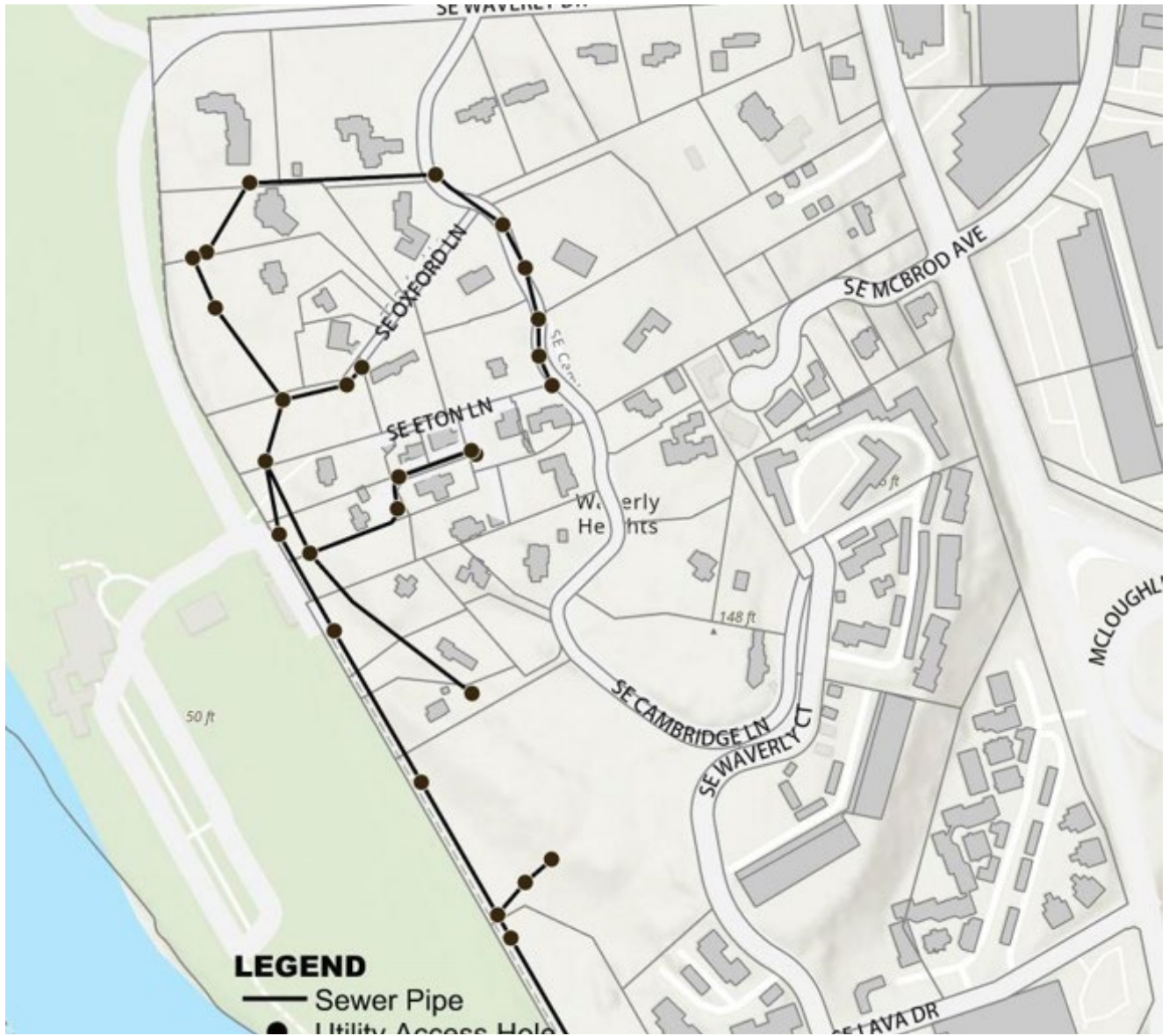
WES funds \$1,152,600

City funds \$2,210,000

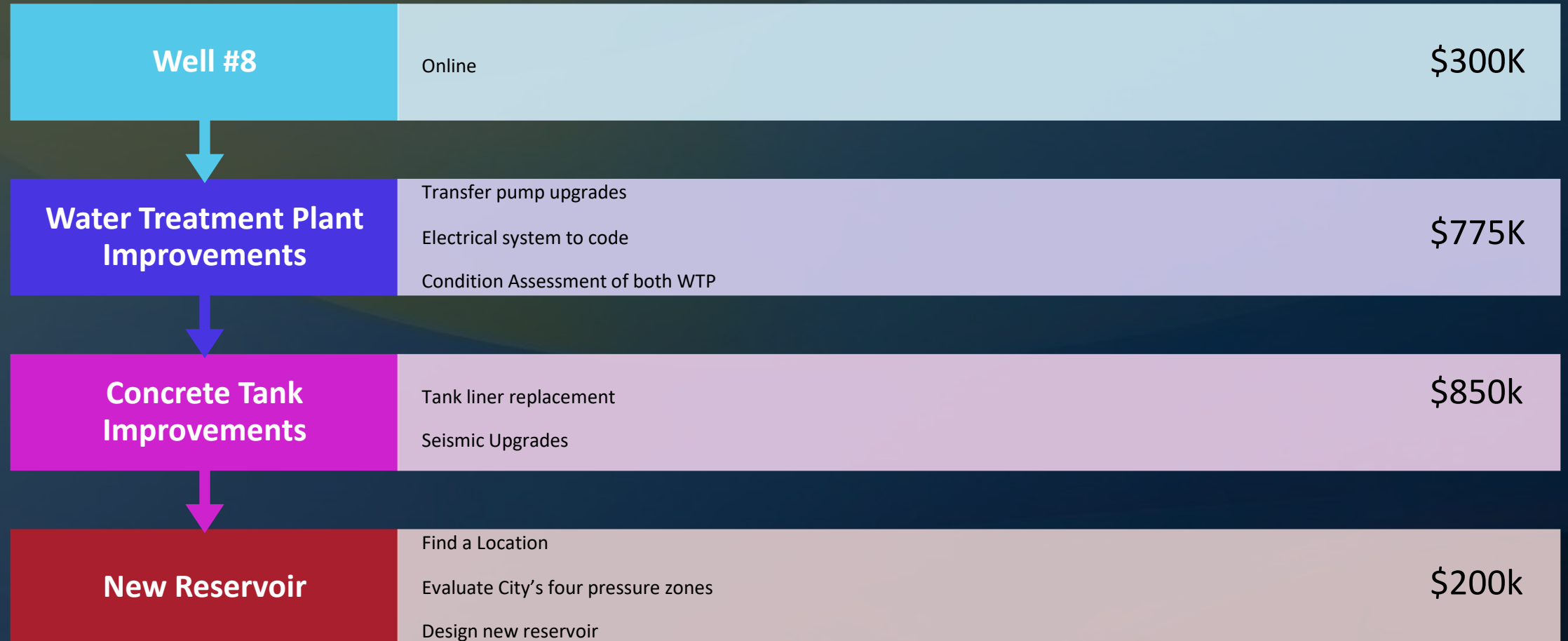
Anticipated Schedule:

Design: Oct 2023 – Oct 2024

Construction: NOV 2024 – Jun 2025

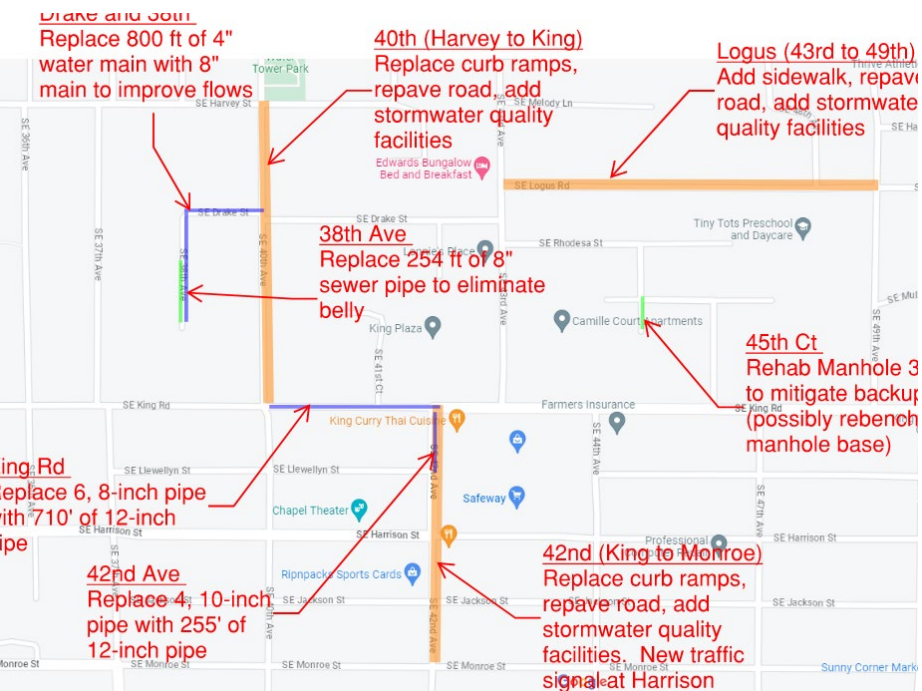


Water Engineering Services





Logus Road, 40th & 42nd Avenue Improvements



Status:

Planning to work on Design FY 2026 to provide good cost estimate

Then run out of funds to construct

Thank you!

Questions?

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