

CITY OF MILWAUKIE  
CITY COUNCIL MEETING  
SEPTEMBER 4, 2001

4156

**CALL TO ORDER**

The 1869<sup>th</sup> meeting of the Milwaukie City Council was called to order by Mayor Bernard at 6:05 p.m. in the City Hall Council Chambers. The following Councilors were present:

Larry Lancaster

Jeff Marshall

Staff present:

Mike Swanson,  
City Manager

Tim Ramis,  
City Attorney

Alice Rouyer,  
Planning Director

Michelle Gregory,  
Neighborhood Services Manager

Dennis Lively,  
City Engineer

Jack Ostlund,  
Associate Engineer

Jim Colt,  
Police Captain

**PLEDGE OF ALLEGIANCE**

**PROCLAMATIONS, COMMENDATIONS, SPECIAL REPORTS, AND AWARD**

**Mayor Bernard** read a proclamation recognizing the month of September 2001 as *National Alcohol and Drug Addiction Recovery Month*.

**CONSENT AGENDA**

**Mayor Bernard** read the list of consent agenda items:

- A. City Council Minutes of August 20 & 21, 2001;
- B. Resolution 26-2001 to Amend the City's Current Contract for the Juvenile Diversion Panel;
- C. Resolution 27-2001 Amending Resolution 17-2001 Setting Fees for Services; and
- D. Resolution 28-2001 Granting Consent to Clackamas County to Administer Dog Control and Licensing.

It was moved by Councilor Marshall and seconded by Councilor Lancaster to adopt the consent agenda. Motion passed unanimously among the members present.

**AUDIENCE PARTICIPATION**

None.

**PUBLIC HEARING****Volume Based Sewer Rate**

**Mayor Bernard** called the public hearing on the proposed sanitary sewer rate charge to order at 6:09 p.m.

The purpose of this hearing was to consider public comment on the proposed volume based sewer charges.

Staff Report: **Ostlund** introduced Ed Cebron, Financial Consulting Solutions Group, Inc. (FCSG), consultant who worked with the Citizens Utility Advisory Board (CUAB) and staff on the proposed rate structure.

**Cebron** reviewed the background of the volume based rate structure. After adopting a sewer rate increase in February 2000, Council directed staff to determine if a volume based structure would be more equitable than the flat rate method. After reviewing policy and technical options with the CUAB, several key issues were identified: conservation should be encouraged and rewarded, billing based on residential customer winter usage is appropriate, and transition to a new structure should be phased in over 3 years. In addition to charging a more equitable fee, proposed charge is intended to create financial stability for the utility.

The CUAB considered patterns of customer usage and recommended the 3-year program with gradual increases. Customers will have the opportunity to evaluate their conservation options during that time. The impact on City revenues is neutral and is not intended to create untoward increases.

**Councilor Marshall** was concerned about accounting for administrative costs, including consumer education, related to implementing the new rate structure.

**Cebron** said additional funds, generated while customers adapt, can be used for additional administrative expenses. There will be certain start up costs related to researching customer records and developing administrative procedures.

**Councilor Lancaster** understood this was a very complex issue and would be concerned if rate increases were needed to support rising administrative costs. He asked if the impact of zero-volume usage had been determined.

**Cebron** said impact would be slight since research shows there are actually very few zero-volume customers. Those on wells will be locked into the system average until such time as they connect to the municipal system.

The group discussed the low-income residential rate, and **Cebron** believed applications were approved based on Clackamas County standards. There are currently about 100 low income customers.

**Councilor Lancaster** noted this is a pay-as-you-go program and all fractions are rounded down when bills are calculated.

Correspondence: None.

Public Testimony: None.

**Carla Bantz**, 4439 SE Pennywood Drive, Milwaukie, spoke in opposition to the increase. She believed the proposed rate structure would place a burden on families, and seniors would not see the rate decrease they anticipated. She was concerned additional residents would have their water shut off each month.

**Sara**, 6136 SE Monroe, Milwaukie, was opposed to the rate structure. Families with children would have high utility bills. She did not feel the public information accurately stated the percentage of increases.

**Lee Cox**, 11656 SE 48<sup>th</sup> Avenue, Milwaukie, supported the volume based rate structure. She believes the current flat rate subsidizes large families with high water consumption.

**Councilor Lancaster** felt the volume based rate proposal was the best compromise and discussed rising treatment costs.

Staff Comments: None.

Close Public Hearing: **Mayor Bernard** closed the public testimony portion of the hearing at 6:45 p.m.

Council Decision:

**Councilor Marshall** agreed volume based method seems to be the best compromise and is perceived as being overall the most equitable. It encourages the option to conserve. He suggested residents write the Clackamas County Board of Commissioners and urge construction of a new, more efficient treatment plant to replace Kellogg.

**Councilor Lancaster** said the Council will remain open to other community suggestions as the 3-year program is implemented.

**It was moved by Councilor Lancaster and seconded by Councilor Marshall to adopt the resolution establishing sewer service charges. Motion passed unanimously among the members present.**

RESOLUTION NO. 29-2001:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
MILWAUKIE, OREGON, ESTABLISHING SEWER SERVICE CHARGES.

OTHER BUSINESS

Recommendation to South Corridor Policy Group

It was moved by Councilor Marshall and seconded by Councilor Lancaster to forward the Milwaukie City Council recommended options to the South Corridor Policy Group for further study. Motion passed unanimously among the members present.

Other

**Councilor Marshall** expressed his concern with flaglot language in the Comprehensive Plan and suggested the Planning Commission review it.

**Rouyer** said the Planning Commission is scheduled to discuss flaglot standards at its September 25 meeting.

**Mayor Bernard** announced the City Council discussed updating the Community Goals at its September 1 work session and will meet with staff to discuss action plans.

ADJOURNMENT

It was moved by Councilor Marshall and seconded by Councilor Lancaster to adjourn the meeting. Motion passed unanimously among the members present.

**Mayor Bernard** adjourned the meeting at 6:50 p.m.

  
\_\_\_\_\_  
Pat DuVal, Recorder

Date 9/4/01

I wish to address City Council on Agenda Item # ✓

Name Carla Bantz

Organization \_\_\_\_\_

Address 4439 SE Pennywood Dr

Phone 654-9313

Speaking in Support

Speaking in Opposition

Raising Questions

Providing Information

Comments \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Date 9/04/01

I wish to address City Council on Agenda Item # 5

Name LEE COX

Organization HOMEOWNER

Address 11656 SE 48 AVE, MIKWAUKIE

Phone (503) 654-1194

Speaking in Support X

Speaking in Opposition

Raising Questions

Providing Information

Comments Unfair

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**CITY OF MILWAUKIE  
CITY COUNCIL AGENDA  
SEPTEMBER 4, 2001**

**MILWAUKIE CITY HALL**  
10722 SE Main Street

**1869<sup>th</sup> MEETING**

**REGULAR SESSION - 6:00 p.m.**

- I. CALL TO ORDER**  
Pledge of Allegiance
- II. PROCLAMATIONS, COMMENDATIONS, SPECIAL REPORTS, AND AWARDS**
- III. CONSENT AGENDA** *(These items are considered to be routine, and therefore, will not be allotted Council discussion time on the agenda. The items may be passed by the Council in one blanket motion. Any Council member may remove an item from the "Consent" portion of the agenda for discussion or questions by requesting such action prior to consideration of that portion of the agenda.)*
  - A. City Council Minutes of August 20 & 21, 2001**
  - B. Resolution to Amend the City's Current Contract for the Juvenile Diversion Panel**
  - C. Resolution Amending Resolution 17-2001 Setting Fees for Services**
  - D. Resolution Granting Consent to Clackamas County to Administer Dog Control and Licensing**
- IV. AUDIENCE PARTICIPATION** *(The Mayor will call for statements from citizens regarding issues relating to the City. It is the intention that this portion of the agenda shall be limited to items of City business which are properly the object of Council consideration. Persons wishing to speak shall be allowed to do so only after registering on the comment card provided. The Council may limit the time allowed for presentation.)*
- V. PUBLIC HEARING** *(Public Comment will be allowed on items appearing on this portion of the agenda following a brief staff report presenting the item and action requested. The Mayor may limit testimony.)*

**Volume Based Sewer Rate -- Resolution (Ostlund)**
- VI. OTHER BUSINESS** *(These items will be presented individually by staff or other appropriate individuals. A synopsis of each item together with a brief statement of the action being requested shall be made by those appearing on behalf of an agenda item.)*

**Recommendation to South Corridor Policy Group (Mayor Bernard)**
- VII. INFORMATION**
  - A. Center/Community Advisory Board Minutes, July 13, 2001**
  - B. Ledding Library Board Minutes, June 25, 2001**

## VIII. ADJOURNMENT

**EXECUTIVE SESSION** -- *At the end of the regular meeting, the Council may hold an Executive Session under the authority of Oregon Revised Statutes 192.660 as needed.*

*For assistance/service per the Americans with Disabilities Act (ADA), dial TDD 786-7555.*

***The Council requests that all pagers and cell phones be either set on silent mode or turned off during the meeting.***

# CONSENT AGENDA

III

**MILWAUKIE CITY COUNCIL  
WORK SESSION  
AUGUST 20, 2001**

The work session came to order at 5:30 p.m. in the City Hall Conference Room.

City Council present: Mayor Bernard and Councilors King, Lancaster, Marshall, and Newman.

Staff present: Neighborhood Services Manager Gregory and Program Specialist Herrigel.

### **Information Sharing**

1. **Mayor Bernard** attended the 2001 Oregon Mayors Conference and summarized several of the issues discussed.
2. **Councilor King** asked to be excused from several Council meetings in order to participate on the Green Ribbon Committee for Parks Development.

### **Riverfront Board Interviews**

The Council interviewed Gary Klein, Sharon McCaffrey, and Mike Stacey for a Riverfront Board vacancy.

### **Open Public Forum**

**Ed Zumwalt**, read the article he prepared for the upcoming edition of *The Pilot* regarding the North Clackamas School Board's bid award to the Portland Waldorf School for the Milwaukie Middle School property.

### **Rotary/Milwaukie Downtown Development Association (MDDA) Riverfront Project**

**Jack Elder**, MDDA Director and Rotary President Elect, and Paul Klein, MDDA Board Chair, proposed a waterfront cleanup project. In addition to beautifying the waterfront, the project will familiarize volunteers with this community asset. Responsible City staff would include Herrigel, Rouyer, and Somers

**Steve Loaiza**, Riverfront Board chair, indicated the advisory group's support for the proposed project.

Council requested a brief project scope of work and risk management information prior to authorizing Elder to begin.

### **Public Access Board**

**Herrigel** updated the City Council on the public access studio and operator contract. She proposed forming a 5-member ad hoc public access board to lend general guidance in studio operations. She recommended recruiting people of

### III. A. 2

diverse backgrounds including those who could lend technical and financial expertise. Herrigel will draft the board charge.

The City Council agreed to go through standard recruitment and appointment process.

#### **South Corridor Update**

**Gregory** reviewed the comments from the South Corridor July Town Hall and August Open House. Councilor Newman will carry this public process information to the South Corridor Policy Group narrowing discussions in September.

A bar graph showed the most favorable public response for light rail was option A-3 with a McLoughlin Boulevard terminus and the most negative response was for the Jr. High terminus. There was little support for busway and bus rapid transit (BRT); however, option D-3 with no park and ride at Linwood & Harmony did receive some positive comments. She reviewed the comments specific to each option as well as those general, non-specific responses.

The group discussed the number of Waldorf community members attending the July session in relation to those responses opposing any negative impact to the Jr. High property.

**Gregory** said there will be a joint Neighborhood District Association (NDA) and Planning Commission meeting on August 28 and suggested the City Council make a formal decision at its September. She recommended forwarding one light rail and one bus option to the South Corridor Policy Group.

**Councilor Newman** preferred options B-2A and AB-1. He sees a benefit to a Tillamook Branch alignment to Lake Road but is concerned with park-and-ride locations and sizes. He supports the low impact and low cost options that provide for a future industrial area station as well as serve the downtown with Jr. High and Lake Road stations. Bus interaction could be discussed in the future. Potential links between light rail, bus, and commuter rail would likely be difficult with option A-3. He was concerned with security options associated with option B-2B, the Hanna Transit Center.

**Mayor Bernard** supported options B-2A, B-2B, and AB-1 and expressed concern that a Jr. High terminus would create neighborhood parking problems.

**Councilor Marshall** supported options AB-1 and D-3.

**Councilor King** preferred options AB-1 and B-2A. She is concerned with the potential size of the Tacoma park-and-ride.

**Councilor Lancaster** also supported options AB-1 and B-2B.

**The Council agreed there should be no Linwood/Harmony park-and-ride.**

**Councilor King** does not wish to support any busway or BRT options since she believes these are dead end solutions.

**Councilor Newman** added any grade separation is unacceptable on Hwy 224, but he would generally consider additional BRT study.

To recap the discussion, **Councilor Newman** understood the top options were AB-1, with the most Council support, followed by B-2B and B-2A.

**Gregory** updated the City Council on the South Corridor Citizen Advisory Committee (CAC) and appointment options.

**Mayor Bernard** announced an executive session pursuant to ORS 192.660.

### **Adjournment**

**Mayor Bernard** adjourned the meeting at 7:30 p.m.

---

Pat DuVal, Recorder

III. A. 4

CITY OF MILWAUKIE  
CITY COUNCIL MEETING  
AUGUST 21, 2001

**CALL TO ORDER**

The 1868<sup>th</sup> meeting of the Milwaukie City Council was called to order by Mayor Bernard at 6:00 p.m. in the City Hall Council Chambers. The following Councilors were present:

Mary King  
Larry Lancaster

Jeff Marshall  
Brian Newman

Staff present:

Gary Firestone,  
City Attorney  
Alice Rouyer,  
Planning Director

Dennis Lively,  
City Engineer  
JoAnn Herrigel,  
Program Specialist

**PLEDGE OF ALLEGIANCE**

**CONSENT AGENDA**

Mayor Bernard read the list of consent agenda items:

- A. **City Council Minutes of August 6 & 7, 2001;**
- B. **Public Access Studio Operator Contract;**
- C. **Intergovernmental Agreement with Clackamas County Service District #1 for City Share of Kellogg Treatment Plant Improvements; and**
- D. **Purchase Orders for Inspection Services with Happy Valley and Consulting Services with Crandall Arambula**

Councilor Lancaster removed items C & D for discussion.

It was moved by Councilor King and seconded by Councilor Marshall to adopt consent agenda items A & B. Motion passed unanimously.

**AUDIENCE PARTICIPATION**

**Sherri Stockam**, 5622 SE Willow Street, Milwaukie. She presented a petition signed by Lewelling neighborhood residents concerned with development-related traffic. Residents believe this is a very dangerous situation considering the proximity of the elementary school and new park and are requesting speed humps and stop signs to slow traffic. Neighbors have contacted the Traffic Safety Board (TSB) and police department to express their concerns, but the problem persists.

**Councilor Marshall** commented part of the problem might rest with the fact part of this area is unincorporated.

**Councilor Lancaster** added the TSB makes recommendations based on the adopted traffic management plan and suggested Stockman ask that this issue be prioritized.

**Joe Stockman**, 5612 SE Willow Street, Milwaukie. He expressed frustration because he has tried to get the City Council to do something about the traffic situation for years.

**Mayor Bernard** will forward the petition to the TSB and ask the group to address the request as soon as possible. He understood the preferred neighborhood options to be stop signs, marked pedestrian crosswalks, and/or speed humps.

#### **PUBLIC HEARING**

#### **Zoning Ordinance Amendment to Allow Limited Accessory Retail Uses in the Business Industrial (BI) Zone; File No. ZA-01-01 -- Ordinance**

**Mayor Bernard** called the public hearing on the legislative zoning ordinance amendment initiated by the City of Milwaukie to order at 6:15 p.m.

The purpose of this hearing was to consider an ordinance to adopt proposed amendments to the Zoning Ordinance that would allow for limited accessory retail uses in the business industrial zone. **Mayor Bernard** reviewed the conduct of the hearing.

Conflicts of Interest and Challenges: None.

Staff Report: **Rouyer** presented the staff report in which the City Council was requested to adopt an ordinance amending the zoning ordinance by allowing limited accessory retail uses in the business industrial zone. Bob's Red Mill, for example, has approached the City about expanding its operations in the BI zone to include a small retail outlet. Other cities in the Metro area allow this type of use in a limited way.

The language was drafted to ensure retail uses were limited to those products manufactured at the site in order to preserve land for industrial manufacturing purposes. Retail use would be allowed in the same building and could occupy up to 25% of the floor space or 4,000 square feet, whichever is less. A standalone retail establishment is not permitted. The standards outlined are in the existing code and are general statements.

Correspondence: None.

Testimony in Support of the Proposal: None.

Neutral Testimony: None.

Testimony in Opposition to the Proposal: None.

Staff Comments: None.

### III. A. 6

Close Public Hearing: **Mayor Bernard** closed the public testimony portion of the hearing at 6:25 p.m.

Council Decision:

**It was moved by Councilor Newman and seconded by Councilor King to read the ordinance amending the zoning ordinance to allow for limited accessory retail uses in the business industrial zone for the first time by title only. Motion passed unanimously. The ordinance was read for the first time by title only.**

**It was moved by Councilor King and seconded by Councilor Lancaster to read the ordinance amending the zoning ordinance to allow for limited accessory retail uses in the business industrial zone for the second time by title only. Motion passed unanimously. The ordinance was read for the second time by title only.**

**It was moved by Councilor Lancaster and seconded by Councilor Newman to adopt the ordinance amending the zoning ordinance to allow for limited accessory retail uses in the business industrial zone. Motion passed unanimously.**

#### **ORDINANCE NO. 1891:**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, ADDING MUNICIPAL CODE SECTION 19.32.A.4 TO ALLOW FOR LIMITED ACCESSORY RETAIL USES IN THE BUSINESS INDUSTRIAL (BI) ZONE. (FILE #ZA-01-01)**

#### **OTHER BUSINESS**

##### **Expedited Annexation for Property Located at 10040 SE Stanley Avenue; File No. An-01-02 -- Ordinance**

**Rouyer and Ken Martin**, contract staff for annexations, provided the staff report. This proposed annexation involves a 1-acre lot with one existing house and one that is to be built. The owners agreed to annex in exchange for a sewer hook-up.

**It was moved by Councilor Newman and seconded by Councilor Lancaster to read the ordinance annexing a certain tract of land into the Milwaukie City limits for the first time by title only. Motion passed unanimously. The ordinance was read for the first time by title only.**

**It was moved by Councilor Lancaster and seconded by Councilor King to read the ordinance annexing a certain tract of land into the Milwaukie City limits for the second time by title only. Motion passed unanimously. The ordinance was read for the second time by title only.**

It was moved by Councilor King and seconded by Councilor Lancaster to adopt the ordinance annexing a certain tract of land into the Milwaukie City limits. Motion passed unanimously.

**ORDINANCE NO. 1892:**

**AN ORDINANCE OF THE CITY OF MILWAUKIE ANNEXING A CERTAIN TRACT OF LAND INTO THE CITY LIMITS OF THE CITY OF MILWAUKIE AND WITHDRAWING THE TRACT FROM TERRITORY OF CLACKAMAS COUNTY R.F.P.D. #1, CLACKAMAS RIVER WATER, CLACKAMAS COUNTY SERVICE DISTRICT FOR ENHANCED LAW ENFORCEMENT, AND CLACKAMAS COUNTY SERVICE DISTRICT NO. 5 FOR STREET LIGHTS.**

**Council Communications Agreement**

It was moved by Councilor King and seconded by Councilor Lancaster to adopt the Council Communications Agreement. Motion passed unanimously.

**Riverfront Board Appointment**

Mayor Bernard, with Council consensus, appointed Mike Stacey to the vacant position on the Riverfront Board.

**Purchase Order with Crandall Arambula**

Councilor Lancaster asked how many hours of service Crandall Arambula was providing for \$35,000.

Rouyer said Crandall Arambula's work is ongoing and includes implementation of the downtown plan, support on the Downtown Design Guidelines, Safeway site redevelopment, and McLoughlin Boulevard reconstruction. Typically, a scope of work details the tasks to be completed, estimated hours, the staff person responsible for the work, and the hourly rate, so it is difficult to pinpoint a specific number of hours.

**IGA with Clackamas Service District**

Councilor Lancaster referred to the staff report which stated during Clackamas Service District's (CCSD #1) audit it was discovered Milwaukie owed in excess of \$2 million and asked how this happened.

Lively said capital and operating costs are allocated to all treatment facility users. After making payments of \$950,000 and \$700,000, former Community Development Director Bennett negotiated for a 5-year repayment of the balance.

### III. A. 8

**Councilor Lancaster** asked if there was any assurance the allocation was accurate and that Milwaukie was not being overcharged. He asked if Milwaukie had done its own analysis.

**Lively** said Bennett's notes indicate she reviewed the information and reached an agreement with CCSD #1 in March.

**Firestone** added he had discussions with Bennett in March and understood the numbers did match the formula.

**Councilor Lancaster** and **Councilor Marshall** agreed it was important for Milwaukie to make its own verification in these situations.

**Lively** spoke with Bennett and CCSD #1 about cost distribution, and his review found the results were mathematically correct.

**Councilor Lancaster** wants to ensure base rate is correct and revisit the cost allocations.

**It was moved by Councilor Newman and seconded by Councilor King to approve the Crandall Arambula purchase order in the amount of \$35,000 and the intergovernmental agreement with CCSD#1 for city share of Kellogg Treatment Plant improvements. Motion passed unanimously.**

#### INFORMATION

##### Citizen Correspondence

**Mayor Bernard** will contact the citizen who wrote that moving the transit center away from the downtown would be detrimental.

##### Grant Award

**Rouyer** announced the State of Oregon Transportation and Growth Management (TGM) program awarded the City of Milwaukie a \$100,000 grant for a land use and transportation study in the north industrial area. A combination of economic, engineering, and planning consultants will be involved in the study. There may also be a link with the transit study. It may be appropriate to bring on a county staff person as a member of the technical review team.

**Councilor Newman** hoped the outcome included specific funding recommendations for public improvements.

**Councilor King** stressed the importance of traffic standards and neighborhood safety and livability.

**Mayor Bernard** announced the City Council would meet in executive session pursuant to ORS 192.660 to consult with legal counsel.

**ADJOURNMENT**

It was moved by **Councilor Newman** and seconded by **Councilor King** to adjourn the meeting. Motion passed unanimously.

**Mayor Bernard** adjourned the meeting at 6:50 p.m.

---

Pat DuVal, Recorder



**To:** Mayor Bernard and Milwaukie City Council  
**Through:** Mike Swanson, City Manager  
**From:** Larry R. Kanzler, Chief of Police  
**Date:** August 17, 2001  
**Subject:** **Amendment to Current Contract – Diversion Panel**

---

**Action Requested:**

It is respectfully requested the Mayor and Council adopt a resolution amending the current contract with Parrott Creek Child & Family Services, which provides the Diversion Panel. This is a grant funded through the Juvenile Crime Prevention Plan for High Risk Youth. The price of the contract was increased by \$4,500 from \$20,000 to \$24,500.

**Background:**

The City of Milwaukie Diversion Panel was selected on December 16, 1999 for the initial contract that was completed on June 30, 2001. The current contract was approved on May 17, 2001. The work to be accomplished in the contract amendment remains the same with a minimum of 85 adolescent youth being served after referral from the Clackamas County Juvenile Department. Youth are referred to the diversion panel for status offenses, violations, and all Class A, B and C Misdemeanors.

The additional funds are requested to cover unanticipated increased costs in the staff benefits, insurance and support services.

III. B. 2

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, AUTHORIZING AN AMENDMENT TO THE CURRENT CONTRACT WITH PARROTT CREEK CHILD & FAMILY SERVICES, WHICH PROVIDES THE CITY OF MILWAUKIE DIVERSION PANEL .**

**WHEREAS**, the additional funds are requested to cover unanticipated increased cost in the staff benefits, insurance and support services ; and

**WHEREAS**, the County agrees to pay the City of Milwaukie an amount not to exceed \$24,500 for the City of Milwaukie Diversion Panel ; and;

**NOW, THEREFORE, BE IT RESOLVED** that the City of Milwaukie agrees to an increase of \$4,500 from the current \$20,000 to the amended amount of \$24,500:

Introduced and adopted by the City Council of the City of Milwaukie, Oregon, on August 28, 2001.

\_\_\_\_\_  
James Bernard, Mayor

ATTEST:

APPROVED AS TO FORM:  
Ramis, Crew, Corrigan & Bachrach, LLP

\_\_\_\_\_  
Pat DuVal, City Recorder

\_\_\_\_\_  
City Attorney



To: Mayor and City Council  
Through: Mike Swanson, City Manager  
From: Pat DuVal, City Recorder  
Subject: Fee Resolution Amendment  
Date: August 16, 2001

Action Requested

Adopt a resolution amending Resolution 17-2001 setting fees for services.

Background

Council adopted Resolution 17-2001 on June 19, 2001, setting fees for City services. It came to City staff's attention that the \$26 fee the City charges for returned checks exceeds the amount allowed by state statute.

*ORS 30.701 (excerpt)*

*(5) If a check is dishonored, the payee may collect from the maker a reasonable fee representing the cost of handling and collecting on the check. The total fee for any single check may not exceed \$25.*

The proposed amendment to Resolution 17-2001 brings the City's fee into compliance with state statute.

III. C. 2

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, SETTING THE FEE FOR RETURNED CHECKS; CLASSIFYING THE FEES IMPOSED BY THIS RESOLUTION AS NOT SUBJECT TO ARTICLE XI, SECTION 11B OF THE OREGON CONSTITUTION; AND AMENDING RESOLUTION 17-2001.**

**WHEREAS**, Resolution 17-2001 establishes fees for city services; and

**WHEREAS**, ORS 30.701(5) establishes a maximum charge for returned checks of \$25; and

**WHEREAS**, fees are set by City Council resolution;

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Milwaukie, Oregon:

SECTION 1. Resolution 17-2001 is amended by changing the amount charged for returned checks to \$25 per check.

SECTION 2. The amended fee is effective immediately.

SECTION 3. The City Council determines that the fees imposed by this Resolution are not taxes subject to the property tax limitations of Article XI. Section 11(b) of the Oregon Constitution.

Introduced and adopted by the City Council of the City of Milwaukie, Oregon, on September 4, 2001.

\_\_\_\_\_  
James Bernard, Mayor

ATTEST:

\_\_\_\_\_  
Pat DuVal, City Recorder

APPROVED AS TO FORM:

\_\_\_\_\_  
Ramis, Crew, Corrigan & Bachrach, LLP



To: Mayor and City Council  
Through: Mike Swanson, City Manager  
From: Pat DuVal, City Recorder  
Subject: Dog Control and Dog Licensing  
Date: August 16, 2001

Action Requested

Adopt a resolution granting consent to Clackamas County to administer its dog control and licensing ordinance within Milwaukie.

Background

Clackamas County Counsel sent a letter on July 25, 2001, asking the City to take action to consent to the County's administration of dog control and/or dog control licensing. The Milwaukie City Council adopted Ordinance 1630 on July 21, 1987, acknowledging that Clackamas County undertook animal control and licensing in the City. That ordinance, however, does not specifically grant the consent of the governing body as required by ORS 203.040

*203.40. Applicability of ordinances inside city.*

*Except by consent of the governing body or the electors of a city and except in cities not regularly operating as such through elected governmental officials, ordinances adopted under ORS 203.030 to 203.075 in exercise of the police power shall not apply inside an incorporated city.*

In order to further clarify that the County has been given consent by the City, the City Attorney recommends that the Council enact this resolution.

III. D. 2

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON,  
GRANTING CONSENT TO CLACKAMAS COUNTY IT ADMINISTER IT DOG  
CONTROL AND LICENSING ORDINANCE.**

**WHEREAS**, OS 203.040 requires consent be given by the city in order for a county ordinance to apply within the city; and

**WHEREAS**, the City finds it would be beneficial to grant consent to Clackamas County to administer the county's dog control and licensing ordinance within the City.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Milwaukie, Oregon:

**SECTION 1.** Milwaukie hereby grants consent to Clackamas County to administer the county's dog control and licensing ordinance, Clackamas County Code Chapter 5.01, within the City.

Introduced and adopted by the City Council of the City of Milwaukie, Oregon, on September 4, 2001

\_\_\_\_\_  
Mayor James Bernard

ATTEST:

\_\_\_\_\_  
Pat DuVal, City Recorder

APPROVED AS TO FORM:

\_\_\_\_\_  
Ramis, Crew, Corrigan & Bachrach, LLP

# PUBLIC HEARING

V



**To: Mayor and City Council**

**Through: Mike Swanson, City Manager**  
**Scott Burgess, Community Development Director Pro-Tem**  
**Dennis Lively, Engineering Director**

**From: Jack R. Ostlund Jr., Associate Engineer JRO**

**Subject: Volume Based Sewer Rate**

**Date: August 23, 2001 for September 4, 2001 City Council Meeting**

### **Action Requested**

Adopt the attached resolution to change from a fixed to a volume based sanitary sewer rate.

### **Background**

At the Council's direction at the February 1, 2000 council meeting, staff has contracted with the Financial Consulting Solutions Group (FCSG) to identify and to document policy and administrative issues relative to the conversion from a fixed sewer rate to a variable volume based sewer rate charge. Last year when the Council adopted the rate increase you received testimony from customers who believe that flat rates are not equitable. In addition, you stated that the sewer rate should promote water conservation. Staff presented FCSG's analysis report to the Citizen's Utility Advisory Board (CUAB) at a meeting on February 7, 2001. The report included customer water usage statistics. The usage patterns were used to select conceptual methods of determining possible rates based on volume of sanitary sewer use. The CUAB provided staff and the consultant with guidance in structuring a new rate structure.

### **Discussion**

The City currently has a split rate structure. The City uses a flat fee billing system where all residential customers pay the same fee regardless of the volume of sewage produced. Commercial customers pay a variable charge based on their water consumption. The equity issue involves the question of how fair is it to charge all

customers the same fee when it can be determined from water billings that there is a broad band of sewer usage among different residential and commercial customers. The water conservation issue is that customers may use less water if they have to pay for water that is actually entering the city's sanitary system and being treated at the Kellogg Sewer Treatment Plant or being diverted to the City of Portland sewer system.

The CUAB has concluded that the City, as the sewage provider, should take steps to establish an equitable and fair method of billing its residential customers. This would be based on a rate structure that includes a partial flat fee to cover the cost of the infrastructure and a variable volume rate based on the actual amount of sewage being produced by each customer. The variable portion would be determined using the water usage records provided by the City's water billing contractor Springbrook Software. Four winter months would be used to establish the rate, to avoid billing for water that is used for irrigation that never reaches the sewage treatment plant. The proposed rate structure for the next 3 fiscal years is shown in the following tables:

For commercial accounts, the charge will continue to be based on actual usage as determined each month. For residential accounts, including low-income residential accounts, the volume on which the monthly charge is based shall be the average monthly volume for the four-month period ending March 30 of each year. The volume rate would remain in effect from April 1 (immediately following the four-month averaging period) through March 30 of the following year.

All fractions of a 100 cubic foot (ccf) unit are to be rounded down.

Fiscal Year 2001/2002

| <u># of CCF</u> | <u>Single-Family</u> | <u>Commercial</u> |
|-----------------|----------------------|-------------------|
| <u>0</u>        | <u>\$29.00</u>       | <u>\$29.00</u>    |
| <u>2</u>        | <u>\$30.40</u>       | <u>\$34.00</u>    |
| <u>4</u>        | <u>\$31.80</u>       | <u>\$39.00</u>    |
| <u>6</u>        | <u>\$33.20</u>       | <u>\$44.00</u>    |
| <u>8</u>        | <u>\$34.60</u>       | <u>\$49.00</u>    |
| <u>10</u>       | <u>\$36.00</u>       | <u>\$54.00</u>    |
| <u>12</u>       | <u>\$37.40</u>       | <u>\$59.00</u>    |
| <u>14</u>       | <u>\$38.80</u>       | <u>\$64.00</u>    |
| <u>16</u>       | <u>\$40.20</u>       | <u>\$69.00</u>    |
| <u>20</u>       | <u>\$43.00</u>       | <u>\$79.00</u>    |
| <u>25</u>       | <u>\$46.50</u>       | <u>\$91.50</u>    |
| <u>30</u>       | <u>\$50.00</u>       | <u>\$104.00</u>   |

\*Each CCF of Usage is billed

| RATE STRUCTURE          | 2000/2001<br>CURRENT<br>RATES |                     | 2001/2002<br>PROJECTED<br>RATES |                     |
|-------------------------|-------------------------------|---------------------|---------------------------------|---------------------|
|                         | Fixed *                       | Volume<br>(>16 ccf) | Fixed *                         | Volume<br>(per ccf) |
| Residential (Incl. MFR) | \$36.25                       | -                   | \$29.00                         | \$0.70              |
| Low-Income Residential  | \$16.81                       | -                   | \$14.50                         | \$0.35              |
| Commercial              | \$36.25                       | \$2.30              | \$29.00                         | \$2.50              |

\*Fixed Charge is imposed per unit for residential, per account for commercial

| RATE STRUCTURE          | 2002/2003<br>PROJECTED<br>RATES |                     | 2003/2004<br>PROJECTED<br>RATES |                     |
|-------------------------|---------------------------------|---------------------|---------------------------------|---------------------|
|                         | Fixed *                         | Volume<br>(per ccf) | Fixed *                         | Volume<br>(per ccf) |
| Residential (Incl. MFR) | \$22.00                         | \$ 1.40             | \$15.00                         | \$2.10              |
| Low-Income Residential  | \$11.00                         | \$0.70              | \$7.50                          | \$1.05              |
| Commercial              | \$22.00                         | \$2.75              | \$15.00                         | \$2.95              |

\*Fixed Charge is imposed per unit for residential, per account for commercial

**Concurrence**

Staff supports the CUAB recommendation to use the combination of flat fee and variable volume fee method of billing all City sanitary sewer customers. Staff will provide the necessary staff support to carry out this mission if the Council adopts the recommended rate change. Finance staff participated in development of this rate structure.

**Fiscal Impact**

This change in rate structure method is revenue neutral and does not include an increase in the total amount billed.

**Work Load Impacts**

Staff that would be required to administer the program is estimated to be ½ FTE Accounting Technician. The estimated cost of adding this employee is \$20,000 per

year (salary plus benefits). Engineering, sewer, and finance staff will bring Council a recommendation on this position within two months of adoption.

**Alternatives**

1. Adopt the recommended Flat Fee/Variable Volume Fee
2. Keep the existing rate structure
3. Ask Staff for more information

**Recommendation**

Adopt alternative 1

**Attachment**

1. Resolution

## **City of Milwaukie Wastewater Utility**

### *Issues Associated with Changing from Fixed to Volume Charge*

#### **Customers with no Water Usage Data (New Accounts/Change in Accounts/No Data)**

Issue: There are four types of customer that could be affected by this issue:

- New Accounts,
- Changes in Accounts,
- Non-City Water Customers (Well-users, Non-City Customers such as Clackamas River Water District, Oak Lodge Water District, and City of Portland Water users),

*These three types of customers are characterized by an absence of data. For these customers we recommend the City charge them the customer-class system average (14 CCF).*

- Zero Usage Customers.

*Unlike new, change in accounts, and well-users, existing customers with zero usage during the winter months do have a usage history. They were part of the system but have a "Winter Average" that is not indicative of their average wastewater discharge. For a variety of possible reasons, the customers did not occupy their homes during the defined winter period and have no sewer usage. The rest of this paper will focus on the policy alternatives the City can implement to define a "Winter Average" for these customers.*

If volume-based rates are implemented zero-usage customers present a problem because the billing system for wastewater service would be based on each customer's previous year winter usage. Since these customers have a "Winter Average" that is not indicative of their sewer wastewater usage, we must explore other alternatives for estimating or obtaining average wastewater use. The alternatives for billing customers with no "Winter Average" history are listed below.

Alternatives: Alternatives include:

- Base the charge on the system-wide average by class:
- Base the charge on a minimal lifeline charge such as two hundred cubic feet (CCF) for a single-family customer
- Only charge customers the fixed charge.

## City of Milwaukie Wastewater Utility

### Issues Associated with Changing from Fixed to Volume Charge

Analysis: Basing the charge on a system-wide average by class is simple to calculate and administer. This method does not give customers who vacation during the winter months a discount for their absence nor does it significantly overcharge customers who do not establish a "winter average". Although individual customers may be overcharged or undercharged, as a group customers with zero winter usage or no "Winter Average" history will be charged a rate consistent with their expected use.

The second option would be to charge customers a minimum lifeline usage amount such as four CCF for a bimonthly period. This would prevent most customers from being overcharged. At the same time this would also prevent customers from "manufacturing" a "Winter Average" by leaving a slight drip or asking neighbors to turn on outside taps or occasionally flush a toilet. In opposition, this method may not fully account for the usage of customers.

The third option would be to charge all zero-usage and no-history customers only the minimum charge. This method would assume their discharge is zero until an average is established. In a few cases such as customers who leave during the winter months, the "winter average" may never be established. This method will never fully account for the usage of such customers.

Due to the large number of customers in the City with zero-volume usage during the winter months or no volume history, there would be an impact on the rates based on the policy that the City chooses to adopt.

The following tables shows the rate impact under the policy options.

## City of Milwaukie Wastewater Utility

### Issues Associated with Changing from Fixed to Volume Charge

#### Customers Charged at System Average

| RATE STRUCTURE          | 2000/2001<br>PROJECTED RATES |                     | 2001/2002<br>PROJECTED RATES |                     |
|-------------------------|------------------------------|---------------------|------------------------------|---------------------|
|                         | Fixed *                      | Volume<br>(per ccf) | Fixed *                      | Volume<br>(per ccf) |
| Residential (Incl. MFR) | \$ 36.25                     | -                   | \$29.00                      | \$0.63              |
| Low-Income Residential  | 16.81                        | -                   | \$14.50                      | \$0.32              |
| Commercial              | \$36.25                      | \$2.30              | \$29.00                      | \$2.50              |

\*Because the City Rounds to the next highest \$.05 the volume charge would be \$.65 per CCF

#### 4 CCF Bimonthly Minimum

| RATE STRUCTURE          | 2000/2001<br>PROJECTED RATES |                     | 2001/2002<br>PROJECTED RATES |                     |
|-------------------------|------------------------------|---------------------|------------------------------|---------------------|
|                         | Fixed *                      | Volume<br>(per ccf) | Fixed *                      | Volume<br>(per ccf) |
| Residential (Incl. MFR) | \$ 36.25                     | -                   | \$29.00                      | \$0.66              |
| Low-Income Residential  | 16.81                        | -                   | \$14.50                      | \$0.33              |
| Commercial              | \$36.25                      | \$2.30              | \$29.00                      | \$2.50              |

\*Because the City Rounds to the next highest \$.05 the volume charge would be \$.70 per CCF.

#### No Volume Charge

| RATE STRUCTURE          | 2000/2001<br>CURRENT RATES |                      | 2001/2002<br>PROJECTED RATES |                     |
|-------------------------|----------------------------|----------------------|------------------------------|---------------------|
|                         | Fixed *                    | Volume<br>(> 16 ccf) | Fixed *                      | Volume<br>(per ccf) |
| Residential (Incl. MFR) | \$ 36.25                   | \$ -                 | \$29.00                      | \$0.68              |
| Low-Income Residential  | 16.81                      | -                    | \$14.50                      | \$0.34              |
| Commercial              | 36.25                      | 2.30                 | \$29.00                      | \$2.50              |

\*Because the City Rounds to the next highest \$.05 the volume charge would be \$.70 per CCF.

**City of Milwaukie Wastewater Utility**  
*Issues Associated with Changing from Fixed to Volume Charge*

Recommendation:

Any of the options above are viable based on the philosophy and direction the City wishes to take. If the City wishes to treat customers who vacation during the winter as an average customer, the City should select *Option One*. *Option One* would also lower rates for customers who have an established "winter average". The drawback of *Option One* would be customers could be overcharged for their sewer usage. *Option Two*, which provides a minimum lifeline usage, would not overcharge most customers with no "winter average" history. *Option Three*, with no volume charge, would never overcharge a customer for usage but conversely would also never fully recover the costs associated with their projected usage.



August 21, 2001

Honorable City Council  
City of Milwaukie  
10722 SE Main Street  
Milwaukie, OR 97222

Dear Honorable City Council,

FCS Group is pleased to provide the analysis and findings of the volume-based sewer rate study. The purpose of this study has been to evaluate the transition of residential sewer rates from a flat rate to a volume-based charge. In addition, we investigated and documented numerous administrative and policy issues related to such a transition. This study is a continuation of the sewer revenue requirement update completed in May of 2000. As such, it did not re-visit the levels of revenues needed. Instead, it has been based on a revenue-neutral transition in rate structure, overlaid by increases in rate revenues recommended in that earlier effort.

The volume-based sewer study consisted of several tasks.

**Collect and Develop Customer Statistics** – Customer statistics were provided by the City's Information Systems consultants, Springbrook Software. These were compiled to provide information including:

- ✓ Number of Accounts by Class
- ✓ Monthly Usage by Customer Class
- ✓ Number of Bills at each Usage Levels
- ✓ Individual Usage of Customers during a defined "Winter Period"

The data were also examined for validity by comparing the calculated revenues versus the actual revenues collected.

**Analyze the Patterns of Customer Usage** – Using the compiled customer data, each customer class' usage was diagramed and analyzed for patterns of use. The usage patterns were utilized to help answer several questions, such as: how valuable is it to switch to volume-based sewer rates; should the City use a customer's "Winter Average" versus his year-round usage; and what period of minimal usage is the appropriate "Winter Period"?

**Utilize the Citizens Utility Advisory Board to Narrow Rate Options** – Through a series of work sessions, we reviewed various rate options and policy issues and the pros and cons of each rate option with the Citizens Utility Advisory Board (CUAB). Materials such as issue papers and summary packets were sent to CUAB members prior to these work sessions for maximum efficiency. Copies of the issue papers developed and used in this process are included in Appendix A.

**Present Rates to the City Council** – Using the CUAB's recommendations, we presented a set of rate options to the City Council. A copy of the presentation packet is included as Appendix B.

## **SUMMARY OF FINDINGS**

Through the process described above, a number of important issues were addressed leading to a recommended rate strategy. They include:

### **Validity of Customer Statistics**

FCS Group received and analyzed two sets of customer data from Springbrook Software, the City's information systems consultants. The first set of customer data did not include customers who had zero water usage during any given bimonthly billing period. Preliminary analyses were developed by using this incomplete data set and normalizing it to fit known historical financial performance. The CUAB was uncomfortable with this approach, especially given the increased revenue risk which is inherent in volume-based rates, and through their direction, City staff worked with Springbrook to develop a valid and complete data set.

The second set of customer data was more complete. When the customer statistics was priced-out with the actual revenues, the difference was 1.15%. The deviation was not significant and was within our acceptable margin of error.

### **Patterns of Customer Usage**

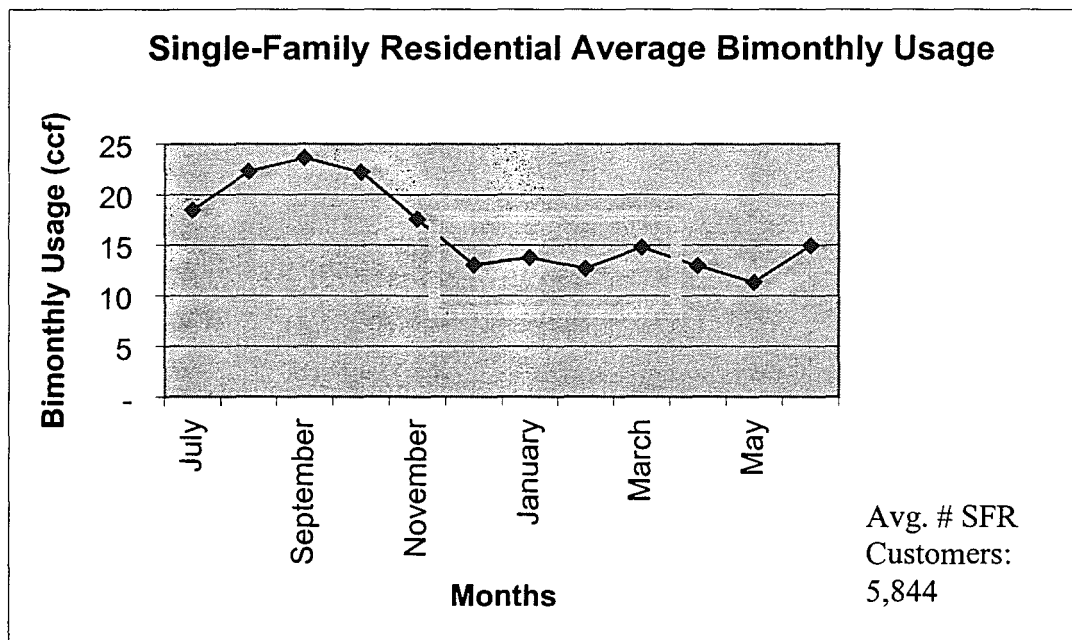
Volume-based sewer rates charge customers for the estimated amount of wastewater deposited in the system. In comparison to a fixed sewer rate, volume-based sewer rates increase equity among individual customers. Each customer is charged according to the demand they place on the system, and not the system average. Unlike the water system, which has water meters, there is no monitor for the exact amount of wastewater that a customer deposits into the system. Instead, a customer's sewer volume average is approximated from their water usage.

"Winter Average" sewer rates assumes a customer's winter usage is representative of the average wastewater flow for the entire year. This minimizes charging customers for irrigation or other outdoor water uses that do not enter the sewer system.

"Winter Averaging" also increases equity among customer classes. If all customers were billed based on their year-round usage, single-family customers, who as a class use a greater share of water for irrigation and other outdoor

consumption, would be overcharged for their wastewater disposal as compared to their sewage volumes.

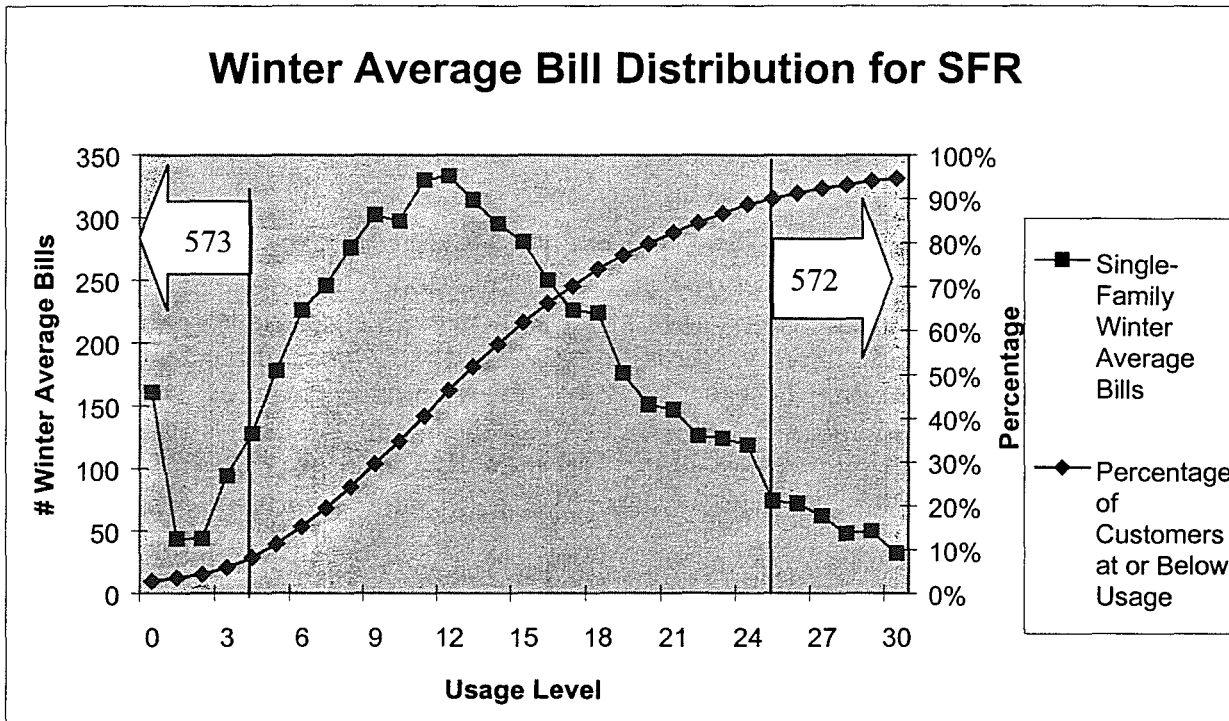
The “Winter Period” for “Winter Averaging” can be as short as a month to as long as six. Logically, we try to identify a period of very low stable usage and mark that period or series of months as the “Winter Average” period. After examining the graph below we identified the bimonthly billing periods ending from December to March as an appropriate “Winter Average” period. The CUAB concurred with this recommendation.



The customer statistics provided by Springbrook Software showed single-family and multi-family customers have peak water usage during the same summer months of the year. The main difference between Single and Multi-family customers is the magnitude of peak usage during the summer months. Whereas the average Single-Family customer may see their summer usage increase nearly 75% during the summer months, Multi-Family customers on average increase their summer usage by only 35%. Therefore, the case could be made that Multi-Family Residential customers could also be charged based on their “Winter Average” or based on year-round consumption. Both options were developed during this study. As noted below, the CUAB preferred to use “Winter Average” as the billing basis for all residential accounts.

In considering the transition to volume-based rates, customer impacts are an important element. While average rates and revenues remain constant, bills for individual customers can change profoundly. We examined the impact on individual customers should the City of Milwaukee switch to a “Winter Average” volume-based sewer rate. We found that while average winter use is between

fifteen hundred cubic feet (CCF), approximately ten percent of residential customers average more than 26 CCF and ten percent average less than six CCF during the “Winter Period” as defined above. The distribution of single-family customer averages is displayed below.



The graph displays the number of customers with “Winter Average” use at each usage level (line with square markers). The second line (line with diamond markers) displays the cumulative percentage of customers who average the level of usage or less. The graph shows 50% of the customers use approximately fourteen ccf or less. The average usage is approximately fifteen ccf. That means over half the customers would receive a discount with the volume based sewer rate structure versus the current fixed charge rate structure. At the same time, a significant fraction of customers use substantially more than the average, and could face substantial increases under a transition to volume-based rates.

**Utilize the Citizens Utility Advisory Board to Narrow Rate Options**

Applying the analysis we’ve performed, we presented several rate options to the Citizens Utility Advisory Board (CUAB). Some of the options included the

- current fixed residential charge,
- a rate structure with a minimum usage,
- and a single fixed charge with a single volume charge.

The option the CUAB preferred was a single fixed charge with a single volume charge. The CUAB liked the clarity and simplicity of this structure, while the goal of rate equity is achieved in the most straightforward manner. In general, several

issues concerned the CUAB about the implementation of volume-based sewer rates, and guided their judgment regarding rate options and implementation. The CUAB was concerned

- rates may lead to instability in revenue generation,
- there would be confusion about the impact of the new rate structure,
- and high-volume users would be burdened with a large portion of the costs without adequate notification.

The CUAB suggested the volume portion of the rate revenue be phased-in. With a current charge of \$36 dollars the CUAB suggested reducing the fixed charge by seven dollars to \$29 leaving the remainder of the revenue requirement to be generated from the volume charge. The CUAB recommended reducing the fixed charge by seven dollars each year until it reached \$15 per month with approximately a \$2.10 volume-charge. At that time, the City could re-visit this issue and evaluate whether further rate adjustments are appropriate.

Multi-family customers have a usage pattern similar to single-family but have magnitudes of peaking that suggest irrigation is a much smaller percentage of the peak usage. The CUAB was asked if multi-family customers should be segregated from single-family and charged on a volume basis much like commercial customers. The CUAB preferred to retain the same rate structure for single-family and multi-family residential to maintain rate clarity. Therefore, both single-family and multi-family classes will be charged on the proposed "residential" volume-based structures.

The CUAB also asked that the City Council take into consideration the administrative costs of implementing volume-based sewer rates. The first year would require an additional \$10,000 of onetime costs (not including the cost of this study) with approximately half of a full-time employee to administer the program from implementation onward.

The CUAB also recommended that the City promote assistance programs (i.e. conservation programs) to high-volume users, especially for those with limited financial resources.

**Present Rates to the City Council**

With the recommendations from the CUAB, the rates were presented to the City on March 19, 2001.

The results of this presentation can be summarized as follows:

- The City Council was impressed by the depth and breadth of review provided by the CUAB. The Council expressed general support for the CUAB recommendations.
- The Council was concerned about equitable treatment of customers with usage histories showing zero minimum volumes. They asked for options regarding zero volume accounts. A separate summary of this issue and available options has been provided.
- The Council also direct that the rate proposal submitted for adoption include scheduled rate increases identified in the May 2000 revenue requirements study.

In May of 2000, FCS Group recommended the City of Milwaukie implement a 7% increase followed by several 3.5% to 4.5% increases each year. The seven percent rate increase was implemented before the 2000-2001 fiscal year.

|            | 2001  | 2002   | 2003   | 2004   |
|------------|-------|--------|--------|--------|
| Annual     | 7.10% | 3.59%  | 3.78%  | 4.50%  |
| Cumulative | 7.10% | 10.43% | 13.81% | 17.69% |

In executing the series of increases for fiscal years 2002 and beyond, the increased rate revenue has been targeted for recovery through a higher volume charge, while the decrease in the fixed charge maintains the CUAB's recommended schedule of \$7 reduction per year until it reaches \$15, at which point a volume charge of \$2.10 would apply.

The resulting rate structures are displayed in the following tables.

**2001-2002 Rates**

| RATE STRUCTURE          | 2000/2001<br>CURRENT RATES |                      | 2001/2002 (3.59% Increase)<br>PROJECTED RATES |                     |
|-------------------------|----------------------------|----------------------|---|---------------------|
|                         | Fixed *                    | Volume<br>(> 16 ccf) | Fixed *                                       | Volume<br>(per ccf) |
| Residential (Incl. MFR) | \$ 36.25                   | \$ -                 | \$29.00                                       | \$0.70              |
| Low-Income Residential  | 16.81                      | -                    | \$14.50                                       | \$0.35              |
| Commercial              | 36.25                      | 2.30                 | \$29.00                                       | \$2.50              |

\*Fixed charge imposed per residential unit for residential and per account for commercial customers

In the 2000-2001 fiscal year commercial customers were given a 16 ccf allowance. This allowance would be discontinued under the new recommended rate structure.

**2002-2004 Rates**

| RATE STRUCTURE          | 2002/2003 (3.78% Increase)<br>PROJECTED RATES |                     | 2003/2004 (4.5% Increase)<br>PROJECTED RATES |                     |
|-------------------------|---|---------------------|--|---------------------|
|                         | Fixed *                                       | Volume<br>(per ccf) | Fixed *                                      | Volume<br>(per ccf) |
| Residential (Incl. MFR) | \$22.00                                       | \$1.40              | \$15.00                                      | \$2.10              |
| Low-Income Residential  | \$11.00                                       | \$0.70              | \$7.50                                       | \$1.05              |
| Commercial              | \$22.00                                       | \$2.75              | \$15.00                                      | \$2.95              |

The City could elect to adopt this entire rate transition package at this time, or solely adopt the 2001-2002 rates, now, and consider the subsequent revisions each year.

It has been a pleasure to work with the City staff, the CUAB, and City Council and we look forward to continuing the relationship in the future. Please feel free to call us with any questions, comments or concerns at (425) 867-1802.

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, ESTABLISHING SEWER SERVICE CHARGES.**

**WHEREAS**, Milwaukie Municipal Code Section 13.12.070A authorizes the City Council to establish sewer service charges by resolution; and

**WHEREAS**, Milwaukie Municipal Code Chapter 13.20 authorizes the City to provide for reduced rates for low-income customers;

**WHEREAS**, the City Council has previously established sewer service charges; and

**WHEREAS**, the Citizens Utility Advisory Board has recommended revising the existing sewer charges to include a volume-based rate for all customers; and

**WHEREAS**, the City Council finds that the recommended rates result in a revenue-neutral change that more fairly spreads the costs among customers and therefore accepts the recommendation;

**NOW, THEREFORE, BE IT RESOLVED** that the Milwaukie City Council establishes the following volume based sewer charges, which shall prevail over any previously established charge:

| TYPE OF USE             | JULY 1, 2001 through<br>JUNE 30, 2002 |                     | JULY 1, 2002 through<br>JUNE 30, 2003 |                     |
|-------------------------|---------------------------------------|---------------------|---------------------------------------|---------------------|
|                         | Fixed *                               | Volume<br>(per ccf) | Fixed *                               | Volume<br>(per ccf) |
| Residential (Incl. MFR) | \$ 29.00                              | \$0.70              | \$22.00                               | \$1.40              |
| Low-Income Residential  | 14.50                                 | \$0.35              | \$11.00                               | \$0.70              |
| Commercial              | 29.00                                 | 2.50                | \$22.00                               | \$2.75              |

\*Fixed Charge is imposed per unit for residential, per account for Commercial

| RATE STRUCTURE          | Commencing JULY 1,<br>2003 |                     |  |
|-------------------------|----------------------------|---------------------|--|
|                         | Fixed *                    | Volume<br>(per ccf) |  |
| Residential (Incl. MFR) | \$15.00                    | \$2.10              |  |
| Low-Income Residential  | \$7.50                     | 1.05                |  |
| Commercial              | \$15.00                    | 2.95                |  |

\*Fixed Charge is imposed per unit for residential, per account for Commercial

V. 17

For commercial accounts, the charge shall be based on actual usage as determined each month. For residential accounts, including low-income residential accounts, the volume on which the monthly charge is based shall be the average monthly volume for the four month period ending March 30 of each year, which volume shall remain in effect from April 1 (immediately following the four month averaging period) through March 30 of the following year.

All fractions of a 100 cubic foot unit (ccf) are to be rounded down.

Introduced and adopted by the City Council of the City of Milwaukie, Oregon, on \_\_\_\_\_.

\_\_\_\_\_  
Jim Bernard, Mayor

ATTEST:

APPROVED AS TO FORM:  
Ramis, Crew, Corrigan & Bachrach, LLP

\_\_\_\_\_  
Pat DuVal, City Recorder

\_\_\_\_\_  
City Attorney

12403 SE 41<sup>st</sup> Ct  
V. 18

Milwaukie, OR 97222

June 3, 2001

City of Milwaukie

1022 SE Main St

Milwaukie, OR 97222

Re: Proposed Sewer Rates

Gentlemen:

While the overall rate plan is in the right direction, the continuation of the "Low-Income Residential" is NOT! I believe the best rates are those based on costs and those that foster conservation. Charging residents on Welfare ~~less~~ than those living on Social Security & Pensions is Discriminatory.

People on Welfare are receiving income from Federal & State Programs funded by taxpayers. Since there is a Revenue Requirement, Milwaukie Taxpayers must pay more than those paying 50% less. The very taxpayers who are helping fund these Welfare Programs

Radisson

V. 19

Suggestion is:

1. All Residential should pay the same. All should be required to consider the cost and budget (and use) accordingly

OR

If the City wishes to continue some sort of relief for low-income residents, I suggest the following classes be considered:

- a) All households with less than \$1000/year of Earned Income
- b) All households with at least one member 65 and over
- c) Those receiving Social Security.

I would appreciate consideration of my suggestions to eliminate the Discrimination of the "Low-Income Residential" as presently defined.

Sincerely

Richard A. Raynor

Radisson

SECTION  
VII

INFORMATION

North Clackamas Parks and Recreation District  
**Center/Community Advisory Board**  
Minutes for July 13, 2001 Board Meeting

Members Present: Dolly Macken-Hambright, Mary Siberz, Molly Hanthorn, Janet Witter, Marc Burnham, Joan Staley, Stan Keltz, Jim McCready.

Members Excused: Kim Buchholz, Eleanor Johnson, Ben Tabler, Joan Newman, Carol Storment, Jim Young

Members Absent: Alice Neely

Staff Present: Joan Young, Cheryl Nally

**CALL TO ORDER:**

Vice Chair Dolly Macken-Hambright called meeting to order at 10 am.

**MINUTES:**

Janet Witter moved and Molly Hanthorn seconded motion to approve the minutes. Motion carried.

**PRESENTATIONS:**

Dolly Macken-Hambright presented a "Certificate of Appreciation" to Jim McCready for his work as Chairperson this past two years.

**CORRESPONDENCE:**

Nothing today. Joan Young stated that Jim Young mentioned he will be submitting his resignation from the Board because of his prolonged plans for travel. He would not be available for meetings.

**BOARD/COMMITTEE REPORTS:**

NCPRD - Joan Young reported on last meeting's discussion of Eagle Landing Master Plan regarding plans for Top of Scott. Part of the plan is to set aside 33 acres for NCPRD.

The free swim on June 24 at the N.C. Aquatic Park was very successful.

Joan reminded the Board of meetings to be held at the Milwaukie Center on Wednesday, July 18 from 7-9 pm (Master Plan Citizen Advisory Committee) and Saturday, July 28, from 10 am-12 noon (Master Plan Workshop). These are all efforts to update the NCPRD Master Plan for future of parks, recreation programs and older adults services.

Program/Services – Molly Hanthorn reported they didn't have a meeting this month.

Nutrition/Transportation – Joan Young reported that the 2<sup>nd</sup> annual Cruise In in North Clackamas Park held on Sat., July 7 was successful. There were 196 restored classic cars and trucks. There

## VII. A. 2

were raffles, refreshments and music. The cars and raffles brought in \$2,500 for the Transportation Program. Refreshment booths contributed \$1,000 to the Nutrition Program. As of last month, the raw cost for a meal was down to \$.90 a serving in the Nutrition Program.

Building Review - Stan Keltz reported that Chuck Kerns has been receiving bids on new carpet to be installed during Maintenance Week. He is waiting for one more bid before making a final decision. They are also looking at different types of paint for the restroom stalls. The window replacement for the Program office is currently on hold. New "senior friendly" chairs have replaced the sofas in the Rhododendron Room due to a wonderful donation.

Stan said the wood for the new sign board was donated by his apartment manager, as well as use of his tools. Plans for sending a "thank you" note is in the making.

History -- Janet Witter stated the committee has a meeting later today. Report to follow next month.

### **OTHER REPORTS:**

Joan reminded Board members of the 2<sup>nd</sup> annual Rose Show on July 14 from 12-6 pm. It is sponsored by the Friends of the Milwaukie Center, Inc. and the Rose Garden Committee.

### **DIRECTOR'S REPORT:**

Cheryl Nally passed out to members the Milwaukie Center's Annual Report for 1999-2000. Information includes programs/services, program descriptions, fees and number of people served.

Joan Young spoke of a meeting staff had with Marc Burnham who shared with them marketing techniques. The meeting was well received and they are planning future meetings.

Daisa Lawson has been ill and is being cared for by family. She is missed by all. Her work here at the Center is well remembered.

### **INFORMATION:**

Joan Young said there are currently 3 openings on the Board; two from Milwaukie and one from outside the city. Dolly Macken-Hambright urged attendance at a town hall meeting discussing the South Corridor Transportation Study on Thursday, July 26 at 6 pm at the Milwaukie Middle School.

### **ADJOURN:**

The meeting was moved and seconded to be adjourned at 11:10 am; motion carried.

Submitted by: Mary Siberz

North Clackamas Parks and Recreation District  
**MILWAUKIE CENTER DIVISION**  
Monthly Report for July, 2001

**Programs and Services:**

The Center/Community Advisory Board unanimously approved the following slate of officers for 2001-2002: Eleanor Johnson, Chairperson; Dolly Macken-Hambright, Vice Chairperson; Mary Siberz, Secretary.

Over 2 million children are being raised across the nation by grandparents or other relatives. The Milwaukie Center has co-sponsored a support group for Grandparents Raising Grandchildren since 1996. North Clackamas Park was the setting for 35 family members of the Support Group to get together in July and celebrate with a picnic, games and companionship.

Twenty Interest and Activity Groups meet regularly at the Center, covering focuses such as bridge, pinochle, Spanish study group, choral group, woodcarving. These groups bring around 225 older adults in to the Center to participate in areas of their interests.

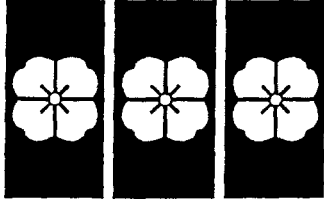
A gorgeous Second Annual Rose Show was held on July 14, sponsored by the Friends of the Milwaukie Center, Inc. Rose Garden Committee. Over 230 entries graced the Center hall. Winners in over twenty six categories received crystal awards. Two quintets from Willamette Symphony provided musical interludes during the show's open viewing time. Many thanks to the Portland Rose Society volunteers and a local Brownie Scout Troop for time and expertise given.

**Fund-raising:**

The Second Annual Cruise In, on July 7, 2001, was a big success. Vehicle entries increased from 110 during the first year to 200 this year. Hundreds of spectators enjoyed the festive event complete with music, food, entries galore to view and numerous raffle prizes. The Transportation Program netted \$2,500 and the Nutrition Program netted \$1,000 from their Concession Stand. This event is run by a fleet of volunteers headed by Chris and Mandy Hurt.

The Friends of the Milwaukie Center, Inc. Rose Garden Committee sold raffle tickets for a beautiful 80 year old "Teena's Tulip Garden" quilt during June and July. The winning ticket was drawn at the end of the Rose Show. The raffle netted \$575 which will go toward furthering the development of the Sara Hite Memorial Rose Garden.

CITY OF



MILWAUKIE

# Ledding Library Board

## June minutes

6/25/01

6:30 PM

Ledding Library

**Meeting called by:** Sue Trotter

**Attendees:** Attendees: Pat Healy, Tom Hogan, Shannon Scott, Sue Trotter, Ed Zumwalt  
 Absent: Anna O'Guinn  
 Staff: Cynthia Sturgis

### Agenda topics

Approval of minutes

May minutes were approved as written.

#### Librarian's report

Cynthia reported that the computer server will be down on June 28<sup>th</sup> and 29<sup>th</sup> for an upgrade.

There will be a joint meeting on June 27<sup>th</sup> of city managers and representatives from countywide parks and libraries to discuss the possibility of having a parks/libraries district on the 2002 ballot. Funding for the County Library, LINCC, and distribution to city libraries was guaranteed by the County Commissioner through next fiscal year, but due to expected revenue shortfalls, future funding is in question. A planning committee for the library network is presently working on a new distribution formula and a proposal for a new levy or possible library district to replace the funding from previous countywide library levies. So, this new proposal from the County Commissioners may be an opportunity to get future funding. However, there are concerns about combining parks and libraries into one district.

VII. B. 2

Election of officers, 2001-02

Sue Trotter was re-elected as Lilbrary Board Chair. for another term. Pat Healy will be the Vice-Chair./Chair Elect for the coming year.

Facility Expansion Planning

The Council has directed the Board to proceed with an expansion plan and to report back to them with recommendations.

Sue, Pat, Molly Hanthorn and the senior librarians met to discuss possible steps needed to start the process. Sue, Pat and Cynthia will meet with June Mikkelsen at Multnomah County Library to find out the process they have gone through for their expansion projects.

The Board also discussed what the make-up of the task force should be. It was decided to delay recruiting for the task force until after the Board and staff have a clearer idea of what steps need to be done first and consulted with June.