

SPECIAL MEETING

Oregon City, Oregon, September 18, 1989

A special meeting of the City Commission was held in the Commission Chambers of City Hall on the above date at 7:00 p.m.

Roll call showed the following present:

Mayor David D. Spear	Thomas Fender III, City Manager
Commissioner Carol A. Powell	Jean K. Elliott, City Recorder
Commissioner Suzanne VanOrman	Edward Sullivan, City Attorney
Commissioner Daniel W. Fowler	
Commissioner Bobby L. Smith	

John Block, Development Services Director
John Hawthorne, City Engineer

Present in the audience:

Victor Overturf, 13927 S. Holcomb Boulevard, Oregon City
CC Baxter, 15921 S. Apperson Boulevard, Oregon City
Steve & Jan Lewallen, 14151 S. Holcomb, Oregon City
Paulette Merrill, 16390 S. Hiram Avenue, Oregon City
Robert & Millie Holsworth, 16143 S. Swan Avenue, Oregon City
Jim Ebert, 16236 S. Hunter Avenue, Oregon City
John L. Riggs, Jr., 16251 S. Swan Avenue, Oregon City
Tom Lucas, DEQ, 811 S.W. 6th Avenue, Portland
One Member of the Press

Mayor Spear called the meeting to order at 7:15 p.m.

Commission Report No. 89-197, Holcomb Road - Park Place Sanitary Sewer Facility Plan - Public Hearing, was presented. The report noted that at a this public hearing testimony on the total project cost and proposed method of assessment for the Holcomb Road-Park Place Sanitary Sewer Project was to be received. No decision of the City Commission was required.

The report noted that the City Commission held a previous public hearing to receive testimony on the preliminary location options for the project and that this would be the final public hearing for the Facility Plan submitted to the Department of Environmental Quality (DEQ). Following DEQ approval, the City would be able to design and form the Local Improvement District for the project.

Block presented an overview of the Commission Report and advised that this meeting was to present the cost of the sewers and the method of assessment. He noted that a work shop with the Holcomb/Outlook/Park Place Neighborhood Association (HOPP) had been held two weeks ago regarding the method of assessment. He then introduced the City Engineer.

Hawthorne advised that attached to the Commission Report was an informational document entitled "What Sewers Will Cost the Home Owner". The following is the document, copied verbatim:

HOPP SEWER PROJECT WHAT SEWERS WILL COST THE HOME OWNER

Sewer service costs to individual property owners will depend on when sewers are installed; how many properties are involved, and generally on the sized of your tax lot. Your ultimate cost for sewer service includes three basic charges:

the Private Sewer cost
the Public Sewer costs
and the Connection Charge

The "Private Sewer" costs cover what is required to disconnect and abandon your cesspool or septic tank and connect to the sewer in the street. You pay your private plumber for this work. We suggest you get several bids to get the lowest price. It will be mandatory that each property owner abandon their existing system and connect to the public sewer within 12 months of the completion of public sewer construction. An estimate of a typical private sewer cost is \$1,700.

A deferred payment loan program is available through Clackamas County to assist lower income households with "private" sewer portion of the project cost. Interested persons may contact the Clackamas County Development Division at 655-8591 for more information on this program.

The "Public Sewer" costs pay for the public sewer system in the street shared by you and your neighbors. These costs are assessed against your property through a Local Improvement District (L.I.D.) and can be paid over a period of up to 15 years. Your assessment will depend on the size of your lot. The number of Equivalent Dwelling Units (E.D.U.) for each lot will be multiplied times the cost per E.D.U. to determine your assessment.

The "Connection Charge" covers your property's share of treatment facilities and downstream interceptor sewers. This cost can be assessed against your property through the local improvement district assessment or in cash at the time the property connects to the Sewer System. The current connection charge is \$1,400.00 per EDU plus an additional \$25.00 for inspection. The number of E.D.U.'s is based on TRI-CITIES schedule (one per equivalent dwelling unit).

Following is the calculation for the proposed public sewer cost per E.D.U., and the method for determining the number of E.D.U.'s.

PROPOSED HOPP PUBLIC SEWER ASSESSMENT

Interceptors	\$ 817,884
Collectors	2,500,031
Laterals	<u>321,604</u>
TOTAL PROJECT COST *	\$3,639,519

Less E.P.A. Grant	- 409,878
Less City's Share (oversizing**)	- 130,861
TOTAL L.I.D. CONSTRUCTION COSTS 8	\$3,098,780
Cost per E.D.U. (Estimated EDU=1,253***)	\$ 2,473
\$3,098,780/1,253 EDU	

- * Includes 35% for contingency, engineering, administration, legal
- ** 16% of Interceptor Cost
- *** Estimated E.D.U.'s based on adjustment of OTAK's 1987 Study

E.D.U. DETERMINATION FOR HOPP SEWER L.I.D.

I. Residential Zoning (R-10), R-8, R-6, RD-4)

The total area of each tax lot shall be divided by the minimum lot area per dwelling unit. The resulting quotient is then rounded to the nearest whole number and represents the potential number of building sites, or equivalent dwelling units (E.D.U.).

If a property owner questions the practicality of achieving the calculated E.D.U. due to constraints such as topography, existing structures, access, future streets, etc., then the City staff will review the practicality of obtaining the calculated E.D.U. and make a recommendation to the Development Services Director who will make the final determination.

II. Non-Residential Zoning (LO, M-1, NC, Conditional Use)

Tax lots shall have their E.D.U. determined based on TRI-CITIES E.D.U. assignment methods with the following exception:

"Other Commercial" and "Light Industrial" shall be the greater of:

- a) 1 EDU per 1,600 square feet or less of interior floor space, or
- b) 1 EDU per quarter acre or fraction thereof of land area.

III. Exceptions from assessment (original Housing Authority Sewer Project):

- a) Tax Lot 700, 2-2E-29AD Housing Authority
- b) Tax Lot 800, 2-2E-28BA Housing Authority

For a typical residential tax lot having an area equal to one equivalent dwelling unit the cost for sewer service based on current construction cost estimates and fees schedules is estimated as follows:

Private Sewer	\$1,700.00
Public Sewer (1E.D.U.)	2,473.00
Connection Charge (1 E.D.U.)	1,400.00
Inspection Fee	<u>25.00</u>

Total Cost \$5,598.00

For a typical residential tax lot having an area equal to two equivalent dwelling units the estimated cost is:

Private Sewer	\$1,700.00
Public Serew (2 E.D.U.'s)	4,946.00
Connection Charge (1 E.D.U.)	1,400.00
Inspection	<u>25.00</u>

Total Cost \$8,071.00

It should also be noted that the City charges a monthly sewer users charge. The current rate is \$12.00. The user charge is to cover maintenance and operation of the collector lines and the treatment plant. For elderly and certified disabled who apply, there is a special user's rate equal to fifty percent of the normal rate.

After you have paid your plumber the "building sewer" costs for connecting your home to the sewer, the typical monthly total cost for sewer service would be as follows:

TYPICAL RESIDENCE WITH 1 E.D.U.

Installment payment for Public Sewers and Connection Charge Assessments (including financing charges)*	\$ 37.25
Monthly Sewer User Charge	<u>12.00</u>
Total Monthly Cost	\$ 49.25

TYPICAL RESIDENCE WITH 2 E.D.U.'s

Installment payment for Public Sewer and Connection Charge Assessments (including financing charges)*	\$ 60.88
Monthly Sewer User Charge	<u>12.00</u>
Total Monthly Cost	\$ 72.88

* Based on a 15-year loan with an interest rate of 8% annually. It should be noted that installment payments may be billed semi-annually and if so the installment would change slightly. Also this does not include your private sewer costs.

Commercial and Industrial properties will pay "Private Sewer Costs" and "Public Sewer Costs" similar to those costs paid by residential properties. However, the "Connection Charge" may be higher based on the number of equivalent dwelling units (E.D.U.'s) represented by the particular business or industry.

* * * * *

Hawthorne presented the three areas of cost. He further explained the "private sewer" area of costs. When asked regarding the deferred payment loan program, Block noted that there were approximately \$78,000 of Community Development Block Grant Funds available which would pay for about 40-50 homes. Powell asked how many properties would meet the low income criteria; it was noted approximately 100. VanOrman noted that the loan program was for the "private sewer" only. Block noted that under the deferred loan program if the property is occupied for 10 years after the loan, the loan is forgiven, if the property is sold, the loan is due and payable.

Hawthorne noted that it will be mandatory for all properties to connect to the sewer within one year after the sewer is available. Powell asked about policing. Block noted that some incentives would be offered, i.e., payment programs, pay whether connected or not; and, it was further noted that realtors begin to check via dye tests when involved in home or property sales.

Hawthorne then presented the "public sewer" next. He noted the cost for Interceptors, Collectors, and Laterals with the total project cost being \$3,639,519. It was then noted that the EPA Grant is 55 percent of the monies needed for the interceptors, less oversizing. The City's share for oversizing was explained by Block to be the planning to encompass the Urban Growth Boundary needs. He noted that the estimated EDU's was an adjusted figure from the 1987 OTAK study divided into the LID construction cost to obtain the estimated EDU cost of \$2,473. The 2 EDU cost was based on the lot size and then charged for two potential units. Block further noted that if a large lot could not be legally split it would then be 1 EDU.

Mayor Spear declared the public hearing open and called for testimony.

CC Baxter, Chair of the HOPP Sewer Committee, asked regarding the need to bring a house up to code to be able to obtain grant funds. Block advised that he felt that this would not be a requirement for a sewer loan but this would be checked. She further asked regarding the 2.2% of median income limit and noted that a household could be paying more for a sewer assessment than the monthly tax assessment. She expressed concern about property owners having to sell property to pay for sewer hook ups. Fowler asked her to present a solution. She noted feeling that other methods of assessment would be more fair.

VanOrman asked why the EPA grant was so small. Tom Lucas, DEQ representative, noted that the program is directed at correcting current problems. The Collector costs are not grant eligible and must be borne locally. He felt that 55% was about all that could be obtained. No State money is available and nothing more of the construction costs were grant eligible.

Block advised that the State Revolving Fund (SRF) has prioritized this project as #8 but with three larger cities above us, there was no money left. Lucas noted that the cost estimate for a 10,000 square foot lot with 1 EDU was quite low. He advised that EPA must have a financial plan that the community can accept. He advised that a resolution could be drafted, adopted and submitted, then staff could still work with the property owners. Hawthorne noted that the original grant was \$160,000 and with DEQ's assistance it is now \$410,000.

It was suggested that a letter writing campaign be initiated locally for State monies. It was also suggested that an approach to the County Commission be made in relation to the County being responsible for the health hazard condition. Lucas was asked if there has ever been responsibility placed for a health hazard condition being developed. He noted it has been discussed but nothing accomplished.

Paulette Merrill asked if the home owner would know where the lateral is placed. Hawthorne advised that the Design Engineer would coordinate this and that the location would be documented. She asked about those who were invited to hook up to the Housing Authority sewer being involved in paying for this project. Block noted that he would find out who paid and who did not, if possible. She noted not being able to understand the EDU assessment and how an empty lot could create sewage and be considered an EDU.

John L. Riggs, Jr., addressed the Commission noting that he fit the scenario presented by Merrill. He has 3/4 acre with a house and detached buildings and has an isolated field on which he cannot build. Will he pay for 3-4 lots and be able to build on only 2?

Block advised that the entire area is unique with each one needing to be considered case-by-case. If a street or cul-de-sac was needed, the right-of-way would be removed. He advised that there was need for a partitioning plan. He noted that he has requested the County to survey regarding income for qualifying for CDBG funds. He also suggested that an Urban Renewal District could be formed for urban renewal funds.

Victor Overturf, 13927 S. Holcomb Boulevard, addressed the Commission noting concern about the older person with large acreage. He asked if the assessment become a lien against the property what happens. Block advised that the assessment could become a lien, foreclosable after three years. He noted that

foreclosing would be a policy decision of the Commission. Overturf asked about the Tri-City Service District charge. Block explained the funding sources needed for the treatment plant and that if one lowers the other two increase. Overturf asked about being 1 EDU then re-zoning to upgrade the property. This would be a winfall and that the zoning needs to be checked. Overturf felt that this should be completed before the assessment was complete.

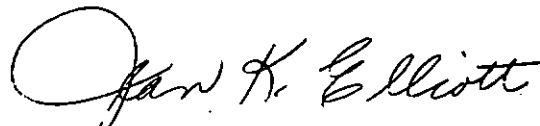
Riggs asked about compensation for right-of-way acquisition. Block advised that the City could hire a negotiator.

James Ebert addressed the Commission noting appreciation for the effort Oregon City has put into this matter. He noted that earlier the City had expressed waiving the \$400 City connection fee. He asked if a house is located in the middle of one acre would it be 1 EDU. It was noted yes. He asked if a house was located on three tax lots and each tax lot was too small and must have all three to support one house; this would be 1 EDU. He advised that the HOPP Council could help identify areas of multiple EDU's. He asked about the record keeping for the sewer separation fee. Block noted that the City's Capital Improvement Plan outlines the expenditures for this. Ebert requested a copy. He also requested a copy of the criteria for low-income qualification so this could be posted in the area.

With no further testimony, the hearing was declared closed.

Block explained the need for Commission approval for any waiver of fees. Overturf requested that the City waive the \$400 for the elderly and disabled. Some discussion was held with no decision made.

There being no further business, the meeting adjourned at 9:25 p.m.



JEAN K. ELLIOTT, City Recorder