



City of Oregon City

625 Center Street
Oregon City, OR 97045
503-657-0891

Staff Report

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Agenda Date: 12/7/2016

Status: Agenda Ready

To: City Commission

Agenda #: 7a.

From: Tony Konkol

File Type: Report

SUBJECT:

Tri-City / Water Environmental Services Digester Project Recommendation

RECOMMENDED ACTION (Motion):

The City Commission should consider making a recommendation to the Clackamas County Board of Commissioners as it relates to the percentage allocation per district and monthly rate increase for debt service payments.

BACKGROUND:

The Clackamas County Board of Commissioners recently created the "Water Environmental Services" partnership pursuant to Oregon Revised Statutes Chapter 190 consolidating the assets, operations and maintenance of the Tri-City Service District and County Service District Number 1 into one. WES is currently designing improvements for the Tri-City plant that will have an impact on existing rates. The County has asked for input from the city as it relates to the proposed responsibility for the new debt service payment and capital investment by district (TCSD vs. CCSD#1). The current proposal is to construct one digester, along with necessary site improvements, at a cost of \$37,500,000. \$18,750,000 would be equity contributions from the service districts and the remaining \$18,750,000 would be financed from a Department of Environmental Quality Clean Water State Revolving Loan Fund.

As currently proposed, CCSD#1 would be responsible for 64% of the equity contribution and debt service payment and TCSD would be responsible for 36% of the equity contribution and debt service payment. The estimated monthly rate increase for a TCSD to pay for the debt service would be an additional \$1.05 per equivalent dwelling unit (EDU).