



City of Oregon City

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Staff Report

File Number: 18-448

Agenda Date: 11/7/2018

Status: Consent Agenda

To: City Commission

Agenda #: 8e.

From: Finance Director Wyatt Parno

File Type: Resolution

SUBJECT:

Resolution No. 18-32, Wholesale Wheeling Rates for Clackamas River Water

RECOMMENDED ACTION (Motion):

Move to adopt Resolution No. 18-32, A Resolution to Adjust Wholesale Wheeling Rates Charged to Clackamas River Water.

BACKGROUND:

The City of Oregon City and Clackamas River Water (CRW) have been working together to document service boundaries. CRW is a special district that provides water to unincorporated parts of Clackamas County, often along the borders of Oregon City. In November of 2016, the City Commission approved an agreement between the City and CRW for a Joint Engineering Study of CRW boundary adjustments within City limits and an analysis of future developable lands. Related to the effort, Finance and Public Works completed a comprehensive audit of CRW water connections. There are three main areas where City infrastructure is used by CRW to provide water service to its customers. One of the areas had a sixteen-year-old agreement whereby CRW was to pay the City for transmission of water, but payments had not been made. The City and CRW negotiated full back payment for the area. In addition, there was agreement to jointly fund a cost of service study on each of the three areas to ensure fair cost recovery for use of the City's infrastructure.

The Wholesale Wheeling Rates Analysis (study) was completed in October, resulting in the development of rates for each of the three service areas. This resolution adopts the rates and provides for inflationary adjustments. In addition, CRW has agreed to pay the rates retroactive to July 1, 2017, the date originally anticipated for completion of the study.

BUDGET IMPACT:

Amount: Approximately \$113,000 in annual revenue to the Water Fund

FY(s): July 1, 2017 forward

Funding Source: Water service charges