



Legislation Details (With Text)

File #: 19-057 **Version:** 1 **Name:** Deferred Water Infrastructure (Goal 5)
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Date	Ver.	Action By	Action	Result
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Deferred Water Infrastructure (Goal 5)

RECOMMENDED ACTION (Motion):

Staff will provide an update on the status of the latest Water Master Plan Capital Improvement Plan (CIP) update efforts and support a discussion on the City’s ongoing need for both new water distribution infrastructure and replacement of old water distribution infrastructure.

BACKGROUND:

Goal 5: Maintain Fiscal Health & Long Term Stability

Deferred Water Infrastructure

** Begin community outreach and communications regarding the long-term water rates and the need for infrastructure replacement. Prepare for possible ballot measure to address degraded water systems.*

In 1996, voters approved a city charter amendment that returned water rates to 1994 levels with provisions that allowed a 3 percent annual increase and required voter approval for any higher increase even in a water emergency.

Section 58 of the City Charter stated: *“Upon passage of this amendment to the City Charter city water rates shall be those in effect as of October 31, 1994. The commission may not increase water rates by more than 3 percent annually without a vote of the people. The commission may not declare any ordinance or resolution establishing water rates to be an emergency nor use any other means to prevent their referral to the voters.”*

The charter amendment was challenged in court which essentially resulted in a 20 year roll back deferral (2014); the rate increase limitation of 3% per year stands. In January 2012, the City Commission adopted the Water System Master Plan. Over the following 16 months the City completed rates studies, conducted public outreach, formed an advisory group, conducted a public opinion poll, considered a variety of rate proposals, and finally adopted a proposal for language changes to Charter Section 58 to eliminate the 1994 water rate setback to the electors of Oregon City

(Resolution 13-03).

Resolution 13-02, a measure proposed to amend Section 58 of the Oregon City Charter regarding water rates and allowing for water rate increases more than 3% per year, was not approved by the City Commission, considering the effect that both changes could have on the electorate during the upcoming May election.

On May 21, 2013, Oregon City voters cast votes for ballot measure 3-423 (Resolution 13-03). Measure No. 3-423 amending charter section 58 to eliminate the pending setback of water rates passed with 2,369 votes in favor and 2,205 votes opposed.

Consideration of Water Rate Increases - Staff will provide the City Commission with an update on the latest modeling efforts and system capacity needs and a short reminder on the status of the City's pipeline replacement needs and current funding levels for needed capital improvements. In addition, staff will provide an update on a schedule and plans to bring forth a possible timeline for a future ballot measure regarding water rates which provide for water rate increases of more than 3% per year.