

AGENDA

**WILSONVILLE CITY COUNCIL MEETING
DECEMBER 2, 2013
7:30 P.M.**

**CITY HALL
29799 SW TOWN CENTER LOOP
WILSONVILLE, OREGON**

Mayor Tim Knapp

Council President Scott Starr
Councilor Susie Stevens

Councilor Richard Goddard
Councilor Julie Fitzgerald

CITY COUNCIL MISSION STATEMENT

To protect and enhance Wilsonville's livability by providing quality service to ensure a safe, attractive, economically vital community while preserving our natural environment and heritage.

Executive Session is held in the Willamette River Room, City Hall, 2nd Floor

- | | | |
|------------------|--|-----------|
| 5:00 P.M. | REVIEW OF AGENDA | [10 min.] |
| 5:10 P.M. | COUNCILORS' CONCERNS | [10 min.] |
| 5:20 P.M. | PRE-COUNCIL WORK SESSION | |
| | A. Water Rate Study Update (Ossanna, Kraushaar, Kerber, Rodocker) | [30 min.] |
| | B. Planning Commission Joint Work Session
Goal 10 Housing Needs Update (Mangle) | [45 min.] |
| | C. Quarterly Goal Update (Cosgrove) | [15 min.] |
| 7:25 P.M. | ADJOURN | |

<p>Regular meeting will begin at 7:30 p.m.</p>
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CITY COUNCIL MEETING

The following is a summary of the legislative and other matters to come before the Wilsonville City Council a regular session to be held, December 2, 2013 at City Hall. Legislative matters must have been filed in the office of the City Recorder by 10 a.m. on November 19, 2013. Remonstrances and other documents pertaining to any matters listed in said summary filed at or prior to the time of the meeting may be considered therewith except where a time limit for filing has been fixed.

7:30 P.M. CALL TO ORDER

- A. Roll Call
- B. Pledge of Allegiance
- C. Motion to approve the following order of the agenda and to remove items from the consent agenda.

7:35 P.M. MAYOR'S BUSINESS

- A. Upcoming Meetings

8:10 P.M. COMMUNICATIONS

- A. Auditor's Report (staff – Ossanna)
- B. Wilsonville Community Seniors, Inc. Board Report (staff – Brescia)
- C. Recognize Xerox Donations (staff – Brescia)

8:30 P.M. CITIZEN INPUT & COMMUNITY ANNOUNCEMENTS

This is an opportunity for visitors to address the City Council on items *not* on the agenda. It is also the time to address items that are on the agenda but not scheduled for a public hearing. Staff and the City Council will make every effort to respond to questions raised during citizens input before tonight's meeting ends or as quickly as possible thereafter. Please limit your comments to three minutes.

8:35 P.M. COUNCILOR COMMENTS, LIAISON REPORTS & MEETING ANNOUNCEMENTS

- A. Council President Starr – Park & Recreation Advisory Board, Chamber/City Leadership.
- B. Councilor Goddard – Library Board, Chamber Board, and Clackamas County Business Alliance
- C. Councilor Fitzgerald – Planning Commission; Committee for Citizen Involvement; and Library Board
- D. Councilor Stevens – Development Review Panels A and B; Wilsonville Seniors

8:40 P.M. CONSENT AGENDA

- A. Minutes of the November 18, 2013 City Council Meeting. (staff –King)

8:40 P.M. PUBLIC HEARING

A. **Resolution No. 2447**

A Resolution Establishing And Imposing Just And Equitable User Fees For The Water System Of The City Of Wilsonville; Providing For The Manner Of Payment, Collection, Enforcement, And Disbursement Of Such Fees; Providing Rules And Regulations For Control Of City Water Service; And Amending Resolution No. 1624. (staff – as Ossanna, Kraushaar, Kerber, Rodocker)

9:05 P.M. CONTINUING BUSINESS

A. **Ordinance No. 731** – Second Reading

An Ordinance Of The City Of Wilsonville Amending Wilsonville Code 8.210(9). (staff – Kraushaar)

B. **Ordinance No. 732** – Second Reading

An Ordinance Amending Ordinance No. 353 To Correct Legal Descriptions Of Vacated Utility Easements In Day Dream River Estates. (staff – Kohlhoff)

9:15 P.M. CITY MANAGER'S BUSINESS

9:25 P.M. LEGAL BUSINESS

9:30 P.M. ADJOURN

Time frames for agenda items are not time certain (i.e. Agenda items may be considered earlier than indicated. The Mayor will call for a majority vote of the Council before allotting more time than indicated for an agenda item.) Assistive Listening Devices (ALD) are available for persons with impaired hearing and can be scheduled for this meeting if required at least 48 hours prior to the meeting. The city will also endeavor to provide the following services, without cost, if requested at least 48 hours prior to the meeting: -Qualified sign language interpreters for persons with speech or hearing impairments. Qualified bilingual interpreters. To obtain services, please contact the City Recorder, (503)570-1506 or king@ci.wilsonville.or.us

Water Cost of Service Rate Study Final Report

Prepared for:
City of Wilsonville



Prepared by:
Galardi Rothstein Group



NOVEMBER 2013

City of Wilsonville Water Rate Study Q & A December 2013

1. When was the last water rate increase?

The last water rate increase was in November 2011. This was a 3% across-the-board increase to all water rates.

2. When was the last rate structure adjustment?

The last rate structure adjustment was adopted in March 2000.

3. What is the difference between a rate increase and a rate structure adjustment?

A rate increase raises the overall revenue generated from the rates, while a rate structure adjustment is 'revenue neutral' – it changes the way current revenues are recovered from customer classes and rate components (i.e., base and volume charges).

A rate structure adjustment is based on an analysis of the usage by each individual class of user (residential, commercial, industrial, multifamily and irrigation) to determine the actual cost of providing services to each class. The 'cost-of-service' model is used for the analysis, which is an industry-wide standard for setting rate structures and provides an equitable system of user charges to ensure that all users pay their share of the total costs imposed on the system.

4. What is being proposed now?

For Fiscal Year 2013/14, a rate structure adjustment only is being proposed to re-align rates by customer class to the utility's current cost of providing service, and to restructure the existing base (fixed) charge. Following the rate structure change, annual inflationary increases of about 2.25 percent (applied across-the board to all rates) are projected beginning in FY 2014/15.

5. What is the basis for the proposed rate structure changes?

The current rates are based on a 'cost-of-service' model that was developed almost 15 years ago. Cost-of-service is an industry-standard approach to establishing equitable water rates for different types of users that reflect the costs imposed on the system. The proposed rate structure is based on an updated cost-of-service analysis, that considers the current operating budget, capital improvement plan (including the recently adopted Water Facilities Plan), and the usage characteristics of different customer classes (residential, commercial, industrial, multifamily, and irrigation.)

6. What other changes are being proposed with the rate structure adjustment?

In addition to the cost of service adjustment (reallocating the costs between the individual classes of users), changes to the base fee structure are also proposed. The base fee is the component of the monthly water bill that is a fixed amount (i.e., the fee does not vary with the amount of water used). The base fee is uniform for all residential customers. For nonresidential customers, the base fee increases with the size of the meter. Currently, the base fee includes the cost of a minimum quantity of water each month: 4 units for residential customers, and 4-17 units for nonresidential customers (depending on the size of the meter). The proposed changes to the base fee include reducing the monthly minimum quantity to 2 units for all customer classes, and increasing the base fee for larger meters.

7. Why is the number of units included in the base fee being reduced?

Current industry standards limit base fees to customer service and meter-related costs, as well as certain capacity-related costs (for example, fire protection costs). Ideally, the base fees will ultimately exclude any minimum quantity; instead customers would be charged for each unit of water used through the variable (or volume rates). However, immediate elimination of the current minimum quantity would have a significant impact on many rate payers. The proposed reduction to 2 units moderates the bill impacts for users, and brings the minimum quantity down to the same level used for sewer base rates, making the rate structures easier to understand.

8. Why are the base rates increasing for many meter sizes?

While the proposed base rates include a reduced minimum quantity (2 units), the rates do not decrease significantly because certain other fixed costs are moved from the volume charges to the fixed charges to maintain revenue stability and enhance customer equity. The majority (over 75 percent) of a water utility's costs are fixed (meaning they do not fluctuate with actual water consumed), and some of the costs do not relate to water use at all (for example, customer services and billing, meter repair and replacement, and emergency standby capacity). By charging base fees that recover some of these fixed costs, the stability and equity of the rates are enhanced. The equity of the rates are further enhanced by scaling the base fees to increase with the size of the meter, in recognition of the additional costs associated with serving large meters (which include higher costs for meter repair and replacement, and additional capacity needs.)

9. Will there be any future rate increases considered at the rate hearing?

The proposal to Council will also include three additional rate increases to go into effect in January 2015, January 2016 and January 2017. The rate increases are 2.25% and will raise both the fixed charges and the volume charges of each customer class.

10. What are the changes in the rate structure for all class of users?

Existing Rate Structure		New Rate Structure	
Residential Rates:		Residential Rates:	
Fixed Charges includes 4 units/month	\$19.88	Fixed Charges includes 2 units/month	\$ 19.13
Volume Charges (\$/ccf)		Volume Charges (\$/ccf)	
Tier I	3.70	Tier I	3.22
Tier II	5.61	Tier II	5.39
Nonresidential Rates:		Nonresidential Rates:	
Fixed Charges Based on Meter Size/month		Fixed Charges Based on Meter Size/month	
3/4" (includes 4 units)	19.88	3/4" (includes 2 units)	19.13
1" (includes 4 units)	21.91	1" (includes 2 units)	21.12
1.5" (includes 5 units)	24.03	1.5" (includes 2 units)	23.76
2" (includes 6 units)	28.16	2" (includes 2 units)	31.04
3" (includes 7 units)	32.32	3" (includes 2 units)	62.80
4" (includes 8 units)	36.44	4" (includes 2 units)	104.49
6" (includes 10 units)	44.81	6" (includes 2 units)	150.80
8" (includes 12 units)	55.63	8" (includes 2 units)	203.74
10" (includes 17 units)	75.90	10" (includes 2 units)	251.71
Volume Charges (\$/ccf)		Volume Charges (\$/ccf)	
Commercial	3.64	Commercial	3.36
Industrial	3.92	Industrial	3.41
Irrigation	5.61	Irrigation	5.39
Multifamily	3.79	Multifamily	3.46

11. How will the rate structure adjustment affect residential customers?

The majority of residential customers will see average bill impacts of less than \$4.00 per month. Residential customers that use less than three units per month will see a slight decrease each month.

Below is an example of the impact on a residential customer with a winter average of 5 units, with a monthly water consumption of 12 units.

Example: Monthly water consumption of 12 units (winter average of 5 units)

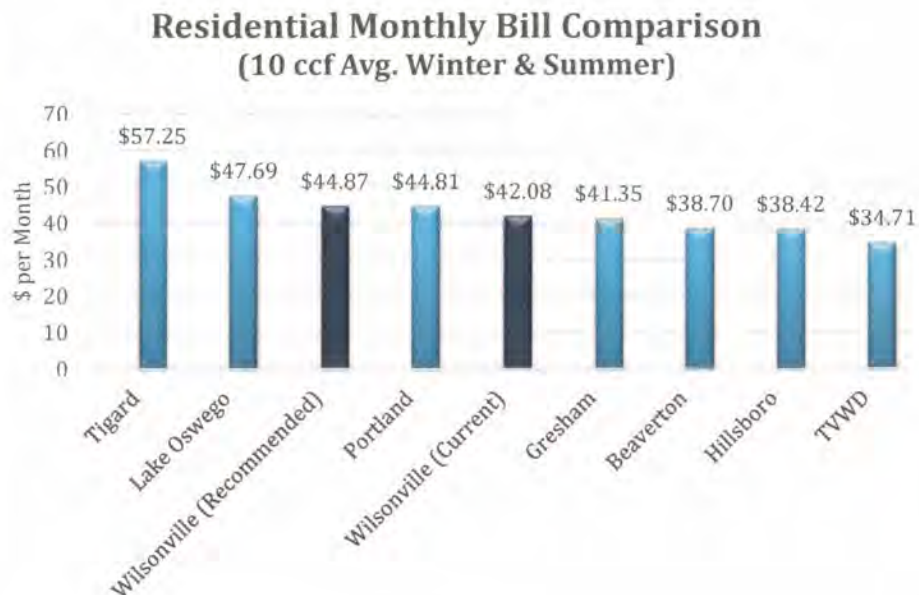
Existing Rate Structure		New Rate Structure	
Summer Rate Calculation:		Summer Rate Calculation:	
Base charge (includes 4 units)	\$ 19.88	Base charge (includes 2 units)	\$ 19.13
Tier I: Next 4 units (5 winter average units + 3 units - units in base)	14.80	Tier I: Next 6 units (5 winter average units + 3 units - units in base)	19.32
Tier II: Remaining 4 units	22.44	Tier II: Remaining 4 units	21.56
	<u>\$ 57.12</u>		<u>\$ 60.01</u>
Winter Rate Calculation:		Winter Rate Calculation:	
Base charge (includes 4 units)	\$ 19.88	Base charge (includes 2 units)	\$ 19.13
Tier I: Remaining 8 units	29.60	Tier I: Remaining 10 units	32.20
Tier II: Not used during winter months	-	Tier II: Not used during winter months	-
	<u>\$ 49.48</u>		<u>\$ 51.33</u>

12. What impact has the water sales to the City of Sherwood have on the rates?

There has been a significant reduction in overall water treatment unit costs due to the selling of water to the City of Sherwood. With the exception of some materials and service costs (primarily electricity and chemicals), the majority of water system's operating costs are fixed (in other words, do not change in proportion to water sales volumes). Therefore, sales to Sherwood increased the total volume of water sold, which helped attribute to the cost per unit sold to decrease slightly.

13. How does the City's rates compare to other communities?

The table below shows a comparison of monthly bills for a typical residential customer in Wilsonville with surrounding communities. The City has gone from having the highest bills in the region a few years ago, to a more moderate placement. Furthermore, many other communities have future projected rate increases that far exceed the City's projected increase of 2.25 percent.



Contents

Contents	iii
Tables	vv
Executive Summary	
Introduction	1
Financial Plan	1
Cost of Service Analysis	4
Rate Structure Options	5
Policy Framework	6
Fixed Charges	6
Volume Charges	9
Impact on Typical Bills	9
Recommendations	13
Financial Plan	13
Cost of Service	13
Rates	13
1.0 Introduction	
1.1 Authorization and Purpose	1-1
1.2 Report Purpose and Organization	1-1
2.0 General Overview of the Rate Setting Process	2-1
2.1 Determine Revenue Requirements from Rates	2-1
2.2 Allocate Revenue Requirements to Customer Classes	2-1
2.3 Determine Rate Structure and Develop Rates	2-2
3.0 Financial Plan	
3.1 Introduction	3-1
3.2 Key Forecast Assumptions	3-1
3.3 Operations and Maintenance Costs	3-2
3.4 Capital Costs	3-4
3.5 Revenue Requirements from Rates	3-5
3.6 Projected Operating Results	3-5
4.0 User Characteristics	
4.1 Meters and Equivalent Meters	4-1
4.2 Annual Water Use	4-2
4.3 Peaking Requirements	4-2

4.3.1	Peaking Factor Calculations	4-3
5.0	Cost of Service Analysis.....	
5.1	Allocation to Functions	5-1
5.2	Allocation to Service Characteristics.....	5-4
5.3	Allocations to Customer Classes	5-7
6.0	Rate Design	
6.1	Water Rate Options.....	6-1
6.2	Sample Bills	6-23

Tables

ES-1	Actual and Estimated Water Treatment Unit Costs	2
ES-2	Comparison of Current and Recommended Water Rates (FY2013/14)	7
ES-3	Sample Bill Comparison – Residential	9
ES-4	Typical Bill Comparison - Nonresidential	12
3-1	Projected Water System O&M Costs	3-3
3-2	Capital Improvement Plan and Funding Sources (FY2013/14-FY2020-21)	3-4
3-3	Revenue Requirements from Rates	3-6
3-4	Projected Operating Results	3-7
4-1	Units of Service	4-1
4-2	Equivalent Meter Factors	4-2
4-3	Estimating Peaking Factors	4-4
5-1	Allocation of O&M Costs to System Functions	5-3
5-2	Allocation of Costs to System Functions	5-4
5-3	Net Requirements by Service Characteristic	5-6
5-4	Water System Service Characteristic Allocation Basis	5-7
5-5	Comparison of Revenue Recovery (FY2013/14)	5-8
6-1	Comparison of Current and Recommended Water Rates	6-1
6-2	Sample Bill Comparison - Residential	6-3
6-3	Typical Bill Comparison - Nonresidential	6-4

Figures

ES-1	Annual Water Sales	2
ES-2	FY2014 Revenue Requirements from Rates	3
ES-3	Projected Revenue Requirements from Rates	4
ES-4	Cost of Service Comparison	5
ES-5	Fixed Charge Revenue Components	8
ES-6	Comparison of Monthly Fixed Charges	8
ES-7	Estimated Peak Day Factors	9
ES-8	Residential Monthly Bill Comparison	11

Executive Summary

Introduction

The City of Wilsonville, Oregon (the City) authorized Galardi Rothstein Group to conduct a water cost of service study in February, 2013. The purpose of the study was to assist the City in determining a schedule of water rate increases sufficient to implement the recently adopted Water System Master Plan (Keller Associates, September 2012). In addition, the study was to develop alternative rate structure options that generate stable and predictable revenue overall, and equitably recover revenue from different property types (e.g., residential, multifamily, and nonresidential), based on the cost of services provided.

The scope of the study includes four (4) primary elements:

1. Financial Planning
2. Cost of Service Analysis
3. Rate Structure Options
4. System Development Charges

The first three study elements are presented in this report; separate documentation is provided for the system development charge (SDC) analysis.

The City's current rates are based on a cost-of-service analysis that was completed more than 15 years ago. Since that time, the system cost structure and customer usage characteristics have changed. While the City has implemented regular increases in water rates, these increases have been applied 'across-the-board' to all customer classes and rate components. The rate structure options presented in this report reflect the updated cost-of-service analysis, as well as the City's other rate objectives.

Over the course of the study, three alternative water rate options were developed for the City Council's consideration. The first two options (along with the current rates) were presented to the City Council on October 7, 2013, and are documented in the Water Cost of Service Rate Study Draft Report (September 2013), as Scenarios 1 and 2. The third option (Scenario 2a) was developed in response to feedback from the City Council at the October 7 work session, and is presented (along with current rates) in this Final Report.

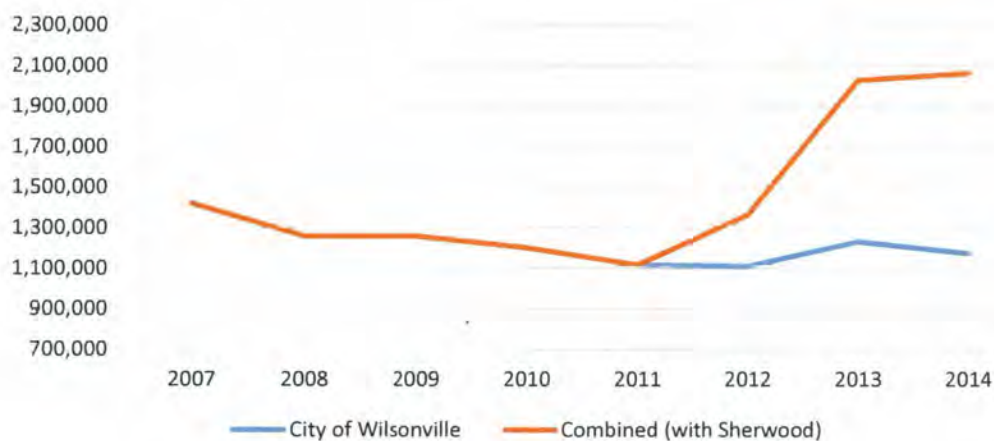
The results of each study element are summarized below.

Financial Plan

Water rate revenues are the largest source of revenue for the City's water system, representing over 90 percent of annual revenues. Rate revenues are significantly impacted by annual water sales volumes, as the majority of revenue generated from rates is from the usage charges assessed on monthly water use. For the City, about 75 percent of annual water rate revenue is from volume-dependent charges.

Water use has declined significantly over the past 5-10 years for utilities across the country. Factors that have contributed to this trend include installation of water efficient appliances, economic slow-down, increasing water rates, and customer water conservation education. As shown in Figure ES-1, water sales in Wilsonville declined significantly between 2007 and 2012, decreasing about 5 percent per year, on average. Sales within the City increased in fiscal year (FY) 2012/13, particularly for irrigation purposes, reflecting a warm and dry spring.

Figure ES-1
Annual Water Sales (ccf)



Despite the steady decline in usage over the past several years, the City's water fund is in a generally strong financial position, and water rates are projected to require only moderate inflation-level increases over the next 5-10 years. The factors that have contributed to this positive financial position include the following:

Decreases in treatment costs per unit – As shown in Figure ES-1, the City began selling water to the City of Sherwood in 2011. With the exception of some materials and service costs (primarily electricity and chemicals), the majority of a water system's operating costs are fixed (in other words, do not change in proportion to water sales volumes). Therefore, as shown in Table ES-1, while total volume of water sold has increased significantly in the past few years, the cost per unit has declined, with the estimated cost per unit sold in FY2013/14 almost 20 percent lower than the FY2010/11 rate.

Table ES-1

City of Wilsonville

Actual and Estimated Water Treatment Unit Costs

Year	Treatment (\$ millions)	Treatment Sales (ccf)	Unit Cost (\$/ccf)
2011	\$1.87	1,117,503	\$1.67
2012	\$1.82	1,364,064	\$1.33
2013	\$2.39	2,028,618	\$1.18
Est. 2014	\$2.80	2,063,225	\$1.36

Ccf = hundred cubic feet

As shown in Figure ES-2, water treatment operations represent over 40 percent of the total estimated revenue requirements from water rates for FY2013/14; the fact that the City's share of these costs has been reduced, means that more revenue from existing rates is available to fund other operating costs and capital outlays, reducing the need for future rate increases.

Figure ES-2
FY2014 Revenue Requirements From Rates
(\$6.4 Million)

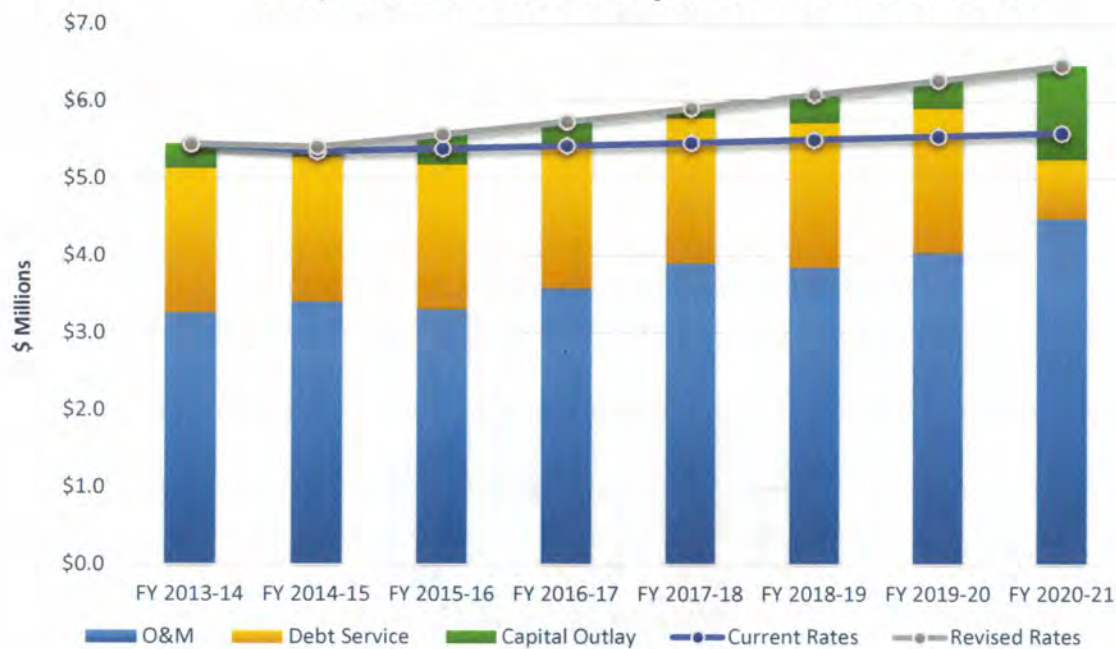


Regular increases in water rates – the City has made regular adjustments to water rates to meet projected system requirements, including required debt service coverage and operating reserve targets. Between FY2008/09 and FY2010/11 the City increased water rates by 3 percent per year.

Decline in debt service during the planning period – The City's existing revenue bonds (which were used to purchase the water treatment plant) will be paid in full near the end of the planning period (FY2020/21), and the remainder of existing debt will be retired in FY2021/22. Figure ES-3 shows the annual composition of revenue requirements for the period FY2013/14 through FY2020/21. No additional debt is planned for the study period to fund the improvements identified in the Water System Master Plan. During the planning period, a combination of annual rate revenues, existing reserves, and SDC revenues are assumed to pay for the approximately \$15 million of planned capital improvements.

In addition to increased capital outlays over the planning period, the financial plan projects modest increases in operating costs (about 3.7 percent annually). To meet the projected annual requirements, as well as continuing to generate sufficient revenues for operating contingencies and debt service coverage requirements, an average annual rate increases of 2.25 percent is projected beginning in FY2014/15.

Figure ES-3
Projected Revenue Requirements from Rates



As the City reaches the end of the period, additional capital improvements will likely be identified (as the recent master planning effort was limited to the distribution system). However, with the reduction in existing debt service, the City will likely be in a good position to fund additional capital improvements related to water treatment or other facilities, with the planned revenue increases.

Cost of Service Analysis

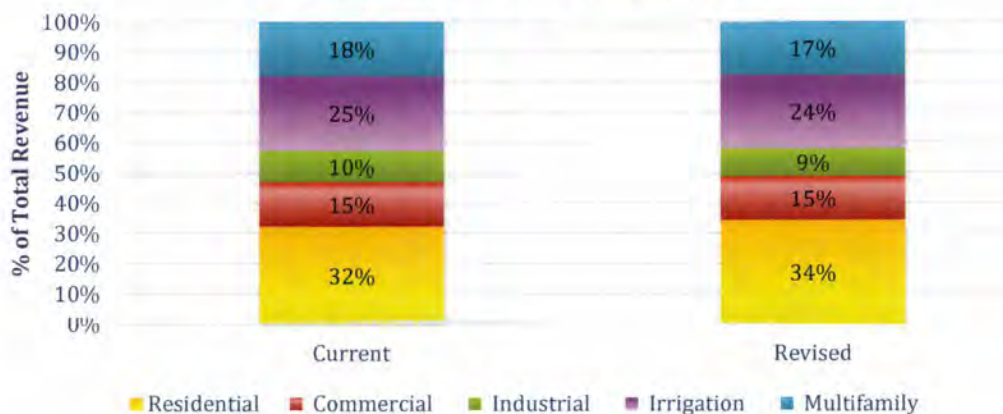
A fundamental principle for developing an equitable system of user charges is to ensure that all users pay—through monthly charges for water service, SDCs and other fees—for their share of the total costs imposed on the system. Operating expenditures and normal capital expenditures should be paid through user charges. System development charges may only recover the capital costs associated with serving future development.

Some water system expenditures are a function of average water usage; others are a function of peak demands placed on the system. Some costs are associated with serving customers regardless of the volume of usage or discharge (for example, costs associated with emergency storage and fire protection, and customer services, meter reading and replacement).

Classifying water system costs in terms of the functions and service characteristics they support and then further allocating the costs to customer classes based on their service requirements is referred to as a cost of service analysis. The cost allocation methodology used in this study follows American Water Works Association (AWWA)-recommended methods. Under these methods, water treatment, storage, distribution, and customer-related costs are allocated to residential, multifamily, commercial, industrial, and irrigation customers in proportion to their estimated average and peak water demands, and customer and meter requirements.

The results of the City's cost of service analysis show a moderate shift in overall revenue responsibility from multifamily and nonresidential customer classes (industrial and irrigation) to residential customers. This shift reflects both the usage characteristics (relatively higher peak season demands) of residential customers, and recovery of stand-by capacity costs (e.g., fire protection costs) through fixed customer charges. A comparison of the annual revenue responsibility (share of total annual revenue) by customer class under the current rates and revised analysis is provided in Figure ES-4.

Figure ES-4
Cost of Service Comparison



Rate Structure Options

Rate design involves determining a system of charges for each class of customers that will generate revenue equal to the allocated cost responsibility of each class (as developed in the cost of service analysis). Like the existing rates, the revised rate schedules include a base monthly service charge (which varies by meter size for nonresidential customers), and a volume rate per hundred cubic feet (ccf) of water use that varies by customer class.

Policy Framework

In developing rate alternatives, the following policy objectives were considered:

- Inter-class rate equity – the revised rates recover the updated cost of service from each customer class.
- Intra-class rate equity – the revised rates address rate equity *within* each customer class through revised scaling of meter charges (larger meters pay relatively higher charges), and reduction of the monthly minimum charges (lower volume users pay relatively less).
- Rate and revenue stability – revenue recovery from fixed (base) charges is maintained at approximately the same level as current rates (24 percent).
- Water conservation and long-term rate affordability and stability – the revised rates maintain the current conservation-oriented rate structure for residential customers, and continue to charge relatively higher rates for irrigation uses, sending important price signals to customers about the need to use water efficiently, thus delaying the need for costly future expansion.

In order to mitigate bill impacts on customers from shifts due to the cost of service and rate structure changes, the rates have been developed on a ‘revenue-neutral’ basis for FY2013/14, meaning that the revised rates generate the same revenue *overall* as existing rates. As mentioned previously, the projected annual revenue increase of 2.25 percent is assumed to begin in the year following the rate structure change (FY2014/15). Each rate component is discussed below. The current and recommended revised rates are shown in Table ES-2.

Fixed Charges

For both the existing rates and the recommended rates, the base charges include a minimum monthly quantity that is charged to customers regardless of their monthly water use. For existing rates, the minimum quantity varies by meter size; the smallest meter sizes (3/4” and 1”) have a minimum quantity of 4 ccf, and the largest meter size (10”) has minimum quantity of 17 ccf. For the recommended rates, the monthly minimum quantity is 2 ccf for all meter sizes, consistent with the City’s existing wastewater rates.

In addition to the monthly quantity cost, the base charges recover the costs of meter replacement, billing and customer services costs, and in the case of the recommended rates, a portion of standby capacity costs¹. The revenue generated from the revised base charges are shown in Figure ES-5. The current rates generate almost \$1.4 million (about 24 percent) of total annual rate revenue from base charges, primarily through the minimum quantity charges. In the recommended rates, standby capacity costs are added to the fixed charges, while the minimum quantity is reduced.

¹ The City is required to maintain standby capacity to meet fire and other emergency needs. This capacity is required in addition to average and peak demand capacity, and is a fixed cost to operate and maintain.

WATER COST OF SERVICE RATE STUDY

Table ES-2

City of Wilsonville

Comparison of Current and Recommended Water Rates

	Current Rates	Recommended Rates ¹
Monthly Quantity (ccf)²	4-17	2
Residential Rates		
Base Charge (\$/month)	\$19.88	\$19.13
Volume Charge (\$/ccf)		
Winter Use & Summer Tier 1 (Winter Avg. +3 ccf)	\$3.70	\$3.22
Summer Tier 2 (Use>Winter Avg. +3 ccf)	\$5.61	\$5.39
Nonresidential Rates		
Base Meter Charge (\$/month)		
3/4"	\$19.88	\$19.13
1"	\$21.91	\$21.12
1.5"	\$24.03	\$23.76
2"	\$28.16	\$31.04
3"	\$32.32	\$62.80
4"	\$36.44	\$104.49
6"	\$44.81	\$150.80
8"	\$55.63	\$203.74
10"	\$75.90	\$251.71
Volume Charge (\$/ccf)		
Commercial	\$3.64	\$3.36
Industrial	\$3.92	\$3.41
Irrigation	\$5.61	\$5.39
Multifamily	\$3.79	\$3.46

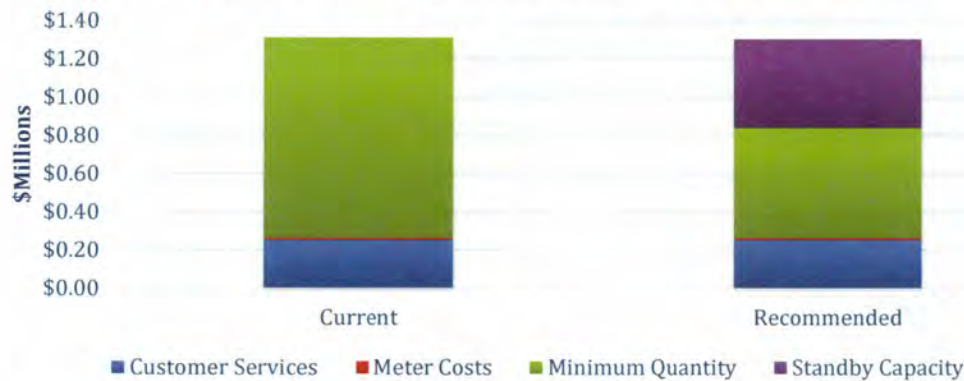
ccf = hundred cubic feet (748 gallons)

¹ The recommended rates are the same as Scenario 2a presented at the November 4, City Council Work Session

² The monthly quantity is the usage included in the Base Charge. In current rates, the monthly quantity increases with meter size for nonresidential customers

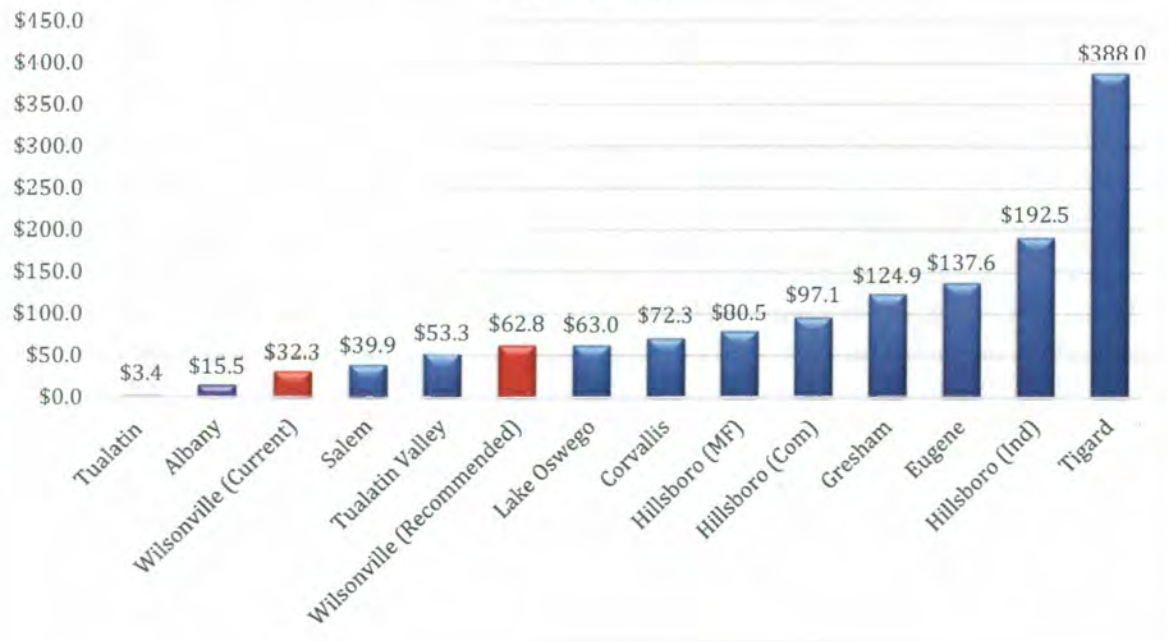
Reducing the minimum quantity is consistent with cost of service principles, as many customers use less than the current monthly minimum. However, there are additional costs that are "fixed" in nature (do not vary with customer water use); inclusion of a portion of these costs in the base charge (in place of monthly minimum charges) enhances rate equity and balances rate stability. In actuality, the majority (over 75 percent) of a water system's costs are fixed; however, most utilities' rate structures generate more revenue from volume rates in order to balance revenue stability goals with conservation and customer affordability concerns.

Figure ES-5
Fixed Charge Revenue Components



Another feature of the recommended rates is that the base charges for larger meters increase more significantly than the smaller meters. This is consistent with cost of service principles, as meter replacement and standby capacity costs increase with the size of the meter. This practice is also consistent with other communities. Figure ES-6 shows that the City's current charge for a large (3") meter are significantly below other communities in the region, and even with the recommended rates, the rate for a 3" meter remains on the lower half of the range.

Figure ES-6
Comparison of Monthly Fixed Charges
(3" Meter)

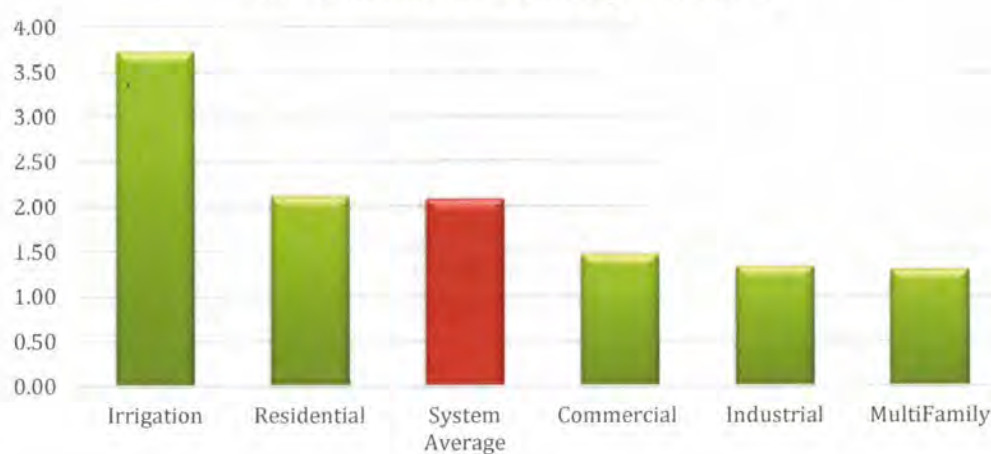


Volume Charges

As shown in Table ES-2, the existing and recommended rate options include volume charges that vary by customer class, and a 2-tiered volume rate for residential customers. The volume charges are assessed all usage *in excess* of the monthly minimum quantities.

If all customers used water evenly throughout the year, the utility could invest in significantly less capacity for all of its primary facilities (treatment, storage, transmission and distribution). Furthermore, in this hypothetical case, the price of each unit of water would not vary, so all customers could be charged the same. However, in reality, a water utility must invest in significant peak day (and for some facilities, peak hour) capacity, to meet the needs of its customers. Figure ES-7 shows estimated peak day factors for the system and each of the City's customer classes. Owing to the seasonal nature of the service, irrigation customers have significantly higher peaking factors than regular commercial, industrial and multifamily uses. The peaking factor for residential customers also slightly exceeds the system average.

Figure ES-7
Estimated Peak Day Factors



The volume rates shown in Table ES-2 are designed to recover the average and peak demand-related costs allocated to each customer class; therefore, the rates for residential irrigation (summer Tier 2) and irrigation customers (nonresidential customers with separate irrigation meters) are higher than the other customer classes (in both the current and recommended). The recommended volume rates are slightly lower than current rates for all customers, reflecting the fact that the minimum quantity included in the base charge is reduced. Because the volume rates apply only to usage *over the minimum quantity*, more usage is billed under the recommended rates.

Impact on Typical Bills

Table ES-3 shows sample residential monthly bills for a range of volumes, based on existing and projected rates for FY2013/14.

Table ES-3

City of Wilsonville

Sample Bill Comparison – Residential

	Monthly Use (ccf)	Current Rates	Recommended Rates
Small	2	\$19.88	\$19.13
Winter Average	5	\$23.58	\$28.78
Summer Average ¹	8	\$34.68	\$38.43
Large Summer ²	25	\$120.50	\$119.25
Small	2		(\$0.75)
Winter Average	5		\$5.20
Summer Average	8		\$3.75
Large Summer	25		(\$1.25)

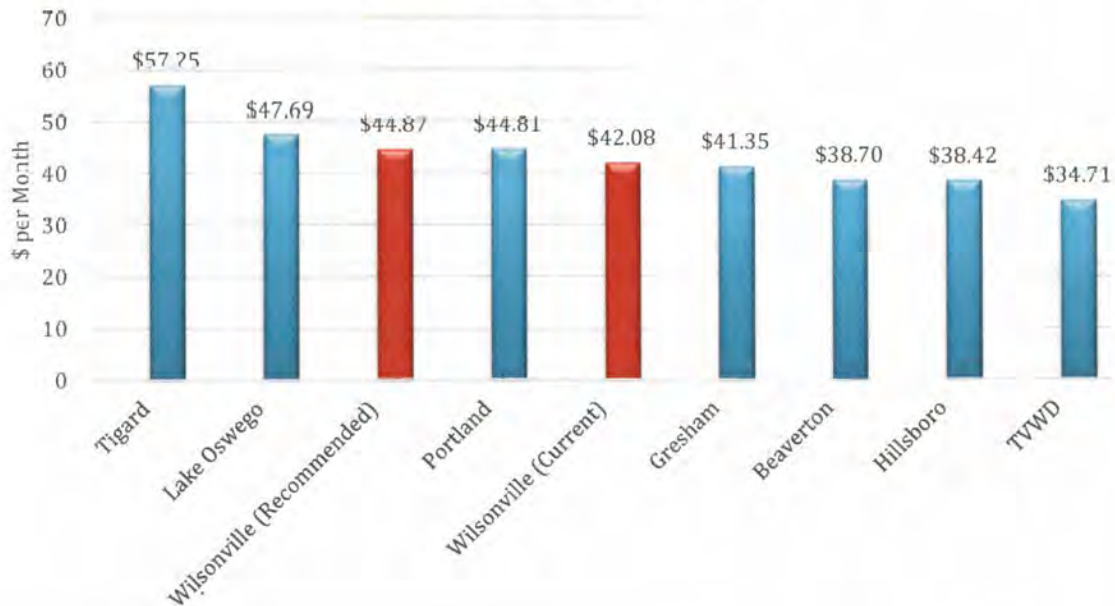
¹Assumes customer winter average = 8 ccf

²Assumes customer winter average = 10 ccf

For most residential customers, the average bill increase (over the course of the year) will generally be in the \$3-\$4 per month range (with higher bill increases in the winter months, and lower bill increases in the summer months). However, annual bills for very small volume users would decrease, as would the bills for very large summer water users. In future years, all customer bills would increase uniformly based on the system-wide increase (currently projected to be 2.25 percent).

Figure ES-8 shows a comparison of monthly bills for a typical residential customer in Wilsonville with surrounding communities. The City has gone from having the highest bills in the region a few years ago, to a more moderate placement. Furthermore, many other communities have future projected rate increases that far exceed the City's projected increase of 2.25 percent.

Figure ES-8
Residential Monthly Bill Comparison
(10 ccf Avg. Winter & Summer)



Tables ES-4 presents sample monthly bills under current rates and recommended rates for other customer classes. As for residential customers, bill impacts vary within each customer class based on billed usage levels and meter sizes. However, in general, most customers whose average use approximates the current monthly minimum (4-17 units) will see moderate bill increases during the months that usage is low; higher levels of use will result in bill decreases, due to the reduction in the volume rates. Customers with large meters (2" and over) will see more bill increases, compared to customers with smaller meter sizes; however, most large meter customer bills will still decrease under the recommended rates due to reduction in the volume rates.

WATER COST OF SERVICE RATE STUDY

Table ES-4

City of Wilsonville

Typical Bill Comparison - Nonresidential

	Monthly Use (ccf)	Meter Size	Current Minimum	Monthly Bill \$		Difference \$	
				Current	Recommended	Current	Recommended
Monthly Minimum (ccf)				4-17	2		
Commercial							
Small Meter 1	5	3/4"	4	\$23.52	\$29.20	\$1.03	\$5.68
Small Meter 2	25	3/4"	4	\$96.32	\$96.30	(\$1.74)	(\$0.02)
Avg Use - Small Meter	54	1.5"	5	\$201.64	\$197.54	(\$5.01)	(\$4.10)
Avg Use - Large Meter	54	3"	7	\$203.40	\$237.27	\$1.60	\$33.87
Large Meter	2,500	10"	17	\$9,114.02	\$8,632.70	(\$306.71)	(\$481.32)
Industrial							
Small Meter 1	5	1"	4	\$25.83	\$31.33	(\$0.97)	\$5.50
Small Meter 2	50	1"	4	\$202.23	\$184.60	(\$21.02)	(\$17.63)
Avg Use - Small Meter	143	1.5"	5	\$566.16	\$505.02	(\$59.88)	(\$61.14)
Avg Use - Large Meter	143	3"	7	\$566.61	\$544.06	(\$52.64)	(\$22.56)
Large Meter	2,200	6"	10	\$8,629.61	\$7,637.04	(\$953.16)	(\$992.57)
Irrigation							
Small Meter 1	5	3/4"	4	\$25.49	\$35.31	\$1.04	\$9.82
Small Meter 2	50	3/4"	4	\$277.94	\$278.05	(\$4.34)	\$0.11
Avg Use	69	1.5"	5	\$380.99	\$383.16	(\$5.88)	\$2.17
Large Meter	2,700	3"	7	\$15,140.05	\$14,615.88	(\$314.36)	(\$524.17)
Multifamily							
Small Meter 1	5	3/4"	4	\$23.67	\$29.52	\$1.02	\$5.85
Small Meter 2	25	3/4"	4	\$99.47	\$98.79	(\$1.78)	(\$0.68)
Avg Use - Small Meter	49	1.5"	5	\$190.55	\$186.32	(\$4.41)	(\$4.23)
Avg Use - Large Meter	49	3"	7	\$191.26	\$225.36	\$2.23	\$34.10
Large Meter	550	6"	10	\$2,091.41	\$2,048.73	(\$52.91)	(\$42.68)

Recommendations

The recommended financial plan and rates presented in this report are based on a number of assumptions related to customer growth and water use, cost escalation, capital project scheduling, and other variables that are difficult to predict, particularly during periods of economic uncertainty. An overarching recommendation is that the City monitor revenues and expenses annually, and make adjustments to planned rate increases as necessary to ensure adequate revenue recovery to meet projected system needs and debt coverage and reserve requirements.

Financial Plan

Based on the analysis presented in this report, required annual rate increases over the planning period are 2.25 percent. These increases should be reviewed again, in the context of further development of the City's capital improvement program. Specifically, the City plans to conduct a water treatment system facilities plan in the next couple of years that will likely identify additional system improvements needed during the planning period. As part of that effort, the City should review and, if necessary, update the projected rate increases in light of actual customer growth and water usage patterns, and operating cost trends subsequent to this report.

Significant changes in the sizing or timing of distribution system capital projects or support from alternative funding sources will also have an impact on the revenue requirements from rates. The recently adopted Water System Master Plan identified a number of capital improvements needed for future growth that the City intends to fund with SDCs. Given the unpredictable nature of SDCs, the City may need to supplement rate funds for some of these larger short-term project needs (for example, a planned reservoir), should SDCs revenue accrue at a slower rate than expected. In this case, future rate adjustments may be necessary.

Cost of Service Analysis

It is recommended that the City continue to charge customers on a cost of service basis. While the current rates reflect a prior cost of service analysis, updated costs and planning criteria (from the City's recently completed Water System Master Plan), along with current customer usage characteristics support a moderate shifting of costs away from nonresidential customers to residential customers. While a shift to cost of service rates will have bill impacts on some users in the short-run (FY2013-14), future bill increases for all users are projected to be less than inflation. Furthermore, such a shift is consistent with the City's equity and economic development goals.

Rates

The recommended rates shown in Table ES-2 are projected to generate the approximately the same revenue as the current rates, and maintain about 24 percent of revenue from fixed (base) charges. Given the variability in water use industry-wide, it is recommended that the rate structure generate at least 24 percent of revenue from base charges. Furthermore, it is recommended that the City begins to shift to higher base charges for larger meter sizes, compared to the current rates. This is consistent with industry standard practice and equity,

given that a significant portion of the costs included in the base charges are impacted by meter size. The recommended rates begin to address this current inequity.

Finally, it is recommended that the City begin to phase-out the minimum monthly quantity that is included in the base charge, as in the case of the recommended rates. An industry-wide trend has been to eliminate minimum quantities and replace these charges with standby capacity charges. Many customers use less than the current minimum, and the City's sewer rates are based on a 2 ccf minimum, increasing customer confusion. Standby charges for secondary capacity costs (like fire protection capacity) are quickly gaining favor in the industry and by customers, as these charges generate stable revenue for a portion of water service that benefits all customers and is not related to actual monthly water use.

Any rate changes should be implemented in conjunction with a public information and education program that clearly describes the basis for the changes, and consistency with City goals and objectives.

1.0 Introduction

1.1 Authorization and Purpose

The City of Wilsonville, Oregon (the City) authorized Galardi Rothstein Group to conduct a water cost of service study in February, 2013. The purpose of the study was to assist the City in determining a schedule of water rate increases sufficient to implement the recently adopted Water System Master Plan (Keller Associates, September 2012). In addition, the study was to develop alternative rate structure options that generate stable and predictable revenue overall, and equitably recover revenue from different property types (e.g., residential, multifamily, and nonresidential), based on the cost of services provided.

This report presents the results of the water rate study. Separate documentation is provided for a system development charge (SDC) analysis.

1.2 Report Purpose and Organization

The purpose of this report is to document the technical methodology and policy framework used to develop projected annual revenue adjustments for the system as a whole, and by customer class, and to provide alternative water rate scenarios.

The following additional sections are included in this report:

- Section 2, General Overview of the Rate Setting Process, describes the process for determining cost-based utility rates.
- Section 3, Financial Plan, presents the projected costs and revenue requirements from rates for the period fiscal year (FY) 2013/14 through FY2020/21.
- Section 4, User Characteristics, presents the classification of customers for rate-setting purposes and current usage characteristics.
- Section 5, Cost of Service Analysis, describes the allocation of costs to system functions, service characteristics, and customer classes.
- Section 6, Rate Design, presents the existing rates and revised cost of service rates for two alternatives.

2.0 General Overview of the Rate Setting Process

The process for developing cost of service water rates is illustrated and discussed below.

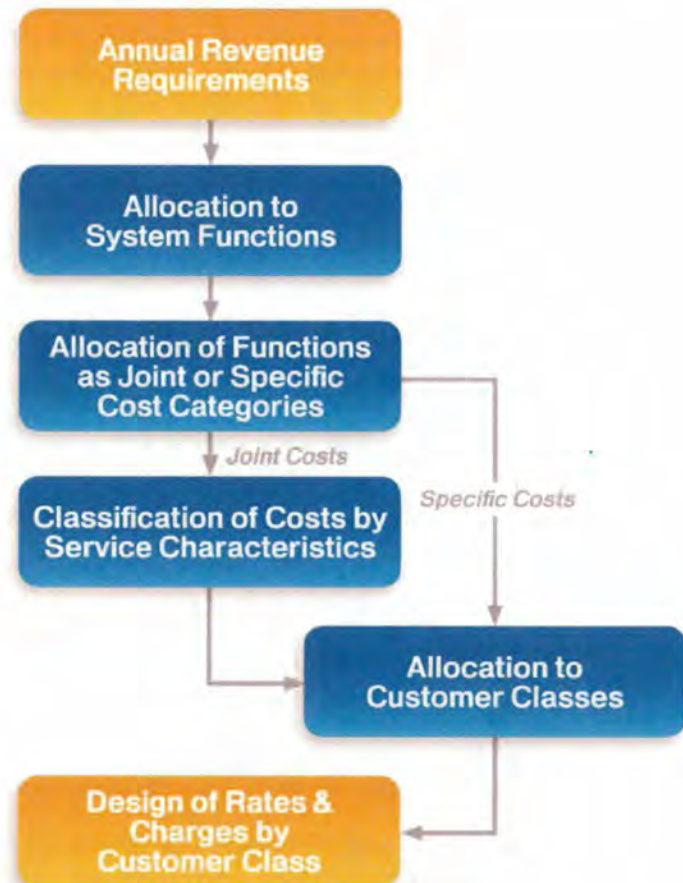
2.1 Determine Revenue Requirements from Rates

Revenue requirements are the costs of providing services to utility customers over a specific period of time (usually one year). These costs include operation and maintenance (O&M) and capital costs. O&M costs are the routine costs of operating and maintaining a utility system in order to provide service. Examples of O&M costs are chemicals and electricity used at plants, system operator labor, and administrative expenses. Capital costs include current revenue or cash funded capital improvements, planned annual contributions to funds for such purposes, and ongoing debt service requirements (principal and interest payments on outstanding revenue bonds, loans, and other obligations).

To determine the amount of revenue that rates must generate annually, the total revenue requirements are reduced by nonrate or other system revenues. Examples of other system revenues are unrestricted interest earnings, SDC revenues, and revenue from miscellaneous charges. Total requirements less other system revenues equal requirements from rates.

2.2 Allocate Revenue Requirements to Customer Classes

Determination of the costs of service by customer class has four components. These components are referred to as functionalization, joint and specific groupings, classification, and allocation. **Functionalization** involves categorizing revenue requirements according to utility functions. Water system functions typically include supply, treatment, transmission,



storage, pumping, customer, meter, and fire protection. Utilities incur varying levels of costs to perform the different system functions needed to meet customer demands. Therefore, the first step in the cost allocation process is to determine what it costs the utility to perform different service functions.

Next, functional costs are grouped by **joint and specific** categories. This process allows certain types of costs (e.g., water treatment costs) to be allocated directly to benefiting customers (e.g., City of Sherwood). The majority of costs are generally joint, or common to all customers within the City's service area. The City of Sherwood operates its own distribution system, so only shares in the City's treatment costs.

Following functionalization and grouping of functions into joint and specific categories, a **classification** process occurs. A fundamental objective in developing a rate system is to price utility services so that each customer pays for the service they receive in proportion to their use. Some costs incurred by the utility are a function of the quantity of water consumed. Other costs are associated with serving customers regardless of the quantity that flows through the system. The American Water Works Association (AWWA) recommends classification of water system costs based on average and peak demands, and customer services (accounts and meters). Costs are classified among these service characteristics, so that they may then be allocated to customer classes in proportion to system demands.

It is accepted practice in the utility industry to classify customers into relatively few, reasonably homogeneous groups or classes for rate-setting purposes. In the final step of the cost allocation process, the characteristics of the utility's customers are analyzed and costs are **allocated** to each class. For water systems, user characteristics include average and peak water demands, the number of meters by meter size, and the number of customers. The user characteristics serve as the basis for allocating costs by service characteristic to each customer class. For example, if residential customers represent half of the water utility's average demand, they will be allocated half of the utility's average demand-related costs. However, this same class may be responsible for 75 percent of the system's peak demand. Therefore, the residential class's allocation of peak-related costs will be 75 percent. The sum of each class's proportionate cost share of each service characteristic is that class's total cost of service.

2.3 Determine Rate Structure and Develop Rates

The last step in the rate development process is the design of the rate structure and the development of rates. There are a variety of rate structure options available to meet a wide range of policy objectives. Rates generally are comprised of a fixed charge per customer per billing period, and a volume charge that varies based on water usage. However, the particular structure selected depends on local policy objectives.

The end result of this rate development process is an equitable distribution of system revenue requirements to system users. This process is called cost of service ratemaking.

3.0 Financial Plan

3.1 Introduction

This section presents the water system financial plan. The financial plan provides the framework within which to analyze the overall impact on water rates of implementing the near-term capital improvements and operational needs recommended in the Water System Master Plan, along with continued operation and maintenance of the existing water treatment plant. The building blocks of the financial plan are the projections of costs or "revenue requirements" that the City will incur during the planning period and the revenues, under existing rates, that the City expects to generate during the same period.

In order to develop adequate revenues from a system of water rates, the annual revenue requirements of the utility must be determined. The basic revenue requirements are composed of the following:

- O&M costs
- Annual capital improvement projects funded by rates and reserves
- Debt service expenditures (principal and interest on water utility-related debt)
- Transfers to the City's other funds for indirect and direct services provided to the utility

Revenue requirements are presented for the current fiscal year (FY2013/14) through FY2020/21. A water system financial forecast model was also prepared for the City to allow for future monitoring and updating of financial projections over a 10-year period.

3.2 Key Forecast Assumptions

The financial plan is based on a set of overall assumptions related to timing, customer growth, inflation, and other factors, as well as the phasing of the City's CIP. The following is a list of key assumptions used in the forecast:

- The residential customer growth rate is assumed to average 2.0 percent per year throughout the study period, while the annual growth rate for the other customer classes (with the exception of industrial) is assumed to be about 1 percent. No growth is assumed for industrial customers; if one or more significant industrial users are added to the system, the City should update the financial plan accordingly.
- Water sales per account are assumed to equal a 3-year historical average for most customer classes; however, irrigation sales which increased significantly in FY2012/13 (likely the result of a warm and dry spring) are assumed to return to FY2011/12 levels.
- Operation and maintenance (O&M) costs are based on current (FY2013/14) budget, and the following annual escalation factors:
 - Personal Services – 5.5 percent
 - Material and service costs – 3.5 percent

- Transfers – 4 percent
- Contract services (water treatment plant) – 3.5 percent
- Future capital costs are increased at an annual rate of 3.0 percent.
- The City maintains a minimum operating reserve/contingency equal to 20% of O&M costs, as well as 50 percent of annual debt service costs (until the debt is retired in FY2021/22).
- The water fund pays a franchise fee of 4 percent of water sales revenues.
- Revenues from system development charges (SDCs) will accrue at levels provided by the City, and \$0.35 million will be transferred annually to pay for a portion of debt service.
- Interest earnings on fund balances and reserves are estimated to accrue at a rate of 0.75-1.5 percent annually.

3.3 Operations and Maintenance Costs

Operations and maintenance costs are shown in Table 3-1 and include all costs associated with operating and maintaining the system, including personnel, materials, and services costs, and transfers to other funds. O&M costs also include non-CIP-related capital outlays (e.g., routine equipment purchases). Water system O&M costs are projected for the study period based on the budgeted FY2013/14 estimated totals and the assumed escalation rates presented previously.

Total estimated expenses for FY2013/14 are almost \$4.5 million and are projected to increase to \$5.8 million in FY2020/21, or 3.7 percent on average. Treatment-related materials and services costs make up slightly of 50 percent of the water system budget. Treatment costs include the contract labor and expenses to operate the plant, as well as electricity, chemicals, and regular repair and maintenance.

Personnel costs shown in Table 3-1 are for City staff that operate and maintain the distribution system. The projected materials and service costs for distribution include repair and maintenance expenditures identified in the Master Plan (e.g., reservoir washing and cleaning, and maintenance of planned capital improvements.) Finance costs include customer bank charges and meter reading services primarily. Transfers include payments to other funds for direct service (e.g., customer billing) and indirect services (legal, community development, etc.)

WATER COST OF SERVICE RATE STUDY**Table 3-1**City of Wilsonville
Projected Water System O&M Costs

Category	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Personal Services	\$509,270	\$537,280	\$566,830	\$598,006	\$630,896	\$665,596	\$702,203	\$740,824
Materials & Service								
Finance	\$89,149	\$92,269	\$95,499	\$98,841	\$102,301	\$105,881	\$109,587	\$113,422
Distribution	\$511,379	\$529,917	\$550,111	\$570,472	\$597,523	\$614,214	\$637,289	\$665,968
Treatment	\$2,397,771	\$2,468,308	\$2,563,533	\$2,662,588	\$2,776,715	\$2,873,900	\$2,974,486	\$3,078,593
Franchise Fee	\$215,347	\$213,838	\$220,234	\$226,834	\$233,643	\$240,670	\$247,920	\$255,403
Capital Outlay	\$306,000	\$348,000	\$77,800	\$192,800	\$326,000	\$100,000	\$100,000	\$350,000
Transfers (Non-Capital)	\$467,500	\$486,200	\$505,648	\$525,874	\$546,909	\$568,785	\$591,537	\$615,198
Total	\$4,496,416	\$4,675,812	\$4,579,655	\$4,875,415	\$5,213,987	\$5,169,045	\$5,363,022	\$5,819,409

3.4 Capital Costs

Future capital expenditures for the water system are based on the Master Plan. Table 3-2 presents the CIP for the water system for the forecast period (FY2013/14 through FY2020/21), in 2013 dollars (by project), and total inflation-adjusted. The total projected improvement costs in 2013 dollars is \$13.5 million. Based on the anticipated project schedules and an estimated annual capital cost escalation rate of 3.0 percent, the total, inflation-adjusted CIP over the planning period is approximately \$15.1 million.

As shown in Table 3-2, a combination of rate and SDC funds will be used to fund the CIP over the study period. In addition, projects at the water treatment plant (Clearwell and Master Plan Update) and the Kinsman Transmission Main will be funded in part by the City of Sherwood. No additional debt is anticipated over the study period.

Table 3-2

City of Wilsonville

Capital Improvement Plan and Funding Sources (FY2013/14-FY2020-21)

Project	Cost
Annual - Water Distribution System Miscellaneous Imp.	\$410,400
Annual - GIS & Water Model Updates	\$54,720
Annual - Meter replacements	\$448,000
Annual - Pipe/Valve/Hydrant Replacement	\$1,818,880
Annual - Water Private Development SDC Reimbursement	\$91,000
Annual - Early Planning - Future Water Projects	\$400,000
Annual - 5 Year and Annual Water CIP Budget Dev.	\$80,000
Annual - Project Design and Development	\$918,000
Kinsman Transmission Main 3b - Barber to Boeckman	\$3,533,600
West Side Level B Reservoir and Off Site Improvements	\$29,400
Villebois Water System SDC Reimbursements	\$109,171
Water Master Plan Update	\$177,720
Well Hole & Facility Upgrades	\$912,000
Test Wells	\$156,800
Water Telemetry for Wells	\$232,090
WTP Clearwell Contact Time Improvement & Surge Tanks	\$310,362
Water Telemetry, Distribution System	\$37,295
Fire Flow Data Collection for System Capacity & Growth	\$11,200
Reservoir Improvements	\$32,604
Water Treatment Plant Master Plan Update	\$105,000
Water Rate Study and SDC Update	\$33,600
B&C Reservoir Improvements (126)	\$67,260
Tooze Road 24" WL (110th to Grahams Ferry Road)	\$360,640
Booster Station and Turnout	\$92,183
Villebois Dr. N. 18" Waterline (Coffee Lk. To Boeckman)	\$800,000
Automated valve at Tooze/Westfall (West Side Tank)	\$66,120
Boeckman Rd. WL (Canyon Crk to Wilsonville Rd.)	\$50,000
Annual - Pipe distribution improvements (loops, etc).	\$609,000
B&C Reservoir Improvements	\$35,340
New 16" River Crossing	\$1,532,000
Total (\$2013)	\$13,514,385
Total Inflation-Adjusted (@ 3% per year)	\$15,090,037
Rate-Funded	\$7,535,980
SDC-Funded	\$5,907,129
Sherwood Funded	\$1,646,928

3.5 Revenue Requirements from Rates

Table 3-3 shows total revenue requirements and requirements from rates for the study period. As the table shows, total revenue requirements increase moderately over the study period, from about \$7.5 million to almost \$8.1 million. Operation and maintenance costs increase consistent with the escalation and other factors described previously. Capital transfers are higher in the near-term and at the end of the planning period in order to support the capital improvements, as currently scheduled. Debt service costs begin to decrease in FY2020/21, as the City's water system revenue bonds will be paid in full. In the following year, the full faith and credit obligations will also be retired, leaving additional funding capacity for capital improvements or future debt funding. Capital improvements in the outer years of the planning period will be further defined following through the Water Treatment Plant Master Plan process (included in the City's 5-year CIP).

Revenue from the City of Sherwood, shown in Table 3-3 is for Sherwood's share of water treatment plant operating expenses. Other revenue (from interest on investments and other fees/charges) is modest (forecast at less than \$0.2 million in most years of the plan). Revenue from SDCs (\$0.35 million) is assumed to continue to fund a portion of debt service payments through the planning period.

When total requirements are reduced by other revenues and use of reserves, revenue requirements from rates are estimated to be about \$5.5 million in FY2013/14, and increase to \$6.5 million in FY2020/21. The additional revenue from rates is planned to come from both increased water sales (based on customer growth), and from modest rate increases of 2.25 percent per year, beginning in FY2014/15. No rate increase is planned for FY2013/14, to allow the city to potentially modify the current rate structure, without compounding customer bill impacts with both a structure change and overall revenue increase.

3.6 Projected Operating Results

Table 3-4 shows the projected operating results (net revenues and debt service coverage) for the Water fund for the study period. Debt service coverage is the amount of revenue that a utility must generate annually in excess of its operation, maintenance, and debt service requirements. This additional revenue is required by debt issuers as a condition of issuing revenue bonds; it provides the debt holders a measure of security regarding debt repayment by the utility. Failure to generate the required revenues puts the utility in default on the debt, which adversely affects current and future bond ratings and interest costs. The City has a two-tiered debt service coverage requirement on parity debt (revenue bonds). The minimum debt coverage (when SDC revenue is included) is 1.25 times annual debt service. However, the City must also meet a coverage requirement of 1.10 without SDC revenue. The City's subordinate debt does not have a coverage requirement; however, the City's practice on other similar obligations has been to maintain a minimum of 1.05 coverage on other obligations. As shown in Table 3-4, the projected coverage for the study period is expected to meet the minimum coverage requirements, plus some additional coverage should actual net revenues be lower than projected.

WATER COST OF SERVICE RATE STUDY

Table 3-3

City of Wilsonville
Revenue Requirements from Rates

Description	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
O&M Costs	\$4,496,416	\$4,675,812	\$4,579,655	\$4,875,415	\$5,213,987	\$5,169,045	\$5,363,022	\$5,819,409
Capital Costs								
Capital Transfers	\$1,200,000	\$2,333,352	\$693,591	\$494,669	\$340,906	\$651,741	\$597,543	\$1,507,511
Debt Service	\$1,878,449	\$1,878,955	\$1,877,470	\$1,883,253	\$1,879,843	\$1,876,612	\$1,876,612	\$765,812
Total Capital	\$3,078,449	\$4,212,307	\$2,571,061	\$2,377,922	\$2,220,748	\$2,528,353	\$2,474,155	\$2,273,323
Total Requirements	\$7,574,865	\$8,888,119	\$7,150,716	\$7,253,336	\$7,434,735	\$7,697,398	\$7,837,177	\$8,092,731
Less Nonrate Revenue								
Sherwood Charges	\$1,000,000	\$1,100,000	\$1,111,000	\$1,122,110	\$1,133,331	\$1,144,664	\$1,156,111	\$1,167,672
Other Revenue	\$237,700	\$172,105	\$163,139	\$175,313	\$174,624	\$173,771	\$171,850	\$170,460
SDC Revenue	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000
Total Nonrate Revenue	\$1,587,700	\$1,622,105	\$1,624,139	\$1,647,423	\$1,657,955	\$1,668,435	\$1,677,961	\$1,688,132
Additions to/(Uses of) Fund Balance	(\$538,107)	(\$1,855,133)	\$46,156	\$133,812	\$135,248	\$60,859	\$114,075	(\$941,971)
Requirements from Rates	\$5,449,058	\$5,410,881	\$5,572,733	\$5,739,725	\$5,912,028	\$6,089,821	\$6,273,291	\$6,462,628

WATER COST OF SERVICE RATE STUDY

Table 3-4
City of Wilsonville
Projected Operating Results

Description	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Beginning Fund Balance	\$5,337,677	\$4,734,181	\$2,814,117	\$2,793,401	\$2,858,336	\$2,922,640	\$2,910,421	\$2,949,216
Operating Revenue	\$6,971,369	\$6,968,055	\$7,130,000	\$7,318,271	\$7,499,039	\$7,685,179	\$7,875,973	\$8,073,209
Operating Expenses	\$4,496,416	\$4,675,812	\$4,579,655	\$4,875,415	\$5,213,987	\$5,169,045	\$5,363,022	\$5,819,409
Net Revenue Available For Debt Service	\$2,474,953	\$2,292,243	\$2,550,344	\$2,442,856	\$2,285,052	\$2,516,134	\$2,512,950	\$2,253,800
Revenue Bond Debt								
Existing	\$1,111,045	\$1,109,170	\$1,111,170	\$1,111,400	\$1,113,400	\$1,110,800	\$1,110,800	\$0
New								
Total	\$1,111,045	\$1,109,170	\$1,111,170	\$1,111,400	\$1,113,400	\$1,110,800	\$1,110,800	\$0
Revenue Bond Coverage - Parity Debt (1.25 min)	2.23	2.07	2.30	2.20	2.05	2.27	2.26	na
Parity Debt w/out SDCs (1.10 min)	1.91	1.75	1.98	1.88	1.74	1.95	1.95	na
Subordinate Debt								
Full Faith & Credit	\$767,404	\$769,785	\$766,300	\$771,853	\$766,443	\$765,812	\$765,812	\$765,812
Subordinate Debt Coverage	1.78	1.54	1.88	1.73	1.53	1.84	1.83	2.94
Subordinate Debt w/out SDCs	1.32	1.08	1.42	1.27	1.07	1.38	1.37	2.49
Total Debt Service								
Debt Service -- All Debt	\$1,878,449	\$1,878,955	\$1,877,470	\$1,883,253	\$1,879,843	\$1,876,612	\$1,876,612	\$765,812
Total Debt Coverage	1.32	1.22	1.36	1.30	1.22	1.34	1.34	2.94
Total Debt w/out SDCs	1.13	1.03	1.17	1.11	1.03	1.15	1.15	2.49

4.0 User Characteristics

An equitable allocation of revenue requirements to system users begins with an analysis of user characteristics. For rate-setting purposes customers are classified into relatively homogeneous groups with similar usage characteristics or service demands. For this analysis, the City's customers are grouped in the following categories (consistent with industry standards):

- Residential
- Commercial
- Industrial
- Irrigation
- Multifamily

The City also provides treated water to the City of Sherwood, which owns and operates its own local water distribution system.

Historical data on monthly and annual water sales and meters were used to estimate user characteristics for the FY 2013/14 test year, as shown in Table 4-1.

Table 4-1
City of Wilsonville
Units of Service

	Average Demand	Peak Demand		Customer	Equivalent Meters
	<i>ccf</i>	MDD <i>ccf/day</i>	MHD <i>ccf/day</i>		
FY 2013-14					
Residential	342,110	1,055	893	4,035	4,044
Commercial	212,149	278	226	338	706
Industrial	141,006	133	328	82	216
Irrigation	231,731	1,736	924	347	603
Multifamily	248,755	209	584	422	872
Subtotal	1,175,751	3,411	2,955	5,223	6,440
Sherwood	887,473				
Total System	2,063,225	3,411	2,995	5,223	6,440

MDD = Maximum Day Demand, MHD = Maximum Hour Demand
Ccf = 100 cubic feet (748 gallons)

4.1 Meters and Equivalent Meters

The water system serves 5,223 metered connections. Equivalent meters are the number of meters of each size expressed in terms of equivalent cost to a base meter size. Meter equivalency factors are used to scale meter and standby capacity costs to customers with larger meters (which are relatively more costly to serve), consistent with standard industry practice. Based on the number of meters of each size, the number of equivalent meters is estimated to be 6,440. The equivalent meter factors used in this study are shown in Table 4-2.

TABLE 4-2
City of Wilsonville
Equivalent Meter Factors

Meter Size	Factor
3/4"	1.0
1"	1.3
1.5"	1.6
2"	2.6
3"	7.0
4"	12.7
6"	19.1
8"	26.4
10"	33.0

4.2 Annual Water Use

For the water system, projections of average annual (base), and peak demands (maximum hour and maximum day) demands were developed for each customer class. Total estimated water usage for FY 20113/14 is 2.1 million hundred cubic feet (ccf), of which 1.2 million ccf is related to City use, and 0.9 million is sold to Sherwood.

4.3 Peaking Requirements

The cost of providing water to customers depends not only on how much water they use, but also on how that use occurs over time. The maximum-day and maximum-hour peaking requirements of a water utility's customers are an important influence on the utility's costs. Because water utilities attempt to meet all of the water demands of their customers, water systems are sized to meet their customers' peak requirements. Therefore, during off-peak periods there are usually significant costs associated with the unused capacity of the system. To develop equitable rates, these costs must be allocated to customers in proportion to each customer class's contribution to the system peak. Thus, it is necessary to determine the peak rate of use relative to the average rate of use for each class. This ratio is called a peaking factor. Peaking factors are developed for maximum-day and maximum-hour rates of use.

4.3.1 Peaking Factor Calculations

Calculation of peaking factors for individual classes relies on available water use information from the billing system (monthly water use by customer class). The peaking factors calculated in this study measure the probable ratio of each class's use during the system's peak day to each class's use during its average day. Similarly, the maximum-hour peaking factor is based on the customer class's use during the system's maximum hour. Thus, the peaking factors estimated in this analysis are the expected peaking factors for each customer class during the system's maximum day and maximum hour. For Wilsonville, the system peak day and hour production usually occur in July or August.

The following equations show the calculations of peaking factors for each class, following standard formulas:

Maximum-Day Peaking Factor:

$$\left(\frac{\text{Class Consump. During System Max. Month}}{\text{Avg. Month for Class}} \right) \times \left(\frac{\text{System Peak - Day Rate of Flow}}{\text{System Max. - Month Rate of Flow}} \right)$$

Maximum-Hour Peaking Factor:

$$\left(\frac{\text{Class Consump. During System Max. Month}}{\text{Avg. Month for Class}} \right) \times \left(\frac{\text{System Peak - Hour Rate of Flow}}{\text{System Max. - Month Rate of Flow}} \right)$$

These equations provide a general approximation of peaking factors by class. They are the best estimating technique available in the absence of more specific information on particular subsets of the customer base.

Estimated Peaking Requirements. Data on monthly water system production and water usage by customer class was analyzed for FY 2009/10 through FY 2012/13. Peaking factors were estimated for based on the standard formulas, and are shown in Table 4-3. Irrigation customers have the highest peaking factors, followed by residential. Summer irrigating, car washing, and other activities usually result in higher usage for residential customers in summer months.

Table 4-1 shows the expected maximum-day and maximum-hour extra capacity requirements for each customer class. The estimated maximum-day extra capacity for each customer class is calculated by multiplying the forecast of average-day demand for that class by its maximum-day peaking factor, and then subtracting from this product the class's average-day demand. The maximum-hour extra capacity is an estimate of the amount of water used by a customer class during the system's maximum hour, in excess of the maximum day rate of flow.

Table 4-3
City of Wilsonville
Estimated Peaking Factors by Class

Customer Class	Factor
Maximum Day Factor	
Residential	2.13
Commercial	1.48
Industrial	1.34
Irrigation	3.73
Multi-Family	1.31
Maximum Hour Factor	
Residential	3.08
Commercial	2.27
Industrial	2.19
Irrigation	5.19
Multi-Family	2.16

5.0 Cost of Service Analysis

A fundamental principle for developing an equitable rate structure is to ensure that all users pay—through user charges, connection charges, taxes, or other fees—for their share of the total costs imposed on the system. O&M expenditures and normal capital expenditures should be paid through user charges. Some of these expenditures are a function of water usage; others are a function of peak demands placed on the system. Some costs are associated with serving customers regardless of the volume of usage.

As described in Section 2, the basic steps used to allocate the revenue requirements of the City's water system to customer classes include the following:

- Revenue requirements are categorized by utility function
- The costs by function are classified based on the types of demand served by the utility (referred to here as service characteristics).
- Requirements by customer service characteristic are allocated to customer classes in proportion to each class's use.

In this section, the cost allocation process is described and the costs to be recovered from each customer class through rates for each system are presented. The approaches described in this section follow standard industry practice for water utility rate setting. While the allocation methodologies are widely accepted for developing equitable rates, equitable allocations are to some degree a matter of judgment. A detailed review of the water system was performed in conjunction with City staff and utilizing information from the recently completed Water System Master Plan to determine equitable allocations.

5.1 Allocation to Functions

Water system costs are allocated to the following functions:

- Treatment – facilities used to treat raw water.
- Transmission – facilities that convey water from the water treatment plant to the distribution system.
- Distribution – the smaller, local lines that carry water from the transmission system to neighborhoods and individual customers' properties
- Storage – facilities that provide temporary holding of water to meet peak demands and emergency supply, and maximize system efficiency.
- Pumping – the mechanism for moving water from the transmission system to storage tanks.
- Customer – billing and other services related to customers.
- Meters – replacement and maintenance of meters.

- Fire Protection – the additional facilities (e.g., hydrants) and capacity (larger supply lines and storage) in the system to meet the fire protection needs of the community.
- Franchise Fee – an indirect cost paid by the utility for the use of the City's right of way, based water on sales.

Operation and Maintenance Costs

Table 5-1 shows the allocation of O&M costs to utility function. The City contracts for water treatment services with Veolia Water; therefore, water treatment personnel costs are included in the \$2.4 million of treatment costs, included under "materials and services". Treatment costs also include pass-through costs for electricity and chemicals, as well as plant maintenance expenditures. Approximately \$1.0 million of the total \$2.8 million of treatment costs is estimated to be recovered through rates to the City of Sherwood. Annual treatment costs are recovered from Sherwood based on their proportionate average annual water use.

The remaining \$1.7 million of the water system budget for FY2013/14 is for distribution system functions (including storage, pumping, and fire protection), as well as customer and meter-related services and franchise fee costs. Public fire protection costs include staff and materials costs related to fire hydrants maintenance. Transfers are primarily for City direct and indirect services provided by other departments. Some of these costs are allocated directly (in the case of customer billing costs and treatment contract over-site), and others are allocated indirectly to the other functional categories because they support the entire system.

WATER COST OF SERVICE RATE STUDY

Table 5-1

City of Wilsonville

Allocation of O&M Costs to System Functions

Department / Description	Treatment	Transmission	Distribution	Storage	Pumping	Public		Meter	Franchise		Total
						Fire Protection	Customer		Fee	Indirect	
Personal Services	\$0	\$0	\$12,569	\$390,913	\$21,996	\$14,664	\$42,944	\$26,185	\$0	\$0	\$509,270
Materials & Service											
Finance	\$0	\$0	\$0	\$0	\$0	\$0	\$67,920	\$0	\$0	\$21,229	\$89,149
Distribution	-	7,595	332,300	30,392	31,731	25,951	24,359	59,050	-	-	\$511,379
Treatment	2,397,771	-	-	-	-	-	-	-	-	-	\$2,397,771
Franchise Fee	-	-	-	-	-	-	-	-	215,347	-	\$215,347
Capital Outlay											
Distribution	-	-	-	-	-	-	-	-	-	-	\$0
Treatment	306,000	-	-	-	-	-	-	-	-	-	\$306,000
Transfers (NonCapital)	98,430	-	-	-	-	-	80,800	-	-	288,270	\$467,500
Total	\$2,802,201	\$7,595	\$344,869	\$421,305	\$53,727	\$40,615	\$216,022	\$85,235	\$215,347	\$309,499	\$4,496,416
Direct Allocation %'s	0%	1%	52%	4%	3%	5%	14%	4%	16%	0%	
Re-Allocation of Indirects	\$0	\$4,507	\$161,646	\$11,709	\$10,370	\$15,399	\$44,538	\$13,198	\$48,132	\$0	
Total	\$2,802,201	\$12,102	\$506,515	\$433,014	\$64,097	\$56,013	\$260,560	\$98,433	\$263,479		\$4,496,416
Less: Sherwood Costs	(\$1,005,336)										
Net O&M Costs	\$1,796,865	\$12,102	\$506,515	\$433,014	\$64,097	\$56,013	\$260,560	\$98,433	\$263,479	\$0	\$3,491,080

Capital Costs

Annual capital costs consist of capital outlays for improvements dedicated through the CIP process, transfers to/from reserves to pay for a portion of capital costs, and debt service on existing bonds and obligations. Consistent with industry standards, the functionalization percentages for capital costs are based on the proportionate allocation of the book value of existing water system fixed assets and planned future improvements.

As Table 5-2 shows, approximately 36 percent of capital costs are for treatment, 25 percent are for the transmission, and 14 percent are for distribution system. Storage costs represent almost 21 percent of capital costs. The remaining costs are allocated to pumping, fire protection, and metering.

Table 5-2
City of Wilsonville
Allocation of Costs to System Functions

Function	Allocation	Capital Costs	Other Revenue	Net Capital Costs
Treatment	36.0%	\$1,107,183	(\$404,904)	\$702,280
Transmission	24.9%	\$766,959	(\$280,482)	\$486,478
Distribution	13.5%	\$416,724	(\$152,399)	\$264,326
Storage	20.6%	\$635,155	(\$232,280)	\$402,875
Pumping	0.3%	\$10,639	(\$3,891)	\$6,748
Fire Protection	3.5%	\$108,636	(\$39,729)	\$68,907
Customer	0.0%	\$0	\$0	\$0
Meter	1.1%	\$33,152	(\$12,124)	\$21,028
Franchise Fee	0.0%	\$0	\$0	\$0
		\$3,078,449	(\$1,125,807)	\$1,952,642

5.2 Allocation to Service Characteristics

The allocation of water system costs to service characteristics follows the Base-Extra Capacity cost allocation method recommended by the AWWA. Using this method, costs are defined and segregated into the following categories:

- Base (Average Day)
- Maximum Day
- Maximum Hour
- Customer or Billing
- Equivalent Meter
- Fire Protection
- Franchise Fees

Base or average day costs include capital costs and O&M expenses associated with service to customers under average demand conditions but do not include any costs attributable to variations in water use resulting from peaks in demand. Base costs tend to vary with the total quantity of water used.

Maximum-day and maximum-hour costs include costs attributable to facilities that are designed to meet peaking requirements. Such costs include capital and operating charges for additional plant and system capacity beyond that required for average rate of use.

Customer or billing costs are associated with any aspect of customer service, including billing and accounting services. These costs are independent of the amount of water used and the size of the customer's meter, and are not subject to peaking factors.

Equivalent meter costs are associated with the purchase and maintenance of water meters. Equivalent meter factors equate the hydraulic capacity of meters of different sizes to calculate the total number of 3/4 - inch equivalent meters connected to the water system in each customer class.

Fire protection costs include the additional capacity in the system to meet the fire protection needs of the community.

Emergency costs are the portion of storage costs designated for emergency needs of the community.

Franchise fee is paid by the utility for the use of the City's right-of-way based on sales inside the City.

Table 5-3 presents the service characteristic allocations for each function.

WATER COST OF SERVICE RATE STUDY

Table 5-3

City of Wilsonville

Net Requirements By Service Characteristic

	Base	MDD	MHD	Fire	Emergency	Customer	Meter	Indirect	Total
FY 2013-14									
Treatment	\$2,132,282	\$366,863	\$0	\$0	\$0	\$0	\$0	\$0	\$2,499,145
Transmission	\$244,110	\$267,039	\$0	\$0	\$0	\$0	\$0	\$0	\$511,149
Distribution	\$272,667	\$299,118	\$378,119	\$199,281	\$0	\$0	\$0	\$0	\$1,149,185
Storage	\$78,557	\$43,253	\$25,377	\$32,338	\$287,447	\$0	\$0	\$0	\$466,972
Pumping	\$30,286	\$33,227	\$0	\$0	\$0	\$0	\$0	\$0	\$63,513
Fire Protection	\$0	\$0	\$0	\$153,200	\$0	\$0	\$0	\$0	\$153,200
Customer	\$0	\$0	\$0	\$0	\$0	\$243,802	\$0	\$0	\$243,802
Meter	\$0	\$0	\$0	\$0	\$0	\$0	\$93,276	\$0	\$93,276
Franchise Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$263,479	\$263,479
Total	\$2,757,903	\$1,009,499	\$403,497	\$384,819	\$287,447	\$243,802	\$93,276	\$263,479	\$5,443,722
Direct Allocation %	53%	19%	8%	7%	6%	5%	2%		
Re-Allocation of Indirects	\$140,273	\$51,345	\$20,523	\$19,573	\$14,620	\$12,400	\$4,744		\$263,479
Total	\$2,898,176	\$1,060,845	\$424,020	\$404,392	\$302,067	\$256,202	\$98,020		\$5,443,722

The allocation of O&M costs differs in some cases from the capital allocation—O&M costs are based on the operation of facilities, while capital costs consider facility design. For example, treatment O&M costs are allocated to average day demand, as the plant facilities are not operated based on the peaking requirements of the system; however, capital cost are allocated to both average and maximum day demands, reflecting plant sizing criteria. Transmission and pumping facilities are operated to meet base and maximum day demands. Distribution lines are sized to meet peak hour demands, as well as fire flows. Storage facilities also play a role in meeting peak demands and fire and emergency needs; allocations reflect design criteria determined in the Water System Master Plan.

For facilities sized based on maximum day demands, the specific allocation of costs between average demand and max day demand reflects the historical (4-year average) system operations, as follows:

General Allocation of Cost Based on a Max-Day Design Capacity
(Transmission, Pumping, Treatment Capital)

Base allocation = average day (1.00) / max day peaking factor (2.1) = 48 percent

Max-day allocation = (max day use (2.1) – average day use (1.00)) / max day use (2.1) = 52 percent

As shown in Table 5-3, almost half of water system costs are allocated to average day demand, and about one-quarter of costs are related to peak demands. Fire protection and emergency capacity costs are 13 percent of the total, and customer and meter costs are 5 percent and 2 percent of costs, respectively.

5.3 Allocations to Customer Classes

Allocation of costs by service characteristic to customer classes is based on the proportionate use levels of each characteristic by each class. The basis for the allocation of water system costs by service characteristic to customer classes is summarized in Table 5-4.

Standby capacity (fire protection and emergency capacity) is a general community benefit for all customers, irrespective of the actual volume of water used. As such, the AWWA endorses allocation of all or a portion of standby capacity based on accounts or equivalent meters (the latter of which provides some scaling for size of development and land use).

TABLE 5-4
Water System Service Characteristic Allocation Basis

Service Characteristic	Basis of Allocation
Average Demand	Annual water use
Max Day Demand	Peak day rate of use
Max Hour Demand	Peak hour rate of use
Customer	Number of customer bills
Equivalent Meter	Number of meter equivalents
Fire & Emergency	Number of meter equivalents

Using a meter equivalent approach allows scaling of charges based on meter size, so more costs are allocated to customers with greater standby capacity requirements (e.g., larger commercial, industrial, and multifamily customers).

Shifts in Revenue Responsibility

The total allocated water system costs by customer class for FY 2013/14 are summarized in Table 5-5. A comparison of the allocated revenue requirements against estimated FY 2013/14 revenues from existing rates is also provided. Based on the revised cost of service analysis and policy framework, the revenue requirement from residential customers is projected to increase, primarily as a result of summer peaking and fire protection requirements, and an increase in customer-related costs. The remaining customer classes decrease based on the revised cost of service, with industrial customers having the most significant decrease.

Table 5-5
City of Wilsonville
Comparison of Revenue Recovery (FY2013/14)

Class	Current Rates	Revised COS
Residential	\$1,757,180	\$1,870,603
Commercial	\$809,803	\$793,009
Industrial	\$559,298	\$501,204
Irrigation	\$1,349,993	\$1,329,407
Multifamily	\$972,784	\$954,798
Total	\$5,449,058	\$5,449,022
Change from Current		
Residential		6.5%
Commercial		-2.1%
Industrial		-10.4%
Irrigation		-1.5%
Multifamily		-1.8%

6.0 Rate Design

Rate design involves determining systems of charges for each class of customers that will generate a desired level of revenue. The recommended rates shown in the section, generate revenues by class that is approximately equal to the allocated cost responsibility of each class shown in Section 5, and are revenue neutral in total to the current rates.

6.1 Water Rate Options

Current and recommended rates are shown in Table 6-1. Like the existing rates, the recommended rates include a base charge, a meter charge (which varies by meter size for nonresidential customers), and a volume rate for each customer class.

Table 6-1
City of Wilsonville
Comparison of Current and Recommended Water Rates

	Current	Recommended ¹
Monthly Quantity (ccf)²	4-17	2
Residential Rates		
Base Charge (\$/month)	\$19.88	\$19.13
Volume Charge (\$/ccf)		
Winter Use & Summer Tier 1 (Winter Avg. +3 ccf)	\$3.70	\$3.22
Summer Tier 2 (Use>Winter Avg. +3 ccf)	\$5.61	\$5.39
Nonresidential Rates		
Base Meter Charge (\$/month)		
3/4"	\$19.88	\$19.13
1"	\$21.91	\$21.12
1.5"	\$24.03	\$23.76
2"	\$28.16	\$31.04
3"	\$32.32	\$62.80
4"	\$36.44	\$104.49
6"	\$44.81	\$150.80
8"	\$55.63	\$203.74
10"	\$75.90	\$251.71
Volume Charge (\$/ccf)		
Commercial	\$3.64	\$3.36
Industrial	\$3.92	\$3.41
Irrigation	\$5.61	\$5.39
Multifamily	\$3.79	\$3.46

ccf = hundred cubic feet (748 gallons)

¹ The recommended rates are the same as Scenario 2a presented at the November 4, City Council Work Session

² The monthly quantity is the usage included in the Base Charge. In current rates, the monthly quantity increases with meter size for nonresidential customers

Fixed Charges

For both the existing rates and the recommended rates, the base charges include a minimum monthly quantity that is charged to customers regardless of their monthly water use. For existing rates, the minimum quantity varies by meter size; the smallest meter sizes (3/4" and 1") have a minimum quantity of 4 ccf, and the largest meter size (10") has minimum quantity of 17 ccf. For the recommended rates, the monthly minimum quantity is 2 ccf for all meter sizes, consistent with the City's existing wastewater rates.

In addition to the monthly quantity cost, the base charges recover the costs of meter replacement, billing and customer services costs, and in the case of the recommended rates, a portion of standby capacity costs. The current rates generate about \$1.3 million (about 24 percent) of total annual rate revenue from base charges, primarily through the minimum quantity charges. In the recommended rates, standby capacity costs are added to the base charges to maintain revenue of about \$1.3 million, since the minimum quantity cost is reduced.

Reducing the minimum quantity is consistent with cost of service principles, as many customers use less than the current monthly minimum. However, there are additional costs that are "fixed" in nature (do not vary with monthly water use); inclusion of a portion of these costs in the base charge (in place of monthly minimum charges) enhances rate equity and balances rate stability. In actuality, the majority (over 75 percent) of a water system's costs are fixed; however, most utilities' rate structures generate more revenue from volume rates in order to balance revenue stability goals with conservation and customer affordability concerns.

Another feature of the recommended rates is that the base charges for larger meters increase more significantly than the smaller meters. This is consistent with cost of service principles, as meter replacement and standby capacity costs increase with the size of the meter. This practice is also consistent with other communities.

Volume Charges

As shown in Table 6-1, the existing and recommended rate options include volume charges that vary by customer class, and a 2-tiered volume rate for residential customers. The volume charges are assessed all usage *in excess* of the monthly minimum quantity. The volume rates are designed to recover the average and peak demand-related costs allocated to each customer class; therefore, the rates for residential irrigation (Summer Tier 2) and irrigation customers are higher than the other customer classes (in both the current and revised rates).

The recommended volume rates are slightly lower than current rates for all customers, reflecting the fact that the minimum charge included in the base charge is reduced. Because the volume rates only apply to usage over the minimum charge, a reduction in the minimum quantity means that more usage is subject to the volume charges, so rates are reduced to maintain revenue neutrality.

6.2 Sample Bills

Tables 6-2 and 6-3 present sample monthly bills under current and recommended rates for FY 2013-14, for different levels of water use within each customer class. Bill impacts vary within each customer class based on billed usage levels and meter sizes.

Table 6-2

City of Wilsonville

Sample Bill Comparison – Residential

	Monthly Use (ccf)	Current Rates	Recommended Rates
Small	2	\$19.88	\$19.13
Winter Average	5	\$23.58	\$28.78
Summer Average ¹	8	\$34.68	\$38.43
Large Summer ²	25	\$120.50	\$119.25
Small	2		(\$0.75)
Winter Average	5		\$5.20
Summer Average	8		\$3.75
Large Summer	25		(\$1.25)

¹Assumes customer winter average = 8 ccf

²Assumes customer winter average = 10 ccf

For most residential customers, the average bill increase (over the course of the year) will generally be in the \$3-\$4 per month range (with higher bill increases in the winter months, and lower bill increases in the summer months). However, annual bills for very small volume users would decrease, as would the bills for very large summer water users. In future years, all customer bills would increase uniformly based on the system-wide increase (currently projected to be 2.25 percent).

Tables 6-3 presents sample monthly bills under current rates and recommended rates for other customer classes. As for residential customers, bill impacts vary within each customer class based on billed usage levels and meter sizes. However, in general, most customers whose average use approximates the current monthly minimum (4-17 units) will see moderate bill increases during the months that usage is low; higher levels of use will result in bill decreases, due to the reduction in the volume rates. Customers with large meters (2" and over) will see more bill increases, compared to customers with smaller meter sizes; however, most large meter customer bills will still decrease under the recommended rates due to reduction in the volume rates.

While a shift to cost-of-service rates will have significant bill impacts on some users in the short-run (FY2013/14), future bill increases are projected to be less than inflation for all customers.

WATER COST OF SERVICE RATE STUDY

Table 6-3

City of Wilsonville

Typical Bill Comparison - Nonresidential

	Monthly Use (ccf)	Meter Size	Current Minimum	Monthly Bill \$		Difference \$	
				Current	Recommended	Current	Recommended
Monthly Minimum (ccf)				4-17	2		
Commercial							
Small Meter 1	5	3/4"	4	\$23.52	\$29.20	\$1.03	\$5.68
Small Meter 2	25	3/4"	4	\$96.32	\$96.30	(\$1.74)	(\$0.02)
Avg Use - Small Meter	54	1.5"	5	\$201.64	\$197.54	(\$5.01)	(\$4.10)
Avg Use - Large Meter	54	3"	7	\$203.40	\$237.27	\$1.60	\$33.87
Large Meter	2,500	10"	17	\$9,114.02	\$8,632.70	(\$306.71)	(\$481.32)
Industrial							
Small Meter 1	5	1"	4	\$25.83	\$31.33	(\$0.97)	\$5.50
Small Meter 2	50	1"	4	\$202.23	\$184.60	(\$21.02)	(\$17.63)
Avg Use - Small Meter	143	1.5"	5	\$566.16	\$505.02	(\$59.88)	(\$61.14)
Avg Use - Large Meter	143	3"	7	\$566.61	\$544.06	(\$52.64)	(\$22.56)
Large Meter	2,200	6"	10	\$8,629.61	\$7,637.04	(\$953.16)	(\$992.57)
Irrigation							
Small Meter 1	5	3/4"	4	\$25.49	\$35.31	\$1.04	\$9.82
Small Meter 2	50	3/4"	4	\$277.94	\$278.05	(\$4.34)	\$0.11
Avg Use	69	1.5"	5	\$380.99	\$383.16	(\$5.88)	\$2.17
Large Meter	2,700	3"	7	\$15,140.05	\$14,615.88	(\$314.36)	(\$524.17)
Multifamily							
Small Meter 1	5	3/4"	4	\$23.67	\$29.52	\$1.02	\$5.85
Small Meter 2	25	3/4"	4	\$99.47	\$98.79	(\$1.78)	(\$0.68)
Avg Use - Small Meter	49	1.5"	5	\$190.55	\$186.32	(\$4.41)	(\$4.23)
Avg Use - Large Meter	49	3"	7	\$191.26	\$225.36	\$2.23	\$34.10
Large Meter	550	6"	10	\$2,091.41	\$2,048.73	(\$52.91)	(\$42.68)

CITY COUNCIL MEETING STAFF REPORT

Meeting Date: December 2, 2013		Subject: Housing Needs Analysis (Goal 10) Project Staff Member: Katie Mangle Department: Community Development	
Action Required <input type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input type="checkbox"/> Ordinance 1 st Reading Date: <input type="checkbox"/> Ordinance 2 nd Reading Date: <input type="checkbox"/> Resolution <input type="checkbox"/> Information or Direction <input checked="" type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input type="checkbox"/> Consent Agenda		Advisory Board/Commission Recommendation <input type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input checked="" type="checkbox"/> Not Applicable Comments: This will be a joint work session with the Wilsonville Planning Commission.	
Staff Recommendation: None. This is a briefing for information and discussion only.			
Recommended Language for Motion: N/A			
PROJECT / ISSUE RELATES TO:			
<input checked="" type="checkbox"/> Council Goals/Priorities 5. Thoughtful Land Use	<input type="checkbox"/> Adopted Master Plan(s)	<input type="checkbox"/> Not Applicable	

ISSUE BEFORE COUNCIL:

The City is preparing a Housing Needs Analysis to meet statewide planning program requirements and to inform planning for the Frog Pond and Advance Road areas. The purpose of this work session is to discuss the results of the analysis and the preliminary strategy for meeting the identified needs.

EXECUTIVE SUMMARY:

The purpose of the housing needs analysis is to develop a technical report that forecasts Wilsonville's housing needs over the next 20 years. Based on this technical analysis, Wilsonville will develop policies and strategies to ensure that the City provides an opportunity for

development of needed housing consistent with the City's values.

Outcome of the project will be a Residential Lands Study Summary, a highly illustrated 10-20 page document that summarizes the analysis and Wilsonville's strategy for the future. It will tell the story of the demographics of the community, how it is planning for industrial and residential development, and outline policy for the future. The technical work, including a 120-page Housing Needs Analysis report, will be appendices to the Summary. Before preparing the Summary for public review next month, project staff is seeking feedback on the material included in Attachments 1 and 2.

When most cities prepare a Goal 10 study, the outcome tends to be a requirement to add land to the Urban Growth Boundary, or a list of required actions needed to either comply with state requirements or meet the community's forecasted housing need. As outlined below, the analysis prepared by ECONorthwest has concluded that generally Wilsonville's Comprehensive Plan and Development Code meet state requirements, and already provide an adequate framework for meeting the forecasted housing need. Two key messages from the study are: 1) when planning for future development in Frog Pond or Town Center, the community has latitude (though not complete autonomy) for local decision-making about the form and density of housing; and, 2) in the next 20 years, Wilsonville is likely to run out of residential land capacity.

Through this study, the City is required to address several questions, as outlined below:

Question 1 - Capacity: What is the development capacity of Wilsonville's residentially-planned available land?

Answer: 3,390-4,229 dwelling units

Wilsonville has 477 buildable acres of residential land in the Urban Growth Boundary, including the Frog Pond area.¹ This study assumes new development within the city will occur within the range of densities adopted for each residential district in the Comprehensive Plan, or at the densities outlined in the Villebois Master Plan. Frog Pond, which has yet to be planned, is assumed for the purposes of this study to develop with 5 – 8.5 units per gross acre (houses on roughly 7,000-8,000 square foot lots).² See Attachment 1 for a more detailed explanation of the assumptions.

¹ A summary of the Buildable Lands Inventory was provided to Council for the July 2013 project briefing. The full memorandum on this topic can be found on the project website:
<http://www.ci.wilsonville.or.us/Index.aspx?page=1101>

² The Planning Commission recommends that the City assume residential densities at the low end of this range to help bring the ratio of single family and multifamily housing types closer to balance.

Question 2 - Demand: Over the next 20 years, can Wilsonville accommodate the forecasted growth in housing units on its available land?

Answer – Possibly not.

Per the official regional population growth forecast, Wilsonville will need to accommodate 3,749 dwelling units within its planning area (current City, plus Frog Pond). Using this forecast, over the next twenty years Wilsonville will come close to capacity (see Table 5, in Attachment 2). Based on historical trends and Wilsonville's locational and employment growth forecast, staff believes this forecast is likely to be low – it assumes 1.8 percent average annual growth. Wilsonville's population growth over the 1990-2012 period averaged 4.9 percent.

If growth occurs at rates faster than the assumptions in Metro's forecast, or if housing densities are closer to the low capacity assumptions, Wilsonville will have a deficit of land to accommodate growth over the 2014 to 2034 period (see Table 7, in Attachment 2).

Question 3: Housing Mix – Can Wilsonville comply with the state requirement to provide the opportunity for at least 50 percent of new development citywide to be multifamily or attached single family?

Answer: Yes.

Wilsonville's adopted plans and policies for development in Villebois and the Planned Development zones provide this opportunity as land develops within the city. This conclusion is based on the type of development likely to implement our adopted Comprehensive Plan densities and the adopted mix allocation in Villebois. For the Frog Pond area, which has not been planned or zoned, 90 percent of new housing is assumed to be single-family detached, but the City could still meet the state requirement if it is assumed that all of the area is developed with detached single family housing.

If housing is developed according to the above assumptions, Wilsonville's future housing mix would be 50 percent single family detached and 50 percent multifamily and single family attached. See Attachment 1 for a more detailed explanation of the assumptions that went into this modeling.

Question 4: At build-out, would Wilsonville comply with the state requirement to develop at a minimum overall density of 8 units/ net acre?

Answer: Yes.

Estimating the capacity of vacant residential land to accommodate new dwelling units requires making assumptions about the number of units allowed per acre, or density. The estimate assumes for the land already in the city that is designated as Residential develops to the densities allowed in the Comprehensive Plan. The Villebois Master Plan describes the number of units per acre planned for Villebois. See Attachment 1 for a more detailed

explanation of the assumptions. Development in the Frog Pond area is assumed to be 5-8.5 units per gross acre.

Based on the above assumptions, the overall density of newly constructed housing in Wilsonville will be 7.1 dwelling units per *gross* acre, which is an average of about 8.8 dwelling units per *net* acre.

Question 5: Affordability - Is the City adequately accommodating the financial capability of present and future area residents of all income levels over the 20-year planning period?

Answer: Yes.

Based on Wilsonville's current household income distribution, about 31 percent of households in Wilsonville could be considered low or very low income, 22 percent are low-middle income households and 47 percent are considered high or upper-middle income. Wilsonville will have an ongoing need for housing affordable to lower-income households, and the City is meeting its obligation to plan for needed housing types for households at all income levels. See Table 6 in Attachment 2.

Policy Considerations

The housing needs analysis concludes that Wilsonville, through its adopted Comprehensive Plan policies, is complying with the key mix and density provisions of Statewide Planning Goal 10 and the Oregon Revised Statutes. Moreover, the analysis concludes that Wilsonville has enough buildable residential land to accommodate Metro's forecast of new dwelling units for the 2014-2034 period. The housing needs analysis, however, identified several other policy considerations, including a higher growth rate leading to potential residential land deficiency and future scenarios in Frog Pond and Town Center. For more discussion, see Attachment 2.

The housing needs analysis, however, identified several other policy considerations that should inform the City's planning for future development.

- To bring the ratio of multifamily / single family housing types to 50/50, plan for predominantly detached single family in the Frog Pond area.
- If growth occurs at rates faster than Metro's assumptions, Wilsonville will consume its residential land supply within 20 years.
- Monitor housing growth and development in a more robust way so the City is empowered to work with Metro to establish a higher growth allocation, if growth patterns continue to exceed the forecast.
- Lay the groundwork for annexing Advance Road into the UGB.
- Adopt Development Code and Comprehensive Plan amendments needed to fully comply with Goal 10:
 - Add a clear and objective review process for single-family residential development in Old Town, and for stand-alone residential developments that don't require a Planned Development application
 - Allow duplexes in all PD-R zones

- Prohibit mobile homes in PD-C and PD-I zones

EXPECTED RESULTS:

Completion of the Housing Needs Analysis will fulfill one of the City's two remaining Periodic Review tasks. The information and strategies developed during this project will lead to legislative amendments to the Development Code and will inform the upcoming planning work for Frog Pond.

TIMELINE:

- **December:** Draft Wilsonville Residential Lands Report will be ready for Commission review. This report includes a Summary Report and the Housing Needs Analysis, which will be attached as a technical appendix largely focused on demonstrating compliance with state requirements.
- **January:** The Committee for Citizen Involvement will host a widely-advertised public forum on the draft strategy. Council will hold a work session on the draft Wilsonville Residential Lands Report.
- **Spring 2013:** Review and conduct public hearings on the final draft of the Wilsonville Residential Lands Report, which will include the Summary, Needs Analysis, and Strategy.

CURRENT YEAR BUDGET IMPACTS:

ECO Northwest's contract for approximately \$39,000 is being funded by the Planning Division consultant services budget, as adopted in the 2012-13 and 2013-14 fiscal year budgets.

FINANCIAL REVIEW / COMMENTS:

Reviewed by: JEO Date: 11-19-13

All costs for the study are included in the current year budget

LEGAL REVIEW / COMMENT:

Reviewed by: MEK_____ Date: 11/19/2013_____

The report to the joint meeting of the Planning Commission and City Council is part of the public process to meet the required land use planning task of developing a Residential Lands Report inclusive of the Housing Needs Analysis for periodic review.

COMMUNITY INVOLVEMENT PROCESS:

The Planning Commission is the primary public advisory group for the project. This meeting is the second of two joint work sessions with Council. ECONorthwest conducted in-depth interviews with five key people involved in Wilsonville's housing market (realtors, developers, and home builders) to inform the assumptions made during the study. To include other interested parties, the Committee on Citizen Involvement (CCI) will convene one broadly advertised public forum in January to share the draft findings and recommendations. This will allow interested parties to receive all of the background information and influence the recommendations before

the Planning Commission and Council consider preparing the final report for adoption. Additionally, staff is coordinating with the counties, state, and regional agency staff to gain advice and procedural concurrence on the project.

POTENTIAL IMPACTS or BENEFIT TO THE COMMUNITY

The outcomes of this project will inform long-range planning and policy for the next generation of residential growth in Wilsonville.

ALTERNATIVES:

Council may direct staff to modify or delay the project.

CITY MANAGER COMMENT:

ATTACHMENTS

1. Memo – Wilsonville Residential Housing Capacity
2. Memo – Wilsonville Residential Housing Needs Analysis: Results and Policy Considerations

DATE: August 6, 2013
TO: Wilsonville Planning Commission
CC: Katie Mangle and Chris Neamtzu
FROM: Beth Goodman and Bob Parker
SUBJECT: WILSONVILLE RESIDENTIAL HOUSING CAPACITY

The City of Wilsonville is conducting a housing needs analysis (HNA), which is a task in the City's Periodic Review work program. A key part of the HNA is determining the amount of housing that can be accommodated on land identified as developable in the City's residential buildable lands inventory. This memorandum presents low and high estimates of Wilsonville's capacity to accommodate new housings. This memorandum is organized as follows:

- **Summary of housing capacity estimates** summarizes the estimate of housing capacity on suitable residential land in Wilsonville.
- **Methods** describes the methods ECONorthwest ("ECO") used for the analysis.
- **Detailed housing capacity estimates** presents ECO's analysis of the ability of vacant, buildable residential land in Wilsonville to accommodate new housing, including key assumptions about residential land capacity..

SUMMARY OF HOUSING CAPACITY ESTIMATES

In determining a range of capacity for Wilsonville's buildable residential land, we considered two scenarios: (1) a low capacity scenario and (2) a high capacity scenario. The scenarios are based on existing policies (where available) and use the following information and assumptions:

- **Suitable buildable land** by Comprehensive Plan Designation summarized in Table 2, based on analysis by City of Wilsonville staff.
- **Planned density** for Residential land shown in Table 3. For Residential land within Wilsonville's city limits, the density assumptions are based on assigned densities in the Comprehensive Plan.
- **Potential density** for residential development on the Residential land in the Area of Special Concern L (a.k.a. Frog Pond), which is located within the Metro urban growth boundary but not within Wilsonville's city limits.
- **Planned density** for the Village designation. The adopted Villebois Master Plan describes the amount and type of housing yet to be built in Villebois, summarized in Table 5.
- **Commercial land** residential capacity, shown in Table 6, based on analysis of low and high residential development capacity on commercial land developed by City of Wilsonville staff.

Based on the analysis in the following sections, Table 1 shows that Wilsonville's suitable buildable residential land base (shown in Table 2) has capacity to accommodate between 3,390 and 4,229 new dwelling units.

- The **low** capacity scenario results in an overall density of 7.1 dwelling units per gross acre or 8.4 dwelling units per net acre.
- The **high** capacity scenario results in an overall density of 8.9 dwelling units per gross acre or 10.5 dwelling units per net acre.
- Both scenarios exceed the State requirement (OAR 660-007-0035(2)) to "provide for an overall density of eight or more dwelling units per net buildable acre." The low capacity scenario results in an average density of 8.4 dwelling units per net acre and the high capacity scenario results in an average density of 10.5 dwelling units per net acre.
- Both scenarios result in an average density lower than the 12.4 dwelling units per net acre of residential development constructed in Wilsonville over the 2000 to 2012 period.
- Both scenarios show that Wilsonville's land base, including Frog Pond, has capacity to accommodate Metro's forecast of demand for 2,769 new dwelling units in Wilsonville over the 2014 to 2034 period.

Table 1. Summary of housing capacity on suitable buildable land, Wilsonville

Comprehensive Plan Designation	Low Capacity (dwelling units)	High Capacity (dwelling units)	Average Development Densities (dwelling units per gross acre (du/ga))		
			Suitable Buildable Land (gross acres)	Low Capacity (du/ga)	High Capacity (du/ga)
Residential	701	942	102	6.9	9.3
Concern L (Frog Pond)**	738	1,256	148	5.0	8.5
Villebois	1,736	1,736	206	8.4	8.4
Commercial	215	295	22	9.9	13.6
Total	3,390	4,229	477	7.1	8.9

Source ECONorthwest

**Note: Frog Pond is located within the Metro UGB but outside of Wilsonville's city limits.

The assumptions about density and development capacity described in the following sections have implications for the types of housing likely to be built in Wilsonville. Table 7 presents an estimate of the mix of housing (single-family detached housing compared to single-family attached and multifamily housing) that is likely to be developed on Wilsonville's suitable buildable residential land, given the assumptions used in this analysis.

Both the low and high capacity scenarios (summarized in Table 1) result in a housing mix of 48% single-family detached and 52% single-family attached and multifamily for new construction, city-wide. The remainder of this memorandum describes the methods and assumptions used to estimate housing capacity on Wilsonville's buildable residential land.

METHODS

This analysis estimates the number of new dwelling units that can be accommodated on Wilsonville's residential land supply. This analysis, called a "capacity analysis,"¹ can be used to evaluate different ways that vacant residential land may build out by applying different assumptions.

In short, land capacity is a function of buildable land, housing mix, and density. The basic form of any method to estimate capacity requires (1) an estimate of *buildable* land (e.g., land that is developable minus constraints such as Wilsonville's Significant Resource Overlay Zone (SROZ)), and (2) assumptions about density. The arithmetic is straightforward:

$$\text{Buildable Land (ac)} * \text{Density (du/ac)} = \text{Capacity (in dwelling units)}$$

For example:

$$100 \text{ acres} * 8 \text{ du/ac} = 800 \text{ dwelling units of capacity}$$

The example is a simplification of the method, which skips some of the nuances that can be incorporated into an analysis of capacity (e.g., different densities and housing mixes in different Comprehensive Plan Designations). The following sections describe ECO's approaches to estimating capacity.

¹ In this memorandum, the term "capacity analysis" is used as shorthand for estimating how many new dwelling units the vacant residential land in the UGB is likely to accommodate.

DETAILED HOUSING CAPACITY ESTIMATES

This section presents information about: (1) Wilsonville's buildable suitable residential land base; (2) assumptions for densities on Residential land; and (3) housing capacity estimates for Residential land within the city limits, Residential land in Frog Pond, Villebois, and Commercial land.

Residential land base

The first step in the capacity analysis is to establish the base of buildable residential land.² The City of Wilsonville's residential buildable lands inventory identified about 479 gross acres of developable residential land in Wilsonville in 2013. The inventory identified 251 gross acres of vacant buildable land and 228 gross acres of land that is partially vacant or likely to redevelop.

Table 2 shows details of the Wilsonville residential land inventory. A full description of the City's methodology for the buildable lands inventory is described the memorandum to the Wilsonville Planning Commission, *Goal 10 Housing Project: Residential Buildable Lands Inventory*, May 27, 2013.³ In short, the City identified buildable residential land using the following methods:

- **Vacant land.** The City identified land that is fully vacant using information in Metro's RLIS GIS database and refining the results through comparison with current aerial photography, field checks, and local records. Staff identified and removed unbuildable land (e.g., publicly owned land or land in the Significant Resource Overlay Zone) from the inventory of vacant land.
- **Partially vacant land or land likely to redevelop.** The City identified land as partially vacant or likely to redevelop over the next twenty years based on improvement value, land value, and site size. Staff identified and removed unbuildable land from the inventory of partially vacant or likely to redevelop land.
 - **Partially vacant land** is land with one (or possibly two) dwelling units on a parcel that could be divided and accommodate additional dwellings. For example, a two acre parcel within the Wilsonville city limits could reasonably be expected to be partitioned to be able to accommodate new residential development. The existing dwelling on a partially vacant parcel may remain in place, with new dwellings built around it, or may be demolished and replaced with all new development.

² OAR 660-007 defines buildable land as follows: "Buildable Land" means residentially designated land within the urban growth boundary, including both vacant and developed land likely to be redeveloped, that is suitable, available and necessary for residential uses.

³ The methodology memorandum is available on the city website:
<http://www.ci.wilsonville.or.us/Modules/ShowDocument.aspx?documentid=11734>

The final buildable lands map is also available on the city website:
<http://www.ci.wilsonville.or.us/Modules/ShowDocument.aspx?documentid=11948>

- **Land that is likely to redevelop** is land with existing development that is relatively likely to redevelop over the 20-year planning period. Redevelopment will result in demolition of existing structures and development of new structures.

Estimating the amount of suitable buildable land in Wilsonville requires accounting for land in partially vacant parcels where the existing dwelling is likely to be preserved. This area is included in Table 2 in the column headed "Partially Vacant Land not Available for Future Development", which shows Wilsonville has 2.7 gross acres of partially vacant parcels (in 24 parcels) where the existing dwelling is likely to be preserved.

Table 2 shows Wilsonville has 477 suitable buildable gross acres.

Table 2. Suitable residential land, Wilsonville, gross acres, 2013

Comprehensive Plan Designation	Amount of land in the Buildable Lands Inventory			Partially Vacant Land not Available for Future Development	Total Suitable Buildable Land
	Vacant	Partially Vacant or Likely to Redevelop	Total Vacant and Partially Vacant or Likely to Redevelop		
Residential	66.1	36.6	102.7	1.0	101.7
0-1 du/ac	0.0	2.2	2.2		2.2
2-3 du/ac	0.3	4.3	4.6	0.67	3.9
4-5 du/ac	3.4	13.4	16.8	0.29	16.5
6-7 du/ac	12.2	8.1	20.3		20.3
6-7/10-12 du/ac*	20.5	0.0	20.5		20.5
10-12 du/ac	29.6	8.6	38.2	0.08	38.1
16-20 du/ac	0.1	0.0	0.1		0.1
Residential, Area of Special Concern L (Frog Pond)**	23.0	126.4	149.4	1.63	147.8
Village	143.4	62.8	206.2		206.2
Commercial	16.9	4.8	21.7		21.7
PDC-TC	13.2		13.2		13.2
PDC	3.7	4.8	8.5		8.5
Total	249.4	230.6	480.0	2.7	477.3

Source: Buildable Land Inventory by the City of Wilsonville; Estimate of Partially Vacant Land not Available for Future Development by ECONorthwest

*Note: The 6-7/10-12 du/ac Designation is one split-zoned property.

**Note: Frog Pond is located within the Metro UGB but outside of Wilsonville's city limits.

Density Assumptions

Estimating the capacity of vacant residential land to accommodate new dwelling units requires assumptions about the number of units allowed per acre, or density. Table 3 presents a range of density assumptions (from low to high) by Comprehensive Plan Designation for Residential land.^{4 5} This section does not present assumptions about capacity in the Village designation because the Villebois Master Plan describes the number of units planned for Villebois.

- **Residential Designations within the city limits.** The density assumptions for the Residential Designations are based on the low and high density allowed in the designation. For example, in the 4-5 du/ac designation, we assume a low density of 4.0 dwelling units per gross acre and a high of 5.0 dwelling units per gross acre.
- **Frog Pond.**⁶ Frog Pond is unincorporated, not yet master planned, and does not have a set density range. Table 3 presents a range of housing density that illustrates Frog Pond's potential capacity.

The low estimate assumes that Frog Pond will have a minimum of 5.0 dwelling units per gross acre (about 6.0 dwelling units per net⁷ acre). The low density estimates that Frog Pond will be developed predominantly with single-family detached housing, with lot sizes averaging about 7,250 square feet.

The high estimate assumes that Frog Pond will have a minimum of 8.5 dwelling units per gross acre (about 10.5 dwelling units per net acre). The high density estimate assumes that Frog Pond will be developed with a mix of housing types but predominantly single-family detached and attached housing, with lot sizes averaging about 4,150 square feet.

⁴ OAR 660-024-0010(6) defines Net Buildable Acres as follows: "Net Buildable Acre" consists of 43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads.

⁵ Though the text of the Comprehensive Plan does not specify whether the assigned densities are per gross or net acre, to the best knowledge of Planning staff and the City Attorney, it has always been interpreted by the City as being "gross". The 1971 General Plan specifically described density as number of units per gross acre, but the Comprehensive Plans since have not been clear. From 1980 through 1999, the Development Code included a policy about how to calculate the density of PDR sites, and this policy describes inclusion of streets, open space, dedications, etc., which amounts to "gross acreage". In 1997, when the City first submitted to Metro its planned capacity for housing, the estimates were derived from the Comprehensive Plan density designations, and described as being per gross acre. That 1997 capacity estimate set Wilsonville's long-term capacity for housing development with respect to regional requirements. All PDR applications since 2000 that staff has reviewed interpret the Comprehensive Plan density ranges as being per gross acre.

⁶ Throughout this memorandum, we refer to land in the Residential Area of Special Concern L as Frog Pond. This area is within the Metro UGB but outside of Wilsonville's city limits.

⁷ Throughout this memorandum, we use a net-to-gross conversion of 18.5% to account for land needed for rights-of-way. This assumption is based on Metro's *Urban Growth Report 2009-2030 Employment and Residential* (January 2010), which assumes that 18.5% of land will be set aside for future streets on tax lots larger than one acre.

The density assumptions in Table 3 are based, in part, on feedback from the Planning Commission and City Council about desire for more opportunities to develop a range of single-family housing types. Examples of housing that could be built in the density ranges described in Table 3 for Frog Pond are: (1) single-family detached housing on a comparatively large lot (e.g., 8,000 to 7,000 square foot lot), (2) single-family detached on lot sizes that are similar to recent single-family development (e.g., 3,500 to 4,000 square foot lots), (3) single-family attached housing, which typically has densities that are comparable to multifamily housing, and (4) multifamily housing.

The density assumptions for Frog Pond are also based on consideration of the results of the capacity analysis and Wilsonville's ability to comply with requirements of OAR 660-007. The conclusion of this memorandum (in Table 7) is that, under the densities and assumptions in the capacity analysis, Wilsonville is able to comply with requirements of OAR 660-007 "to provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing" (without justifying an alternative housing mix) and "provide for an overall density of eight or more dwelling units per net buildable acre."

The density estimates for Frog Pond may change as a result of direction from decisionmakers on this project or as Wilsonville prepares a master plan for Frog Pond.

Table 3. Density assumptions

Comprehensive Plan Designation	Density Assumptions (gross acres)	
	Low	High
Residential within the city limits		
0-1 du/ac	1.0	1.0
2-3 du/ac	2.0	3.0
4-5 du/ac	4.0	5.0
6-7 du/ac	6.0	7.0
6-7/10-12 du/ac	6.0	12.0
10-12 du/ac	10.0	12.0
16-20 du/ac	16.0	20.0
Frog Pond	5.0	8.5

Source: Wilsonville Comprehensive Plan and ECONorthwest

Note: Frog Pond refers to the Residential Area of Special Concern L.

Housing capacity estimates

Table 4 shows the results of the estimate of housing capacity potential on land designated Residential and in Frog Pond.

- **Residential Designations within the city limits.** Collectively, the land currently within the city limits that is designated as Residential has capacity for between 701 to 942 dwelling units, at the adopted densities.
- **Frog Pond.** The Frog Pond area can accommodate between 738 and 1,256 new dwelling units, assuming densities from 5.0 to 8.5 dwelling units per gross acre.

Table 4. Estimate of capacity in the Residential Plan Designation, new dwelling units, Wilsonville

Comprehensive Plan Designation	Suitable Buildable Land (gross acres)	Capacity (dwelling units)	
		Low	High
Residential within the city limits	101.7	701	942
0-1 du/ac	2.2	2	2
2-3 du/ac	3.9	7	11
4-5 du/ac	16.5	66	82
6-7 du/ac	20.3	121	142
6-7/10-12 du/ac	20.5	123	246
10-12 du/ac	38.1	381	457
16-20 du/ac	0.1	1	2
Frog Pond	147.8	738	1,256

Source ECONorthwest

Note: Frog Pond refers to the Residential Area of Special Concern L.

The 2003 Villebois Master Plan calls for a minimum of 2,300 dwelling units in Villebois. The most recent refinement to the Villebois Master Plan (adopted in July 2013) results in addition of 232 additional dwelling units.⁸ The Villebois Master Plan included an area labeled “Future Study Area”, with the assumption that housing units would be planned at a later date. Based on recent proposals to develop this area, it is assumed that this area has capacity for about 113 single-family detached units.

Table 5 shows that Villebois has total capacity for 2,645 dwelling units,⁹ based on the refinements to the Master Plan. As of the end of 2012, the City had approved building permits for development of 909 dwelling units in Villebois. The Villebois master plan allows for an additional 1,743 new units in Villebois. The planned capacity for new units is 656 single-family detached units and 1,080 multifamily and single-family attached units.

Table 5. Villebois capacity

	Units
Units planned	2,645
Units permitted through 2012	909
Single-family detached	470
Multifamily	439
Units left to build	1,736
Single-family detached	656
Multifamily	1,080

Source: Villebois Master Plan; Wilsonville building permit database; analysis by ECONorthwest

Note: Multifamily includes single-family attached

⁸ Planning Case File DB13-0021 includes this finding in “Subsection 4.125 (.18) J. 1. a. v. SAP Refinements: Density”.

⁹ The capacity for dwelling units in Villebois is as follows: 2,300 dwelling units described in the unmodified Master Plan, plus the refinements to the Master Plan to add 232 more units, and plus the in-progress refinement to the Master Plan to add 113 units. That results in 2,645 dwelling units.

Table 6 shows that Wilsonville has about 22 acres of land zoned for commercial use that the City has identified as having capacity for residential development. About 13 acres of this land is in Town Center and the remaining land is zoned PDC.

- **Town Center (PDC-TC).** City staff estimated the capacity in the Town Center designation ranges from 200 to 270 dwelling units based on assumptions about the type of development expected to locate in Town Center.
- **PDC.** City staff estimated the capacity in the Commercial designation ranges from 15 to 25 dwelling units.

Table 6. Capacity on commercial land

Comprehensive Plan Designation	Suitable Buildable Land (gross acres)	Capacity (dwelling units)	
		Low	High
Commercial	21.7	215	295
PDC-TC	13.2	200	270
PDC	8.5	15	25

Source City of Wilsonville staff

Estimate of housing mix based on capacity analysis

The planned density assumptions for Residential Designations presented in Table 3 and the capacity estimates for housing in Villebois (Table 5) and Commercial (Table 6) have implications for the types of housing likely to be built in Wilsonville. This section describes the probable housing mix likely to be developed in Wilsonville as a result of the City's existing residential development policies and the assumptions of future densities in Frog Pond.

Table 7 shows an estimate of the mix of housing (single-family detached housing compared to single-family attached and multifamily housing) on Wilsonville's suitable buildable residential land. We estimated the type of housing in each area based on the following assumptions:

- **Residential.** Table 3 shows the low and high density assumptions in each Residential Designation, based on the densities allowed in the Comprehensive Plan. The analysis in Table 7 makes the following assumptions about housing mix for both the low and high capacity scenarios:
 - In Comprehensive Plan Designations with a density of 7 dwelling units per acre or lower, all new housing is assumed to be single-family detached housing.
 - In the 6-7/10-12 dwelling unit per acre Comprehensive Plan Designation, 55% of dwelling units are assumed to be single-family detached housing and 45% are assumed be single-family attached and multifamily housing.
 - In the 10-12 dwelling unit per acre Comprehensive Plan Designation, 10% of dwelling units are assumed to be single-family detached housing and 90% are assumed be single-family attached and multifamily housing.
 - In the 16-20 dwelling unit per acre Comprehensive Plan Designation, all new housing is assumed to be single-family attached and multifamily housing.

- **Frog Pond.** Table 7 assumes a different housing mix based on the different average density assumptions in the low and high capacity scenarios.
 - In the low capacity scenario, Table 3 assumes an average density of 5.0 dwelling units per gross acre. Table 7 assumes that 90% of housing will be single-family detached and 10% will be single-family attached.
 - In the high capacity scenario, Table 3 assumes an average density of 8.5 dwelling units per gross acre. Table 7 assumes that 75% of housing will be single-family detached and 25% will be single-family attached.
- **Villebois.** Table 7 uses the housing mix shown in Table 5.
- **Commercial.** Table 7 assumes that all housing on Commercial land will be single-family attached or multifamily because housing is only allowed in Commercial as part of a mixed-use development.

Both the low and high capacity scenarios in Table 7 result in a housing mix of 48% single-family detached and 52% single-family attached and multifamily for new construction, city-wide. Both scenarios exceed the State requirement (OAR 660-007-0030(1)) to “to provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing or justify an alternative percentage based on changing circumstances.”

Table 7. Estimated housing mix on Wilsonville’s buildable residential land based on existing development densities

Comprehensive Plan Designation	Low Capacity (dwelling units)		High Capacity (dwelling units)	
	Single-family detached	Single-family attached and multifamily	Single-family detached	Single-family attached and multifamily
Residential	302	399	418	524
Residential, Area of Special Concern L (Frog Pond)**	664	74	942	314
Villebois	656	1,080	656	1,080
Commercial	0	215	0	295
Total Units	1,622	1,768	2,016	2,213
Percent of Total	48%	52%	48%	52%

Source ECONorthwest

**Note: Frog Pond is located within the Metro UGB but outside of Wilsonville’s city limits.

As Wilsonville’s decisionmakers discuss the results of the capacity analysis, a key point of discussion may be the assumptions used in this analysis about density (and the implications for housing mix) in Frog Pond. Wilsonville’s decisionmakers have opportunities to plan for a different housing density than described in this memorandum for Frog Pond.

DATE: November 18, 2013
TO: Wilsonville City Council
CC: Katie Mangle and Chris Neamtzu
FROM: Bob Parker and Beth Goodman
SUBJECT: WILSONVILLE RESIDENTIAL HOUSING NEEDS ANALYSIS: RESULTS AND POLICY CONSIDERATIONS

The City of Wilsonville is conducting a housing needs analysis (HNA), which is a task in the City's Periodic Review work program. ECONorthwest and City staff started work on the housing needs analysis in March 2013 and have met with the Planning Commission in six meetings to discuss the findings and results of the housing needs analysis. ECONorthwest and City staff met with City Council in July 2013 to give an update on the initial findings of the project.

This memorandum presents a summary of the results of the housing needs analysis and the implications of the results on Wilsonville's residential land policies.

HOUSING NEEDS ANALYSIS RESULTS

The results of the housing needs analysis are based on: (1) the Metro forecast for new dwelling units in Wilsonville over the 20-year planning period, (2) information about Wilsonville's housing market relative to the Portland Region, (3) the demographic composition of Wilsonville's existing population and expected long-term changes in the demographics of the Portland Region, and (4) input from discussions with the Planning Commission and City Council.

Table 1 shows the Metro forecast of household growth for 2014 to 2034 for the Wilsonville city limits, and areas currently outside the city limits but within the UGB that the City expects to annex for residential uses (most notably the area called "Frog Pond"). For the purpose of the Residential Lands Study, we call these areas combined the "Wilsonville planning area."

Table 1 shows Wilsonville is forecasted to add 3,749 new households during the 20-year period between 2014 and 2034. Metro's forecast is for 2,769 new households inside the existing city limits (included in the original analysis) and 980 new households in areas currently outside the city limits most of which are forecast for Frog Pond.

Table 1. Extrapolated Metro forecast for household growth, Wilsonville planning area, 2014 to 2034

Year	Households		
	Wilsonville City Limits	Areas Currently Outside City Limits	Wilsonville Planning Area
2014	8,682	47	8,729
2034	11,451	1,027	12,478
Change 2014-2034			
Households	2,769	980	3,749
Percent	32%	2085%	43%
AAGR	1.4%	16.7%	1.8%

Source: Metro Gamma Forecast, November 2012, extrapolations by ECONorthwest

Table 2 shows a forecast of needed new housing units by type in the Wilsonville planning area during the 2014 to 2034 period based on the forecast in Table 1. The projection is based on the following assumptions:

- The needed mix of new housing (e.g., the “housing needs projection” as defined in OAR 660-007-0005(5)) in Table 2 are:
 - Fifty percent of new housing will be single-family detached, a category which may include manufactured housing.
 - Ten percent of new housing will be single-family attached. This assumption is consistent with information from the American Community Survey that shows that about 10% of Wilsonville’s existing housing stock is single-family attached.
 - Forty percent of new housing will be multi-family.
- The projection assumes a housing mix that is consistent with the findings of the residential capacity analysis, which showed that about 50% of Wilsonville’s new housing would be built at densities that are consistent with development of single-family detached housing and 50% would be built at densities that are consistent with development of single-family attached and multifamily housing.¹
- The housing needs projection meets the requirements of OAR 660-007-0030 “to provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing.” Under OAR 660-007-0030, a city can justify an alternative housing mix based on changing circumstances.

¹ ECONorthwest memorandum titled “Wilsonville Residential Housing Capacity” dated July 31, 2013.

Table 2. Forecast for new needed housing units, Wilsonville planning area, 2014-2034

	Needed New Dwelling Units (2014-2034)	
	Percent of new dwellings units	Number of new dwellings units
New dwelling units		
Single-family detached	50%	1,875
Single-family attached	10%	375
Multifamily	40%	1,499
Total new dwelling units	100%	3,749
Average new du developed annually		187

Source: Metro forecast of housing units; Calculations by ECONorthwest
Note "DU" are dwelling units.

Table 3 shows the forecast of needed housing units by average density (in gross acres) in the Wilsonville planning area based on the housing needs projection shown in Table 2. The forecast in Table 3 assumes:

- The overall density of housing in Wilsonville will be 7.1 dwelling units per *gross* acre, which is an average of about 8.7 dwelling units per *net* acre.²
 - Single-family detached housing will develop at an average density of 5 dwelling units per gross acre.
 - Single-family attached housing will develop at an average density of 10 dwelling units per gross acre.
 - Multifamily housing will develop at an average density 13 dwelling units per gross acre.
- This housing mix is consistent with the findings of the capacity analysis of Wilsonville's buildable residential land (Table 4). At the August 2013 Planning Commission worksession, the Commission favored the low density scenario (e.g., scenario that provides opportunities for 90% of new development in the Frog Pond area to be single-family detached housing). Under this scenario, the average density for needed new

² OAR 660-024-0010(6) uses the following definition of net buildable acre. "Net Buildable Acre" consists of 43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads. While the administrative rule does not include a definition of a gross buildable acre, using the definition above, a gross buildable acre will include areas used for rights-of-way for streets and roads. Areas used for rights-of-way are considered unbuildable.

Net acres refers to the amount of land needed for housing, not including public rights-of-way (e.g., roads). *Gross acres* refers to the estimated amount of land needed for housing inclusive of public rights-of-way.

The conversion from gross acres to net acres is 18.5% for all housing types. This assumption is based on assumptions for street rights-of-way from the 2010 Metro *Urban Growth Report*. The *Urban Growth Report* makes the following assumptions about net-to-gross conversion, as part of the capacity analysis: (1) tax lots under 3/8 acre have 0% set aside for future streets, (2) tax lots between 3/8 and one acre have 10% set aside for future streets, and (3) tax lots over one acre have 18.5% set aside for future streets.

dwelling units in the entire Wilsonville planning area over the 2014-2034 period is 7.1 dwelling units per gross acre.

Table 3. Forecast of needed housing units by mix and density, Wilsonville planning area, 2014-2034

Housing Type	New Dwelling Units (DU)	Percent	Density (DU/gross acre)	Gross Acres
Single-family detached	1,875	50%	5.0	375
Single-family attached	375	10%	10.0	38
Multifamily	1,499	40%	13.0	115
Total	3,749	100%	7.1	528

Source: ECONorthwest

The assumed housing mix meets the requirement of OAR 660-007-0030 to “provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing.” The forecast in Table 3 results in an average density of 8.7 dwelling units per net acre. This housing density meets the requirements of OAR 660-007-0035(2) “provide for an overall density of eight or more dwelling units per net buildable acre.”

Some members of the Planning Commission expressed concerns about the housing mix the City is planning for, as well as the average density. While the City can assume lower densities than those shown in Table 3 (the obligation is to provide opportunity for new housing to achieve an average density of 8.0 dwelling units per net acre), planning for densities lower than the assumed average of 8.7 would require: (1) substantial legislative changes to Wilsonville’s residential land-use policies, such as downzoning large properties already within the City or reducing the planned number of units in the adopted Villebois Master Plan; and (2) justifying an alternative to the assumed housing mix shown in Table 2.

Table 4 shows the summary of housing capacity on suitable buildable land for the Wilsonville planning area.³ Table 4 shows that Wilsonville’s residential has the capacity to accommodate between 3,390 to 4,229 dwelling units, depending on assumptions about future density.

- The **low** capacity scenario results in an overall density of 7.1 dwelling units per gross acre or 8.7 dwelling units per net acre.
- The **high** capacity scenario results in an overall density of 8.9 dwelling units per gross acre or 10.9 dwelling units per net acre.
- Both scenarios result in an average density lower than the 12.4 dwelling units per net acre of residential development constructed in Wilsonville over the 2000 to 2012 period.

³ The full analysis of residential capacity is described in the memorandum to the Planning Commission “Wilsonville Residential Housing Capacity” (August 6, 2013).

Table 4. Summary of housing capacity on suitable buildable land, Wilsonville planning area

Comprehensive Plan Designation	Low Capacity (dwelling units)	High Capacity (dwelling units)	Average Development Densities (dwelling units per gross acre (du/ga))		
			Suitable Buildable Land (gross acres)	Low Capacity (du/ga)	High Capacity (du/ga)
Residential	701	942	102	6.9	9.3
Residential, Area of Special Concern L (Frog Pond)**	738	1,256	148	5.0	8.5
Villebois	1,736	1,736	206	8.4	8.4
Commercial	215	295	22	9.9	13.6
Total	3,390	4,229	477	7.1	8.9

Source: ECONorthwest

**Note: Frog Pond is located within the Metro UGB but outside of Wilsonville's city limits.

Table 5 shows a comparison of the capacity of residential buildable land with the need for new housing in the Wilsonville planning area. Table 5 concludes:

- **Low capacity scenario.** Under the low capacity scenario and density assumptions, Wilsonville does not have enough land to accommodate new housing over the 20-year period. Wilsonville has a deficit of land to accommodate 359 new dwelling units, 253 of which are single-family detached and 106 of which are attached single-family or multifamily.
- **High capacity scenario.** Under the high capacity scenario and density assumptions, Wilsonville has enough land to accommodate new housing over the 20-year period. Under this scenario, Wilsonville can accommodate 480 dwelling units more than the Metro forecast projects over the 20-year period.

Table 5. Comparison of housing capacity with demand for new housing, Wilsonville planning area, 2014-2034

	Capacity on Buildable Residential Land (dwelling units)		Demand for New Housing (dwelling units)	Comparison Capacity <i>minus</i> Demand (dwelling units)	
	Low Capacity	High Capacity		Low Capacity	High Capacity
Single-family detached	1,622	2,016	1,875	-253	141
Single-family attached and multifamily	1,768	2,213	1,874	-106	339
Total	3,390	4,229	3,749	-359	480

Source: ECONorthwest

Table 5 shows that Wilsonville meets the requirement of OAR 660-007-0030 to "designate sufficient buildable land to provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing."

OAR 660-770 requires that a housing needs projection consider the financial capability of present and future area residents of all income levels over the 20-year planning period. Table 6 shows an estimate of needed dwelling units by income level for the 2014-2034 period, based on the forecast in Table 2.

The analysis in Table 6 is based on American Community Survey data about income levels in Wilsonville. Income is categorized into market segments consistent with HUD income level categories, using Clackamas County's 2012 Median Family Income (MFI) of \$73,000. Table 6 is based on current household income distribution (for the 2007 to 2011 period within the existing city limit), assuming that approximately the same percentage of households will be in each market segment in the future in the Wilsonville planning area.

Based on Wilsonville's current household income distribution, Table 6 shows that about 31% of households in Wilsonville could be considered low or very low income, 22% are low-middle income households and 47% could be considered high or upper-middle income.

Table 6. Estimate of needed dwelling units by income level, Wilsonville planning area, 2014-2034

Market Segment by Income	Income Range	Number of households	Percent of Households	Commonly Financially Attainable Housing Products	
				Owner-occupied	Renter-occupied
High (120% or more of MFI)	\$87,600 or more	1,162	31%	All housing types; higher prices	All housing types; higher prices
Upper Middle (80%-120% of MFI)	\$58,400 to \$87,600	600	16%	All housing types; lower values	All housing types; lower values
Lower Middle (50%-80% of MFI)	\$36,500 to \$58,400	825	22%	Single-family attached; condominiums; duplexes; manufactured on lots	Single-family attached; detached; manufactured on lots; apartments
Lower (30%-50% of less of MFI)	\$21,900 to \$36,500	450	12%	Manufactured in parks	Apartments; manufactured in parks; duplexes
Very Low (Less than 30% of MFI)	Less than \$21,900	712	19%	None	Apartments; new and used government assisted housing

Source: ECONorthwest
MFI is Median Family Income

In conclusion, **Wilsonville's housing needs analysis meets the requirements of OAR 660-007 "to provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing" (without justifying an alternative housing mix) and "provide for an overall density of eight or more dwelling units per *net* buildable acre."** This conclusion is consistent with the findings of the analysis of capacity of Wilsonville's buildable residential land base, Metro's household forecast, and Wilsonville's housing need projection.

Wilsonville will have an on-going need for housing affordable to lower-income households. The housing need analysis, and the related policy review, demonstrate that the City is meeting its obligation to plan for needed housing types (as required by ORS 197.304) for households at all income levels. These policies include those that allow for development of a range of housing types (e.g., duplexes, manufactured housing, and apartments) and policies that support government-subsidized housing. This conclusion is supported by the fact that Metro's 2012 *Compliance Report* concluded that Wilsonville was in compliance with Metro Functional Plan Title 1 (Housing Capacity) and Title 7 (Housing Choice).

The comparison of Metro's forecast with the capacity of residential lands in Wilsonville for the 2014-2034 planning period shows that the land supply is very close to Metro's forecast. Using the low capacity estimate, with an average density of 7.1 dwelling units per gross acre, Wilsonville has a small deficit of housing capacity (359 dwelling unit deficit). Using the high capacity estimate, with an average density of 8.9 dwelling units per gross acre, Wilsonville has a small surplus of housing capacity (480 dwelling unit surplus).

POLICY CONSIDERATIONS

The housing needs analysis concludes that Wilsonville is complying with the key mix and density provisions of Goal 10 and OAR 660-007. Moreover, the housing needs analysis concludes that, depending on which density assumptions are used, Wilsonville may (using higher density assumptions) or may not (using lower density assumptions) have enough buildable residential land to accommodate Metro's forecast of new dwelling units for the 2014-2034 period. The City's housing policy discussions include considering options for addressing the potential residential land deficiency in the later portion of the 20-year planning period.

In addition to a potential residential land deficit, the housing needs analysis identified several other policy considerations. These (including the potential residential land deficiency) are described in more detail below.

Frog Pond

One of the objectives of the Residential Land Study is to inform the Frog Pond Concept Plan and subsequent Master Plan. Specifically, the City is interested in developing strategies to determine desired densities and housing types for the Frog Pond Concept Plan. Given the city's experience with Villebois, the adoption of a Frog Pond Concept Plan will provide a sufficient regulatory framework to provide certainty about achieving a specific mix and density of housing.

The topic of density and mix of housing in Frog Pond was initially analyzed in the preliminary land capacity analysis (e.g., the analysis that estimates the number of dwelling units that buildable residential land can accommodate). The land capacity analysis modeled two density and mix scenarios:⁴

- Low Capacity: this scenario assumed a housing mix of 90% single family detached and 10% multifamily and/or single-family attached housing with an average density of 5.0 dwelling units per gross residential acre.
- High Capacity: this scenario assumed a housing mix of 75% single-family detached and 25% multifamily and/or single-family attached housing with an average density of 8.5 dwelling units per gross residential acre.

The density and mix assumptions eventually built into the Frog Pond Concept Plan must consider the results of the housing needs analysis, complying with the density and mix requirements of OAR 660-007 and the context of overall housing need in Wilsonville. Both scenarios are compliant with the state requirements.

That initial analysis was presented to the Wilsonville Planning Commission in a worksession with the specific objective of getting Planning Commission input on a preferred housing density

⁴ ECONorthwest memorandum titled "Wilsonville Residential Housing Capacity" dated July 31, 2013.

and mix assumption for the Frog Pond Concept Plan. The City has considerable local discretion over the Frog Pond planning process.

At the August 2013 Planning Commission worksession, the Commission favored the low density scenario (e.g., scenario that provides opportunities for 90% single-family detached housing). During the concept planning process, other considerations will include community design and the number of units needed to support required infrastructure and desired public amenities.

The capacity provides a set of foundational assumptions to build into the Frog Pond concept planning process. The concept planning process will include additional analysis that will inform the actual density and mix assumptions for the area.

Town Center

City staff estimated the capacity in the Planned Development Commercial-Town Center (PDC-TC, hereafter called Town Center) zone ranges from 200 to 270 dwelling units based on assumptions about the type of development anticipated to locate in Town Center. The PDC-TC zone (Section 4.131), allows any use allowed in a PDR zone, provided “the majority of the total ground floor area is commercial”.

The Buildable Land Inventory identified 13.2 vacant or potentially redevelopable acres in the Town Center zone. The capacity analysis assumed that residential development in the Town Center would occur at densities between 9.9 and 13.6 dwelling units per gross residential acre. The capacity analysis implicitly assumes that all 13.2 acres in the Town Center zone would receive housing (vertically mixed with some commercial uses).

The issue of how much housing to encourage in the Town Center is beyond the scope of the Residential Land Study. Housing in the Town Center is an allowable use with ground floor commercial under existing zoning. Questions about the extent of the market for housing in the Town Center, how Town Center relates to other residential areas, and the City’s overall vision for the Town Center. ECO recommends the Planning Commission consider addressing questions related to Town Center at an appropriate juncture.

Legislative action on code changes

As part of this study, Wilsonville staff conducted a Goal 10 policy and development code evaluation.⁵ Staff provided the following summary of the analysis:

“Overall, the City of Wilsonville is in compliance with applicable Federal and State housing regulations, with no amendments needed to comply with the regulations outlined below. Code amendments desired to implement the City’s housing strategy will be identified in a subsequent task. It is recommended that the City make three changes to the Development Code:

- Add “duplex” to the list of uses allowed in all PD-R zones (Section 4.124). These zones allow single family and multifamily development; duplexes are already allowed in every other zone in the City.
- Add an alternative, objective, review process for new attached and detached single family housing proposed in the Old Town Overlay Zone.
- Prohibit mobile home or manufactured housing parks in the Planned Development Commercial and Industrial zones.”

These are relatively minor code amendments that do not need to be linked to any of the other policy considerations identified in this memorandum. While these do not need to link to other strategies, ECO recommends that the Planning Commission take action on these amendments as soon as possible.

Monitoring development activity

The determination of residential land sufficiency is based on dwelling unit forecasts prepared by Metro. The Metro forecasts show new housing units increasing at a rate of 1.8% annually between 2014 and 2034 in the Wilsonville Planning Area. Population growth over the 1990-2012 period averaged 4.9%. Moreover, the housing needs analysis concluded that, depending on which density assumptions are used, Wilsonville may (using higher density assumptions) or may not (using lower density assumptions) have enough buildable residential land to accommodate Metro’s forecast of new dwelling units for the 2014-2034 period.

If growth occurs at rates faster than the assumptions in Metro’s forecast, or if housing densities are closer to the low capacity assumptions, Wilsonville will have a deficit of land to accommodate growth over the 2014 to 2034 period. For example, if Wilsonville grows at an average annual growth rate of 2.8%,⁶ Wilsonville would add about 6,500 new households over the 2014 to 2024 period. Table 7 shows a comparison of the Metro forecast with an

⁵ Memo from Katie Mangle to the Wilsonville Goal 10 Technical Advisory Committee, June 7, 2013. This memo was summarized for the Planning Commission in the June 4, 2013 Staff Report for a work session on the Goal 10 Needs Analysis Project.

⁶ Between 2000 and 2010, Wilsonville’s household growth rate was 2.8% average annual growth.

approximation of Wilsonville's growth at historical growth rates. Under the "Historical Growth Rate" scenario, Wilsonville would run out of buildable residential land around 2024 to 2027.

Under the "Historical Growth Rate" scenario, Wilsonville would grow by 7,089 new households, creating a need for a similar number of dwelling units. This is 3,340 more new dwelling units than Metro has forecast. The key finding in Table 7 is that if Wilsonville continues to grow at historical rates (or any rate higher than Metro's forecast) it will run out of land within the 20-year planning horizon. In short, higher growth rates will move the need for additional land to earlier portions of the planning period.

Table 7. Illustration of a comparison of Metro's forecast with a hypothetical forecast of growth at historical growth rates, Wilsonville planning area, 2014-2034

	Metro Forecast	Historical Growth Rate
Average annual growth rate	1.8%	2.8%
New households (2014-2034)	3,749	6,523
Capacity on buildable residential land		
Low Capacity	3,390	3,390
High Capacity	4,229	4,229
Comparison of housing capacity to housing demand		
Low Capacity	-359	-3,133
High Capacity	480	-2,294

Source: ECONorthwest

Our evaluation is that land supply is not yet a major immediate issue, but that it almost certainly will be within the 20-year planning horizon. Metro is required to re-evaluate the UGB every five years. As a Metro jurisdiction, Wilsonville participates in that review. With systematic monitoring, the City can engage Metro in a dialog about future growth forecasts and land need well in advance of experiencing land supply restrictions. If growth continues at rates experienced in the most recent past, this dialog could begin as Metro initiates the next round of forecasting in the next year or so.

A monitoring program will allow Wilsonville to understand how fast land is developing and to provide data to Metro at least a year in advance of when an Urban Growth Report is issued. In short, the data can help inform Metro's UGB planning process. We recommend using the following metrics to monitor residential growth:

- **Population.** The City already routinely monitors population growth by using the annual population estimates prepared by the Center for Population Research at Portland State University.
- **Building permits.** The Residential Lands Study included a review of building permits by dwelling type, plan designation, zone, and net density. Because the City is already collecting this data, we recommend that city staff update this analysis on an annual basis. The City already reports building permit data by dwelling type on a quarterly basis, but including the zone and net density will enable the City to understand the type, density and location of housing that is being developed.

- **Subdivision and partition activity.** This metric is intended to measure the rate and density of land divisions in Wilsonville. It may also be useful in determining right-of-way and open space dedications. Specific data to include with subdivision and partition activity are the area of the parent lot, the area in child lots, the number of child lots, the average size or density of lots, and the area in dedicated right-of-way.
- **Land consumption.** This metric relates closely to the building permit data. The building permit data include tax lot identifiers for each permit. The City should match each permit to data in the buildable lands inventory and report how much land is being used by plan designation, zone, and land classification (e.g., vacant, redevelopable, infill, etc.). Additionally, we recommend the City map the location of development on an annual basis.
- **Right-of-way and open space dedications.** The Wilsonville Comprehensive Plan states residential density targets in terms of gross acres. The density target in OAR 660-007 is stated in net acres and the density analysis conducted for the Residential Land Study was also presented in net acres. Monitoring net-to-gross factors can provide information that is useful in better understanding the amount of land that is used for streets and required open space dedications. Measuring this has some inherent complications in terms of how to define and measure different components. It is potentially easiest in major subdivisions and village areas.

Advance Road Urban Reserve

Title 11 of Metro's Urban Growth Management Functional Plan provides guidance on the conversion of land from rural to urban uses. Section 3.07.1110 of the Metro Urban Growth Management Functional Plan (Planning for Areas Designated Urban Reserve) addresses Urban Reserves. Advance Road was identified as an Urban Reserve area for residential uses. The Metro "Gamma" Forecast shows that infrastructure will be available in Advanced Road between 2025 and 2030.

The results of the housing needs analysis show that Wilsonville may have need for additional residential land, later in the 20-year planning period. Information from Wilsonville's residential growth monitoring program can inform regional discussions with Metro about expansion of the UGB. These discussions happen on a five-year cycle and will help refine the timing of bring Advanced Road into the UGB to accommodate Wilsonville's residential growth.

CITY COUNCIL ROLLING SCHEDULE

BOARD AND COMMISSION MEETINGS 2013-14

DECEMBER

DATE	DAY	TIME	MEETING	LOCATION
12/2	Monday	7 p.m.	City Council Meeting	Council Chambers
12/4	Wednesday	6:30 p.m.	Library Board	Library
12/9	Monday	6:30 p.m.	DRB Panel A	Council Chambers
12/11	Wednesday	6 p.m.	Planning Commission	Council Chambers
12/11	Wednesday	6 p.m.	Urban Renewal Strategic Plan Task Force Meeting	Willamette River Room
12/16			Council Meeting Cancelled	
12/23			DRB Panel B Meeting Cancelled	
12/25	Wednesday		Christmas Holiday All City Offices Closed	

JANUARY 2014

DATE	DAY	TIME	MEETING	LOCATION
1/1	Wednesday		New Year's Holiday – City offices closed	
1/6	Monday	7 p.m.	City Council Meeting	Council Chambers
1/8	Wednesday	6 p.m.	CCI Public Forum: Goal 10 Housing Needs Analysis	Council Chambers
1/13	Monday	6:30 p.m.	DRB Panel A	Council Chambers
1/22	Wednesday	6:30 p.m.	Library Board	Library
1/23	Thursday	7 p.m.	City Council Meeting	Council Chambers
1/27	Monday	6:30 p.m.	DRB Panel B	Council Chambers
1/29	Wednesday	1:30 p.m.	Tourism Strategy Development Task Force	Willamette River Rooms

COMMUNITY EVENTS

Holiday Light Drives via SMART to Portland International Raceway.

Buses leave from the Community Center at 6:30 p.m.

Reservations required, call 583-682-3727 to make a reservation. There is no charge for the trip, but we ask that each rider bring one (new) toothbrush to donate to Wilsonville Sharing.

Dates of the trips: December 10, 11, 12, and 13

Reindeer Romp & Bullwinkle Bash

Family Fun Center

December 14

8 a.m. registration

Holiday Fun Fest

December 19, 4-6 p.m.

Community Center – Pictures with Santa

Gingerbread Houses (\$5.00 per house built),

Holiday Music, Cocoa and Cookies

King, Sandy

From: Cosgrove, Bryan
Sent: Monday, December 02, 2013 11:05 AM
To: Kraushaar, Nancy; Sherer, Stan; Troha, Jeanna
Subject: FW: Emailing: Council Goals Quarterly Update October 2013, Wilsonville Council Goals Action Plan Matrix-October Updates
Attachments: Council Goals Quarterly Update October 2013.pptx; Wilsonville Council Goals Action Plan Matrix-October Updates.docx

Please provide updates. Thx

Bryan Cosgrove,
City Manager

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Wilsonville, Oregon 97070

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People may hear your words, but they feel your attitude.
John C. Maxwell

-----Original Message-----

From: Handran, Angela
Sent: Thursday, October 03, 2013 2:32 PM
To: Cosgrove, Bryan
Subject: Emailing: Council Goals Quarterly Update October 2013, Wilsonville Council Goals Action Plan Matrix-October Updates

Bryan, please review the content prior to my making the final edits tomorrow. On slide #13 I am not clear what Nancy is trying to say but it's probably because I am just not familiar with the terminology. Please see the sentence that I highlighted in red and make any necessary changes.

I will put hard copies in your box if you prefer to edit it at home tonight :)

Angela

Your message is ready to be sent with the following file or link attachments:

Council Goals Quarterly Update October 2013 Wilsonville Council Goals Action Plan Matrix-October Updates

Note: To protect against computer viruses, e-mail programs may prevent sending or receiving certain types of file attachments. Check your e-mail security settings to determine how attachments are handled.

Wilsonville City Council

October 7, 2013

COUNCIL GOALS FOR 2013/2014 QUARTERLY UPDATE



COMPLETE A FORMAL CONCEPT PLAN FOR
ADVANCE ROAD AND FROG POND
RESIDENTIAL AREAS

KEY PERFORMANCE AREA: *THOUGHTFUL LAND USE*

PROBLEM/OPPORTUNITY

- Adequate Residential Land Supply
- Expanding Tax Base
- Livable Neighborhoods
- Jobs/Housing Balance

WHAT SUCCESS LOOKS LIKE

- Plan Complete
- Advance Road Eligible for UGB Expansion in 2015
- Frog Pond Ready to Develop in 2016

OCTOBER 2013 UPDATE

- City receives \$341,000 grant from Metro.
- Wastewater master planning kick off meeting was on 10/2.
- Goal 10 Housing Needs Analysis is 60% complete.
- Staff is drafting a Request for Proposals for work on Frog Pond and Advance Road Planning project. Selected consultant will refine scope of work.
- Staff is preparing an IGA between Metro and City to accept the grant.

COMPLETE A FEASIBILITY STUDY FOR A
COMMUNITY RECREATIONAL/AQUATIC
CENTER IN WILSONVILLE

KEY PERFORMANCE AREA:

COMMUNITY AMENITIES AND RECREATION

PROBLEM/OPPORTUNITY

- Community interest in a community recreational/aquatic center

WHAT SUCCESS LOOKS LIKE

- Completed Feasibility Study
Presented to Council by July 1, 2014

OCTOBER 2013 UPDATE

- A list of 15 potential Task Force members forwarded to City Manager for review and possible appointment on October 4th.
- Requests for Proposals from architectural consulting firms to conduct an economic feasibility study for the recreation and aquatic center will be circulated on October 18th. The study will consist of:
 - A market analysis
 - Conceptual design
 - Operations and programming pro forma
 - Site analysis
 - Estimated cost of construction
- Proposals responses due to City by November 8th

DEVELOP A PLAN TO IMPROVE BIKE AND
PEDESTRIAN CONNECTIVITY THROUGHOUT
THE COMMUNITY AND INTEGRATE THE PLAN
IN THE CITY'S CAPITAL IMPROVEMENT PLAN

KEY PERFORMANCE AREA:

CLEAR VISION AND COMMUNITY DESIGN

PROBLEM/OPPORTUNITY

- Limited Bike and Pedestrian Connections

WHAT SUCCESS LOOKS LIKE

- Review Current Plans/Recommend Amendments
- Prioritize Projects/Develop Capital Improvements Fund
- Complete Project
- Increase The Walk Score From 42 to 70

OCTOBER 2013 UPDATE

- City is contracting with graphic designer to create online and printed material communication.
- Bike/pedestrian review complete; 50 projects and programs identified that can be implemented over next 3 years.
- Contracted with Alta Planning and design to transform the project table and information from the TSP into an action plan.
- City Council review of Action Plan rescheduled for November.

SUCCESSFULLY CONNECT LIVE, WORK,
AND PLAY AREAS THROUGHOUT THE
CITY FOR BOTH EXISTING AND PLANNED
DEVELOPMENT

KEY PERFORMANCE AREA:

COMMUNITY AMENITIES AND RECREATION

PROBLEM/OPPORTUNITY

- Limited Funds To Build Connections

WHAT SUCCESS LOOKS LIKE

- Sense Of Community
- Easy To Use
- Identified Network Connectivity

OCTOBER 2013 UPDATE

- Tualatin and Wilsonville staff selecting consulting team.
- Staff developing IGA with Metro for CET grant. Consultant selection to be completed and request for Council contract approval expected in January.
- Staff to make presentation update at November 4th Council meeting.

DEVELOP AND BEGIN TO IMPLEMENT A
STRATEGY TO INCREASE OCCUPANCY BY
FILLING VACANT STORE FRONTS

KEY PERFORMANCE AREA:

ECONOMIC DEVELOPMENT

PROBLEM/OPPORTUNITY

- Large Number Of Vacant Store Fronts

WHAT SUCCESS LOOKS LIKE

- Increase Occupancy Of Currently Vacant Storefronts

OCTOBER 2013 UPDATE

- Complete Retail Leakage Study by mid 2014/No new updates this quarter.

DEVELOP A FUNDING AND ANNEXATION
STRATEGY FOR IMPLEMENTING COFFEE
CREEK INDUSTRIAL AREA IN 18 MONTHS

KEY PERFORMANCE AREA:

ECONOMIC DEVELOPMENT

PROBLEM/OPPORTUNITY

- Low Inventory Of Industrial Land/Shovel Ready Multiple Land Use
- Lack Of Funding
- Basalt Creek and Coffee Creek already in UGB

WHAT SUCCESS LOOKS LIKE

- Funding For Building Infrastructure
- Strategy for Aggregating The Land

OCTOBER 2013 UPDATE

- Consultant hired July 2013
- Task force convened on September 25th and will meet three times to provide input to strategic plan.
- The urban renewal strategic plan process will examine infrastructure needs in coffee creek and the use of urban renewal in that area for infrastructure.
- Property owners invited to Oct 17th open house
- Developers serving on the strategic plan task force

COMPLETE AND ADOPT BASALT CREEK
INDUSTRIAL AREA CONCEPT PLAN IN
THE NEXT 18 TO 24 MONTHS

KEY PERFORMANCE AREA:

ECONOMIC DEVELOPMENT

PROBLEM/OPPORTUNITY

- Low Inventory Of Industrial Land/Shovel Ready Multiple Land Use
- Lack Of Funding
- UGB Has Approved Basalt and CC

WHAT SUCCESS LOOKS LIKE

- Funding For Building Infrastructure
- Funding for Aggregating The Land

OCTOBER 2013 UPDATE

- IGA between Metro, Washington County, Tualatin, and Wilsonville was completed in August.
- Consultant selected mid September
- Tualatin/Wilsonville joint work session scheduled for October 29th at 6:00pm
- Scope expected to finish prior to joint session

DEVELOP A STRATEGIC BRANDING PLAN,
INCLUDING COMPLETE VISUAL IDENTITY
PLAN AND LOGO, TO PROMOTE THE CITY'S
LIVABILITY AND ECONOMIC OPPORTUNITIES
BY APRIL 2014

KEY PERFORMANCE AREA:

ECONOMIC DEVELOPMENT

PROBLEM/OPPORTUNITY

- Lack of uniform, communication and marketing strategy
- No single clear message identifying Wilsonville
- Opportunity to promote Wilsonville for economic growth

WHAT SUCCESS LOOKS LIKE

- A broad message is developed including logo and marketing material unique to Wilsonville
- Message represents the community values
- Message is easily recognizable by prospective employers, residents, and promotes the community

OCTOBER 2013 UPDATE

- Tourism Task Force Created
- Task Force will consider marketing/branding as part of the tourism strategy to be developed

KEY PERFORMANCE AREA: Thoughtful Land Use (October Update)

Goal: Complete a formal concept plan for Advance Road and Frog Pond Residential Areas.

What problem are we solving or opportunity are we seizing?	What does success look like?
<ul style="list-style-type: none"> Capitalize on the opportunity of available land to provide housing for future growth, expand the City tax base, create livable neighborhoods as our employment base grows 	<ul style="list-style-type: none"> Plan complete Advance Road area is eligible to be added to the UGB in 2015 Frog Pond is ready to develop in 2016

Support needed: Community Development, GIS, Public Affairs, Legal, Clackamas County, School District, Metro, consultants

Action Steps	Timeline	October Update
Seek funding for Frog Pond and Advance Road concept and master planning project. City applied for a grant, outcome known July 2013. (If grant not successful, identify available funds to proceed with some of the work).	July 2013	In mid-August, the City received \$341,000 grant from Metro
Wastewater master planning and study of pump station and Boeckman Creek interceptor capacity and needed upgrades to serve Frog Pond and Advance Road.	2013	WWMP contract approved by Council; project kick off meeting held on 10/02.
Complete Goal 10 Housing Needs Analysis and Housing Strategy to establish the need and policy framework for Wilsonville's future housing.	March 2012 - February 2013	Project is 60% complete. Consultants are preparing the draft Housing Needs Analysis report for public review, and staff will lead a housing strategy session with the Council and Planning Commission in November.
Develop a scope of work for Frog Pond and Advance Road Planning project (if grant not successful, timeframe will need to be revisited to align with funding availability).	August 2013	Staff is drafting a Request for Proposals, which includes a draft scope of work. The selected consultant will assist in refining the scope.

Approve IGA with Metro to accept grant funding for the planning project.	September 2013	Staff is preparing an IGA between Metro and the City to accept the grant and commit to a schedule of deliverables. Aim to have IGA for Council approval in October 2013.
Hire a planning consultant team.	October 2013	Staff is drafting a Request for Proposals, with the goal of Council approving a contract in January 2014.
Develop a concept plan for the full 500-Acre Plan, to address land use, bike/ ped connectivity, parks, financial feasibility, and community design.	December 2014	
Develop a Master Plan for 200-Acre Frog Pond Area.	August 2015	

KEY PERFORMANCE AREA: Community Amenities and Recreation (October Update) Goal: Complete a feasibility study for a community recreational/ aquatic center in Wilsonville.

What problem are we solving or opportunity are we seizing?	What does success look like?
<ul style="list-style-type: none"> Respond to the community interest in a community recreational/aquatic center 	<ul style="list-style-type: none"> A completed feasibility study presented to Council by July 1, 2014.

Support needed: \$50,000 funded

Core staff team: Stan, Chris N., Martin Brown, Brian Stevenson, Joanne, Bryan, Jeanna

Action Steps	Timeline	October Update
Review existing market study and clarify starting points and ending points and affirm direction with City Council	September 2013	
City Manager appoint the Task Force -- use task force to look at various models	October 2013	A list of 15 potential Task Force members has been forwarded to the City Manager for review and possible appointment.
Hire consultant	November/December 2013	Requests for Proposals from architectural consulting firms to conduct economic feasibility study will be distributed on October 18 th . The proposals will be due to the City on November 8 th . The review and selection process will continue through November.
Develop feasibility/market study and site alternatives analysis – closely examine revenue model	January-April 2014	

Develop conceptual design plan	May 2014	
Present to Council	July 1, 2014	

KEY PERFORMANCE AREA: Clear Vision and Community Design (October Update)

Goal: Develop a plan to improve bike and pedestrian connectivity throughout the community and integrate the plan in the City's Capital Improvement Plan.

What problem are we solving/opportunity are we seizing?	What does success look like?
<ul style="list-style-type: none"> Limited bike and pedestrian connections between neighborhoods, schools, public facilities, commercial centers, employment centers, and access to and along the Willamette River. 	<ul style="list-style-type: none"> Review current plans and recommend amendments Prioritize projects and develop a capital improvement plan to fund Complete the project Increase the walk score from 42 to 70

Support needed: Community Development, SMART, Parks and Recreation, GIS, consultant

Action Steps	Timeline	October Update
Conduct gap analysis and include in bike and pedestrian plans in TSP.	June 2013 (done)	
Hire consultant and graphic designer to assist with Action Plan and public communication.	August 2013	City is contracting with a graphic designer to create online and printed communication material.
Review bike/pedestrian plans for near-term projects and actions.	August 2013	Staff completed this review, and created a table of 50 projects and programs that the City can choose to implement over the next 3 years. The table includes CIP#, funding source, project description, and summary of work completed to date.
Review existing programs and identify other needs. Looking across departments and disciplines, are we doing as much as we can to create a connected community?	September 2013	Completed as part of the matrix created above. Discussion will continue while creating the Action Plan.

Develop draft 3 to 5-year Bicycle and Pedestrian Connectivity Action Plan, integrating applicable existing information about: bike and ped projects, parks projects and programs, SMART programs, HEAL program, development planning, regional projects, and funding. Outcome is a list of projects and programs for near-term implementation, to be integrated into the CIP, annual work plans, and budgets. Secondary outcome is an understanding of unfunded priorities.	September 2013	City has contracted with Alta Planning + Design to transform the project table and information from the TSP into an Action Plan. Alta will prepare the content, including identifying possible funding sources, drafting a set of performance indicators, and priorities.
City Council reviews and confirms projects and programs to be prioritized for the Action Plan.	October 2013	This step needs to be rescheduled for November
Develop graphic communication piece(s) to convey the City's needs, values, and near-term actions to improve bike and pedestrian connectivity. Deliverables to be both printed and online media.	November 2013	Entering contract with graphic designer to do this work.
Integrate projects into CIP during the budget process.	January 2013	

KEY PERFORMANCE AREA: Community Amenities and Recreation (October Update)

Goal: Successfully connect live, work and play areas throughout the City for both existing and planned development.

What problem are we solving or opportunity are we seizing?	What does success look like?
<ul style="list-style-type: none">Limited funds to build connections; implement existing plans and new TSP; update plans as needed.	<ul style="list-style-type: none">Sense of community, easy to use and identified network connectivity

Support Needed: SMART, Parks and Recreation, Community Development

Action Steps	Timeline	October Update
City Council adopts Transportation System Plan (TSP).	June 2013 (done)	
Begin Basalt Creek Concept Plan.	August 2013	Tualatin and Wilsonville staffs have selected a consulting team and are working on the final work scope and schedule. The Tualatin and Wilsonville ant selected;
Begin Frog Pond and Advance Road Concept Plans.	September 2013	Staff is developing IGA with Metro for the CET grant and drafting a request for proposals to solicit consultants. Consultant selection to be completed and request for Council contract approval is expected in January.
Brief City Council on existing Master Plans and the CIP list/ process.	October 2013	Staff will make presentation at November 4 City Council meeting
Brief City Council on land use and zoning in Wilsonville.	October 2013	Staff will make presentation at November 4 City Council meeting.

Begin Transit Master Plan update.	October 2013	
Integrate with Bike and Pedestrian Connectivity Goal.	December 2013	
Prepare summary memo.	December 2013	

KEY PERFORMANCE AREA: Economic Development (October Update)

Goal: Develop and begin to implement a strategy to increase occupancy by filling vacant store fronts.

Why problem are we solving/opportunity are we seizing?	What does success look like?
<ul style="list-style-type: none">Too many vacant store fronts	<ul style="list-style-type: none">Increase occupancy of currently vacant storefronts

Support needed: Market Analysis Consultant

Action Steps	Timeline	October Update
Work with Chamber to identify funding strategy	March 2014	
Hire consultant to identify retail leakage	October 2014	
Bring retail market strategy to Council	November 2014	

KEY PERFORMANCE AREA: Economic Development (October Update)

Goal: Develop a funding and annexation strategy for implementing Coffee Creek Industrial area in 18 months.

What problem are we solving or opportunity are we seizing?	What does success look like?
<ul style="list-style-type: none"> Low inventory of industrial land and shovel ready multiple land use; Lack of funding; Two planning areas are approved in the UGB (exp Basalt and CC) 	<ul style="list-style-type: none"> Funding for building infrastructure and for aggregating the land

Support needed: Community Development, Legal, Finance, Administration, Consultants

Action Steps	Timeline	October Update
Develop scope of work and hire consultant.	August – September 2013	Consultant was hired July 2013
Develop Urban Renewal Strategic Plan.	February 2014	Preliminary data has been gathered. A Task Force was convened on September 25, 2013 and is scheduled to meet three times to provide input to the strategic plan. A public Open House is scheduled for October 17, 2013. A draft strategic plan is targeted for December 2013.
Review existing Coffee Creek Infrastructure Analysis.	September 2013	The urban renewal strategic plan process will examine infrastructure needs in Coffee Creek and the use of urban renewal in that area for infrastructure
Examine and prioritize funding sources for water, sewer, and transportation infrastructure with high priority areas in the City.	November 2013	

Meet with property owners for annexation priority areas.	April/May 2014	Property owners will be invited to the October 17 th Open House.
Meet with prospective developers to receive input on potential opportunities and constraints.	November 2013 – August 2014	Developers will be serving on the strategic plan task force. Additionally, the strategic plan process includes stakeholder interviews, and developers will be included on the interview list
Develop annexation strategy with stakeholder input.	February – August 2014	
Implement results of approved Urban Renewal Strategic Plan.	November 2014	
Action Plan for Coffee Creek Industrial Area development.	December 2014	

KEY PERFORMANCE AREA: Economic Development (October Update)

Goal: Complete and adopt Basalt Creek industrial area concept plan in the next 18 to 24 months.

What problem are we solving or opportunity are we seizing?	What does success look like?
<ul style="list-style-type: none"> Low inventory of industrial land and shovel ready multiple land use; Lack of funding; Two industrial areas are the UGB; Coffee Creek has been planned; concept planning needs to be completed for Basalt Creek in partnership with Tualatin. 	<ul style="list-style-type: none"> Complete the Basalt Creek concept plan and the area is ready for development Funding for building infrastructure and for aggregating the land

Support needed: Community Development, GIS, Public Affairs, Legal, Clackamas County, City of Tualatin, Metro, consultants.

Completing the Plan relies on successful collaboration with the City of Tualatin, Washington County, and Metro.

Action Steps	Timeline	October Update
Complete and sign intergovernmental agreement (IGA)	August 2013	IGA between Metro, Washington County, Tualatin, and Wilsonville completed in August
Select consultant	August 2013	In August, Tualatin staff solicited for Qualifications. Wilsonville and Tualatin staff conducted interviews and selected the consultant in mid-September.
Joint work session with two Councils	September 2013	The Tualatin and Wilsonville City Councils will hold a joint work session on October 29 at 6 pm.
Prepare scope of work	October 2013	Tualatin and Wilsonville staffs are working with the consultant on the scope of work and schedule and expect to finish it in October before the joint work session.

Approve consultant contract	November 2013	
Develop Concept Plan	November 2013 - January 2015	
Plan approval	April 2015	

KEY PERFORMANCE AREA: Economic Development (October Update)

Goal: Develop a strategic branding plan, including complete visual identity plan and logo, to promote the City's livability and economic opportunities by April 2014

What problem are we solving or opportunity are we seizing?	What does success look like?
<ul style="list-style-type: none">Sending a faint, if any message; lack of uniform, simple clear communication focus. Opportunity to recognize the need to change.	<ul style="list-style-type: none">The message is broadly and well received

Support needed: Bryan, Jeanna

Limited funds available in current budget (FY 2013/14). Staff will develop scope of work this fiscal year with project to occur next fiscal year assuming funds are included in next year's budget.

Action Steps	Timeline	October Update
Research other city marketing strategies/plans	December 2013	
Allocate money in next fiscal year's budget to hire consultant and implement approved marketing strategy	April 2014	
Develop a scope of work for consultant	May 2014	
Select consultant	July 2014	
Develop comprehensive marketing plan; use Tourism Task Force for assisting in development	July-October 2014	<ul style="list-style-type: none">Tourism Task Force CreatedTask Force will consider marketing/branding as part of the tourism strategy to be developed

Vet with Tourism Task Force	November 2014	
Council adoption of marketing strategy that reflects community values	December 2014	

City of

WILSONVILLE
in OREGON



CITY COUNCIL MEETING STAFF REPORT

Meeting Date: December 2, 2013	Subject: Acceptance of City's 2012-13 Comprehensive Annual Financial Report (CAFR) and the 2012-13 Urban Renewal Agency Financial Report Staff Member: Joanne Ossanna Department: Finance	
Action Required <input type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input type="checkbox"/> Ordinance 1 st Reading Date: <input type="checkbox"/> Ordinance 2 nd Reading Date: <input type="checkbox"/> Resolution <input type="checkbox"/> Information or Direction <input checked="" type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input checked="" type="checkbox"/> Consent Agenda	Advisory Board/Commission Recommendation <input type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input checked="" type="checkbox"/> Not Applicable Comments:	
Staff Recommendation: Council acceptance of the FY 2012-13 Audit.		
Recommended Language for Motion: I move to accept the FY 2012-13 Audit Report.		
PROJECT / ISSUE RELATES TO: <i>[Identify which goal(s), master plans(s) issue relates to.]</i>		
<input type="checkbox"/> Council Goals/Priorities	<input type="checkbox"/> Adopted Master Plan(s)	<input checked="" type="checkbox"/> Not Applicable

ISSUE BEFORE COUNCIL: Review and acceptance of the City of Wilsonville's Comprehensive Annual Financial Report (CAFR) and the Urban Renewal Agency Financial Report for the fiscal year ending June 30, 2013.

EXECUTIVE SUMMARY:

The City is required by Oregon Revised Statute 297.425 to have an annual independent audit. The firm of Grove Mueller and Swank, P.C., Certified Public Accountants, conducted the audits and the reports are included in the Council packet.

The City's independent audit received an unqualified opinion. This opinion is given when the financial statements presented are free of material misstatements and are represented fairly in accordance with the Generally Accepted Accounting Principles (GAAP), which means that the City's financial condition, position, and operations are fairly presented in the financial statements.

Grove Mueller and Swank, P.C. did not issue any Management Letter Comments or recommendations for improvements.

EXPECTED RESULTS:

Acceptance of the results of the independent audit for fiscal year ended June 30, 2013.

TIMELINE:

All work is complete.

CURRENT YEAR BUDGET IMPACTS:

There are no financial impacts.

FINANCIAL REVIEW / COMMENTS:

Reviewed by: ____JEO____ Date: ____11/20/13____

There are no financial impacts.

LEGAL REVIEW / COMMENT:

Reviewed by: _MEK_____ Date: __11/20/13_____

Presentment and acceptance by the Council at the December 2, 2013 meeting meets legal requirements.

COMMUNITY INVOLVEMENT PROCESS:

None

POTENTIAL IMPACTS or BENEFIT TO THE COMMUNITY

None

ALTERNATIVES:

Not Applicable

CITY MANAGER COMMENT:

ATTACHMENTS

- A. Letter to Council and Management from our auditors, Grove Mueller & Swank, P.C., outlining their responsibilities, audit findings and issues related to the audit.
- B. 2012-13 Comprehensive Annual Financial Report (CAFR) *separately bound*
- C. 2012-13 Urban Renewal Agency Financial Report *separately bound*



GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
475 Cottage Street NE, Suite 200, Salem, Oregon 97301
(503) 581-7788

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor, Members of the City Council and the City Manager
City of Wilsonville
Wilsonville, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Wilsonville, Oregon as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wilsonville, Oregon as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Management's Discussion and Analysis

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 23-32 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Required and Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The required supplementary information and other supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2013, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 12, 2013, on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

GROVE, MUELLER & SWANK, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

By:


Thomas E. Glogau, A Shareholder
November 12, 2013



GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
475 Cottage Street NE, Suite 200, Salem, Oregon 97301
(503) 581-7788

November 12, 2013

Honorable Mayor, Members of the City Council and the city Manager
City of Wilsonville
Wilsonville, Oregon

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Wilsonville for the year ended June 30, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 25, 2013. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Wilsonville are described in the notes to the financial statements. The City implemented three new pronouncements:

Governmental Accounting Standards Board (GASB) Statement No. 61 "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34" modified certain requirements for inclusion of component units in the financial reporting entity. This Statement also amended the criteria for reporting component units as if they were part of the primary government.

GASB Statement No. 62 "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncement" incorporated into GASB's authoritative literature certain accounting and financial reporting guidance that were issued on or before November 30, 1989, which do not conflict with or contradict GASB pronouncements.

We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the City's financial statements was management's estimate of the allowance for doubtful accounts which is based on historical water and sewer revenues, historical loss levels, and an analysis of the collectability of individual accounts. We evaluated key factors and assumptions, used to develop the allowance, in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We have no corrected or uncorrected misstatements to report.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 12, 2013.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of City Council and management of the City of Wilsonville and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,


CERTIFIED PUBLIC ACCOUNTANTS



GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
475 Cottage Street NE, Suite 200, Salem, Oregon 97301
(503) 581-7788

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor, Members of the City Council and the City Manager
City of Wilsonville
Wilsonville, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Wilsonville, Oregon as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wilsonville, Oregon as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Management's Discussion and Analysis

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 23-32 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Required and Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The required supplementary information and other supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

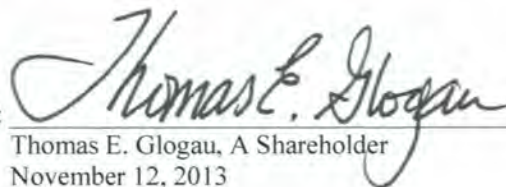
In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2013, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 12, 2013, on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

GROVE, MUELLER & SWANK, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

By:


Thomas E. Glogau, A Shareholder
November 12, 2013

Wilsonville Community Seniors, Inc.

2013 Vision for Serving Seniors in Wilsonville

History

The group began as a Senior Advisory Board in 1984. In 2006, the Board incorporated as a 501c3 and became the Wilsonville Community Seniors, Inc.



WCSI Mission Statement

The WCSI hopes to serve as a voice for seniors in Wilsonville

WCSI Mission: To make a positive contribution to the lives of seniors in the Wilsonville area by providing:

- Companionship to foster meaningful relationships
- Entertainment and recreational activities to stimulate socialization
- Class instruction to promote learning and intellectual growth
- Opportunities for service in the community

Adapting to Changing Times

- Appealing to a broader group of Boomers, and Active Adults
- Evening programming
- Zumba Gold - PM
- Tai Chi drop in- PM
- WCSI Fundraising Efforts
- WCSI Gazette -available on City website

"Active Adults" Program Growth

- The Board donated \$10,000 for kitchen remodel
- Upgraded kitchen= fresher meals, more efficiency
- Increased storage capacity to serve increasing numbers of seniors



Increasing Numbers

- The I-5 Connection choral group has over 60 members!
- Tai Chi Studio (37) and Stretch, Strength and Stamina(63) are outgrowing their space
- Bonus Class Benefit- New Friends!



Vision for the Future

- Multi-generational Recreation and Aquatic Center
- Performing arts theater
- Studio room with Mirrors on walls for dance/Tai Chi
- Larger Fitness Studio with more Cardio!

Goal Areas

- Participate actively in public input process for Recreation/Aquatic Center
- Create more useful activity spaces for classes/activities
- Help solve transportation challenges for seniors

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

A regular meeting of the Wilsonville City Council was held at the Wilsonville City Hall beginning at 7:00 p.m. on Monday, November 18, 2013. Mayor Knapp called the meeting to order at 7:08 p.m., followed by roll call and the Pledge of Allegiance.

The following City Council members were present:

Mayor Knapp
Council President Starr
Councilor Goddard
Councilor Fitzgerald
Councilor Stevens

Staff present included:

Bryan Cosgrove, City Manager
Jeanna Troha, Assistant City Manager
Mike Kohlhoff, City Attorney
Sandra King, City Recorder
Nancy Kraushaar, Community Development Director
Stephan Lashbrook, SMART Director
Kristin Retherford, Economic Development Manager
Sgt. Jensen, Clackamas County Sheriff's Department
Eric Mende, Deputy City Engineer
Jen Massa-Smith, Operations Program Manager
Mark Ottenad, Government and Public Affairs

Motion to approve the order of the agenda.

Motion: Councilor Starr moved approve the order of the agenda noting a revision in the October 7th minutes. Councilor Fitzgerald seconded the motion.

Vote: Motion carried 5-0.

MAYOR'S BUSINESS

A. Proclamation Honoring Fallen Oregon City Police Reserve Officer

Mayor Knapp read the proclamation honoring Officer Robert Libke, Oregon City Reserve Officer, and in support of Oregon City. The Mayor presented the Proclamation to Sgt. Jensen to deliver to the City of Oregon City.

Sgt. Jensen announced the Clackamas County Peace Officers' Benevolent Foundation would accept donations to assist Oregon City Officer Robert Libke's family.

B. Upcoming meetings were announced by the Mayor. He pointed out City offices would be closed for the Thanksgiving Holiday November 28 and 29.

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

COMMUNICATIONS

- A. Aurora Airport Master Plan Update, Mitch Swecker, Director, Oregon Department of Aviation

Mr. Swecker provided an update on the status of the Aurora Master Plan that was approved last year and the Aurora Air Traffic Control Tower. The goals of the master planning process included:

- Enhanced safety
- Meet current and projected needs of airport users, as feasible
- Consider all of the off-airport impacts of Airport development; minimize negative impacts and maximize positive impacts

The recommendations of the master planning process are:

- Increased runway length to the south by 1,000 feet
- Increased runway strength to 60,000 pound capacity
- Upgrade approach lighting to Precision Approach Path Indicator
- Construction of Air Traffic Control Tower as planned, and funded by Connect Oregon
- Change airport configuration from B2 to C2 which will change airspeed of approach from a minimum of 120 knots to a minimum of 140 knots.
- Identify location for helicopter pad and north end run-up area
- Develop precision instrument approach

Mr. Swecker identified the questions and concerns the City expressed last year, and how the Aviation Board addressed them. The first was to improve the management of aircraft approaching and departing the Aurora Airport to minimize noise and enhance safety of the City of Wilsonville. Mr. Swecker stated the FAA has approved departure flights to go east or west rather than flying over Charbonneau; however, this guideline is not followed by 100 percent of the pilots and more education of pilots is necessary.

The FAA will be implementing a new procedure to change the approach into Aurora. Rather than flying to Portland then turning south to Aurora, pilots may fly south of Mt. Hood and approach the airport more directly and avoid flying over Charbonneau. Regarding the expansion of the runway to the north, the Aviation Board tried to implement a "declared distance" of 800 feet to the north, meaning takeoffs could occur from the north to the south using the additional 800 feet.

Another question dealt with preserving foundation farm lands by restricting future airport development to the south. All of the alternatives considered by the Aviation Board tried to take into account the farmland in the area and none of the alternatives makes use of the farmlands; all extension remains in the airport boundary. There is a 200 foot runway safety area to be built where Kile Road is and another 1,000 foot runway protection zone south from that which cannot be developed. Mr. Swecker stated a navigation easement which does not require purchasing the farmland, prevents development of the land.

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

Mr. Swecker addressed concurrency by recognizing surface transportation impacts on Airport Road resulting from future development. It will be necessary to cooperate with Clackamas and Marion counties on the scope and funding of any required road improvements. The FAA does not pay for roadway development therefor the Aviation Board will be working with the counties.

Councilor Goddard asked how the new flight path would alleviate the noise experienced by Charbonneau residents. Rather than flying north of Mt. Hood towards Portland, Mr. Swecker said the new flight path will route air traffic south and depending on wind direction, air traffic will have the option of approaching the airport from the south or the north. Departures are handled through Standard Instrument Departures (SID), one that goes east, and the other going west that avoid an over flight of Charbonneau. This will require the educating and cooperation of pilots and the transient community flying into Aurora Airport.

Councilor Fitzgerald commented Mr. Swecker talked about educating pilots regarding approaches that minimize the flyover and wanted to know what efforts will make that a more predictable outcome. Mr. Swecker responded the education piece was important; however, much of it depends on the other air traffic in the air space. Although there is signage throughout the airport showing over flight areas to avoid, the education of the pilots is important, as is having the FAA understand the standard instrument departure is the preferred departure and getting the Aurora pilots to ask for that SID rather than accepting what the FAA gives them.

Councilor Stevens asked why air traffic coming from the north does not use I-5 as a route rather than flying over residential areas. Mr. Swecker explained in instrument conditions a straight in approach is used and preferable because the aircraft is lined up with the runway; if this approach is offset by a certain number of degrees then it is no longer a straight in approach, using I-5 is a 10 degree difference while an instrument approach is always a straight in approach.

Councilor Stevens inquired who the driving forces were for the runway extension 1,000 feet to the south. Mr. Swecker said it was the FAA, who listed 500 constrained operations meaning aircraft that would normally be there either cannot fly in, or light-load fuel, they are constrained in their ability to operate at the airport. The constrained operation information is gathered by survey data, instrument approaches, and input from the pilot community.

Mr. Cosgrove asked if there was sufficient funding to build the tower, and would sequestration affect the ability for the FAA to operate the tower?

Mr. Swecker explained sufficient Connect Oregon funds were available to build the tower, with equipment funded by the FAA. Funding for staffing the tower is under threat due to sequestration; the decision to build the tower will be made after considering alternatives.

Councilor Starr asked how the new tower would improve safety. Mr. Swecker said it was based on a benefit cost analysis where the benefit is avoided accidents, loss of life, damage to equipment, and the cost was the staffing of the air traffic control tower, and if there was a ratio of greater than one then the FAA funded the entire contract tower program, including staffing. Aurora airport has a 1.6 ratio which was above the threshold.

CITY OF WILSONVILLE CITY COUNCIL MEETING MINUTES

Councilor Stevens questioned if the tower will be manned at night. Mr. Swecker said the tower would be manned during the times most used by pilots.

Mayor Knapp wanted to know where the majority of the transient trips arrive from and depart to and the number of pilots that were transient versus based at Aurora. Mr. Swecker said traffic was routed to Portland and a lot of the traffic consists of larger national companies, he did not have data on the number of transient pilots. The Mayor questioned expansion of the airport when it relies on septic systems and is not connected to municipal utilities, or traffic planning. Mr. Swecker clarified holding tanks are pumped on a regular basis; regarding traffic, ODOT has completed traffic studies for future growth impacts.

Mr. Cosgrove stated two copies of the Aurora Airport Master Plan will be available at City Hall.

CITIZEN INPUT & COMMUNITY ANNOUNCEMENTS

This is an opportunity for visitors to address the City Council on items *not* on the agenda. It is also the time to address items that are on the agenda but not scheduled for a public hearing. Staff and the City Council will make every effort to respond to questions raised during citizens input before tonight's meeting ends or as quickly as possible thereafter. Please limit your comments to three minutes.

Ben Williams, 23013 Jeany Lane, Aurora, stated he was President of "Friends of French Prairie" and he was in favor of the air traffic control tower. However he was opposed to the runway extension and the impact on farmland.

Tony Holt, 7670 SW Village Greens Circle, Wilsonville indicated he was member of the PAAM Group for last 6 years. He stated the right/left departure on 35 is optional and not widely used and there was need to educate pilots. He felt the City should attempt to be a participant in the intergovernmental agreement between Aurora, Oregon Department of Aviation and Marion County.

COUNCILOR COMMENTS, LIAISON REPORTS & MEETING ANNOUNCEMENTS

Council President Starr – Park & Recreation Advisory Board, Chamber/City Leadership liaison reported he would be going to look at a community center in Silverdale Washington with Parks and Recreation Director Stan Sherer. The Chamber will be postponing meetings for the balance of the year due to the relocation of the Visitor Center and the holidays. He invited the public to make reservations to attend the Holiday Light Drives.

Councilor Goddard – Library Board, Chamber Board, and Clackamas County Business Alliance liaison announced the date of the next Library Board meeting. He noted the Chamber had hired a new information officer, and he announced the upcoming Chamber events. CCBA held their annual meeting where they elected a new board; and Councilor Goddard was appointed an ex officio member of the CCBA.

Councilor Fitzgerald – Planning Commission; Committee for Citizen Involvement; and Library Board liaison reported she participated in the Veteran's Day Celebration. The last Tourism Task Force meeting focused on digital marketing; and the Task Force learned there was no single

**CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES**

dedicated tourism or visitor information on the web for Wilsonville. She reported the Planning Commission focused on the housing needs analysis at their last meeting.

Councilor Stevens – Development Review Panels A and B; and Wilsonville Seniors liaison announced the cancellation of the DRB meetings. The Wilsonville Community Seniors board received a presentation from Elders in Action during their last meeting. The WCS is raffling a quilt as part of a fund raising activity. The Councilor invited the public to participate in the Reindeer Romp.

CONSENT AGENDA

Mr. Kohlhoff read the items on the Consent Agenda into the record by title only.

A. **Resolution No. 2446**

A Resolution Of The City Of Wilsonville Authorizing The City Manager To Execute A Professional Services Agreement With Harper Houf Peterson Righellis, Inc. For The Canyon Creek Road South From Boeckman To Vlahos Project (Capital Improvement Project #4184).

B. Minutes of the October 7, (as amended) and October 21, and November 4, 2013 Council Meetings.

Motion: Councilor Starr moved to approve the Consent Agenda. Councilor Stevens seconded the motion.

Vote: Motion carried 5-0.

NEW BUSINESS

A. **Resolution No. 2445**

A Resolution Of The City Council Of The City Of Wilsonville Authorizing The South Metro Area Regional Transit Department (SMART) To Submit A List Of Projects For Inclusion In Metro's 2014-2040 Regional Transportation Plan.

Mr. Kohlhoff read Resolution No. 2445 into the record by title only.

Stephan Lashbrook, SMART Director presented the staff report. Metro updates the Regional Transportation Plan (RTP) every four years. Each updated RTP includes transportation projects from all around the region that have been recommended for inclusion on the RTP by the cities and counties within Metro's jurisdiction. SMART and TriMet each have their own project lists that are separate from the city and county lists.

Inclusion of a project on the RTP list is not a commitment to develop the listed project, but it is a statement of local priorities, should funding become available. Projects listed in the RTP stand a much better chance of receiving state or federal funding than projects that are not listed. In fact, some funding is only available for projects listed in the RTP.

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

The project list for SMART contained in the current RTP (adopted in 2010) included 10 projects. One of those projects (construction of a SMART administrative building) has been completed and should now be removed from the RTP list. Some of the other projects on the list should be modified to reflect changed priorities for SMART. The staff now also recommends the addition of two new projects, one for the creation of vanpools and one supporting the development of fueling stations for alternative fuel buses (e.g., liquefied natural gas, compressed natural gas, or electric vehicle charging stations).

Metro will be receiving input from throughout the region before it finalizes work on the new RTP next year. The list of projects proposed by SMART, as well as the City's project list prepared by the Community Development Department, can be expected to be included within the new RTP. This will facilitate the receipt of state and federal transportation funds for at least some of those projects in the next four years.

The deadline for the City to submit proposed changes to the RTP project list to Metro is December 6, 2013; Metro will then undertake a lengthy public involvement process that will lead to adoption of the new RTP in late 2014.

Mayor Knapp asked how the City's transit proposals relate to the Climate Smart programs. Mr. Lashbrook stated decisions involving acquisition of buses, or expansion of services include Metro's Climate Smart concerns in the cost estimates. A brief discussion followed on the priorities and of the project list. Councilors wanted to explore the aspects of providing more opportunities for SMART connections with Tri-Met to downtown Portland and for a reciprocal fare agreement with Tri-Met.

Motion: Councilor Fitzgerald moved to approve Resolution No. 2445. Councilor Stevens seconded the motion.

Vote: Motion carried 5-0.

Nancy Kraushaar distributed a Clackamas County RTP project list dated November 2013.

PUBLIC HEARING

- A. **Ordinance No. 731** – first reading
An Ordinance Of The City Of Wilsonville Amending Wilsonville Code 8.210(9).

The title of Ordinance No. 731 was read into the record by Mr. Kohlhoff on first reading noting the Council received an amended staff report and ordinance at the work session.

Mayor Knapp opened the public hearing at 8:58 p.m. and read the hearing format.

Ms. Kraushaar's staff report is included here.

"The subject current code was enacted to reduce the potential for outdoor storage areas to be pollutant sources that could impact water quality in streams and rivers. City Council requested

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

staff to review the effectiveness of the subject current code requirement after receiving a complaint that the requirement was not practical for their site.

Staff completed the review and determined that there are a number of issues with trash enclosures that merit further Wilsonville Code review. Future code review and modifications should address size spacing, location, maintenance, and aesthetic standards.

Staff recommends that further exploration occur to establish better city-wide trash area maintenance, best management practices for food establishments, and improved coordination with the franchise hauler.

The current code section states:

“Outside storage areas for grease, oil, waste products, recycling, garbage, and other sources of contaminants shall be a covered enclosure adequately sized to allow all containers to be accessible. No drainage is allowed to enter the storm sewer system.”

Staff recommends that this code section be amended as follows:

“Outside storage areas for grease, oil, waste products, recycling, garbage, and other sources of contaminants shall be adequately sized to allow all containers to be accessible. Grease, oil, waste products, garbage, and other contaminants from the storage area are prohibited from entering the storm sewer system.”

The overall trash area review is expected to clarify and improve code or policy requirements and result in practical implementation, safety, reduced pollutant sources, effective screening, and convenient use of trash enclosures.

Additional code revisions and a new policy or program will be drafted by staff for expected future City Council consideration in April 2014.”

Mr. Kohlhoff indicated the ordinance includes clarifying language (underlined): “Outside storage areas for grease, oil, waste products, recycling, garbage, and other sources of contaminants shall be adequately sized to allow all containers to be accessible. Grease, oil, waste products, garbage, and other contaminants from the storage area are prohibited from entering the storm sewer system.”

Mayor Knapp was concerned the future requirements mentioned on page 2 of 3 in the ordinance were not included in the ordinance.

Ms. Kraushaar stated staff would be developing additional code revisions and trash area management programs to be brought back to Council for consideration. Any development of a best management program would be communicated to the business/restaurant community.

Mr. Kohlhoff stated staff would clarify the language in the section on second reading.

Mayor Knapp called for public testimony, hearing nothing he closed the public hearing at 9:08 p.m.

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

Motion: Councilor Fitzgerald moved to approve Ordinance No. 731 on first reading. Councilor Stevens seconded the motion.

Councilor Starr confirmed staff will present recommendations on second reading.

Vote: Motion carried 5-0.

B. Ordinance No. 732 – first reading

An Ordinance Of The City Of Wilsonville Amending Ordinance No 353 To Correct Legal Descriptions Of Easements Intended To Be Vacated And Incorporated Into The Duly Recorded Plat Of Day Dream River Estates In The City Of Wilsonville, Clackamas County, Oregon.

The title of Ordinance No. 732 was read into the record by Mr. Kohlhoff on first reading.

Mayor Knapp opened the public hearing at 9:09 p.m. and read the hearing format.

Mr. Kohlhoff presented the staff report. When Ordinance No. 353 was originally considered the ordinance improperly identified a storm drain as having been replaced and therefore vacated; as it turns out the other easements intended to be vacated did not fully and correctly describe the easements. This ordinance is prepared to amend Ordinance No. 353 and provide the correct legal descriptions.

Mayor Knapp invited public comment, hearing nothing he closed the public hearing at 9:12 p.m.

Motion: Councilor Starr moved to approve Ordinance No. 732 on first reading. Councilor Stevens seconded the motion.

Vote: Motion carried 5-0.

C. Ordinance No. 733 – first reading

An Ordinance Of The City Of Wilsonville Amending Wilsonville Code, Public Contracts, Sections 2.312, 2.314, 2.315, 2.316 2.317 And 2.318

Mr. Kohlhoff read the title of the Ordinance for the record and explained staff had requested continuing the ordinance to an unspecified date.

Motion: Councilor Starr moved to continue Ordinance No. 733 to an undefined date. Councilor Fitzgerald seconded the motion.

Vote: Motion carried 5-0.

CITY MANAGER'S BUSINESS

The City Manager had no report.

**CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES**

LEGAL BUSINESS

The City Attorney had no report.

ADJOURN

The Council meeting adjourned at 9:15 p.m.

Respectfully submitted,

Sandra C. King, MMC, City Recorder

ATTEST:

Tim Knapp, Mayor


**CITY COUNCIL MEETING
STAFF REPORT**

Meeting Date: December 2, 2013	Subject: Resolution No. 2447 Water Rate Study Recommendations for Adjusted Water Rate Structure and Future Rate Increase. Staff Member: Joanne Ossanna, Nancy Kraushaar, Delora Kerber and Cathy Rodocker Department: Finance, Community Development and Public Works	
Action Required <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: 12/2/13 <input type="checkbox"/> Ordinance 1 st Reading Date: <input type="checkbox"/> Ordinance 2 nd Reading Date: <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Information or Direction <input type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input type="checkbox"/> Consent Agenda	Advisory Board/Commission Recommendation <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input type="checkbox"/> Not Applicable Comments:	
Staff Recommendation: Staff recommends Council approve Resolution No. 2447.		
Recommended Language for Motion: I move to approve Resolution No. 2447.		
PROJECT / ISSUE RELATES TO: <i>[Identify which goal(s), master plans(s) issue relates to.]</i>		
<input type="checkbox"/> Council Goals/Priorities Fiscal Discipline and Well Maintained Infrastructure	<input type="checkbox"/> Adopted Master Plan(s)	<input checked="" type="checkbox"/> Not Applicable

ISSUE BEFORE COUNCIL: Consideration of a rate structure adjustment on January 1, 2014 and a series of 2.25 percent annual water rate increases beginning on January 1, 2015, 2016 and 2017 respectively.

EXECUTIVE SUMMARY: The City authorized Galardi Rothstein Group to conduct a water cost of service study (see Attachment A for report). The purpose of the study was to assist the

City in determining a schedule of water rate increases sufficient to implement the recently adopted Water System Master Plan (Keller Associates, September 2012). In addition, the study developed alternative rate structure options sufficient to generate stable and predictable revenue overall, and equitably recover revenue from different water user types (e.g., residential, multifamily, and nonresidential), based on the cost of services provided.

The study recommends that the City continue to charge customers on a cost of service basis. While the current rate structure reflects a prior cost of service analysis, updated costs and planning criteria (from the City's recently completed Water System Master Plan), along with current customer usage characteristics support a moderate shifting of costs away from nonresidential customers to residential customers. While this rate structure adjustment will have rate impacts on some users in the short-run (FY2013-14), future bill increases for all users are projected to be at or less than inflation.

The study also recommends that the City begin to phase-out the minimum monthly quantity that is included in the base charge by changing from a monthly 4 ccf (one hundred cubic feet) minimum to a 2 ccf monthly minimum. An industry-wide trend has been to eliminate minimum quantities, charge for actual water consumption, and replace the minimum quantity revenue with a charge for standby capacity costs and other fixed charges. Many customers use less than the current 4 ccf minimum, and the City's sewer rates are based on a 2 ccf minimum, which can contribute to customer confusion. Standby charges for secondary capacity costs (like fire protection capacity) are quickly gaining favor in the industry and customers, as these charges generate stable revenue for a portion of water service that benefits all customers and is not related to actual monthly water use.

Over the course of the study, three alternative water rate options were developed for the City Council's consideration. The first two options (along with the current rates) were presented to the City Council on October 7, 2013 and are documented in the Water Cost of Service Rate Study Draft Report (September 2013) as Scenarios 1 and 2. The third option (Scenario 2a) was developed in response to feedback from the City Council at the October 7 work session and is presented (along with current rates) in this Final Report.

For most residential customers, the average bill increase (over the course of the year) will generally be in the \$3-\$4 per month range (with higher bill increases in the winter months and lower bill increases in the summer months). However, annual bills for very small volume users will decrease, as would the bills for very large summer water users. In future years, all customer bills would increase uniformly based on the system-wide increase (currently projected to be 2.25 percent).

A change is also being proposed to the City's leak policy is reflected in Resolution No. 2447. Currently, customers with a water leak can receive a 100 percent credit on their water bill attributable to water leakage as long as the leak is repaired within 72 hours of discovering that a leak has occurred. The proposed resolution changes the water leak credit from 100 percent to 50 percent.

Another policy change reflected in the resolution relates to the monthly base charge. In the past, a customer did not receive or pay a monthly utility bill while their water service was temporarily turned off (at the customer's request) for seasonal reasons - typically for travel, second residence, or shut-off irrigation. All customers will now be responsible for monthly base charges. Non-water utility rates (water, storm sewer, sanitary sewer, street light, and street maintenance) will

be included. This policy change provides equity for all customers. Even when select connections are inactive, the public infrastructure remains available for their use and requires the same maintenance and overall capacity and operational needs.

Currently 55 residential services are temporarily turned off. With the new policy, they will be required to pay approximately \$52 per month for all of the base fees.

There are also 42 irrigation services temporarily turned off. The irrigation customers typically keep their domestic service active and pay the all of the monthly base charges except for their irrigation meter base charge. They typically have a 1.5-inch meter that has a base fee of \$24.03 that will decrease to \$23.76 with the new rate structure.

In summary, the rate structure adjustment redistributes the cost of service equitably among water user categories. The rate increase is necessary to cover capital and operations and maintenance costs of the water distribution system.

EXPECTED RESULTS:

Fiscal responsibility for sustainable operations and maintenance and capital investment in the City's potable water system. Please note that the Water Treatment Plant Master Plan update is planned to occur in the next three years; which will likely trigger the need for a rate study review for treatment plant needs.

TIMELINE:

The rate structure adjustment would go into effect on January 1, 2014 and also include a series of 2.25 percent water rate increases beginning on January 1, of 2015, 2016 and 2017 respectively.

CURRENT YEAR BUDGET IMPACTS:

The rate adjustment in the current year does not have a financial impact on the water budget, since the adjustment only shifts costs between customer classifications based on a cost of service mode. The three annual rate increases of 2.25 percent, beginning January 1, 2015, are necessary to cover increasing capital and operations and maintenance costs of the water-distribution system to avoid budget impacts.

FINANCIAL REVIEW / COMMENTS:

Reviewed by: JEO Date: 11/20/13

Covered above in the "Current Year Budget Impacts" section.

LEGAL REVIEW / COMMENT:

Reviewed by: MEK Date: 11/25/2013

Resolution approved as to form.

COMMUNITY INVOLVEMENT PROCESS:

The Water Cost of Service Rate Study and a Q&A was added to the City's Website with a link for customers to ask questions or to provide feedback. A postcard was sent to all customers and a letter was sent to the top 28 water users. The postcard and letter informed of the Public Hearing and directed people to the City's website for additional information.

POTENTIAL IMPACTS or BENEFIT TO THE COMMUNITY

Provides an equitable distribution of rate charges to customers based on usage class effective January 2014. Provides sufficient revenue to fund the City's water distribution operation, maintenance and debt service requirements.

ALTERNATIVES:

Not Applicable

CITY MANAGER COMMENT:**ATTACHMENTS**

- A. Water Cost of Service Rate Study Final Report (*separately bound*)
- B. Resolution No. 2447
- C. Resolution No. 1624

RESOLUTION NO. 2447

A RESOLUTION ESTABLISHING AND IMPOSING JUST AND EQUITABLE USER FEES FOR THE WATER SYSTEM OF THE CITY OF WILSONVILLE; PROVIDING FOR THE MANNER OF PAYMENT, COLLECTION, ENFORCEMENT, AND DISBURSEMENT OF SUCH FEES; PROVIDING RULES AND REGULATIONS FOR CONTROL OF CITY WATER SERVICE; AND AMENDING RESOLUTION 1624

WHEREAS, the City adopted a Water System Master Plan per Ordinance 707 on September 6, 2012; and

WHEREAS, the City wanted to determine a schedule of water rate increases sufficient to implement the Water System Master Plan; and

WHEREAS, the current water rate structure was established in Resolution 1624, which was adopted on March 20, 2000; and

WHEREAS, the composition of the City in regards to residential, multi-family, industrial, and commercial water users has significantly changed since that date; and

WHEREAS, the City desires to adjust the current rate structure in order to generate stable and predictable revenue overall, and equitably recover revenue from the different water user types, based on the cost of services provided; and

WHEREAS, the Galardi-Rothstein Group, expert in the development of water user rates, has prepared the water rate calculations contained in their September 2013 report. The report provides a cost of service analysis that provides an equitable system of user charges to ensure that all users pay for their share of the total costs imposed on the system; and

WHEREAS, water rates were last adjusted by Resolution 2204, which became effective October 19, 2009; and

WHEREAS, the City has duly noticed the public hearing of December 2, 2013 and has heard testimony and comments regarding the contents of this Resolution; and

WHEREAS, based upon the reports, testimony, and comments received, the City Council finds water rate increases are required to cover capital and operations and maintenance costs of the water-distribution system; and

WHEREAS, the structure of the water utility rate is intended to be a charge for services and not a charge imposed upon property or upon a property owner as a direct consequence of ownership of that property. Although the water utility rate structure is intended to constitute

charges for service; even if it were a tax on property, it would allow the owner to have the ability to control the amount of the charge. Similarly the water utility rate structure reflects the actual cost for providing the service and only imposes charges on persons receiving a service. Actual costs include all direct and indirect costs the utility might incur, as set forth in ORS 310.140(13).

NOW, THEREFORE, THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

1. Resolution 1624 is amended as follows:

1.1 PART I: Determinations & Findings, paragraph B, is amended to read:

“B. The City Council has reviewed the proposed water rate structure adjustment and finds the proposed rate structure adjustment to be rationally based. The City Council hereby finds that maximum day demand (peak day) use of the City of Wilsonville water system is rationally and proportionally based for allocating the reimbursable and improvements costs for the production, storage, operations, and maintenance of the City’s potable water system. Additionally, The City Council has reviewed the proposed annual water rate increase of 2.25 percent per year for the next three years, beginning January 1, 2015 and ending January 1 2017, and finds the proposed rate increases to be rationally based to cover capital and operations and maintenance costs of the City’s potable water system.”

1.2 PART II, ARTICLE I, USER FEES FOR WATER SERVICE, Sections 1 through 11 are deleted and replaced as follows:

“Section 1. USER FEES WITHIN CITY.

The January 1, 2014 rates for domestic water consumption, whether it is for residential, commercial, or industrial, shall be adjusted on the effective dates and at the rates set forth in the respective corresponding columns in Table II below:

TABLE II CITY OF WILSONVILLE WATER USER FEES					
Date effective		1/1/2014	1/1/2015	1/1/2016	1/1/2017
Minimum charge and volume percent increase		0%	2.25%	2.25%	2.25%
MINIMUM CHARGES FOR ALL CUSTOMERS					
Meter Size	Monthly Quantity Allowance (hcf)				
5/8" X 3/4"	2	\$ 18.39	\$ 18.81	\$ 19.23	\$ 19.66
3/4"	2	18.39	18.81	19.23	19.66
1"	2	20.31	20.76	21.23	21.71
1-1/2"	2	22.85	23.36	23.89	24.42
2"	2	29.85	30.52	31.20	31.91
3"	2	60.38	61.74	63.13	64.55
4"	2	100.47	102.73	105.04	107.41
6"	2	145.00	148.26	151.60	155.01
8"	2	195.90	200.31	204.82	209.43
10"	2	242.03	247.47	253.04	258.74
Bulk water	2	29.85	30.52	31.20	31.91
Volume Charges					
Customer Class					
S-F Residential Tier 1		\$ 3.10	\$ 3.17	\$ 3.24	\$ 3.31
S-F Residential Tier 2		5.18	5.30	5.42	5.54
Multifamily		3.33	3.40	3.48	3.56
Commercial		3.23	3.30	3.38	3.45
Industrial		3.28	3.35	3.43	3.51
Combined Irrigation		5.18	5.30	5.42	5.54
Bulk water		3.76	3.84	3.93	4.02
FIRE SERVICE CHARGES					
All Customers per inch diameter of pipe		\$ 7.38	\$ 7.55	\$ 7.72	\$ 7.89
*Fees do not include Franchise Fees					

Section 2. USER FEES OUTSIDE CITY

Monthly services outside the City limits shall be billed at double the normal rate indicated in Table I except as modified by other agreements (i.e., French Prairie Rest Area and City of

Sherwood). This is to offset reduction for debt service financing otherwise paid by property within the city.

Section 3. FRANCHISE FEE

For the right to receive additional services from the general fund, a franchise fee has been previously imposed and shall continue to be imposed upon the water fund of the City in an amount equal to four percent (4%) of the gross annual revenue from water user charges. This fee shall be collected from the water users and remitted quarterly to the general fund.

Section 4. EXCEPTION FOR WATER LEAKS

The City will follow the procedures outlined in the City's Leak Adjustment Policy.

Section 5. BILLING

Billing shall be every month and shall be due the last business day of the month after billing is sent, and shall be considered past due after the first business day of the following month. User fees shall be billed and due as payable to the water service user.

Section 6. FIRE PROTECTION SERVICE CHARGES

Standpipe services for fire protection shall be charged monthly at the rate as indicated in Table II.

Section 7. ANNUAL REVENUE

Water user fees may be reviewed annually by the City Council. The City Council may, from time to time, including but not limited to its annual review, increase fees giving due consideration to the increase in labor, material, and supply costs and the consumer price index (CPI) for the Annual Portland-Salem, OR-WA, Consumer Price Index-Urban (CPI-U) for all items, not seasonally adjusted for the twelve (12) month period ending in June. The Council may take action not to increase fees in any year it is deemed appropriate to do so.

Section 8. APPLICATION FOR WATER SERVICES

Application for City water service and meter installation service shall be by written application on forms provided at the Finance Director's office or on the City's website. Completed forms may be delivered to City Hall either in person, or by mail, email, or fax. In accordance with the Federal Red Flag Program, all applicants shall provide proof of identity when applying for utility services. Each application will designate the property to be served and the user thereof. If a deposit is deemed necessary and cost effective by the Finance Director, the application must be accompanied by a deposit in the sum as established in the City's Master Fee

& Charges Schedule. However, any resident of Wilsonville (a person who has established credit with the City of Wilsonville by having water and/or sewer service in his/her own name) will be allowed to move from one location within the City limits without having to pay a deposit if that resident has lived in Wilsonville for at least one (1) year, has had City of Wilsonville water and/or sewer service in his/her name and has not been delinquent in paying for water and/or sewer service within the past three (3) years.

Section 9. REFUND OF DEPOSITS

A. A refund of the water service deposit will occur when a customer shows a satisfactory credit performance for one (1) year. If it becomes necessary to give notice to enforce collection and/or shut-off for non-payment during the one (1) year period, the City shall retain the deposit. The deposit will be held for an additional one (1) year from the date of the last visit to the customer's premises for collection for non-payment of a bill. (Definition of notice – past due bill or letter of delinquency. Definition of satisfactory credit – no water shut-off notices and/or temporary shut off of service for non-payment during a one (1) year period.)

B. A refund of the deposit will occur upon the applicant's requesting discontinuance of service, provided that all outstanding bills are paid in full. The deposit may be applied to the final bill.

C. If an account is shut off for non-payment, the deposit shall be held as security until the outstanding balance is paid. The deposit will only be applied to the outstanding balance when the account is closed and no further water service is required by the customer. The remaining balance of the deposit not used to pay outstanding bills will be refunded to the customer.

D. The deposit shall be refunded by the City to the applicant for satisfactory credit performance or upon termination of service. All deposits so paid to the City of Wilsonville by water users shall be credited by the Finance Department into an account to be known as the "Water Deposit Account."

Section 10. CHARGES MADE TO CURRENT USERS AND APPLICANTS

All charges for water service furnished or rendered by the City of Wilsonville shall be chargeable to the current user of the property where water service is supplied and, in addition, all persons signing an application for the use of water service shall be personally liable for all charges accrued against the property designated within the application. All customers are

responsible for monthly base charges. The City reserves the right to cut off and disconnect water service to the premises without further notice when charges for water service have not been paid within twenty-five (25) days after the due date, and the expense thereof shall be borne by the user to which such service has been supplied. The City shall provide a minimum of three (3) days' notice prior to water service disconnection. Water service disconnection procedures are specified in Article V of this resolution.

1.3 PART II, ARTICLE II, BULK WATER RATE, Sections 1 through 4 are deleted and replaced as follows:

Section 1. RATES

All bulk water sold after the effective date of this resolution shall be at the rate indicated in Table II, and full payment for all water purchased shall be made on a quarterly basis or until portable meter(s) are returned, and said payment will be due within thirty (30) days of receipt of the bill. Deposit checks will not be returned until final billing is paid.

Section 2. DEPOSITS

The deposits required for the use of portable water meter(s), fire hydrant wrenches, and fire hydrant valves(s) by the applicant are identified in The City's Master Fee & Charges Schedule. The only item which is mandatory for completion of the application is the portable water meter(s).

Section 3. REFUND OF DEPOSITS

If the above items mentioned in the City's Master Fee & Charges Schedule are returned in good condition, a portion or all of the deposit shall be returned to the applicant. The Public Works Director or designated staff shall inspect the item(s) at time of return. The Public Works Director or designated staff shall determine the condition of the equipment and shall make the determination as to the amount of the deposit to be returned based on the estimated cost of repairing or replacing the item(s). If the applicant wishes to renew the deposit for another ninety (90) day period, the applicant may do so by using a portion or all of the previous deposit as designated by the Public Works Director or designated staff person to be used as part of or all of the new deposit to be returned.

Section 4. PERMIT FEE

In addition to the bulk water rate and equipment deposit, a bulk water permit fee shall be paid. A copy of the permit shall be kept onsite. The permit may be renewed at the completion of the permit period, after the inspection of all portable meter(s), fire hydrant valve(s), and hydrant wrenches. Permit fees are listed in the City's Master Fee & Charges Schedule.

1.4 PART II, ARTICLE V, APPEALS, PAYMENT COLLECTION,
ENFORCEMENT AND DISCONNECTION PROCEDURE, Sections 1
through 13 are deleted and replaced as follows:

Section 1. APPEALS PROCEDURE

A. Any person aggrieved by a ruling under, or interpretation of, the provisions of this resolution may submit, within thirty (30) days of the occurrence, a written appeal to the City Manager. The appeal shall set forth the events and circumstances leading to the appeal, the nature of the ruling or interpretation from which relief is sought, and the nature of the impact of the ruling on appellant's property or business, together with any other reasons for appeal.

B. The City Manager will set a date to hear the appeal within thirty (30) days thereafter and hear testimony if deemed necessary. The decision of the City Manager will be final.

Section 2. PAYMENT

Every person subject to a charge hereunder shall pay the same, when due, to the City.

Section 3. COLLECTION

A. The Finance Director is hereby directed to collect the water user fees as provided for herein. In doing so, the services of other City departments may be utilized.

B. Water user fees, as herein before provided, shall be collected monthly, and if not paid by the last business day of the month, said charges should then be deemed delinquent.

C. Delinquent water service and service connection accounts shall bear interest from the day of delinquency at a rate of fifteen percent (15%) per annum, with a minimum of \$5.00 per month.

D. All returned payments by a bank shall be subject to a handling fee as set forth in the City's Master Fee & Charges Schedule.

Section 4. ENFORCEMENT

A. The Finance Director may use such means of collection as may be provided by the laws of the State of Oregon or permitted by the Charter and ordinances of the City of Wilsonville.

B. If a court or suit action is instituted to enjoin any unauthorized connection to or use of the water system, or for the collection of accounts, the City shall be entitled to collect, in addition to costs and disbursements provided by statute, such sum as any court, including any appellate court, may adjudge reasonable as attorney's fees in such suit or action.

C. The City may, upon notice to the user and property owner, discontinue water service and disconnect buildings from the City's water system if water service charges, or other fees under this resolution, become delinquent; or if the safety, health, or welfare of the citizens of Wilsonville may be jeopardized or without notice in the case of emergency affecting safety, health, or welfare of its citizens; and the City may continue thereafter to refuse water service and water connections to such delinquent water user until all such delinquencies and interest are fully paid or until a satisfactory payment plan is established with the Finance Director or until such safety, health, or welfare problem is abated or cured.

Section 5. NON-PAYMENT RESTORATION CHARGES

After City water service has been disconnected for non-payment, it shall not be restored unless at least the past-due portion of the bill has been paid in full and payment has been verified by the Finance Director. The charges for restoration for non-payment of a water bill shall be as set forth in the City's Master Fee & Charges Schedule.

Section 6. OTHER RESTORATION/DISCONNECTION CHARGES

The charges for restoration and/or disconnection for reasons other than non-payment of a water bill are set forth in the City's Master Fee & Charges Schedule. No charge shall be made for water restoration service for the restoration and/or disconnection of services necessitated by an emergency such as waterline or equipment breakage.

Section 7. SATISFACTION OF CURRENT BILLINGS

A utility user shall not be allowed to have City utility services at a new location unless the current billings have been satisfied. The non-delinquent bills, after deposit deduction, remain the responsibility of the service user.

Section 8. DISCONNECT NOTICE

The disconnect notice shall be sent to the user at the time of termination of service for non-payment of bill.

Section 9. NOTICE TO CITY FOR RESTORATION OR DISCONNECTION

Notice to the City of the desire of any person to have the water restored or disconnected at any premises shall be given to the Finance Director or designee at least twenty-four (24) hours before the water is to be so restored or disconnected. In no event shall any person, other than the duly authorized employees of the City, turn on the supply of City water after the same has been shut off by the City due to discontinuance of service for any reason. The penalty for tampering with the meter is as set forth in the City's Master Fee & Charges Schedule. Customers with services that are temporarily turned off will be responsible for 50 percent of their total monthly base charge beginning on July 1, 2014 and 100 percent of their total monthly base charge beginning on July 1, 2015.

Section 10. PERMIT

No person supplied with water service shall be permitted to supply or furnish such service in any way to other persons or premises without a permit from the City Council.

Section 11. REPAIRS

The City reserves the right to shut off water from the mains, without notice, for repairs or other necessary purposes. For normal, routine repairs, the City shall take reasonable precaution to notify occupants of affected premises of the intention to shut off the water supply. In no event shall the City, its officers, employees, or agents be responsible for any damages resulting from shutting off the City water supply. Water for steam boilers for power purposes shall not be furnished by direct pressure from the City water main. Owners of steam boilers shall maintain tanks for holding an ample reserve of water.

Section 12. ALTERATIONS

No person, other than an employee or agent of the City, shall tap the City water mains or make alterations to any conduit, pipe, or other fixture connected therewith between the main and the property line. The penalty for unauthorized alteration is as set forth in the City's Master Fee & Charges Schedule.

Section 13. ACCESS

The City shall have free access to all parts of the building or premises which are served by City water service for the purpose of inspecting the pipes and fixtures.

1.5 PART II, ARTICLE VI, DISBURSEMENT OF FUNDS, Section 1, paragraph E, is deleted and replaced as follows:

E. The "Water Deposit Account" is established for maintaining a deposit fund to ensure payment for services.

1.6 PART II, ARTICLE VIII, REPEAL OF EXISTING RESOLUTION, is deleted and replaced as follows:

ARTICLE VIII

AMENDMENT OF RESOLUTION 1624

It is the intent of the City Council in amending Resolution 1624, as set forth above, that the remaining parts of Resolution 1624 remain in full force and effect and that Resolution 1502, enacted by City Council, shall remain repealed. The City Recorder is directed to add these amendments to Resolution No. 1624, and note under the Resolution No. 1624 (as amended by Resolution No. 2447).

2. This resolution is effective upon adoption.

ADOPTED by the Wilsonville City Council at a regular meeting thereof this 2nd day of December 2013, and filed with the Wilsonville City Recorder this same date.

TIM KNAPP, Mayor

ATTEST:

SANDRA C. KING, MMC City Recorder

SUMMARY OF VOTES:

Mayor Knapp

Council President Starr

Councilor Goddard

Councilor Fitzgerald

Councilor Stevens

From: Rodocker, Cathy
Sent: Monday, December 02, 2013 11:41 AM
To: Ossanna, Joanne; King, Sandy
Subject: FW: water rates wilsonville

Here is the only response from the Utility@ci.wilsonville.or.us that I have received.

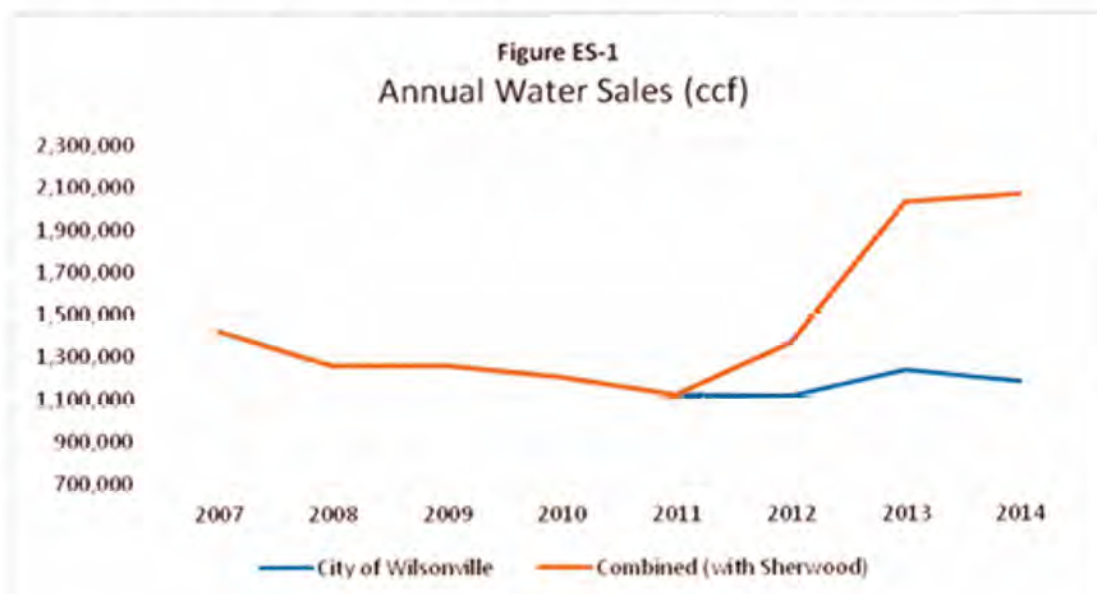
Thanks,
Cathy

From: Rodocker, Cathy
Sent: Tuesday, November 26, 2013 2:15 PM
To: 'Grahame Martin'; Utility
Subject: RE: water rates wilsonville

Dear Mr. Martin,

Thank you for getting back to us in regards to your concerns with the City of Wilsonville's water rates and in particular, the wholesale of water.

One of the factors that has helped the City to keep water rates unchanged since November 2011 has been the impact of the water purchased by the City of Sherwood. As discussed on pages 2-3 of the Water Rate Study, the operating costs per unit has declined by \$.31/unit since Sherwood began receiving water from the City of Wilsonville. As noted in the graph below, the City's water consumption has been steadily declining over the last several years and the increased production for the City of Sherwood has had a significant impact on overall water sales. The increase in sales to Sherwood has helped to offset the City's own decline in the water sales and allows the City to maintain a robust capital improvement program to help deal with an aging distribution system.



Many communities are just now beginning to discuss their options for their main water supplies, so they may have large capital project which will cause their rates to increase in the near future. The City of Hillsboro, for example, is also looking at the Willamette River as a water source for their customers. This billion dollar project, while in its early planning stages, will certainly have an effect on water rates to many customers to the north. Wilsonville on the other hand has completed its major capital project of building the water treatment plant and this will allow the City to continue to have stable rates.

The City's focus continues to be on controlling operating costs and maintaining the capital assets that are required to ensure our customers continue to receive a quality product at the lowest possible cost. Should you need additional information or clarification, please give me a call at (503)570-1524.

Sincerely,

Cathy Rodocker
Assistant Finance Director

-----Original Message-----

From: Grahame Martin [<mailto:glstmartin@comcast.net>]
Sent: Sunday, November 24, 2013 12:18 PM
To: Utility
Subject: water rates wilsonville

I just wanted to express some frustration with the whole water rates discussion and situation in Wilsonville.

Having lived here 16 years now, and seeing the treatment plant come in, I recall the promise of our paying for the treatment plant and exorbitant rates in the early 2000, as being "sold" on the future of selling water to other districts and wilsonville residents then benefiting in the future with lower rates than surrounding areas.

I scanned the Water study (admission of not reading thoroughly) and the Q&A and remain baffled why we are burdened with increased rates and still the 3rd highest rates in the region - despite taking control of our water situation 15 years ago and as mentioned, some political promise of reduced costs to residents in the future.

I also recall outside regions mocking Wilsonville at the time for pulling from the Willamette, and know through the years we have been approached by several as a source for their water, with Sherwood coming on in recent years. What I don't see in the document, and maybe I missed it, is whether these outsiders pay more than residents who paid for this treatment plant in the first place. If not, why not?

Again, seems we made the right decision years ago and took control of our water future, but as a paying resident, it seems we never were rewarded with the promise from the outset, and are still burdened with the highest rates in the region.

It's not a huge burden price wise, but still disappointing to not reap the benefits that were I recall "sold" to residents 15 years ago!

RESOLUTION NO. 1624

As amended by Resolution No. 2447, *adopted December 2, 2013*

A RESOLUTION ADOPTING A REVISED WATER CAPITAL IMPROVEMENTS PLAN AND ESTABLISHING AND IMPOSING JUST AND EQUITABLE USER FEES, SYSTEMS DEVELOPMENT CHARGES, METER INSTALLATION CHARGES, AND DEPOSITS FOR WATER SERVICE FOR THE WATER SYSTEM OF THE CITY OF WILSONVILLE; PROVIDING FOR THE MANNER OF PAYMENT, COLLECTION, ENFORCEMENT AND DISBURSEMENT OF SUCH FEES; PROVIDING RULES AND REGULATIONS FOR CONTROL OF CITY WATER SERVICE, CHANGING THE WATER UTILITY BILLING CYCLE FROM BIMONTHLY TO MONTHLY; AND REPEALING RESOLUTION 1502.

WHEREAS, ORS 223.297, states the policy underlying systems development charges:

"The purpose of ORS 223.297 to 223.314 is to provide a uniform framework for the imposition of system development charges by governmental units for specified purposes and to establish that the charges may be used only for capital improvements."; and

WHEREAS, ORS 223.299 states:

"As used in ORS 223.297 to 223.314:

(2) "Improvement fee" means a fee for costs associated with capital improvements to be constructed.

(3) "Reimbursement fee" means a fee for costs associated with capital improvements already constructed or under construction.

(4)(a) "System development charge" means a reimbursement fee, an improvement fee or a combination thereof assessed or collected at the time of increased usage of a capital improvement or issuance of a development permit, building permit or connection to the capital improvement. System development charge includes that portion of a sewer or water system connection charge that is greater than the amount necessary to reimburse the governmental unit for its average cost of inspecting and installing connections with water and sewer facilities."; and

WHEREAS, the City of Wilsonville pursuant to authority set for in ORS 223.297 et. seq. has enacted Ordinance No. 386, as modified by Ordinances No. 430 and 432, which provides the overall city implementing policy and procedures for system development charges (SDCs); and

WHEREAS, it is part of the purpose of this Resolution to provide a uniform and equitable methodology for imposition of systems development charges for specific water system

capital improvements upon those developments that create the need for or increase the demands for further capital improvements; and

WHEREAS, the 1986 Water System Plan, provides that the capacity of the City's water distribution system, storage facilities and supply source must be increased to satisfy future water demands, including Uniform Fire Code fire flow demands and to preserve compliance with Oregon State Health Division water quality standards; and

WHEREAS, on June 21, 1999, following extensive analysis of various alternatives for delivery of Portland Bull Run water and construction of a Willamette River water treatment plant, either alone or in conjunction with other water providers, the City Council adopted Resolution No. 1557 selecting the Willamette River as the long-term source of water for the City of Wilsonville, authorizing the sale of up to \$25 million in water revenue bonds and referring the authorization to issue \$25 million in revenue bonds to treat and use the Willamette River as a long term water supply to the September ballot for voter approval; and

WHEREAS, on September 21, 1999, the voters approved authorization of the sale of up to \$25 million in water revenue bonds to treat and use the Willamette River as a long-term water supply and the vote was duly received by the City Council in Resolution No. 1601, adopted October 4, 1999; and

WHEREAS, staff has prepared a revised water capital improvements plan for the City's Capital Improvement Program. Debbie Galardi of Galardi Consulting, a sub-consultant of CH2M Hill and an expert in the development of SDCs, prepared for the City the water rate and water SDC calculations contained in her report dated March 13, 2000. The report provides a listing of reimbursable costs and a methodology for determining the systems developed reimbursement charge for water system capital improvements. It also provides costs for the water system capital improvements and the methodology for determining the cost of the system development improvements charges on new development, which supports continued customer growth in the City of Wilsonville; and

WHEREAS, the City has provided due notice of the proposed water system development charge methodology on February 4, 2000, and has distributed methodology for the calculations of proposed methodology on February 17, 2000.

WHEREAS, lower debt service credits have increased the systems development charge by \$194 per equivalent dwelling unit since the draft resolution was distributed on February 17, 2000, the methodology has not changed.

WHEREAS, the City has duly noticed the public hearing of March 20, 2000, and has heard testimony and comments regarding the contents of this Resolution; and

WHEREAS, based upon the reports, testimony and comments received, the City Council finds additional water rate increases are required to provide debt service for the bond sales necessary to pay for water treatment plant construction and that it is feasible to support the bonded indebtedness and to lessen the financial impact on rate payers by spreading the rate increase over three fiscal years; and

WHEREAS, the structure of the water utility rate and the water SDC's are intended to be a charges for services and capital improvements respectively, they are not charges imposed upon property or upon a property owner as a direct consequence of ownership of that property. Although the water utility rate structure and the water SDC's are intended to constitute charges for service and capital improvements respectively; even if either were a tax on property, both allow the owner to have the ability to control the amount of the charge. Similarly the water utility rate structure and the SDC's reflect the actual cost for providing the service and capital improvements respectively and only imposes charges on persons receiving a service or benefit of the capital improvements. Actual costs include all direct and indirect costs the utility might incur as set forth in ORS 310.140(13); *and*

amending
Whereas, the City has duly noticed the public hearing of December 3, 2014, and has heard testimony and comments regarding Resolution 2447, amending and adopted Resolution 2447 and its amendments to Resolution 1624, which are incorporated below,
NOW, THEREFORE, THE CITY OF WILSONVILLE RESOLVES THAT:

Summary of Contents:

- PART I DETERMINATIONS & FINDINGS
- PART II ESTABLISHES USER FEES FOR WATER SERVICE
 - ARTICLE I USER FEES FOR WATER SERVICE
 - ARTICLE II BULK WATER RATE
 - ARTICLE III WATER SDC METHODOLOGY
 - ARTICLE IV WATER SDCs
 - ARTICLE V APPEALS, PAYMENT, COLLECTION,
ENFORCEMENT & DISCONNECTION PROCEDURE
 - ARTICLE VI DISBURSEMENT OF FUNDS
 - ARTICLE VII STATEMENT OF VALIDITY
 - ~~ARTICLE VIII REPEAL OF EXISTING RESOLUTION~~
 - ARTICLE VIII Amendment of Resolution 1624

PART I: DETERMINATIONS & FINDINGS

A. The City Council adopts above recitals as findings and incorporates them by reference in support of this resolution.

~~B. The City Council has reviewed the proposed water user fee (water rates) and finds the proposed water rates to be rationally based. The City Council hereby finds that maximum day demand (peak day) use of the City of Wilsonville water system is rationally based and proportionally based, for allocating the reimbursable and improvements costs for the production, storage and distribution of needed water system capital improvements.~~

B. The City Council has reviewed the proposed water rate structure adjustment and finds the proposed rate structure adjustment to be rationally based. The City Council hereby finds that maximum day demand (peak day) use of the City of Wilsonville water system is rationally and proportionally based for allocating the reimbursable and improvements costs for the production, storage, operations, and maintenance of the City's potable water system. Additionally, The City Council has reviewed the proposed annual water rate increase of 2.25 percent per year for the next three years, beginning January 1, 2015 and ending January 1 2017, and finds the proposed rate increases to be rationally based to cover capital and operations and maintenance costs of the City's potable water system.

C. The City Council hereby finds that for the reimbursement component of the water SDC, which is subsequently described in Article IV may be easily followed as set forth in the following chart form:

	Water Supply	Reservoirs and Storage	Transmission, Distribution & Pump Station
The net depreciated system investment for the city water system is:	\$1,502,314	\$259,141	\$1,740,443
The existing capacity in million gallons per day (MGD) is the existing demand in MGD:	0	0	6.65
The existing capacity available:	5.4	5.4	5.4
For new growth in MGD:	0	0	1.25
The percent of available capacity for new growth:	0	0	19%
The value of capacity available from new growth is:	0	0	\$327,151
Additional growth related capacity in MGD is:	10.2	2.0	9.0
The net investment per gallon per day is:	0*	0*	\$.04
The maximum day demand in gallons per day per equivalent dwelling unit (EDU) is:	891	891	891
The reimbursement fee per EDU:	0	0	\$36

*NOTE: The zero figure used here indicates that there is no existing capacity available for new development beyond a de minimus levels defined in the City's current Public Facilities Water Strategy, Ordinance No. 514.

D. The City Council hereby determines that the reimbursement SDC per equivalent dwelling unit is \$36.

E. The City Council hereby finds that for the improvement component of the water SDC which is also subsequently described in Article IV, may be easier to follow as set forth in the following chart form:

	Water Supply	Reservoirs and Storage	Transmission, Distribution & Pump Station
The value of the Capital Improvements Program allocated to new users less contributions is:	\$19,516,208	\$2,802,500	\$11,235,376
The new user capacity in million gallons per day is:	10.2	2.0	9.0
The unit cost of new capacity in gallons per day is determined by dividing the CIP value allocated to new users by the unit cost of the new capacity in million gallons per day divided by 1 million.	\$1.91	\$1.40	\$1.25
The maximum day water demand in gallons per day, per equivalent dwelling unit is equal to:	891	891	891
The improvement SDC per equivalent dwelling unit before debt service credit is determined by multiplying the unit cost of new capacity by the maximum day water demand and is as follows:	\$1,702	\$1,247	\$1,114
Debt service credit/EDU	\$167	\$123	\$110
Net improvement SDC/EDU	\$1,535	\$1,124	\$1,004

F. The City Council hereby determines that the net improvement systems development charge per equivalent dwelling unit is equal to \$3,663.

G. The City Council hereby finds that the fees and charges herein are not taxes subject to the property tax limitations of Article XI, Section 11(b) of the Oregon Constitution and further meets the definition of incurred charges set forth in Article XI, Section 11(b)(2). For services provided by the general fund a franchise fee of 4% of the gross annual revenue from water user charges will continue to be collected and remitted quarterly to the general fund.

PART II: ESTABLISHES USER FEES FOR WATER SERVICE, BULK WATER RATES, WATER SYSTEMS DEVELOPMENT CHARGE, METHODOLOGY FOR WATER SYSTEMS DEVELOPMENT CHARGES, WATER SYSTEMS DEVELOPMENT CHARGES, DISCONNECTION PROCEDURE, DISBURSEMENT OF FUNDS, WATER CONSERVATION PROGRAM, STATEMENT OF VALIDITY APPROVES THE WATER CAPITAL IMPROVEMENTS PROGRAM, AND REPEALS EXISTING RESOLUTION.

ARTICLE I
USER FEES FOR WATER SERVICE

Section 1. USER FEES WITHIN CITY.

The October 1, 1998 rates for domestic water consumption, whether it be for residential, commercial or industrial, shall be increased and charged on the effective dates and at the rates set forth in the respective corresponding columns in Table II below:

TABLE II CITY OF WILSONVILLE WATER USER FEES							
Date effective		10/1/98	4/1/00	10/1/00	4/1/01	10/1/01	4/1/02
Minimum charge and volume percent increase			22%	22%	22%	10%	9%
MINIMUM CHARGES FOR ALL CUSTOMERS							
Meter Size	Monthly Quantity Allowance (hcf)	MONTHLY MINIMUM CHARGE					
5/8" X 3/4"	4	\$7.80	\$9.52	\$11.61	\$14.16	\$15.58	\$16.98
3/4"	4	\$7.80	\$9.52	\$11.61	\$14.16	\$15.58	\$16.98
1"	4	\$8.60	\$10.49	\$12.80	\$15.62	\$17.18	\$18.72
1-1/2"	5	\$9.43	\$11.50	\$14.04	\$17.12	\$18.84	\$20.53
2"	6	\$11.05	\$13.48	\$16.45	\$20.07	\$22.07	\$24.06
3"	7	\$12.68	\$15.47	\$18.87	\$23.02	\$25.33	\$27.61
4"	8	\$14.30	\$17.45	\$21.28	\$25.97	\$28.56	\$31.13
6"	10	\$17.58	\$21.45	\$26.17	\$31.92	\$35.11	\$38.28
8"	12	\$21.83	\$26.63	\$32.49	\$39.64	\$43.60	\$47.53
10"	17	\$29.78	\$36.33	\$44.32	\$54.08	\$59.48	\$64.84
Bulk water	6	\$11.05	\$13.48	\$16.45	\$20.07	\$22.07	\$24.06

VOLUME CHARGES							
Customer Class	Volume Rate (\$/HCF)						
S-F Residential Block 1	\$1.45	\$1.77	\$2.16	\$2.63	\$2.90	\$3.16	
S-F Residential Block 2	\$1.64	\$2.00	\$2.44	\$2.98	\$3.28	\$3.57	
S-F Residential Block 3	\$2.32	\$2.83	\$3.45	\$4.21	\$4.63	\$5.05	
Multifamily	\$1.49	\$1.82	\$2.22	\$2.71	\$2.98	\$3.24	
Commercial	\$1.43	\$1.74	\$2.13	\$2.60	\$2.86	\$3.11	
Industrial	\$1.54	\$1.88	\$2.29	\$2.80	\$3.08	\$3.35	
Combined Irrigation	\$2.32	\$2.83	\$3.45	\$4.21	\$4.63	\$5.05	
Bulk water	\$1.66	\$2.03	\$2.47	\$3.01	\$3.32	\$3.61	
FIRE SERVICE CHARGES							
All Customers per inch diameter of pipe	\$5.80	\$5.95	\$6.09	\$6.25	\$6.40	\$6.56	
Notes:							
	S-F Residential Block 1		5 to 8 hcf				
	S-F Residential Block 2		9 & 10 hcf				
	S-F Residential Block 3		over 10 hcf				

~~Section 2. USER FEES OUTSIDE CITY~~

~~Monthly services outside the City limits shall be billed at double the normal rate indicated in Table I. This is to off set reduction for debt service financing otherwise paid by property within the city.~~

~~Section 3. FRANCHISE FEE~~

~~For the right to receive additional services from the general fund, a franchise fee has been previously imposed and shall continue to be imposed upon the water fund of the City in an amount equal to four percent (4%) of the gross annual revenue from water user charges. This fee shall be collected from the water users and remitted quarterly to the general fund.~~

~~Section 4. EXCEPTION FOR WATER LEAKS~~

~~A. Water users will not be required to pay that portion of their water bill attributable to water leakage provided that:~~

~~1. The leak is repaired at the water user's expense within 48 hours of notification by the city that a leak has occurred;~~

~~2. The city, upon rechecking the water meter, concurs that the leak has been fully repaired;~~

~~3. Exceptions from the 48 hour repair requirement may be granted in writing by the City Manager or designee when extenuating circumstances are recognized.~~

~~B. The water user's bill during the period of time when undetected leakage occurred shall be based on the prior year's bill, adjusted for any approval of subsequent rate increases for the same period of time. When prior year billing information is not available, the City Manager or designee will determine the approximate billing based on bills for comparable properties.~~

~~C. This policy shall not apply to leaks that are reoccurring problems or those that are apparent as opposed to undetected leaks.~~

~~Section 5. BILLING~~

~~Billing shall be every month and shall be due ten (10) days after billing is sent, and shall be considered past due after the tenth (10th) day. User fees shall be billed and due as payable to the water service user.~~

~~Section 6. WATER SERVICES AGREEMENT~~

~~In accordance with water meter purchasing procedures, all services two (2) inches and larger shall be covered by specific written agreement with the City, but in no case shall the rate and charges be less than those set forth in this Article.~~

~~Section 7. FIRE PROTECTION SERVICE CHARGES~~

~~Standpipe services for fire protection shall be charged monthly at the rate as indicated in Table II.~~

~~Section 8. ANNUAL REVENUE~~

~~Water user fees shall be reviewed annually by the City Council. The City Council may, from time to time, including but not limited to its annual review, increase fees giving due consideration to the increase in the consumers price index (CPI) for the Portland metropolitan tri-county area from the month of the last increase to the month preceding the date of the review. The Council may take action not to increase fees in any year it is deemed appropriate to do so.~~

~~Section 9. APPLICATION FOR WATER SERVICES AND REPORTS~~

~~Application for City water service, other than connection and meter installation service, shall be by written application on forms provided at the Finance Director's office. Each application will designate the property to be served and the user thereof. If a deposit is deemed necessary and cost effective by the Finance Director, the application must be accompanied by a deposit in the sum of not less than \$40.00 or an amount equal to an estimated 3 months bill as determined by the City. However, any resident of Wilsonville (a person who has established credit with the City of Wilsonville by having water and/or sewer service in his/her own name) will be allowed to move from one location within the City limits without having to pay a deposit if that resident has lived in Wilsonville for at least three (3) years, has had City of Wilsonville water and/or sewer service in his/her name and has not been delinquent in paying for water and/or sewer service within the past three years.~~

~~Section 10. REFUND OF DEPOSITS~~

~~A. A refund of the water service deposit will occur when a customer shows a satisfactory credit performance for three years. If it becomes necessary to make one or more visits to enforce collection and/or shut off for non payment during the three year period, the City shall retain the deposit. The deposit will be held for an additional three years from the date of the last visit to the customer's premise for collection for non payment of a bill. (Definition of visit—hand delivery of shut off notice to the customer's premise. Definition of satisfactory credit—no water shut off notices hand delivered and/or temporary shut off of service for non payment during a three year period.)~~

~~B. A refund of the deposit will occur upon the applicant's requesting discontinuance of service provided that all outstanding bills are paid in full. The deposit may be applied to the final bill.~~

~~C. If an account is shut off for non payment, the deposit shall be held as security until the outstanding balance is paid. The deposit will only be applied to the outstanding balance~~

~~when the account is closed and no further water service is required by the customer. The remaining balance of the deposit not used to pay outstanding bills will be refunded to the customer.~~

~~—— D. — Upon refund of the cash deposit to the applicant for satisfactory credit performance or upon termination of service, the deposit shall be refunded together with interest thereon at the rate of one-half percent (1/2%) below the average annual interest rate received by the City. However, no interest shall be allowed or paid by the City of Wilsonville on deposits which have been deposited with the City for less than 30 days. All cash deposits so paid to the City of Wilsonville by water users shall be credited by the Finance Department into a special account to be known as "Water Deposit Trust Account".~~

~~—— Section 11. — CHARGES MADE TO CURRENT USERS AND APPLICANTS~~

~~—— All charges for water service furnished or rendered by the City of Wilsonville shall be chargeable to the current user of the property where water service is supplied and, in addition, all persons signing an application for the use of water service shall be personally liable for all charges accrued against the property designated within the application. The City reserves the right to cut off and disconnect water service to the premises without further notice when charges for water service have not been paid within 30 days after the due date, and the expense thereof shall be borne by the user to which such service has been supplied. The City shall provide a minimum of 3 days notice by a door hanger or by mail prior to water service disconnection. Water service disconnection procedures are specified in Article VI of this resolution.~~

Section 1. USER FEES WITHIN CITY.

The January 1, 2014 rates for domestic water consumption, whether it is for residential, commercial, or industrial, shall be adjusted on the effective dates and at the rates set forth in the respective corresponding columns in Table II below:

TABLE II CITY OF WILSONVILLE WATER USER FEES					
Date effective		1/1/2014	1/1/2015	1/1/2016	1/1/2017
Minimum charge and volume percent increase		0%	2.25%	2.25%	2.25%
MINIMUM CHARGES FOR ALL CUSTOMERS					
Meter Size	Monthly Quantity Allowance (hcf)				
5/8" X 3/4"	2	\$ 18.39	\$ 18.81	\$ 19.23	\$ 19.66
3/4"	2	18.39	18.81	19.23	19.66
1"	2	20.31	20.76	21.23	21.71
1-1/2"	2	22.85	23.36	23.89	24.42
2"	2	29.85	30.52	31.20	31.91
3"	2	60.38	61.74	63.13	64.55
4"	2	100.47	102.73	105.04	107.41
6"	2	145.00	148.26	151.60	155.01
8"	2	195.90	200.31	204.82	209.43
10"	2	242.03	247.47	253.04	258.74
Bulk water	2	29.85	30.52	31.20	31.91
Volume Charges					
Customer Class					
S-F Residential Tier 1		\$ 3.10	\$ 3.17	\$ 3.24	\$ 3.31
S-F Residential Tier 2		5.18	5.30	5.42	5.54
Multifamily		3.33	3.40	3.48	3.56
Commercial		3.23	3.30	3.38	3.45
Industrial		3.28	3.35	3.43	3.51
Combined Irrigation		5.18	5.30	5.42	5.54
Bulk water		3.76	3.84	3.93	4.02
FIRE SERVICE CHARGES					
All Customers per inch diameter of pipe		\$ 7.38	\$ 7.55	\$ 7.72	\$ 7.89
*Fees do not include Franchise Fees					

Section 2. USER FEES OUTSIDE CITY

Monthly services outside the City limits shall be billed at double the normal rate indicated in Table I except as modified by other agreements (i.e., French Prairie Rest Area and City of

Sherwood). This is to offset reduction for debt service financing otherwise paid by property within the city.

Section 3. FRANCHISE FEE

For the right to receive additional services from the general fund, a franchise fee has been previously imposed and shall continue to be imposed upon the water fund of the City in an amount equal to four percent (4%) of the gross annual revenue from water user charges. This fee shall be collected from the water users and remitted quarterly to the general fund.

Section 4. EXCEPTION FOR WATER LEAKS

The City will follow the procedures outlined in the City's Leak Adjustment Policy.

Section 5. BILLING

Billing shall be every month and shall be due the last business day of the month after billing is sent, and shall be considered past due after the first business day of the following month. User fees shall be billed and due as payable to the water service user.

Section 6. FIRE PROTECTION SERVICE CHARGES

Standpipe services for fire protection shall be charged monthly at the rate as indicated in Table II.

Section 7. ANNUAL REVENUE

Water user fees may be reviewed annually by the City Council. The City Council may, from time to time, including but not limited to its annual review, increase fees giving due consideration to the increase in labor, material, and supply costs and the consumer price index (CPI) for the Annual Portland-Salem, OR-WA, Consumer Price Index-Urban (CPI-U) for all items, not seasonally adjusted for the twelve (12) month period ending in June. The Council may take action not to increase fees in any year it is deemed appropriate to do so.

Section 8. APPLICATION FOR WATER SERVICES

Application for City water service and meter installation service shall be by written application on forms provided at the Finance Director's office or on the City's website. Completed forms may be delivered to City Hall either in person, or by mail, email, or fax. In accordance with the Federal Red Flag Program, all applicants shall provide proof of identity when applying for utility services. Each application will designate the property to be served and the user thereof. If a deposit is deemed necessary and cost effective by the Finance Director, the application must be accompanied by a deposit in the sum as established in the City's Master Fee

& Charges Schedule. However, any resident of Wilsonville (a person who has established credit with the City of Wilsonville by having water and/or sewer service in his/her own name) will be allowed to move from one location within the City limits without having to pay a deposit if that resident has lived in Wilsonville for at least one (1) year, has had City of Wilsonville water and/or sewer service in his/her name and has not been delinquent in paying for water and/or sewer service within the past three (3) years.

Section 9. REFUND OF DEPOSITS

A. A refund of the water service deposit will occur when a customer shows a satisfactory credit performance for one (1) year. If it becomes necessary to give notice to enforce collection and/or shut-off for non-payment during the one (1) year period, the City shall retain the deposit. The deposit will be held for an additional one (1) year from the date of the last visit to the customer's premises for collection for non-payment of a bill. (Definition of notice – past due bill or letter of delinquency. Definition of satisfactory credit – no water shut-off notices and/or temporary shut off of service for non-payment during a one (1) year period.)

B. A refund of the deposit will occur upon the applicant's requesting discontinuance of service, provided that all outstanding bills are paid in full. The deposit may be applied to the final bill.

C. If an account is shut off for non-payment, the deposit shall be held as security until the outstanding balance is paid. The deposit will only be applied to the outstanding balance when the account is closed and no further water service is required by the customer. The remaining balance of the deposit not used to pay outstanding bills will be refunded to the customer.

D. The deposit shall be refunded by the City to the applicant for satisfactory credit performance or upon termination of service. All deposits so paid to the City of Wilsonville by water users shall be credited by the Finance Department into an account to be known as the "Water Deposit Account."

Section 10. CHARGES MADE TO CURRENT USERS AND APPLICANTS

All charges for water service furnished or rendered by the City of Wilsonville shall be chargeable to the current user of the property where water service is supplied and, in addition, all persons signing an application for the use of water service shall be personally liable for all charges accrued against the property designated within the application. All customers are

responsible for monthly base charges. The City reserves the right to cut off and disconnect water service to the premises without further notice when charges for water service have not been paid within twenty-five (25) days after the due date, and the expense thereof shall be borne by the user to which such service has been supplied. The City shall provide a minimum of three (3) days' notice prior to water service disconnection. Water service disconnection procedures are specified in Article V of this resolution.

ARTICLE II BULK WATER RATE

Section 1. — RATES

~~— All bulk water sold after the effective date of this resolution shall be at the rate indicated in Table II, and full payment for all water purchased shall be made on a monthly basis or until portable meter(s) are returned, and said payment will be due within seventy two (72) hours of receipt of bill. Deposit checks will not be returned until final billing is paid.~~

Section 2. — DEPOSITS

~~— Table III set forth below identifies the deposits required for the use of portable water meter(s), fire hydrant wrenches and fire hydrant valves(s), by the applicant. The only item which is mandatory for completion of the application is the portable water meter(s).~~

TABLE III

— Fire Hydrant Wrenches	\$ 20
— Fire Hydrant Valve(s)	200
— Portable Water Meter(s)	500
— Hose Adapter	35 deposit
— Temporary Meter Connection	Shall be dependent on the size of meter requested.

Section 3. — REFUND OF DEPOSITS

~~— If the above items mentioned in Table III are returned in good condition, a portion or all of the deposit shall be returned to the applicant. The City Manager or designated staff shall inspect the item(s) at time of return. The City Manager or designated staff shall determine the condition of the equipment and shall make the determination as to the amount of the deposit to be returned based on the estimated cost of repairing or replacing the item(s). If the applicant wishes to renew the deposit for another ninety (90) day period, the applicant may do so by using~~

~~a portion or all of the previous deposit as designated by the City Manager or designated staff person to be used as part of or all of the new deposit to be returned.~~

~~Section 4. PERMIT FEE~~

~~In addition to the bulk water rate and equipment deposit, a bulk water permit fee shall be paid. A copy of the permit shall be kept onsite. The permit may be renewed at the completion of the permit period, after the inspection of all portable meter(s), fire hydrant valve(s), and hydrant wrench. Permit fees are listed in Table IV below.~~

Section 1. RATES

All bulk water sold after the effective date of this resolution shall be at the rate indicated in Table II, and full payment for all water purchased shall be made on a quarterly basis or until portable meter(s) are returned, and said payment will be due within thirty (30) days of receipt of the bill. Deposit checks will not be returned until final billing is paid.

Section 2. DEPOSITS

The deposits required for the use of portable water meter(s), fire hydrant wrenches, and fire hydrant valves(s) by the applicant are identified in The City's Master Fee & Charges Schedule. The only item which is mandatory for completion of the application is the portable water meter(s).

Section 3. REFUND OF DEPOSITS

If the above items mentioned in the City's Master Fee & Charges Schedule are returned in good condition, a portion or all of the deposit shall be returned to the applicant. The Public Works Director or designated staff shall inspect the item(s) at time of return. The Public Works Director or designated staff shall determine the condition of the equipment and shall make the determination as to the amount of the deposit to be returned based on the estimated cost of repairing or replacing the item(s). If the applicant wishes to renew the deposit for another ninety (90) day period, the applicant may do so by using a portion or all of the previous deposit as designated by the Public Works Director or designated staff person to be used as part of or all of the new deposit to be returned.

Section 4. PERMIT FEE

In addition to the bulk water rate and equipment deposit, a bulk water permit fee shall be paid. A copy of the permit shall be kept onsite. The permit may be renewed at the completion of the permit period, after the inspection of all portable meter(s), fire hydrant valve(s), and hydrant wrenches. Permit fees are listed in the City's Master Fee & Charges Schedule.

TABLE IV

90 Day Permit <u>Fees</u>	\$45
60 Day Permit <u>Fees</u>	35
30 Day Permit <u>Fees</u>	25

ARTICLE III
WATER SYSTEM DEVELOPMENT CHARGES
METHODOLOGY

Section 1. **PURPOSE**

The purpose of this Article is to establish the methodology for capital cost of municipal water service improvements upon those developments that create the need for or increase the demands for such capital improvements.

The methodology for charges imposed by this Article is separate from and in addition to any applicable taxes, assessments, charges, or fees otherwise provided by or imposed as a condition of development. It is not intended to establish a methodology for a tax under Article XI, Oregon Constitution. It is intended to establish the methodology for a rationally based regulatory charge.

Fees for connection to the water system shall be charged to the permit applicant or owner(s) of any building(s) in which a water connection is made. Said connection fees shall be a revenue source to the City and shall entitle the applicant or owner(s) to a service connection to the water system.

Section 2. **STATUTORY AUTHORITY**

ORS 223.297 through 223.314 allow improvement fees and reimbursement fees to be included in Systems Development Charges.

Section 3. **CAPITAL IMPROVEMENTS PLAN AND IMPROVEMENT FEES**

A. The Community Development Department reviewed past growth records and future projections and determined that growth is reasonably estimated to be at two and one half (2.5%) per year for the next ten years.

B. The Community Development Department reviewed the 1986 Water System Plan and the City's current Capital Improvements Plan as it pertains to water. Additionally, the Preliminary Engineering Report for the Willamette River Water Treatment Plant by Murray Smith and Associates, Montgomery Watson and FCSG and supplemental reports by Montgomery Watson were reviewed and the logical components that would be required in the next ten years to accommodate growth were determined. Debbie Galardi calculated an inflation factor for the capital improvements inclusive of the treatment plan construction. The city staff reviewed the

water projects listed on the current Capital Improvements Program (CIP) and determined the percent of the project that should be allocated to new users. The summary of the projects cost and the percent allocations are set forth in Table I attached hereto and by this reference fully incorporated herein. Table I and the project list and their costs set forth therein is hereby adopted as a water capital improvements plan as described in ORS 223.309 and shall be considered the water capital improvement plan component of the City Capital Improvement Program which program shall be updated in accordance herewith.

C. Staff reviewed the increased capacities and determined that the water treatment plant would increase water production for new users by 10.2 mgd, added reservoirs would increase storage by 2.0 mgd and the increased transmission distribution and pumping stations would increase the capacity by 9.0 mgd. Peak day demands were reviewed by staff and the peak day water demands for an equivalent meter were determined to be 891 gallons per day. The respective production, storage and transmission component of the improvement SDC was determined by dividing cost by capacity to obtain unit cost per gallon. The unit cost was multiplied by 891 gallons a day to determine the component part of the improvement SDC. It is contemplated that water system improvements will be financed by revenue bonds and that new customers will pay for part of the debt service charges through their utility bills. Improvement systems development charges have been reduced by projected debt service interest payments as indicated in Table V. The improvement fees were separately calculated for production, storage, and transmission and the calculations are in Table VI, attached hereto and by this reference fully incorporated herein. The equivalent meter ratios were used to determine the improvement portion of the SDC for the water system. A summary of these calculations is in Table VII, attached hereto and by this reference fully incorporated herein.

Section 4. REIMBURSEMENT FEES

A. The Finance department reviewed the water systems capital improvements records and provided a copy of these records including the year of construction/acquisition and construction/acquisition cost to Debbie Galardi. A depreciation factor was determined, using generally accepted principles for such determination. The listed improvements were separated into production, storage and transmission facilities components and the depreciated cost of the existing improvements was calculated. The list of the improvements and net value provided in Table VIII, attached hereto and by reference fully incorporated herein. The maximum day water demand of 891 GPD which was separately calculated for the improvement fee, was also used as the maximum day demand for the reimbursement fee.

B. Staff reviewed the existing 1986 Master Plan and system operational characteristics set forth therein and flow tests from the Tualatin Valley Fire and Rescue District,

on file with the City of Wilsonville, Community Development Department, to determine production, storage and distribution system capacity.

C. The reimbursement fees were separately calculated for production, storage, and transmission. Calculation of the respective component production, storage and distribution cost was determined by dividing total cost by system capacity to get unit cost per gallon per day. This was multiplied by 891 gallons per day to determine the component part of the reimbursement fee. A summary of the calculations is in Table IX, attached hereto and by reference fully incorporated herein. The equivalent meter ratios were used to determine the reimbursement portion of the SDC for the water System. A summary of the calculations is in Table X.

ARTICLE IV WATER SYSTEMS DEVELOPMENT CHARGES

Section 1. CHARGES INSIDE CITY

The Water SDC is obtained by adding the improvement fee to the reimbursement fee. The Water SDC is based upon application of the foregoing methodologies are effective April 1, 2000, and are listed in Table XI, attached hereto and by reference fully incorporated herein. The combined water SDC based on meter size is listed in Table XII, attached hereto and by reference fully incorporated herein.

Section 2. ANNUAL REVIEW

As set forth in Ordinance No. 386 the City shall annually review the fee schedules presented in Table XII to determine whether additional fee revenues should be generated to provide extra-capacity improvements needed to address new development or to ensure that revenues do not exceed identified demands. In so doing, the City shall consider:

1. Construction of facilities by federal, state or other revenue sources;
2. Receipt of unanticipated funds from other sources for construction of facilities.
3. Additional needed water system improvements to meet mandates or requirements of other authorized governmental authorities.
4. Other charges of conditions as may be deemed necessary or prudent.

Upon completion of this review the City shall consider such amendments, including adjustment to the fee imposed herein, as are necessary to address changing conditions.

Notwithstanding any other provision, the dollar amounts set forth in Table XII of this Article shall on March 1st of each year be computed to increase automatically by the Engineering News Record Northwest (Seattle, WA.) construction cost index. Notwithstanding the foregoing,

all calculations shall be carried out to the hundredth place. A final product ending in .49 or less shall be rounded down to the nearest dollar, .50 or more up to the next dollar.

Section 3. PAYMENT OF SDC's AND CONNECTION FEES

The SDC and connection fees required by this resolution to be paid as provided for in Table XII shall be paid in full to the City of Wilsonville Finance Director or designated staff person prior to the scheduling for installation of the service connection. Water SDC credit eligibility and application procedures are specified in Ordinance No. 386, Article IX.

Section 4. PREPAYMENT

To better allow industry to plan future expansions and better allow the City to plan for water system capacity requirements, the City may enter into development agreements which provide defined capacity in the future at specific time intervals. Any deferral of payment for future capacity will be subject to a bond or other guarantee of future payments.

Section 5. INCREASED WATER USAGE CREATING FUTURE SDC

The water SDC fee is based upon existing or intended use of the property at the time of application for connection. If the property is improved, expanded, subdivided or otherwise modified so as to increase the water usage, a water SDC shall be charged for the modified portion of the property or structure based on the water SDC schedule in effect at the time of modification.

Section 6. SDC FOR WATER CONNECTION OUTSIDE CITY LIMITS

Water connections outside the City limits shall be charged at two (2) times the impact fees provided herein. This is to offset reduction for debt service financing otherwise paid for by development within the City.

Section 7. CHALLENGES TO SDC EXPENDITURE

As provided by Ordinance No. 386, Article X, any citizen or other interested person may challenge an expenditure of SDC revenues as being in violation of this resolution provided a written petition for review is filed with the Wilsonville City Council within two years of the expenditure.

ARTICLE V
APPEALS, PAYMENT COLLECTION, ENFORCEMENT AND
DISCONNECTION PROCEDURE

~~Section 1.~~ APPEALS PROCEDURE

~~A. Any person aggrieved by a ruling under, or interpretation of the provisions of this resolution, may submit within 30 days of the occurrence, a written appeal to the City Council of Wilsonville. The appeal shall set for the events and circumstances leading to the appeal, the nature~~

of the ruling or interpretation from which relief is sought, and the nature of the impact of the ruling on appellant's property or business together with any other reasons for appeal.

~~B. — The City Council will set a date at the next regularly scheduled Council meeting to hear the appeal within thirty (30) days thereafter at a regularly scheduled Council meeting and hear testimony if deemed necessary. The decision of the Council will be final.~~

Section 2. — PAYMENT

~~Every person subject to a charge hereunder shall pay the same, when due, to the Finance Director of the City of Wilsonville.~~

Section 3. — COLLECTION

~~A. — The Finance Director of the City is hereby directed to collect the water user fees and systems development charge fees as provided for herein. In doing so, the services of other City departments may be utilized.~~

~~B. — Water user fees, as herein before provided, shall be collected monthly and if not paid within the ten (10) days from billing date, said charges should then be deemed delinquent.~~

~~C. — Delinquent water service and service connection accounts shall bear interest from the day of delinquency at a rate of fifteen percent (15%) per annum.~~

~~D. — Checks returned by the bank for insufficient funds or closed accounts shall be subject to a \$20 handling fee.~~

Section 4. — ENFORCEMENT

~~A. — The Finance Director of the City may use such means of collection as may be provided by the laws of the State of Oregon or permitted by the Charter and ordinances of the City of Wilsonville.~~

~~B. — If a court or suit action is instituted to enjoin any unauthorized connection to or use of the water system, or for the collection of accounts, the City shall be entitled to collect, in addition to costs and disbursements provided by statute, such sum as any court, including any appellate court, may adjudge reasonable as attorney's fees in such suit of action.~~

~~C. — The City may, upon notice to the user and property owner, discontinue water service and disconnect buildings from the City's water system if water service charges and/or water systems development charges, or other fees under this resolution, become delinquent; or if the safety, health or welfare of the citizens of Wilsonville may be jeopardized, or, without notice in the case of emergency affecting safety, health or welfare of its citizens; and the City may continue thereafter to refuse water service and water connections to such delinquent water user until all such delinquencies and interest are fully paid until a payment plan is established satisfactory to the Finance Director or until such safety, health or welfare problem is abated or cured.~~

Section 5. — NON PAYMENT TURN ON CHARGES

~~After the City water services have been disconnected for non payment, it shall not be restored unless the bill has been paid in full. The charges for turn on for non payment of water bill shall be \$27.50 during 8:00 am to 4:00 PM and \$44.00 during 4:00 PM and 8:00 am on a regular workday. On any holiday, Saturday, or Sunday, a similar charge of \$44.00 will be made for the turn on service.~~

Service 6. — ~~OTHER TURN ON/TURN OFF CHARGES~~

~~The charges for turn off and/or turn on for reasons other than non payment of water bill shall be \$27.50. No charge shall be made for water turn on service for a new customer with a deposit or an established three year credit, and for the turn on and/or turn off services necessitated by an emergency such as waterline or equipment breakage.~~

Section 7. — ~~SATISFACTION OF CURRENT BILLINGS~~

~~A utility user shall not be allowed to have City utility services at a new location unless the current billings have been satisfied. The non delinquent bills after deposit deduction remains the responsibility of the service user.~~

Section 8. — ~~DISCONNECT NOTICE~~

~~—— The disconnect notice shall be sent to the user as well as the property owner at the time of termination of service for non payment of bill.~~

Section 9. — ~~NOTICE TO CITY FOR TURN OFF~~

~~—— Notice to the City of the desire of any person to have the water turned off or on at any premises shall be given to the Finance Director or designee at least 24 hours before the water is to be so turned on or off. In no event shall any person, other than the duly authorized employees of the City, turn on the supply of City water after the same has been shut off by the City due to discontinuance of service for any reason.~~

Section 10. — ~~PERMIT~~

~~—— No person supplied with water service shall be permitted to supply or furnish such services in any way to other persons or premises without a permit from the City Council.~~

Section 11. — ~~REPAIRS~~

~~—— The City reserves the right to shut off water from the mains, without notice, for repairs or other necessary purposes. For normal, routine repairs, the City shall take reasonable precaution to notify occupants of affected premises of the intention to shut off the water supply. In no event shall the City, its officers, employees or agents be responsible for any damages resulting from shutting off the City water supply. Water for steam boilers for power purposes shall not be~~

furnished by direct pressure from the City water main. Owners of steam boilers shall maintain tanks for holding an ample reserve of water.

~~Section 12. ALTERATIONS~~

~~No person, other than an employee or agent of the City, shall tap the City water mains, or make alterations to any conduit, pipe, or other fixture connected therewith, between the main and the property line.~~

~~Section 13. ACCESS~~

~~The City shall have free access to all parts of the building or premises which are served by City water service for the purpose of inspecting the pipes and fixtures.~~

Section 1. APPEALS PROCEDURE

C. Any person aggrieved by a ruling under, or interpretation of, the provisions of this resolution may submit, within thirty (30) days of the occurrence, a written appeal to the City Manager. The appeal shall set forth the events and circumstances leading to the appeal, the nature of the ruling or interpretation from which relief is sought, and the nature of the impact of the ruling on appellant's property or business, together with any other reasons for appeal.

D. The City Manager will set a date to hear the appeal within thirty (30) days thereafter and hear testimony if deemed necessary. The decision of the City Manager will be final.

Section 2. PAYMENT

Every person subject to a charge hereunder shall pay the same, when due, to the City.

Section 3. COLLECTION

E. The Finance Director is hereby directed to collect the water user fees as provided for herein. In doing so, the services of other City departments may be utilized.

F. Water user fees, as herein before provided, shall be collected monthly, and if not paid by the last business day of the month, said charges should then be deemed delinquent.

G. Delinquent water service and service connection accounts shall bear interest from the day of delinquency at a rate of fifteen percent (15%) per annum, with a minimum of \$5.00 per month.

H. All returned payments by a bank shall be subject to a handling fee as set forth in the City's Master Fee & Charges Schedule.

Section 4. ENFORCEMENT

D. The Finance Director may use such means of collection as may be provided by the laws of the State of Oregon or permitted by the Charter and ordinances of the City of Wilsonville.

E. If a court or suit action is instituted to enjoin any unauthorized connection to or use of the water system, or for the collection of accounts, the City shall be entitled to collect, in addition to costs and disbursements provided by statute, such sum as any court, including any appellate court, may adjudge reasonable as attorney's fees in such suit or action.

F. The City may, upon notice to the user and property owner, discontinue water service and disconnect buildings from the City's water system if water service charges, or other fees under this resolution, become delinquent; or if the safety, health, or welfare of the citizens of Wilsonville may be jeopardized or without notice in the case of emergency affecting safety, health, or welfare of its citizens; and the City may continue thereafter to refuse water service and water connections to such delinquent water user until all such delinquencies and interest are fully paid or until a satisfactory payment plan is established with the Finance Director or until such safety, health, or welfare problem is abated or cured.

Section 5. NON-PAYMENT RESTORATION CHARGES

After City water service has been disconnected for non-payment, it shall not be restored unless at least the past-due portion of the bill has been paid in full and payment has been verified by the Finance Director. The charges for restoration for non-payment of a water bill shall be as set forth in the City's Master Fee & Charges Schedule.

Section 6. OTHER RESTORATION/DISCONNECTION CHARGES

The charges for restoration and/or disconnection for reasons other than non-payment of a water bill are set forth in the City's Master Fee & Charges Schedule. No charge shall be made for water restoration service for the restoration and/or disconnection of services necessitated by an emergency such as waterline or equipment breakage.

Section 7. SATISFACTION OF CURRENT BILLINGS

A utility user shall not be allowed to have City utility services at a new location unless the current billings have been satisfied. The non-delinquent bills, after deposit deduction, remain the responsibility of the service user.

Section 8. DISCONNECT NOTICE

The disconnect notice shall be sent to the user at the time of termination of service for non-payment of bill.

Section 9. NOTICE TO CITY FOR RESTORATION OR DISCONNECTION

Notice to the City of the desire of any person to have the water restored or disconnected at any premises shall be given to the Finance Director or designee at least twenty-four (24) hours before the water is to be so restored or disconnected. In no event shall any person, other than the duly authorized employees of the City, turn on the supply of City water after the same has been shut off by the City due to discontinuance of service for any reason. The penalty for tampering with the meter is as set forth in the City's Master Fee & Charges Schedule. Customers with services that are temporarily turned off for thirty (30) days or greater will be responsible for 50 percent of their total monthly base charge beginning on July 1, 2014 and 100 percent of their total monthly base charge beginning on July 1, 2015.

Section 10. PERMIT

No person supplied with water service shall be permitted to supply or furnish such service in any way to other persons or premises without a permit from the City Council.

Section 11. REPAIRS

The City reserves the right to shut off water from the mains, without notice, for repairs or other necessary purposes. For normal, routine repairs, the City shall take reasonable precaution to notify occupants of affected premises of the intention to shut off the water supply. In no event shall the City, its officers, employees, or agents be responsible for any damages resulting from shutting off the City water supply. Water for steam boilers for power purposes shall not be furnished by direct pressure from the City water main. Owners of steam boilers shall maintain tanks for holding an ample reserve of water.

Section 12. ALTERATIONS

No person, other than an employee or agent of the City, shall tap the City water mains or make alterations to any conduit, pipe, or other fixture connected therewith between the main and the property line. The penalty for unauthorized alteration is as set forth in the City's Master Fee & Charges Schedule.

Section 13. ACCESS

The City shall have free access to all parts of the building or premises which are served by City water service for the purpose of inspecting the pipes and fixtures.

ARTICLE VI
DISBURSEMENT OF FUNDS

Section 1. DISBURSEMENT TO FUNDS AND ACCOUNTS

All payments received by the City under the provisions of this resolution shall be deposited in, and or credited to, the Water Fund of the City of Wilsonville, as follows:

A. Water System Improvement SDC shall be deposited in, or credited to, the water systems development charges improvement account. Use of these funds shall only be for capacity increasing capital improvements including repayment of indebtedness as authorized by ORS 223.307.

B. Water reimbursement SDC funds shall be deposited to the water systems development charge reimbursement account. Funds from this account shall only be spent on capital improvements associated with the water system including expenditures related to repayment of indebtedness as authorized by ORS 223.307.

C. The account(s) for the payment of principal and interest on maturing bonds, from which funds have been collected in the form of Water Connection Fees, and as directed by the City council.

D. The account(s) established for the operation and maintenance of the Water System from which funds have been collected in the form of Water User Fees. Operations and maintenance costs may include system replacement and Capital Outlay. Capital Outlay includes those items, which are not Capital Improvements to the water system.

~~E. The "Water Deposit Trust Account" established for maintaining a deposit fund to ensure payment for services.~~

E. The "Water Deposit Account" is established for maintaining a deposit fund to ensure payment for services.

ARTICLE VII
STATEMENT OF VALIDITY

Section 1. The invalidity of any section clause, sentence or provision of this resolution shall not affect the validity of any other part or section of this resolution, which can be given effect without such invalid part(s).

ARTICLE VIII
REPEAL OF EXISTING RESOLUTION

~~Upon adoption of this resolution by the City Council, Resolutions No. 1502 enacted by the City Council is hereby repealed.~~

ARTICLE VIII
AMENDMENT OF RESOLUTION 1624

It is the intent of the City Council in amending Resolution 1624, as set forth above, that the remaining parts of Resolution 1624 remain in full force and effect and that Resolution 1502, enacted by City Council, shall remain repealed. The City Recorder is directed to add these amendments to Resolution No. 1624, and note under the Resolution No. 1624 (as amended by Resolution No. 2447).

ADOPTED by the Wilsonville City Council at a regular meeting thereof this 20th day of March 2000, and filed with the Wilsonville City Recorder this same date.

CHARLOTTE LEHAN, Mayor

ATTEST:

SANDRA C. KING, CMC City Recorder

Mayor Lehan Yes

Councilor Helser Yes

RESOLUTION NO. 1624

N:\City Recorder\Resolutions\Res1624.doc
12/2/13

PAGE 25 OF 18

As amended by Resolution No. 2447 adopted on

Councilor Kirk	Yes
Councilor Holt	Yes
Councilor Barton	Yes

Attachments to Resolution No. 1624

- Table I – Table CAP-2 of rate & SDC study
- Tables II, III, and IV are included in the body of the Resolution.
- Table V – Table DEBT-2 of rate & SDC study
- Table VI – Table SDC-3 of rate & SDC study
- Table VII – Table SDC-4 of rate & SDC study
- Table VIII – Table CAP-5 of rate & SDC study
- Table IX – Table SDC-1 of rate & SDC study
- Table X – Table SDC-2 of rate & SDC study
- Table XI – Table SDC-5 of rate & SDC study
- Chart Showing A Comparison of Water SDCs for a Single Family Home

Resolution No. 1624 amended December 2, 2013 with the adoption of Resolution No. 2447.

King, Sandy

From: Rodocker, Cathy
Sent: Monday, December 02, 2013 11:41 AM
To: Ossanna, Joanne; King, Sandy
Subject: FW: water rates wilsonville

Here is the only response from the Utility@ci.wilsonville.or.us that I have received.

Thanks,
Cathy

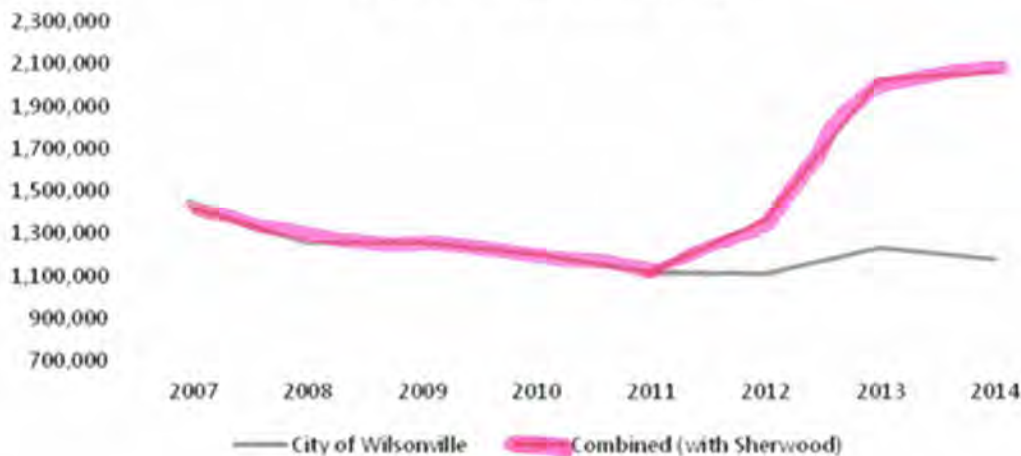
From: Rodocker, Cathy
Sent: Tuesday, November 26, 2013 2:15 PM
To: 'Grahame Martin'; Utility
Subject: RE: water rates wilsonville

Dear Mr. Martin,

Thank you for getting back to us in regards to your concerns with the City of Wilsonville's water rates and in particular, the wholesale of water.

One of the factors that has helped the City to keep water rates unchanged since November 2011 has been the impact of the water purchased by the City of Sherwood. As discussed on pages 2-3 of the Water Rate Study, the operating costs per unit has declined by \$.31/unit since Sherwood began receiving water from the City of Wilsonville. As noted in the graph below, the City's water consumption has been steadily declining over the last several years and the increased production for the City of Sherwood has had a significant impact on overall water sales. The increase in sales to Sherwood has helped to offset the City's own decline in the water sales and allows the City to maintain a robust capital improvement program to help deal with an aging distribution system.

Figure ES-1
Annual Water Sales (ccf)



Many communities are just now beginning to discuss their options for their main water supplies, so they may have large capital project which will cause their rates to increase in the near future. The City of Hillsboro, for example, is also looking at the Willamette River as a water source for their customers. This billion dollar project, while in its early planning stages, will certainly have an effect on water rates to many customers to the north. Wilsonville on the other hand has completed its major capital project of building the water treatment plant and this will allow the City to continue to have stable rates.

The City's focus continues to be on controlling operating costs and maintaining the capital assets that are required to ensure our customers continue to receive a quality product at the lowest possible cost. Should you need additional information or clarification, please give me a call at (503)570-1524.

Sincerely,

Cathy Rodocker
Assistant Finance Director

-----Original Message-----

From: Grahame Martin [<mailto:glstmartin@comcast.net>]
Sent: Sunday, November 24, 2013 12:18 PM
To: Utility
Subject: water rates wilsonville

I just wanted to express some frustration with the whole water rates discussion and situation in Wilsonville.

Having lived here 16 years now, and seeing the treatment plant come in, I recall the promise of our paying for the treatment plant and exorbitant rates in the early 2000, as being "sold" on the future of selling water to other districts and wilsonville residents then benefiting in the future with lower rates than surrounding areas.

I scanned the Water study (admission of not reading thoroughly) and the Q&A and remain baffled why we are burdened with increased rates and still the 3rd highest rates in the region - despite taking control of our water situation 15 years ago and as mentioned, some political promise of reduced costs to residents in the future.

I also recall outside regions mocking Wilsonville at the time for pulling from the Willamette, and know through the years we have been approached by several as a source for their water, with Sherwood coming on in recent years. What I don't see in the document, and maybe I missed it, is whether these outsiders pay more than residents who paid for this treatment plant in the first place. If not, why not?

Again, seems we made the right decision years ago and took control of our water future, but as a paying resident, it seems we never were rewarded with the promise from the outset, and are still burdened with the highest rates in the region.

It's not a huge burden price wise, but still disappointing to not reap the benefits that were I recall "sold" to residents 15 years ago!

ORDINANCE NO. 731

**AN ORDINANCE OF THE CITY OF WILSONVILLE AMENDING WILSONVILLE
CODE 8.210(9)**

WHEREAS, Wilsonville Code Chapter 8 is entitled Environment, section 8.210 is entitled Public Sewers – Construction, and sub-subsection 8.210(9) states, “Outside storage areas for grease, oil, waste products, recycling, garbage, and other sources of contaminants shall be a covered enclosure adequately sized to allow all containers to be accessible. No drainage is allowed to enter the storm sewer system.”

WHEREAS, this code sub-section was adopted to reduce the potential for pollutants from trash enclosure areas to be conveyed through the City’s storm sewer system and impact water quality in streams and rivers; and.

WHEREAS, the Wilsonville City Council asked staff to review the effectiveness of the requirement for covered trash enclosures; and

WHEREAS, staff visited commercial, industrial, and multi-family sites to observe trash enclosure areas, both with and without covers, with a focus on conditions that could be a source of pollutants and impact water quality in streams and rivers; and

WHEREAS, staff found a variety of trash enclosure area conditions, including: clean and orderly; undesirable with overflowing trash, open waste grease containers, grease buildup in the area, and trash and grease in storm sewer catch basins; trash containers outside of enclosures and scattered around parking lots; and recycle materials stored outside of the recycling receptacle; and

WHEREAS, staff concluded that a trash enclosure that is covered does not necessarily preclude the area from being a source of pollutants that could impact water quality in streams and rivers; and

WHEREAS, staff concluded that there are a variety of trash enclosures issues that could be improved, including their location, size, overall condition, pollutant source potential, maintenance, and aesthetics; and

WHEREAS, staff recommends that Wilsonville Code sub-section 8.210(9) be amended to remove the requirement for a covered enclosure while maintaining protection against potential pollutants entering the storm sewer system and impacting water quality; and

WHEREAS, staff recommends that modifications are also needed in the Wilsonville Code Section 4.179 Mixed Use Solid Waste and Recyclables Storage in New Multi-Unit Residential and Non-Residential Buildings to address size, spacing, location, and aesthetic standards; and

WHEREAS, staff recommends that future requirements or programs also address trash area maintenance, best management practices for food establishments, and improved partnering and communication with the franchise hauler.

NOW, THEREFORE, THE CITY OF WILSONVILLE ORDAINS AS FOLLOWS:

Section 1. Wilsonville Code 8.210(9), "Outside storage areas for grease, oil, waste products, recycling, garbage, and other sources of contaminants shall be a covered enclosure adequately sized to allow all containers to be accessible. No drainage is allowed to enter the storm sewer system." is hereby amended as follows:

"Outside storage areas for grease, oil, waste products, recycling, garbage, and other sources of contaminants shall be adequately sized to allow all containers to be accessible. Grease, oil, waste products, garbage and other contaminants from the storage area are prohibited from entering the storm sewer system."

Section 2. The amendment shall be retroactive to February 8, 2013 to allow subsequent applications to be relieved of covered trash enclosure requirement that was removed by this ordinance.

Section 3. The City Council directs staff to develop additional code revisions and/or trash area management programs for their future consideration.

SUBMITTED to the Wilsonville City Council and read for the first time at a regular meeting thereof on the 18th day of November, 2013, and scheduled for a second reading at a regular meeting of the City Council on the 2nd day of December, 2013 at the Wilsonville City Hall.

Sandra C. King, MMC, City Recorder

ENACTED by the City Council on the ____ day of December, 2013, by the following
votes: Yes: No:

DATED and signed by the Mayor this ____ day of December, 2013.

TIM KNAPP, MAYOR

SUMMARY OF VOTES:

Mayor Knapp
Council President Starr
Councilor Goddard
Councilor Fitzgerald
Councilor Stevens

ORDINANCE NO. 732

AN ORDINANCE OF THE CITY OF WILSONVILLE AMENDING ORDINANCE NO. 353 TO CORRECT LEGAL DESCRIPTIONS OF EASEMENTS INTENDED TO BE VACATED AND INCORPORATED INTO THE DULY RECORDED PLAT OF DAY DREAM RIVER ESTATES IN THE CITY OF WILSONVILLE, CLACKAMAS COUNTY, OREGON

WHEREAS, Ordinance No. 353 was originally enacted to vacate certain easements granted in 1980 to the City in conjunction with the 1979 Day Dream Ranch plat (townhouses), but were replaced in conjunction with the 1983 replat into Day Dream River Estates (single family) and its subsequent construction; and

WHEREAS, Exhibit "A1," titled "Sanitary Sewer," to Ordinance No. 353, adopted June 19, 1989, purports to vacate a 1980 sanitary sewer utility easement which was replaced in the 1983 Day Dream River Estates plat, but failed to include the full legal description as contained in the Sanitary Sewer Easement, recorded December 15, 1980, Clackamas County Deed Records No. 80-48030; and

WHEREAS, Exhibit "A2," titled "Water," to Ordinance No. 353, adopted June 19, 1989, purports to vacate a 1980 water utility easement which was replaced in the 1983 Day Dream River Estates plat, but failed to include the full legal description as contained in the Water Easement, recorded December 15, 1980, Clackamas County Deed Records No. 80-48029; and

WHEREAS, Exhibit "A3," titled "Storm Sewer," to Ordinance No. 353, adopted June 19, 1989, purports to vacate a 1980 storm sewer utility easement which ran parallel to the westerly boundary of Day Dream Ranch and which was replaced in the 1983 Day Dream River Estates plat, but not only failed to include the full legal description as contained in the Storm Sewer Easement, recorded December 15, 1980, Clackamas County Deed Records No. 80-48031, but also included the description under the same recorded Storm Sewer Easement No. 80-48031 for the storm sewer easement running generally parallel to the easterly property line, which was not replaced in the 1983 Day Dream River Estates plat, was required for construction of the subdivision, was not intended to be vacated, and has been actively in continuous use since the subdivision was constructed;

NOW, THEREFORE, THE CITY OF WILSONVILLE ORDAINS AS FOLLOWS:

1. Ordinance No. 353 is amended by:

A. Deleting Exhibit "A1" and replacing it with Exhibit 1, attached hereto and incorporated by reference as if fully set forth herein, as the described Sanitary Sewer Easement vacated.

B. Deleting Exhibit "A2" and replacing it with Exhibit 2, attached hereto and incorporated by reference as if fully set forth herein, as the described Water Easement vacated.

C. Deleting Exhibit "A3" and replacing it with Exhibit 3, attached hereto and incorporated by reference as if fully set forth herein, only as to the described Storm Sewer Easement vacated along the westerly border of the 1983 Day Dream River Estates plat.

D. The Storm Sewer Easement along the easterly property line of the 1983 Day Dream River Estates plat that is also described in Clackamas County Deed Records No. 80-48031 was neither replaced or intended to be vacated, was required for construction of the 1983 Day Dream River Estates plat subdivision, has been in continuous use since the subdivision was constructed, is necessary for the public, health, and welfare of those properties and persons in the eastern portion of the Day Dream River Estates subdivision, and is not vacated. The easterly non-vacated easement is described on the 1983 Day Dream River Estates plat and is also described herein as follows:

"A 15.00 foot wide storm sewer easement lying 7.50 feet on each side of the following described centerline:

Commencing at a point being located East 217.95 feet and South 3,137.98 feet from the Northeast corner of Section 23, Township 3 South, Range 1 West, Willamette Meridian, in the City of Wilsonville, Clackamas County, Oregon; thence North 28°34'15" West 59.05 feet to a point being on the arc of a 50.00 foot radius curve to the right (the radius point of which bears South 61°25'44" West); thence along said curve to the right for an arc distance of 77.26 feet through a central angle of 88°31'38" to the Point of Beginning of the centerline; thence South 43°25'08" East 57.30 feet; thence South 00°14'10" West 243.83 feet; thence

South 09°44'10" West 154.98 feet; thence South 11°40'50" East 30.00 feet to the point of terminus."

SUBMITTED to the Wilsonville City Council and read for the first time at a meeting thereof on the 18th day of November, 2013, and scheduled for second reading on December 2, 2013, commencing at the hour of 7 p.m. at the Wilsonville City Hall, 29799 SW Town Center Loop East, Wilsonville, Oregon.

Sandra C. King, MMC, City Recorder

ENACTED by the City Council on the ____ day of _____, 2013, by the following votes: Yes: ____ No: ____

Sandra C. King, MMC, City Recorder

DATED and signed by the Mayor this ____ day of _____, 2013.

TIM KNAPP, MAYOR

SUMMARY OF VOTES:

Mayor Knapp
Council President Starr
Councilor Goddard
Councilor Fitzgerald
Councilor Stevens

Attachments:

Exhibit 1 – Sanitary Sewer Easement
Exhibit 2 – Water Easement
Exhibit 3 – Storm Sewer Easement

SANITARY SEWER EASEMENT

Edwards Industries, Inc., Grantor, an Oregon Corporation, does hereby grant to the City of Wilsonville, Clackamas County, Oregon, its successors and assigns, Grantee, a permanent right-of-way and easement to construct, reconstruct, operate, repair and maintain sanitary sewer lines and all necessary related facilities over, across and under the following described real property:

A 15.00 foot wide sanitary sewer easement described as follows:

Commencing at a point being located East 217.95 feet and South 3,137.98 feet from the Northeast corner of Section 23, Township 3 South, Range 1 West, Willamette Meridian, in the City of Wilsonville, Clackamas County, Oregon; thence North 28°34'15" West 59.05 feet to a point being on

(continued on back of page)

TO HAVE AND TO HOLD THE ABOVE EASEMENT unto the Grantee, its successors and assigns, forever.

Grantor reserves the right to use the surface of the land for building walkways, driveways, planting and related purposes. No structure shall be erected upon said easement without the written consent of the Grantee.

Dated this 5th day of February, 1980.

APPROVED for recording by the Wilsonville City Council on the 6th day of Oct., EDWARDS INDUSTRIES, INC., An Oregon Corporation 1980.

CITY OF WILSONVILLE

By: Allen C. Edwards, Jr.
Allen C. Edwards, Jr. - President

By: Deanna J. Thom
Deanna J. Thom, City Recorder

By: Wayne E. Coffee
Wayne E. Coffee - Secretary

STATE OF OREGON }
County of Clackamas) ss

On this 5th day of February, 1980 before me, personally appeared Allen C. Edwards, Jr., known to me to be the Corporation President, and Wayne E. Coffee, known to me to be the Corporation Secretary and acknowledged the foregoing instrument to be their voluntary act and deed.

Charles O. Ruston
Notary Public for Oregon
My Commission Expires: 9/21/81

the arc of a 50.00 foot radius curve to the right (the radius point of which bears South 61°25'44" West); thence along said curve to the right for an arc distance of 104.52 feet through a central angle of 119°46'25" to the Point of Beginning; thence South 25°30'00" East 8.22 feet; thence South 64°30'00" West 106.85 feet; thence South 25°30'00" East 77.09 feet; thence North 77°23'56" East 87.71 feet; thence South 25°30'00" East 5.33 feet; thence South 12°36'04" East 9.80 feet; thence South 77°23'56" West 90.56 feet; thence South 03°42'19" West 138.18 feet; thence North 86°17'41" West 15.00 feet; thence North 03°42'19" East 132.14 feet; thence South 59°09'45" West 360.97 feet; thence South 80°25'53" West 373.52 feet; thence North 01°27'02" West 15.15 feet; thence North 80°25'53" East 138.84 feet; thence South 10°16'33" East 2.52 feet; thence North 79°43'27" East 33.00 feet; thence North 10°16'33" West 2.11 feet; thence North 80°25'53" East 196.72 feet; thence North 59°09'45" East 365.59 feet; thence North 25°30'00" West 88.87 feet; thence North 64°30'00" East 111.69 feet, to a point being on the arc of a 50.00 foot radius curve to the left (the radius point of which bears North 15°14'11" East); thence along said curve to the left for an arc distance of 12.25 feet through a central angle of 14°02'02" to the Point of Beginning.

After Recording Return to:

BETTIS AND REIE
Attorneys-at-Law
160 N. W. 3rd Ave.
Canby, Oregon 97013

2

STATE OF OREGON)
County of Clackamas) ss.

I, George D. Poppen, County Clerk, Ex-Officio
Recorder of Conveyances and Ex-Officio Clerk
of the Circuit Court of the State of Oregon, for
the County of Clackamas, do hereby certify that
the within instrument of writing was received for
and recorded in the records of said county at

80 DEC 15 PM 2:04



Witness my

George D. Poppen
GEORGE D. POPPEN
County Clerk

Recording Certificate

80 48030

CCP-R4

70
61
^

WATER EASEMENT

Edwards Industries, Inc., Grantor, an Oregon Corporation, does hereby grant to the City of Wilsonville, Clackamas County, Oregon, its successors and assigns, Grantee, a permanent right-of-way and easement to construct, reconstruct, operate, repair and maintain water lines and all necessary related facilities over, across and under the following described real property:

An easement being variable in width and being a portion of the Common Area Tract "A" of the Day Dream Ranch Townhouses located in the East-half Section 23 and in the West-half Section 24, Township 3 South, Range 1 West, Willamette Meridian, City of Wilsonville, Clackamas County, Oregon, more fully described as follows:

(continued on back of page)

TO HAVE AND TO HOLD THE ABOVE EASEMENT unto the Grantee, its successors and assigns, forever.

Grantor reserves the right to use the surface of the land for building walkways, driveways, planting and related purposes. No structure shall be erected upon said easement without the written consent of the Grantee.

Dated this 5th day of February, 1980.

APPROVED for recording by the Wilsonville
City Council on the 6th day of Oct.,
1980.

CITY OF WILSONVILLE

EDWARDS INDUSTRIES, INC., an Oregon Corp.

By: Allen C. Edwards, Jr.
Allen C. Edwards, Jr. - President

By: Deanna J. Thom
Deanna J. Thom, City Recorder

By: Wayne E. Coffee
Wayne E. Coffee - Secretary

STATE OF OREGON }
County of Clackamas } ss

On this 5th day of February, 1980 before me, personally appeared Allen C. Edwards, Jr., known to me to be the Corporation President, and Wayne E. Coffee, known to me to be the Corporation Secretary and acknowledged the foregoing instrument to be their voluntary act and deed.

Clifford O. Rutter
Notary Public for Oregon
My Commission Expires: 9/21/81

Commencing at the Northeast corner of Section 23; thence East 217.95 feet; thence South 3,137.98 feet; thence North 28°34'15" West 59.05 feet to a point being on the arc of a 50.00 foot radius curve to the right (the radius point of which bears South 61°25'44" West); thence along said curve to the right for an arc distance of 143.78 feet through a central angle of 164°45'12"; thence along a curve to the left having a radius of 20.00 feet and a central angle of 71°40'56" for an arc distance of 25.02 feet; thence South 64°30'00" West 54.37 feet to the Point of Beginning; thence South 25°30'00" East 143.59 feet; thence South 2°36'00" East 58.53 feet; thence South 21°32'27" West 12.59 feet; thence South 47°34'12" West 82.24 feet; thence South 73°44'10" West 147.00 feet; thence South 69°07'12" West 21.80 feet; thence South 73°44'10" West 71.00 feet; thence South 16°15'50" East 8.00 feet; thence South 73°44'10" West 71.00 feet; thence South 71°33'16" West 49.57 feet; thence South 80°25'53" West 44.66 feet; thence South 87°19'18" West 150.43 feet; thence North 03°57'02" West 3.50 feet; thence South 86°02'59" West 71.00 feet; thence North 03°57'02" West 15.00 feet; thence North 87°49'08" East 212.80 feet; thence North 10°16'33" West 147.12 feet; thence North 79°43'27" East 10.79 feet; thence along a 376.00 foot radius curve to the left, 4.21 feet (central angle of 00°38'31"); thence South 10°16'33" East 148.43 feet; thence North 80°25'53" East 35.82 feet; thence North 69°54'20" East 40.11 feet; thence North 20°05'40" West 18.00 feet; thence North 69°54'20" East 15.00 feet; thence South 20°05'40" East 17.64 feet; thence North 68°32'32" East 65.07 feet; thence North 73°44'10" East 71.00 feet; thence North 69°07'12" East 21.80 feet; thence North 73°44'10" East 136.71 feet; thence North 47°34'12" East 89.04 feet; thence North 02°36'30" West 51.76 feet; thence North 25°30'00" West 140.55 feet; thence North 64°30'00" East 15.00 feet to the Point of Beginning.

AFTER RECORDING RETURN TO:

BETTIS AND REIF
Attorneys-at-Law
160 N. W. 3rd Ave.
Canby, Oregon 97013

2

STATE OF OREGON)
County of Clackamas) ss.

I, George D. Poppen, County Clerk, Ex-Officio
Recorder of Conveyances and Ex-Officio Clerk
of the Circuit Court of the State of Oregon, for
the County of Clackamas, do hereby certify that
the within instrument of writing was received for
and recorded in the records of said county at

80 DEC 15 P 2:04



Witness my hand and seal this 15th day of December, 1980.
George D. Poppen
GEORGE D. POPPEN
County Clerk
Recording Certificate

CLACKAMAS COUNTY OREGON

STORM SEWER EASEMENT

Edwards Industries, Inc., Grantor, an Oregon Corporation, does hereby grant to the City of Wilsonville, Clackamas County, Oregon, its successors and assigns, Grantee, a permanent right-of-way and easement to construct, reconstruct, operate, repair and maintain storm lines and all necessary related facilities over, across and under the following described real property:

A 15.00 foot wide storm sewer easement lying 7.50 feet on each side of the following described centerline:

Commencing at a point being located East 217.95 feet and South 3,137.98 feet from the Northeast corner of Section 23, Township 3 South, Range 1 West, Willamette Meridian, in the City of Wilsonville, Clackamas County,
(continued on back of page)

TO HAVE AND TO HOLD THE ABOVE EASEMENT unto the Grantee, its successors and assigns, forever.

Grantor reserves the right to use the surface of the land for building walkways, driveways, planting and related purposes. No structure shall be erected upon said easement without the written consent of the Grantee.

Dated this 5th day of February, 1980.

APPROVED for recording by the
Wilsonville City Council on the
6th day of Oct, 1980.

CITY OF WILSONVILLE

EDWARDS INDUSTRIES, INC., an Oregon Corp.

By: Allen C. Edwards, Jr.
Allen C. Edwards, Jr. - President

By: Deanna J. Thom
Deanna J. Thom, City Recorder

By: Wayne E. Coffee
Wayne E. Coffee - Secretary

STATE OF OREGON)
County of Clackamas } ss

On this 5th day of February, 1980 before me, personally appeared Allen C. Edwards, Jr., known to me to be the Corporation President, and Wayne E. Coffee, known to me to be the Corporation Secretary and acknowledged the foregoing instrument to be their voluntary act and deed.

C. Clifford O. Rutter
Notary Public for Oregon
My Commission Expires: 9/21/81

EXHIBIT 3

80 48031

Oregon; thence South 00°14'10" West 463.38 feet; thence South 63°44'26" West 126.51 feet; thence South 80°13'11" West 151.54 feet; thence South 68°05'09" West 159.94 feet; thence South 80°11'01" West 151.81 feet; thence South 87°28'29" West 228.72 feet; thence North 83°55'05" West 20.60 feet to the True Point of Beginning of said centerline; thence North 01°27'02" West 330.00 feet to the point of terminus.

NOT VACATED

~~ALSO:~~

~~Commencing at a point being located East 217.95 feet and South 3,137.98 feet from the Northeast corner of Section 23, Township 3 South, Range 1 West, Willamette Meridian, in the City of Wilsonville, Clackamas County, Oregon; thence North 28°34'15" West 59.05 feet to a point being on the arc of a 50.00 foot radius curve to the right (the radius point of which bears South 61°25'44" West); thence along said curve to the right for an arc distance of 77.26 feet through a central angle of 88°31'38" to the Point of Beginning of the centerline; thence South 43°25'08" East 57.30 feet; thence South 00°14'10" West 243.83 feet; thence South 09°44'10" West 151.98 feet; thence South 11°40'50" East 30.00 feet to the point of terminus.~~

AFTER RECORDING RETURN TO:

BETTIS AND REIF
Attorneys-at-Law
160 N. W. 3rd Ave.
Canby, Oregon 97013

2

STATE OF OREGON)
County of Clackamas) ss.

I, George D. Poppen, County Clerk, Ex-Officio Recorder of Conveyances and Ex-Officio Clerk of the Circuit Court of the State of Oregon, for the County of Clackamas, do hereby certify that the within instrument of writing was received for and recorded in the records of said county at

80 DEC 15 P 2:04



Witness my

George D. Poppen
GEORGE D. POPPEN
County Clerk
Recording Certificate

80 48031

CCP-R4



MEMORANDUM

TO: Steve Adams, Engineering Manager
FROM: Michael E. Kohlhoff, City Attorney
DATE: September 10, 2013
RE: Day Dream River Estates — Ordinance No. 353

Issue

You have requested a legal opinion as to the validity of Ordinance No. 353, enacted in 1989, which purports to vacate a storm sewer easement where a required storm pipe was constructed in 1984, is necessary to convey stormwater and prevent flooding within the Day Dream River Estates, and has been in continuous use since 1984.

Short Answer

The short answer is the vacation of the easement is invalid under the intent of the Ordinance and against public policy upon which the intent is based and, therefore, is void.

Analysis

ORS 271.130 provides: “(1) The city governing body may initiate vacation proceedings authorized by ORS 271.080 and make such vacation without a petition or consent of property owners. ****” *West Linn Corporate Park, LLC v. City of West Linn*, 349 Or. 58, 101, 240 P.3d 29 (2010).

ORS 271.080 provides for the vacation of “all or part of any ... plat ...”

In 1989, the City enacted Ordinance No. 353 to vacate certain utility easements in the Day Dream River Estates platted subdivision. A copy of Ordinance No. 353 is attached as **Exhibit 1**. The Ordinance recites the City’s intent:

“WHEREAS, the City of Wilsonville has initiated vacation proceedings as authorized by ORS 271.080 without a petition or consent of property owners; and



WHEREAS, the locations of several easements in the Day Dream River Estates subdivision are prohibiting the real estate transactions of several single-family lots and are creating a substantial hardship for prospective residents; and

WHEREAS, the utilities intended to be associated with the easements have already been constructed in easements located elsewhere within the subdivision;
***"

The court applies to municipal ordinances the same rules as govern the construction of statutes. *Harris v. Sanders*, 142 Or. App. 126, 130, 919 P.2d 512, *rev. denied*, 324 Or. 322, 927 P.2d 598 (1996); *Lane County v. R.A. Heintz Const. Co., et al.*, 228 Or. 152, 157, 280 P.2d 359 (1961).

In construing the meaning of a municipal ordinance or statute, the court begins with the text as the best evidence of the legislative body's intent. *Eduardo v. Clatsop Community Resources*, 168 Or. App. 383, 387, 4 P.3d 83 (2000).

The text of the recitals provides the best evidence that the City's intent was to vacate those certain easements where construction of the associated public utilities had been constructed elsewhere within the subdivision.

Ordinance No. 353 goes on to ordain:

"A. That the portion of 'Day Dream River Estates' as described in Exhibit 'A1', 'A2', and 'A3', shall be vacated and the vacation thereof shall be effective on the adoption of this ordinance after second and final reading."

Thus, it appears that the portions of Day Dream River Estates described in Exhibits A1, A2, and A3 are being vacated consistent with the intent of vacating easements without associated utilities because the utilities have been constructed elsewhere in the plat. But, when reading Exhibits A1, A2, and A3, each one is ambiguous on its face.

Exhibit A1 consists of two pages. The first page is entitled "Sanitary," and contains only a partial legal description and a crossed-through Clackamas County Recorder's Recording Certificate No. 80-48030. The second page is a copy of a tax lot map with dotted lines ostensibly showing the general location of the sanitary sewer easement.

Exhibit A2 similarly consists of two pages, with the first page entitled "Water," and it, too, contains only a partial legal description and a crossed-through Clackamas County Recorder's Recording Certificate No. 80-48029. The second page is also a copy of a tax lot map with dotted lines ostensibly showing the general location of the water line easement.

Exhibit A3 likewise consists of two pages. While the first page is entitled "Storm Sewer" and contains a partial legal description, it then goes on to contain a second legal description in full. It also bears a crossed-through Clackamas County Recorder's Recording Certificate No. 80-48031. The attached tax lot map generally locates by dotted lines, ostensibly, two easements, one traversing north and south of the plat, parallel to the westerly boundary line of the plat, and

ending at the southerly boundary line of the plat, and one north and south along the easterly boundary line of the plat and then to the southwest to the southerly boundary line of the plat. The southerly boundary is coterminous with the Willamette River.

To decipher the ambiguities provided by Exhibits A1, A2, and A3, it is necessary to examine the history of the Day Dream River Estates plat and its easements. As set forth in *Eduardo, supra*, the court also looks “at context, including ‘other provisions of the same statute and related statutes’ [citation omitted], prior enactments and prior judicial interpretations of those and related statutes [citation omitted], and the historical context of the relevant enactments [citation omitted].”

History

In 1979, a plat for a town house development, known as Day Dream Ranch Townhouses, was recorded (**Exhibit 2**). The property platted was to be the last phase of a single family development known as Day Dream Ranch. In conjunction with this plat, the developer-owner, Edward Industries, Inc., granted to the City a sanitary sewer easement, a water line easement, and a storm sewer easement. They were subsequently recorded in Clackamas County Deed Records, respectively as Recorder’s No. 80-48030, 80-48029, and 80-48031 (**Exhibits 3, 4 and 5**). The second page of each of these exhibits corresponds to the first page of Exhibits A1, A2, and A3, respectively. The granted storm sewer easement described two 15' wide easements generally running north and south, with one generally along the westerly boundary and the other generally along the easterly boundary on the 1979 plat. Both easements end along the southerly boundary of the platted property, which coincides with the north bank of the Willamette River. Thus, the stormwater conveyed by any constructed storm line within each of the easements would ultimately be discharged into the Willamette River.

In 1983, the developer-owner petitioned the City to vacate the 1979 townhouse plat and authorize replatting of a single family subdivision, Day Dream River Estates (also known as Day Dream Ranch River Estates). The City granted the petition, vacated the 1979 plat, and authorized the replat by Ordinance No. 241, An Ordinance Declaring The Day Dream Ranch Townhouse Plat Undeveloped, Recommending Vacation Of Said Plat And Approving Replatting In Accordance With Preliminary Plat For The Day Dream Ranch River Estates And Adopting Planning Commission Resolution No. 83 P.C. 16. See **Exhibit 6**, attached.

The City required that a discharge storm sewer pipe be located adjacent to the easterly property line and be a minimum of 15 inches. This is set forth at page 2 of the Memorandum from Larry Blanchard to Ben Altman contained as an exhibit to the Planning Commission Resolution exhibit in Ordinance No. 241.

The plat for Day Dream River Estates was recorded in December 1983 (**Exhibit 7**). All utility easements, but for the easterly utility easement for storm sewer, were described differently and located in different places on the plat than the respective easements recorded in 1980 associated with the 1979 vacated plat. Specifically, two exhibits have been prepared and attached to show that the 1983 replatted westerly storm sewer easement was moved a short distance to the east while the 1983 replatted easterly storm sewer easement remained coterminous with the eastern

easement on the 1979 plat (**Exhibits 8 and 9**). The City's 1984 as-built records establish that there is a storm sewer pipe in the replatted westerly easement and one constructed in the replatted easterly easement (**Exhibit 10**).

It can be reasonably construed that the easements without constructed utilities to be vacated, referred to in A1, A2, and A3, were intended to be the easements described in the three easements recorded in 1980 that had no utilities constructed within them. When compared with the 1979 plat and 1980 recorded easements, the accompanying tax lot maps to Exhibits A1, A2, and A3 locate the described portions of the easements in locations consistent with the 1979 plat, except for the southerly portion of the easterly storm sewer easement. The tax lot map for A3 has the easterly easement traversing further to the southwest and into tax lot 7. The tax lot map location of the terminus of the easterly easement in tax lot 7 may have contributed to the inclusion of the easterly storm water easement in A3, as the easterly easement on the 1983 plat terminates wholly on tax lot 6, but such a supposition cannot be made with any certainty.

What we do know as fact is a 15" storm sewer line was required to be constructed in the easterly easement, was constructed in 1984, and is in continuous use. We also know, and Ordinance No. 353 supports, that by 1989, the subdivision had its utilities in the platted easements and lots were being sold for home construction. The reason needed for vacation of the easements is simple. The 1980 easements were separately recorded documents and, while the 1979 plat was vacated, the 1980 easements, being separately recorded, were not. As previously stated, except for the easterly easement, no public utilities were constructed in the 1980 recorded easements and they were not needed to service the replatted subdivision, Day Dream River Estates.

To the extent Ordinance No. 353 created vested interests, the City intended to do so only in those lots which were subject to the unused 1980 easements because no public purpose was being served, as other easements on the 1983 plat were being used. There was no intent to create a vested interest in any lot owner subject to the 1983 plat easements where utilities were constructed. Given the public purpose of storm sewer lines to prevent surface stormwater from flooding associated developed subdivision lots due to development creating impervious surface, given all the impervious surface created by the subdivision and the previous subdivisions to the north, which is commonly known go up a steep hillside, and the location of Day Dream River Estates, including lots 5 and 6, are downhill from the above developments and are directly benefitted by the public conveyance of such surface stormwater; it can be clearly understood why it is necessary to require the storm drainage in the easterly easement. Under the circumstances, it would be contrary to the City stormwater policy and the public health, welfare, and interest to vacate the easterly storm sewer easement with a constructed storm sewer line, the location of which was not only required to carry away public storm discharge, but was constructed and in use. There is no other storm sewer for the eastern portion of the subdivision but the one located in the easterly easement, as described in the 1983 plat, which is coterminous with the 1980 easement.

Thus, I am of the opinion that in construing the meaning of Ordinance No. 353, the vacation of the easterly storm sewer easement was not intended. It is described on the 1983 plat and, as of 1984, had the required associated storm sewer constructed within it and the storm sewer was being used before and continuously after 1989, consistent with the requirements of the City's

stormwater policy based on public health, safety, and welfare. Therefore, any creation of a private vested right under the circumstances would violate the public stormwater policy of the City and was not the intent of Ordinance No. 353. Thus, the vacation of the easterly easement as described on Exhibit A3 of Ordinance No. 353 is invalid and void as against public policy.

To avoid future confusion, I also recommend an ordinance curing by amendment the ambiguity in the exhibits as to their legal descriptions and restating the easterly storm sewer easement described on the 1983 plat contains a storm sewer line and is not vacated.

Attachments:

Exhibit 1: Ordinance No. 353, enacted June 19, 1989

Exhibit 2: Day Dream Ranch Townhouses Plat No. 2480

Exhibit 3: Water Easement, recorded in Clackamas County December 15, 1980, as Document No. 80-48029.

Exhibit 4: Sanitary Sewer Easement, recorded in Clackamas County December 15, 1980, as Document No. 80-48030.

Exhibit 5: Storm Sewer Easement, recorded in Clackamas County December 15, 1980, as Document No. 80-48031.

Exhibit 6: Ordinance No. 241, enacted September 6, 1983

Exhibit 7: Day Dream Ranch Estates Plat No. 2640

Exhibit 8: Easement Exhibit 1 of 2, a portion of the plat "Day Dream River Estates"

Exhibit 9: Easement Exhibit 2 of 2, a portion of the plat "Day Dream River Estates"

Exhibit 10: 1984 As-Built, Day Dream Ranch

City of Wilsonville
Work Session and City Council Meeting Calendar

ITEMS ARE TENTATIVELY SCHEDULED AND MAY BE MOVED TO ANOTHER MEETING.

Meeting Date	Agenda Items
DECEMBER 11	Urban Renewal Strategic Planning Task Force 6-8 p.m. Willamette River Room
DECEMBER 16	Please do not schedule any items for December 16th Holiday break
JANUARY 6, 2014 PACKET MATERIALS DUE DECEMBER 24TH	<p>Executive Session –</p> <p>Work Session</p> <ul style="list-style-type: none"> • SMART & Consultants info re: Transit Integration Project. (Lashbrook/Massa-Smith) ½ hour • Board and Commission Appointments?? <p>Communications</p> <ul style="list-style-type: none"> • 2013 Summer Reading outcomes (Duke) <p>Consent Agenda</p> <p>Public Hearing</p> <ul style="list-style-type: none"> • Supplemental Budget (Rodocker/Ossanna) <p>Continuing Business</p> <p>New Business</p> <ul style="list-style-type: none"> • Consultant re: Aquatic Center Recommendation (Sherer) <p>URBAN RENEWAL AGENCY</p> <ul style="list-style-type: none"> • Supplemental Budget (Rodocker/Ossanna) [PLACEHOLDER] •

<p>JANUARY 23</p> <p>PACKET MATERIALS DUE JANUARY 10</p>	<p>Executive Session –</p> <p>Work Session</p> <ul style="list-style-type: none"> • Board and Commission Appointments/Reappointments (Councilors) <p>Mayor's Business</p> <ul style="list-style-type: none"> • Board and Commission Appointments/Reappointments <p>Communications</p> <p>Consent Agenda</p> <p>Public Hearing</p> <p>Continuing Business</p> <p>New Business•</p>
<p>FEBRUARY 3</p> <p>PACKET MATERIALS DUE JANUARY 21</p>	<p>Executive Session –</p> <p>Work Session</p> <ul style="list-style-type: none"> • Urban Renewal Strategic Plan Update – Draft Strategic Plan (Retherford) • Parks and Recreation Tenant Improvements overview (Brown/Sherer) • Comcast Franchise (Kohlhoff) <p>Mayor's Business</p> <ul style="list-style-type: none"> • State of the City Address – Mayor Knapp • <p>Communications</p> <p>Consent Agenda</p> <p>Public Hearing</p> <p>Continuing Business</p> <p>New Business</p> <ul style="list-style-type: none"> • Adoption of Urban Renewal Strategic Plan (Retherford)

<p>FEBRUARY 20</p>	<p>Executive Session –</p> <p>Work Session</p> <p>Communications</p> <p>Consent Agenda</p> <p>Public Hearing</p> <ul style="list-style-type: none"> • Continuing Business <p>New Business</p>
<p>MARCH 3</p> <p>Mayor away on JPACT lobby trip to D.C. (Lashbrook and Ottenad out also)</p>	<p>Executive Session –</p> <p>Work Session</p> <p>Communications</p> <p>Consent Agenda</p> <p>Public Hearing</p> <ul style="list-style-type: none"> • Continuing Business <p>New Business</p>

<p>MARCH 17</p>	<p>Executive Session –</p> <p>Work Session</p> <ul style="list-style-type: none"> • Draft Tourism Development Strategy (Councilor Fitzgerald, Consultant Bill Baker, Ottenad) <p>Communications</p> <p>Consent Agenda</p> <p>Public Hearing</p> <ul style="list-style-type: none"> • <p>Continuing Business</p> <p>New Business</p>
<p>APRIL 7</p>	<p>Executive Session –</p> <p>Work Session</p> <p>Communications</p> <p>Consent Agenda</p> <p>Public Hearing</p> <ul style="list-style-type: none"> • <p>Continuing Business</p> <p>New Business</p>

<p>APRIL 21</p>	<p>Executive Session –</p> <p>Work Session</p> <p>Communications</p> <p>Consent Agenda</p> <p>Public Hearing</p> <ul style="list-style-type: none"> • <p>Continuing Business</p> <p>New Business</p> <ul style="list-style-type: none"> • Final Tourism Development Strategy presented (Councilor Fitzgerald, Consultant Bill Baker, Ottenad)
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BUDGET COMMITTEE MEETINGS:

- April 28, 2014 6-8 p.m.;
- May 1, 2014 6-8 p.m.;
- May 8, 2014 6-8 p.m.

UNSCHEDULED ITEMS

- Xerces Society/Crest Center (Jacobson & Rappold)
- ODOT Passenger Rail Update (Kraushaar)
- Legislative Changes

12/2/13

Questions: - Doubts that Reasons
stated are true reasons for
increases.

City of Wilsonville
December 6, 2013 City Council Meeting

SPEAKER CARD

NAME: Dennis J. Hebel

ADDRESS: Willow Creek Drive, Wilsonville

TELEPHONE: 503-582-8491 or
503-807-4875

E-MAIL Dennis_Hebel@ond.uscourts.gov

AGENDA ITEM YOU WANT TO ADDRESS: Water Rate Study

Please limit your comments to 3 minutes. Thank you.

503-8424

12/2/13

City of Wilsonville
December 6, 2013 City Council Meeting

SPEAKER CARD

FRONTMATTER: at Late hour:-

- says w/v water is
higher than other
cities. -

- says increases are
difficult for those
on fixed incomes. -

NAME: Jerry Hanni

ADDRESS: 10650 SW Parkwood Lane

TELEPHONE: 503-455-4489 E-MAIL

AGENDA ITEM YOU WANT TO ADDRESS: water rates

Please limit your comments to 3 minutes. Thank you.

12-2-13

City of Wilsonville

December 6, 2013 City Council Meeting

SPEAKER CARD

Quartans: Houses using less water
- pays higher % increase - why?
- equity.
- doesn't encourage conservation
- seems to penalize small users.

NAME: B.11 Bultron

ADDRESS: 28511 SW cascade loop

TELEPHONE: 503 682 4945 E-MAIL bbultron@graybox.com

AGENDA ITEM YOU WANT TO ADDRESS: _____

Please limit your comments to 3 minutes. Thank you.

12/2/13

Question: Asks why we are not
achieving cost reductions
within existing systems?

City of Wilsonville
December 6, 2013 City Council Meeting

2

SPEAKER CARD

NAME: TERRY LUTKAUAGE

ADDRESS: 11706 SW GRENOBLE WILSONVILLE

TELEPHONE: _____ **E-MAIL** _____

AGENDA ITEM YOU WANT TO ADDRESS: COST REDUCTIONS
W-ES LENSES W/ MINOR TO AHS ALUMINUM
HOWEVER COST REDUCTIONS - 10/15/13

Please limit your comments to 3 minutes. Thank you.

**City of Wilsonville
City Council Meeting
December 6, 2013 Sign In Sheet**

[illegible]