



May 11, 2020

VIA EMAIL

Mr. Tony Konkol, City Manager
City of Oregon City
625 Center St
Oregon City OR 97045

Dear Mr. Konkol:

Enclosed please find a copy of Clackamas Water Environment Services' (WES') proposed budget for the 2020-2021 fiscal year. WES will be presenting this proposed budget to the WES Advisory Committee for feedback on May 21st. As you know, an elected official from your city council is a member of the WES Advisory Committee. We want to ensure that you have the information necessary to support that conversation.

Overall, WES is proposing an operating budget that is slightly less than the current fiscal year. We also anticipate an overall decrease in revenues from various economic factors. However, our capital program remains robust as it is primarily addressing current capacity challenges. While WES has previously communicated its' intention for a steady 5% per year rate adjustment to support that capital plan, due to the current circumstances the overall proposed rate adjustments are 2.5% across the various rate zones.

We want to specifically call your attention to the proposed rate and fee changes within the document that impact your city. The wholesale wastewater monthly service fee is proposed to increase from \$25.25 per month per Equivalent Dwelling Unit (EDU) to \$26.60 per month per EDU. The proposed rate contains the base service rate of \$24.95 plus \$1.65 which is estimated will generate revenues sufficient to pay the City's Right of Way fee charged to WES. WES' wholesale wastewater SDC is proposed to increase from \$7,850 to \$8,005 per newly constructed EDU, an inflationary adjustment only.

These proposed adjustments are included in the budget for WES, which will be considered by WES' Budget Committee on May 26, 2020. These proposed rates will be considered for adoption by WES' Board of Directors at its June 18, 2020 public hearing. If adopted, these changes will take effect July 1, 2020.

If you have any questions or concerns regarding these changes, feel free to contact Chris Storey at Chrissto@clackamas.us or me at Dougwau@clackamas.us. Thank you for your attention to these important matters and we look forward to receiving input at the advisory committee meeting.

Sincerely,

A handwritten signature in black ink, appearing to read "Doug Waugh", written in a cursive style.

Doug Waugh
Finance Manager
Water Environment Services

C: Marce Berreth, Utility Billing Supervisor, City of Oregon City
Greg Geist, Director, WES
Chris Storey, Assistant Director, WES