

**Clackamas County**

# **Water Environment Services**

**Tri-City Advisory Committee**

May 25, 2016

**2016-17 Budget Review**

# **Water Environment Services (WES)**

FY 2016-17 Budget Presentation  
Greg Geist, Doug Waugh

The mission of WES is to provide resource recovery and watershed protection services to our community so they can live, work, and play in a healthy environment.

# WES

## Administration

Office of the Director

Human Resources

Budget and Financial Planning

## Customer Service and Outreach

Communications

Customer Service

Utility Billings

Wastewater and Stormwater Permits

## Operations

Environmental Monitoring

Resource Recovery

Wastewater Treatment

Wastewater Infrastructure Maintenance and Repair

Watershed Protection

## Planning and Capital Delivery

Capital Delivery

Information Management

Regulatory Management and Compliance

# Administration

- By 2016, a decision will be made regarding the governance and/or co-investment strategy for the Tri-City and CCSD #1 districts, which allow for each district to benefit from the maximum practical economy of scale.
- By 2017, WES will establish a rate setting strategy that ensures no more than a 10% rate increase in any given year.
- By 2017, employees know what is expected of them and be evaluated consistent with annual work plans aligned to the Strategic Business Plan.
- Total Line of Business Budget
  - CCSD No. 1 \$1,847,564
  - TCSD \$448,417
  - SWMACC \$26,638\$2,322,619
- General Fund support \$0
- Other sources of revenue
  - Service Fees \$2,322,619

**Significant Issues/Changes:** Financial planning once co-investment strategy decided.

# Customer Service and Outreach

- 99% of customers are billed appropriately.
- 90% of inspected businesses are in compliance with discharge rules.
- 75% of customers say they had a positive customer service experience.
- Total Line of Business Budget
  - CCSD No. 1 \$2,672,023
  - TCSD \$474,790
  - SWMACC \$25,779
  - \$3,172,592
- General Fund support \$0
- Other sources of revenue
  - Service Fees \$3,172,592

## Significant Issues/Changes:

# Operations

- 100% free from discharge violations.
  - 90% of maintenance performed that is preventative vs. corrective.
  - 50% of district streams are healthy.
  - Total Line of Business Budget
    - CCSD No. 1 \$10,612,926
    - TCSD \$5,786,227
    - SWMACC \$121,787
- \$16,520,940
- General Fund support \$0
  - Other sources of revenue
    - Service Fees \$16,520,940

## Significant Issues/Changes:

# Planning and Capital Delivery

- By June 2016, Clackamas County will have a comprehensive Plan in place that will achieve sewer improvements and funding to support the expected regional 20-year growth horizon.
- By 2017 and year-over-year thereafter, WES will provide its partner communities the wastewater infrastructure capacity required to support a minimum of 5 years of projected growth.
- 100% of compliance strategy measures are fully implemented.
- Total Line of Business Budget
  - CCSD No. 1 \$2,696,321
  - TCSD \$940,512
  - SWMACC \$28,756
  - \$3,665,589
- General Fund support \$0
- Other sources of revenue
  - Service Fees \$3,665,589

**Significant Issues/Changes:** Program also responsible for \$17.0 million capital budget.

# Department-wide Budget Overview

- Total departmental budget
  - CCSD No. 1 \$92.1 million
  - TCSD \$20.7 million
  - SWMACC \$0.7 million
  - \$113.5 million
- Total General Fund support = \$0
- Other revenue source/s:
  - Monthly Service Fees
  - Miscellaneous Service Fees
- Major expenditure categories:
  - Operations \$25.7 million 23%
  - Capital Outlay \$17.0 million 15%
  - Debt Service \$7.7 million 7%
  - Contingencies, Reserves \$63.0 million 55%

# Financial Trends

- Revenue trends
  - Steady growth due to fee increase and customer growth
- Expenditure trends
  - Overall operations and maintenance costs are approximately flat this year.
- Capital Outlay
  - Anticipating significant growth over the next several years due to solids handling capacity needs and asset replacement.
- FTE:
  - FY 2015-16 total FTE = 107
  - FY 2016-17 total FTE = 105
  - Transfer of the Soils Group (4 FTE) to DTD and a request for two new positions (Sanitary Sewer/Surface Water Technician I and Engineering Technician/Inspector).

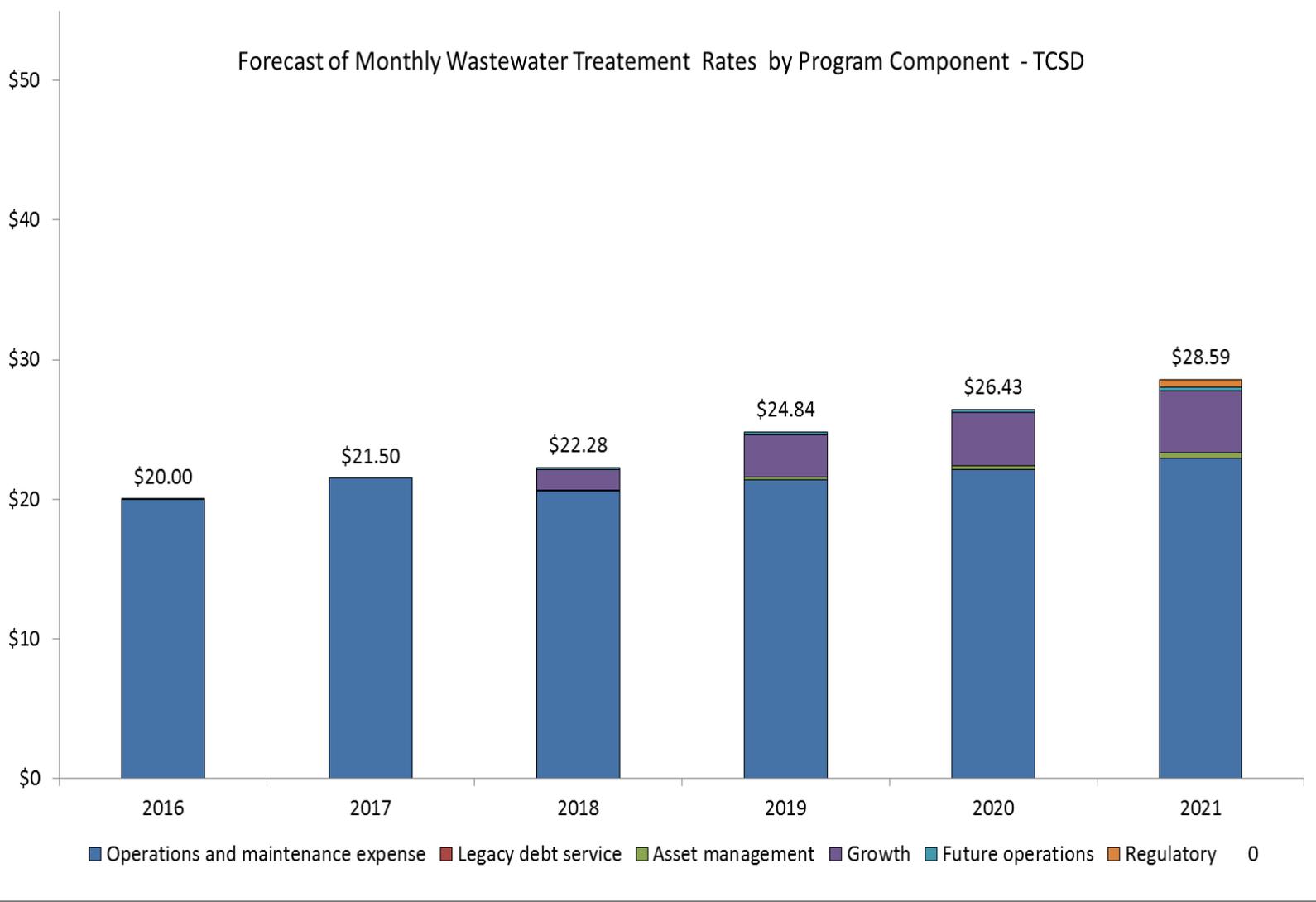
# Major Themes

- Regional Wastewater Advisory Committee
  - Considering how to address our solids challenges
- Operations and Maintenance Expenses Budget is flat
  - Engineering decreasing due to fewer planning studies
  - Chemicals increased due to need for new carbon for odor control
- Revenues continuing to exceed cost of operations
- Two new positions added (Shared with CCSD No. 1)

# Rate and SDC Recommendations

- Proposed rate increase of \$1.50 (7.5%) to \$21.50
  - Continuing to prepare the district to finance its portion of the solids handling effort.
- Wholesale SDC increasing to \$2,765
  - Second year of a five-year plan recommended by the Advisory Committee.
- Right of Way Rate Adjustments
  - Oregon City is proposed to add \$1.40 for a total rate of \$22.90
  - Gladstone is proposed to add \$1.30 for a total rate of \$22.80
    - Not included in document, need a motion to amend the budget.

Forecast of Monthly Wastewater Treatment Rates by Program Component - TCSD



# QUESTIONS?

[www.Clackamas.us/WES](http://www.Clackamas.us/WES)