



City of Tualatin

CITY OF TUALATIN Staff Report

TO: Honorable Mayor and Members of the City Council
THROUGH: Sherilyn Lombos, City Manager
FROM: Don Hudson, Assistant City Manager/Finance Director
DATE: January 11, 2021

SUBJECT:
Sewer and Stormwater Rate Discussion

EXECUTIVE SUMMARY:

During the Fiscal Year 2020/2021 Budget process, Clean Water Services (CWS) chose to delay their proposed sewer and stormwater rate increases that were to be effective July 1, 2020. At that time, they discussed reviewing this decision during the Fall of 2020 for a potential rate increase to be effective on January 1, 2021. The City Council decided to do the same with the City's portion of the sewer and stormwater rates.

The Clean Water Services Board met on November 17th and heard options from CWS staff about the impacts of delaying rate increases until July 2021. By delaying until July, rate increases are proposed to be higher than originally anticipated, due to the delay in rate increases to meet their capital, as well as operations and maintenance costs over a multiple year period. The CWS Board directed staff to delay increases and prepare a plan to minimize and even out projected increases as much as possible. CWS staff will return to their board during the FY 2021/2022 budget process with their analysis.

City Staff provided an update of the CWS discussion at the November 23rd Council Work Session and asked the Council for direction related to the City's Sewer and Stormwater rates. The Council was concerned about delaying rate increases until July 2021 and the impacts on the City's Sewer and Stormwater Funds. The Council directed staff to return with impacts of delaying rate increases until July, or a passing smaller increase in February to minimize rate increases in July, as much as possible, and lessen impacts on the City's systems.

Staff will present options to the Council in tonight's Work Session and ask for direction related to Sewer and Stormwater rates.
