

Finance Department

TO: Water Rate Review Task Force
FROM: Willie Gin, Finance Director
DATE: February 2, 1996
SUBJECT: A Chronology of Events

Listed below is a listing of past events, to help put things into prospective:

- o September 1982 The City of West Linn's 1982 comprehensive water system master plan was completed and released by Murray Smith & Associates.

- o May 1983 At the May 17, 1983 special election, West Linn voters authorize issuance of \$1,025,000 in general obligation bonds for construction of various water system improvements (vote of 1,036 yes to 933 no). The voter approved bonds were sold 5 months later (October 26, 1983).

- o August 1983 On August 25, 1983, the City Council passes Ordinance #1119 increasing water rates.

- o March 1986 At the March 25, 1986 special election, West Linn voters do not authorize the City to issue \$1,645,000 in general obligation water system improvement bonds. The bond proceeds would have been used to: (a) construct, repair and improve water distribution, transmission and storage facilities (b) and to acquire real property necessary for them.

- o March 1987 The City's 1982 comprehensive water system master plan was updated by Murray Smith & Associates.

- o March 1987 On March 25, 1987, the City Council appoints members to a Citizens Water System Improvement Task Force, and establishes the Task Force's guidelines and charge. The Task Force met weekly from May 5 to July 14.

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- o July 1987 On July 22, 1987, the City Council received the Task Force's final report (dated July 14, 1987), which contained the Task Force's conclusions and recommendations. In the report, the Task Force recommended increasing water rates by 41.4% and issuing \$850,000 in water system improvement bonds.

- o August 1987 On August 5, 1987, based on the Citizens Water System Improvement Task Force's recommendation, the City Council passed Resolution #87-19 to place an \$850,000 bond measure on the September 15 special election ballot. West Linn voters approve the bond measure by a vote of 1,937 (yes) to 1,872 (no). The bonds were sold on November 12.
 On August 19, 1987, the City Council held a work session with the Task Force to discuss the Task Force's recommendation of increasing water rates (41.4%) in order to solve the financial needs of the City's water system.
 On August 26, 1987, the City Council passes Ordinance #1208, increasing water rates by 33.6%. Note: This rate increase was never put into affect; it was later repealed by voters at the November 3, 1987 special election.

- o November 1987 In September 1987, a citizens group (Citizens for Effective City Planning opposing the 33.6% water rate increase) gathered enough signatures on a referendum petition to place a ballot measure on the November election ballot, seeking to repeal the water rate increase (Ordinance #1208, August 26, 1987).
 At the November 3, 1987 special election, voters repeal the City's water rate increase and the previous rates that were in effect are immediately reinstated (Ordinance #1220, dated November 4, 1987).

- o April 1988 On February 24, 1988, staff prepared a report for City Council presenting three water rate increase options to fund water operations and to pay for PRIORITY II improvements at the end of 6 years.
 On March 17, 1988, the City Council holds a Town Hall Meeting for taking public comments before making a final decision to increase water rates.

On April 13, 1988, the City Council adopts Ordinance #1234, increasing water rates by 8.5%. The rate increase was based on funding a 6-year operating plan for the Water Fund (Option #1, Exhibit C-1, 6-Year Projection).

- o October 1989 On October 18, 1989, staff releases a water report titled, Water Fund's 5-Year Operating Plan (for fiscal years 1990 through 1994). This was an update of the Water Fund's original 6-year financial plan, approved when the water rates were last increased in April 1988.
- o July 1991 Oregon's System Development Charge Act (House Bill 3224) becomes effective July 1, 1991. In order to impose and collect system development charges under this new law, the City Council passed Ordinance #1302 and Resolution #91-19. The City's new system development charges, rates and rate setting methodologies were based on a special study prepared by Economic Resource Associates (City of West Linn, System Development Charges Report, final report dated June 26, 1991).
- o July 1992 On June 24, 1992, the West Linn City Council passes Resolution #92-12 updating the City's system development charges, rates and rate setting methodologies. The updated charges were based a special study prepared by Economic Resource Associates (City of West Linn, System Development Charges Report, final report dated July 1, 1992).

Note: The City is currently in the process of updating its SDC manual and charges.
- o August 1993 Economic Resource Associates completes and releases cost-of-service water rates and charges report (City of West Linn Cost-of Service Water Rates and Charges, dated August 30, 1993) prepared for the City. On August 30, 1993, the City Council holds its first work session to review and study the report. Work on this report is completed a year later, with a final report being issued in September 1994.
- o November 1993 On November 17, 1993, the South Fork Water Board (SFWB) passes Resolution #93-4, increasing its whole-sale water rate charge to the cities of West Linn and Oregon City by approximately 38.5% effective

December 1, 1993. The new rates were based a cost of service report, South Fork Water Board Comprehensive Water Rate Study, prepared by Economic and Engineering Services, Inc. With the new rates in place, the SFWB authorizes and sales \$3.0 million in water revenue bonds.

- o November 1993 On November 29, 1993, City staff releases a staff report titled, Water Fund's 5-Year Operating Plan, a Historical Perspective and a Review of Results (Fiscal Years 1990 through 1994). This report is an evaluation of the last 4 years' actual operating results, as compared to the Water Fund's original 5-year operating plan dated October 1989.
- o July 1994 On July 20, 1994, the South Fork Water Board passes: (a) Resolution #94-8 increasing its wholesale water rate charge to the City of West Linn by 68.3% and (b) Resolution #94-7 authorizing the issuance and sale of \$4.3 million in water revenue bonds. The rate increase was based a second cost of service report, South Fork Water Board Comprehensive Water Rates (July 1994), prepared by Economic and Engineering Services, Inc.
- o August 1994 Economic Resource Associates releases results of its updated City of West Linn's Cost-of-Service Water Rates and Charges Report (final report dated September 7, 1994). Over the last twelve months, several work sessions on increasing water rates have been held, since the first water report (dated August 30, 1993) was published. The last work session on water rates was held on August 29, 1994.
- o September 1994 On September 26, 1994 the Council approves second reading of Ordinance #1366, increasing water rates effective October 1, 1994. The rate increase was based on Economic Resource Associates' City of West Linn's Cost-of-Service Water Rates and Charges Report, (final report dated September 7, 1994). Note: this rate increase (Ordinance #1366) was repealed by voters a year later (November 1995).
- o December 1994 In December 1994, the South Fork Water Board accepts its South Fork Water Board, System Development Charges for the Water Treatment Plant report, prepared by Economic and Engineering Services, Inc. The

Board adopts two resolutions imposing system development charges, effective January 1, 1995 (Resolutions #94-10 and #94-11).

Note: The SFWB is currently in the process of updating its system development charges.

- o November 1995 Voters repeal the October 1994 water rate increase (Ordinance #1366), and the previous water rates are reinstated (Ordinance #1234, dated April 1988).