



# Clark Regional Wastewater District/ City of Vancouver

## Wholesale Wastewater Treatment (Operations) Agreement & Wastewater Services Coordination (Assumption) Agreement



## Why Develop These Agreements?

- **Updates expired operations agreements**
- **Offers rate protection/stability for District customers & employees**
- **Allows for flexibility to adapt to new role for District**
- **Addresses reality of annexation/assumption relationship under current state law**
  - Provides a plan if annexation happens
  - Does not make the annexation process easier





## Presentation Outline

- **Defining the Landscape**
- **Wholesale Wastewater Treatment (Operations) Agreement Outline**
- **Wastewater Services Coordination (Assumption) Agreement Outline**
- **Discussion & Input**



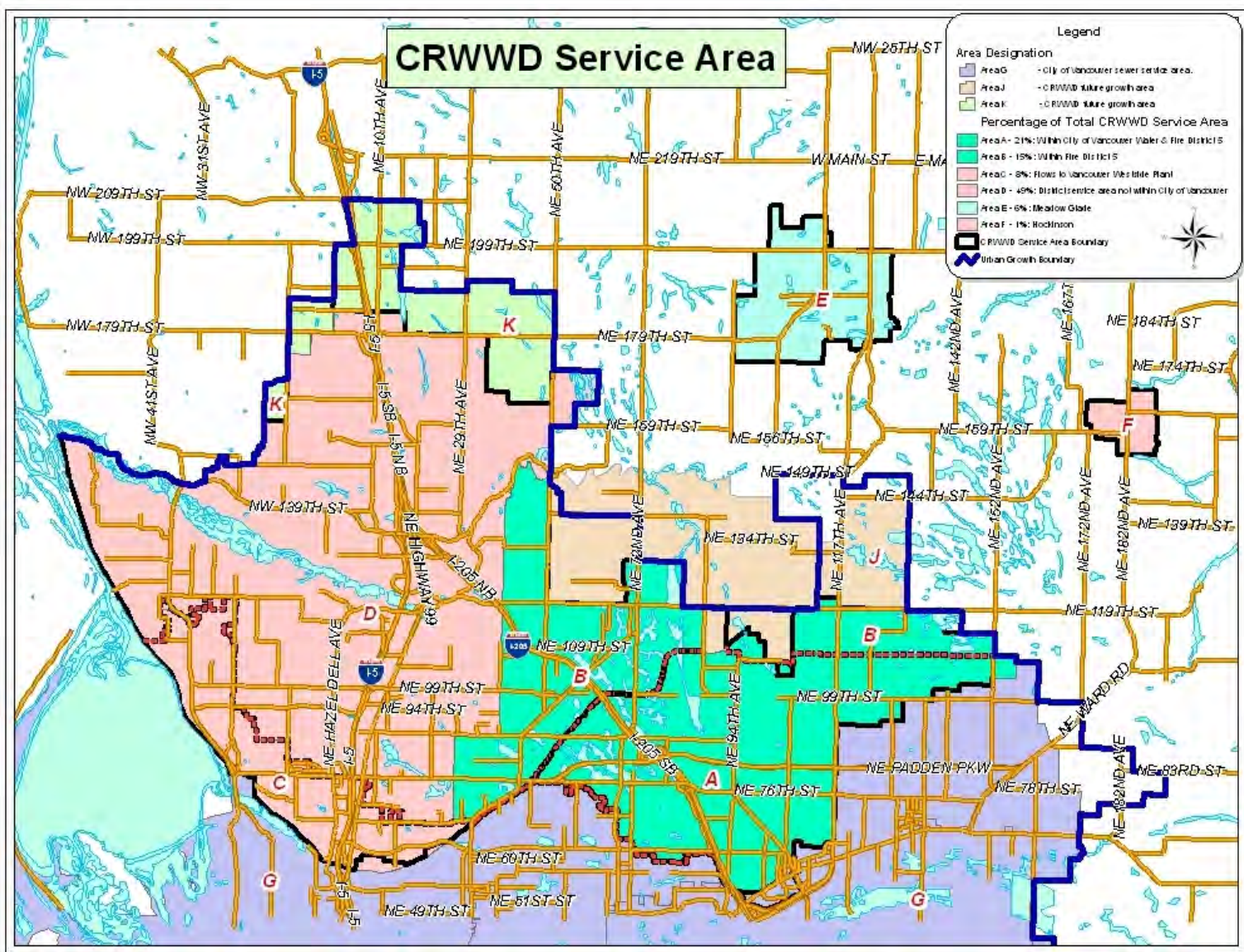


# Defining the Landscape

## District/City Coordination Areas

- **93% of District service area is within City's Urban Growth Boundary (UGB)**
  - 44% directly/indirectly overlaps with City's services
    - 21%: City's water service and Fire District 5 service boundary
    - 15%: Fire District 5 service boundary
    - 8%: Flows to Vancouver Westside Plant
  - 49% of District service area is not within the City's service area
- **7% of District service area outside City's UGB**
  - Meadow Glade: 6%
  - Hockinson: 1%

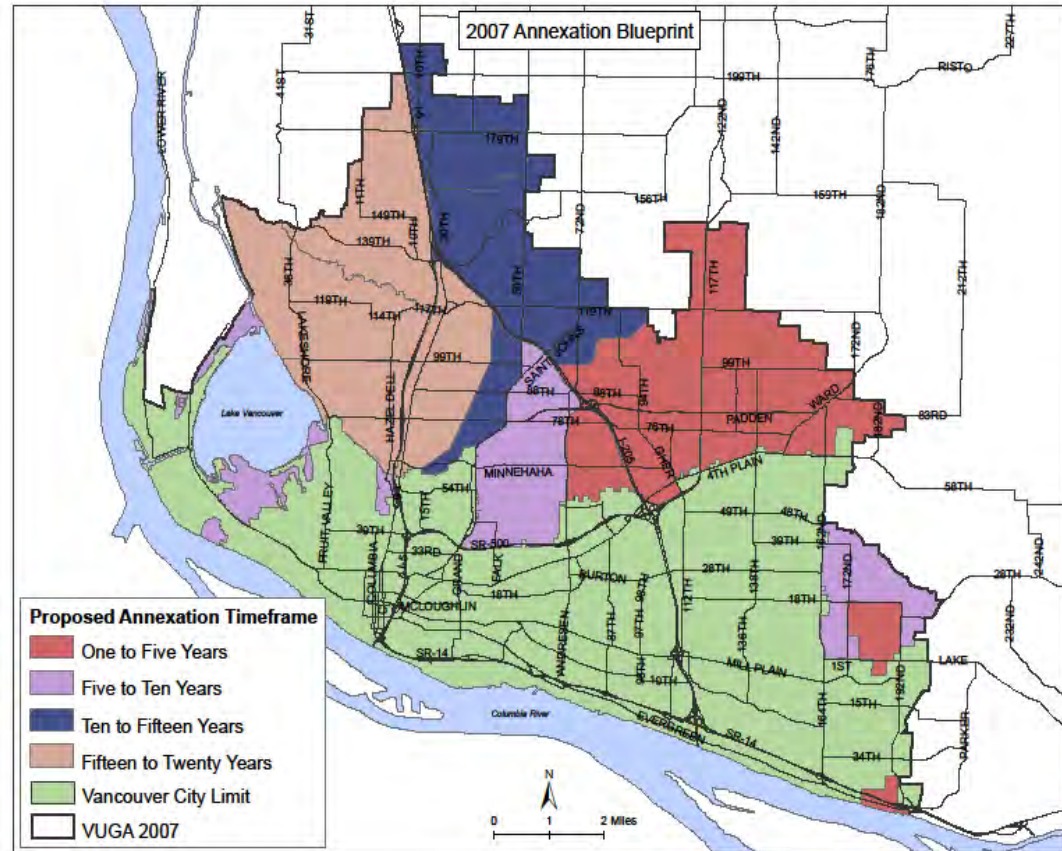




# Relationship of Cities & Special Purpose Districts

## Annexation & Assumption

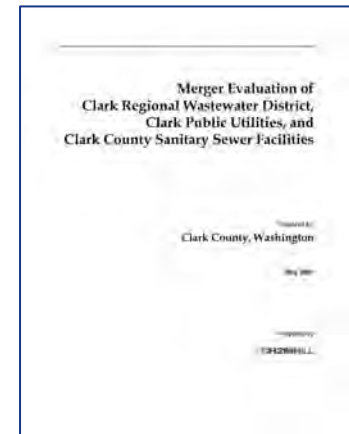
- Various methods
- City has 20-year Annexation Plan (“Blueprint”)
- Annexation within District
  - Does not directly affect utility service
  - Allows for a follow on “assumption” process





# 2007 Merger Studies

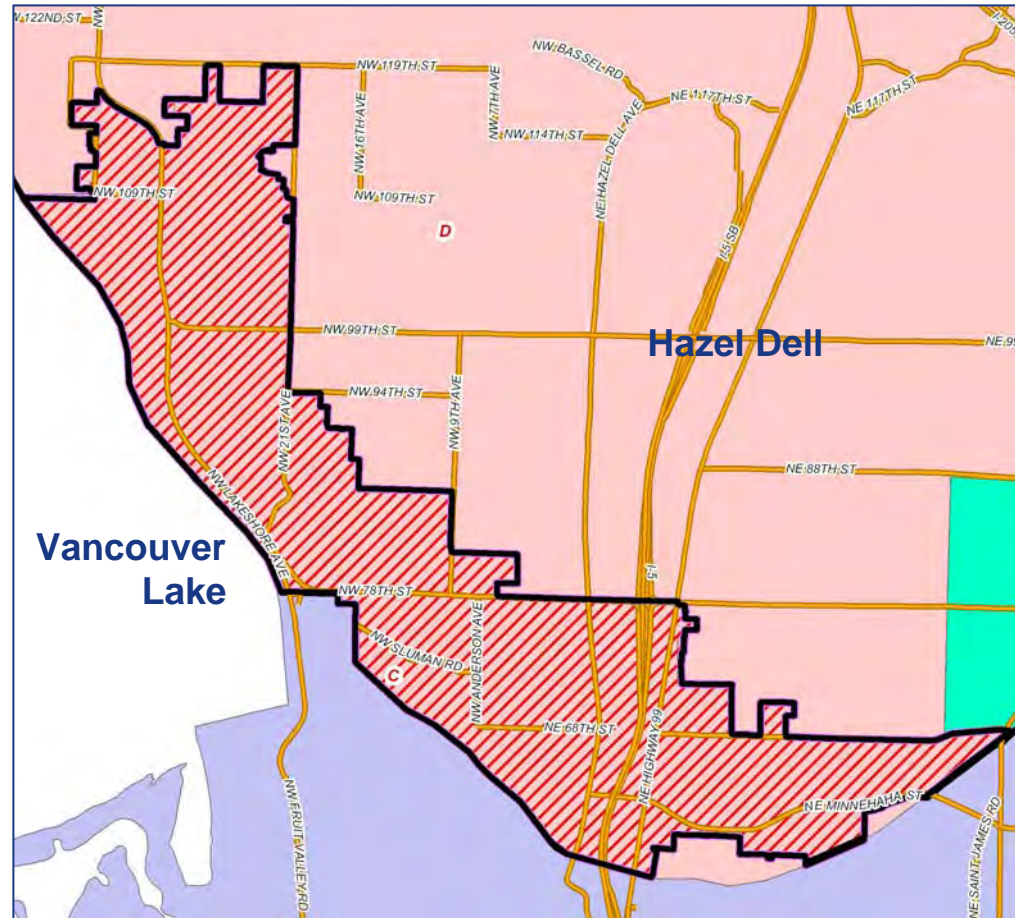
- **Clark Public Utilities Ownership & Operation**
  - Salmon Creek Treatment Plant (SCTP) with District's retail sewer collection system with Clark Public Utilities' water services



- **City of Vancouver Operation & Ownership**
  - Considered partial or full merger of City & District's sewer utilities under ownership of City's sewer utility

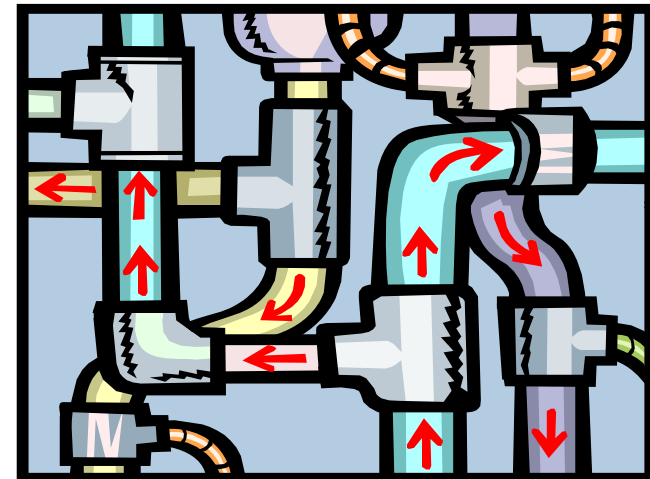
# Current Operations

- **Some District flows to City for treatment**
  - Lowest connection charges
- **Various operational coordination areas**
  - Pretreatment, billing, capacity management, etc.
- **Past operations agreements have expired**
  - Handling day-to-day items without agreement



# Current Board Direction

- ☑ **Develop outlines for two agreements**
  - Wholesale Wastewater Treatment (Operations) Agreement
  - Wastewater Services Coordination (Assumption) Agreement
- ☑ **Conduct public information efforts**
  - Provide information
  - Receive comments
  - Update outlines as needed
- ☑ **Develop agreements**
- ☐ **Board/Council approval**





# Wholesale Wastewater Treatment (Operations) Agreement Outline

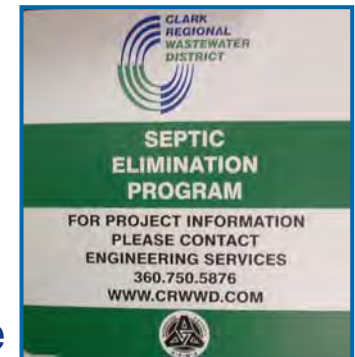
# Operations Agreement Outline

- **Acceptance & treatment of wastewater**
  - City will treat up to maximum of 1 mgd
  - Additional flows possible in future
- **Treatment rates**
  - Operations component
  - Capital component
- **Determination of operating costs component of treatment rate**
  - District will pay a portion of:
    - Direct costs for share of Westside treatment plant
    - Direct costs for flow measurement
    - Direct costs for Westside Interceptor
    - Indirect costs for City's administrative & general costs for administering and operating the City's wastewater system



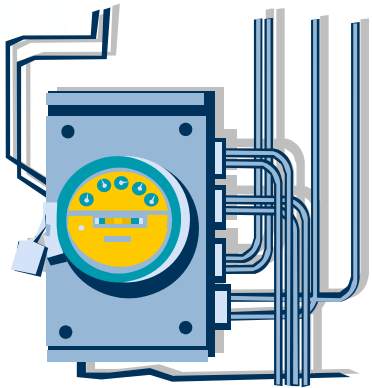
# Operations Agreement Outline

- **Determination of capital costs component of treatment rate**
  - District will pay a portion of:
    - Recovery of depreciation
    - Return on investment
  - Reduction for both components available
    - Companion assumption agreement must be in effect (partner vs. customer relationship)
    - Annual savings of approximately \$250K/year
- **District use of treatment savings**
  - Any savings in treatment costs shall be used for District projects that
    - Protect aquifers & water supply sources
    - Mitigate adverse impacts to sources



# Operations Agreement Outline

- **Charges for future share of plant improvements**
- **Metering of flows/sampling of wastewater**
- **Industrial & commercial wastewater pretreatment**
- **Terms of agreement**
  - If parties enter into assumption agreement, term shall be until City assumes entire District
  - If not, term shall be 30 years





# Wastewater Services Coordination (Assumption) Agreement Outline

# Assumption Agreement Outline

- **Assumption of District will occur if**
  - 60% of assessed valuation (or 60% area) of District is within City; and
  - At least 12 years has elapsed since effective date of agreement (tied to existing obligations/debt structures)
  - Prior to 60% assumption, City will not assume portions of District (important for District rate stability)
- **Coordination & notice related to annexations**
  - Neither agency will oppose each other's annexations
- **Coordination & notice related to Comprehensive Plans**



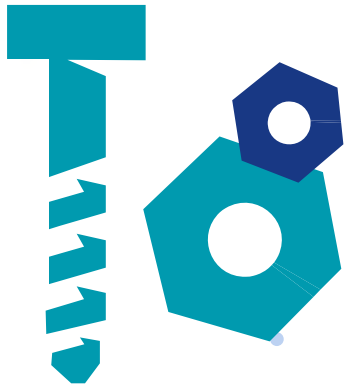
# Assumption Agreement Outline

- **Jurisdiction over customers/facilities in annexed areas**
  - Upon annexation:
    - Customers remain with District
    - District retains ownership of facilities
    - District retains authority to set rates & charges
    - District laws & regulations continue to apply
  - **Fees & rates after annexation**
    - After annexation, annexed District customers shall pay a 6% fee (approx. \$2/month)



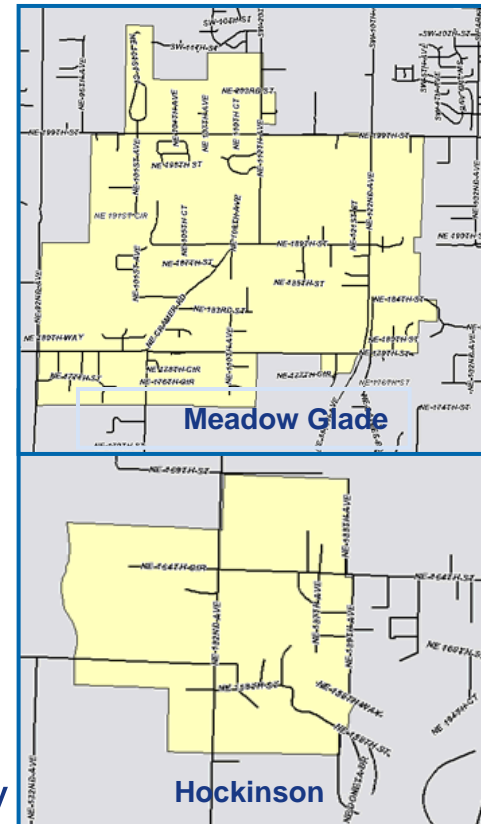
# Assumption Agreement Outline

- **District office/operations building**
  - District will own, operate & control its operations property (current & future)
- **Common operation & maintenance standards**
- **Coordination & notice of services & rates**
- **District continues investment in system**
- **Oversight committee**
  - 2 staff members/1 elected official from each agency;  
meet at least once every 6 months



# Assumption Agreement Outline

- **Regional service initiatives & discussions endorsed**
- **Meadow Glade & Hockinson systems**
  - Possible transfer to Battle Ground
- **Term of agreement**
  - 30 years from effective date of agreement
- **Early termination of agreement possible (if landscape changes)**
  - New city incorporates within Vancouver Urban Growth Boundary
  - District role changes materially, especially outside Vancouver Urban Growth Boundary



# Assumption Agreement Outline

- **Employment & rights of District employees**
- **City responsibilities on assumption**
  - After assumption, City will retain authority to set rates & charges (cost of service based)
    - City will not charge out-of-city rate to former District customers
    - City may establish a rate differential based upon the treatment plant serving those customers
- **Dissolution of District**





# Discussion & Input

## Discussion & Input



- **In summary:**
  - Updates expired operations agreements
  - Agreements offer rate protection/stability for District customers & employees
  - Allows for flexibility to adapt to new role for District
  - Addresses reality of annexation/assumption relationship under current state law
    - Provides a plan if annexation happens
    - Does not make the annexation process easier



## Next Steps

- Conduct public information efforts**
  - Provide information
    - Stakeholder groups: June '09
    - Neighborhood associations & partner agencies: July '09
    - Outreach to customers
      - Website: July '09
      - Billing insert: August/September '09
      - Public information meeting/open house: October '09
  - Receive comments
  - Update outlines as needed
- Develop agreements**
- Board/Council approval**



# Questions?

