



OFFICE OF COUNTY COUNSEL

PUBLIC SERVICES BUILDING

2051 KAEN ROAD | OREGON CITY, OR 97045

Jane E. Vetto
County Counsel

May 29, 2025

BCC Agenda Date/Item: _____

Board of County Commissioners
Clackamas County

Scott C. Ciecko
Amanda Keller
Shawn Lillegren
Jeffrey D. Munns
Sarah Foreman
Caleb Huegel
Angela Hajihashemi
Joseph Lucas
Ryan Hammond
Assistants

Approval of a Boundary Change Proposal No. 2025 (003)
No County General Funds are involved.

| | | | |
|-------------------------------------|---|---------------------------|---------------|
| Previous Board Action/Review | None | | |
| Performance Clackamas | 1. Build public trust through good government 2. Build a strong infrastructure | | |
| Counsel Review | Yes; JM | Procurement Review | N/A |
| Contact Person | Jeffrey Munns | Contact Phone | (503)742-5984 |

EXECUTIVE SUMMARY:

The owner of a parcel of land, tax lot no. 13E31C 01700 ("SUBJECT PROPERTY"), petitioned this Board to annex into Clackamas County Service District No. 1 (the "District") in order to receive sanitary sewer and stormwater services. The Board's approval of this proposed annexation will result in a boundary change of the District's service area.

Currently, the SUBJECT PROPERTY, as territory to be annexed, is one tax lot in Happy Valley with a current tax assessed value of \$391,986. It is at 17100 SE Hagen Rd, Happy Valley, OR 97086. It is improved with a single-family home.

The CITY and the District have a long-term agreement for the District to serve such territory within the CITY's limits. The District is already providing services in the areas surrounding. There is a sewer line on SE Hagen Road for the SUBJECT PROPERTY to connect to. Upon connection, the use of the onsite septic must be discontinued. Therefore, there is efficiency in the District providing services to the subject property.

If the Board approves this proposed annexation, the District will provide only sanitary sewer and stormwater services to the SUBJECT PROPERTY.

The District has endorsed the proposed annexation.

For Filing Use Only

v.CCC-2025

Under Oregon law, as the county's governing body, this Board is charged in deciding this proposed boundary change pursuant to ORS Chapters 198 and Metro Code 3.09. In determining whether to approve the annexation petition, the Board must consider the local comprehensive plan for the area and any service agreements with local governments as required by ORS 198.857, and also considered whether the annexation petition met the criteria laid out in Metro Code 3.09.

A Staff Report, dated May 29, 2025, addresses factors and criteria mandated in ORS 198 and Metro Code 3.09. The report makes the required analysis and findings, and concludes that the proposed boundary change of the District complies with applicable statutory and Metro Code requirements. There is no cost to the County in the Board's approval of this proposed annexation.

RECOMMENDATION: Staff recommend approval of Boundary Change Proposal No. 2025 (003).

Respectfully submitted,



Jeffrey Munns
Assistant County Counsel

BEFORE THE BOARD OF COUNTY COMMISSIONERS

OF CLACKAMAS COUNTY, STATE OF OREGON

In the Matter of Approving a Boundary
Change Proposal No. 2025 (003)



Board Order No. _____

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Whereas, the Clackamas County Service District No. 1 (“DISTRICT”) is a county service district organized under ORS 451 that provides sanitary sewer and stormwater services to certain cities and unincorporated urban areas of Clackamas County and, through a 2016 intergovernmental agreement, is administered by Water Environment Services; and

Whereas, Petitioner filed an annexation petition with the Board to request annexation of a parcel of land, described and mapped in Exhibit A, to the DISTRICT pursuant to procedures set forth in ORS 198.857 and Metro Code 3.09; and

Whereas, on March 20, 2025, the annexation petition was approved and endorsed by the DISTRICT, as required by ORS 198.857; and

Whereas, this Board is charged in deciding this boundary change of the DISTRICT, through the proposed annexation of the SUBJECT PROPERTY into the DISTRICT, pursuant to ORS Chapters 198 and Metro Code 3.09; and

Whereas, a staff report that addresses factors and criteria mandated in ORS 198.857 and Metro Code 3.09 was made public at least 15 days prior to the Board hearing on the boundary change petition. The staff report is attached hereto as Exhibit B.

Whereas, a public hearing is held before the Board on June 5, 2025, and that a decision of approval was made on June 5, 2025. In determining whether to approve the boundary change petition, the Board considered the local comprehensive plan for the area and any service agreements with local governments as required by ORS 198.857, and also considered whether the boundary change met the criteria laid out in Metro Code 3.09.

NOW THEREFORE, the Clackamas County Board of Commissioners do hereby order:

1. The Analysis, Findings, and Conclusions in the Staff Report attached as Exhibit A are adopted by the Board of County Commissioners and demonstrate that the criteria for annexation have been met.

2. The annexation petition is approved, and the property described in Exhibit B and shown Exhibit C is annexed to Clackamas County Service District No. 1 for sanitary sewer and stormwater services.

BEFORE THE BOARD OF COUNTY COMMISSIONERS

OF CLACKAMAS COUNTY, STATE OF OREGON

In the Matter of Approving a Boundary
Change Proposal No. 2025 (003)

}

Board Order No. _____

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3. County staff is directed to file this document with the required parties and take all necessary steps to finalize the annexation.

DATED this 5th day of June, 2025

BOARD OF COUNTY COMMISSIONERS

Chair

Recording Secretary



OFFICE OF COUNTY COUNSEL

PUBLIC SERVICES BUILDING

2051 KAEN ROAD | OREGON CITY, OR 97045

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TO: Clackamas County Board of County Commissioners

FROM: Jeffrey D. Munns, Assistant County Counsel

RE: Boundary Change Proposal No. 2025-003 (CCSD1)

DATE of REPORT: May 28, 2025

DATE of HEARING: June 5, 2025

STAFF REPORT

REQUEST: Approval of Boundary Change Proposal No. 2025-003 (CCSD1), authorizing property of Lance Nelson and Gemma Nelson (the “PETITIONER”), known as tax lot number 13E31C 01700 and located 17100 SE Hagen Rd., Happy Valley, Clackamas County, Oregon (the “SUBJECT PROPERTY”), into Clackamas County Service District No. 1 (the “DISTRICT”), an ORS 451 special district.

REASON FOR ANNEXATION:

The PETITIONER is requesting annexation so that the SUBJECT PROPERTY can connect to and receive sewer services from the DISTRICT.

RECOMMENDATION: Based on the analysis and findings of this report, staff respectfully recommend the Board APPROVE Boundary Change Proposal No. 2025-003 (CCSD1).

EFFECTIVE DATE: The boundary change becomes effective upon the date of approval by the Board.

I. BACKGROUND

A. SUBJECT PROPERTY INFORMATION

| | |
|------------------------------------|--|
| PETITIONER: | Lance Nelson and Gemma Nelson |
| PETITIONER Representative, if any: | |
| Tax Lot Nos. | 13E31C 01700 |
| Address, if any: | 17100 SE Hagen Rd., Happy Valley, OR 97086 |

Exhibit A

| | |
|-------------------|--------------------------|
| Legal Description | Exhibit B of Board Order |
|-------------------|--------------------------|

B. PETITION UNDER ORS 198.857

By application submitted to the DISTRICT, dated April 1, 2025, PETITIONER initiated a consent annexation petition under ORS 198.857.

The petition meets the requirement for initiation of annexation proceedings set forth in ORS 198.857(2) and Metro Code 3.09.040(A) (lists Metro's minimum requirements for petition). The petition was deemed complete on May 7, 2025.

The SUBJECT PROPERTY is currently developed. The services to be provided by the DISTRICT will support existing development on the SUBJECT PROPERTY.

C. ENDORSEMENTS BY INTERESTED PARTIES

As further discussed below in this report, the SUBJECT PROPERTY is located in the City of Happy Valley and is currently within DISTRICT jurisdiction for water, sanitary sewer, and stormwater services. Due to the topography, the SUBJECT PROPERTY can be served by the DISTRICT for sewer services.

By letter dated March 20, 2025, the DISTRICT supports and endorses the proposed annexation. See, Attachment 1.

D. CITIZEN PARTICIPATION

Notice of this hearing inviting testimony from interested parties was provided as required by statute and Metro Code.

Notice consisted of:

1. Posting notices near the SUBJECT PROPERTY, at the Clackamas County Courthouse, and outside the Commissioner's Hearing room at least 20 days prior to the hearing;
2. Publishing notice three times in the Lake Oswego Review; and
3. Mailing notices to all affected local governments and adjacent property owners.

At the time this report was written, no comments were received.

II. APPLICABLE CRITERIA

For a proposed boundary change of a special district through annexation, as the county's governing body, the Board must review and approve the proposed annexation based on several factors and criteria established by state and local law.

A. STATE STATUTE

Oregon Revised Statute Chapter 198 provides that, when determining whether to approve an annexation petition, the county board shall *“consider the local comprehensive plan for the area and any service agreement executed between a local government and the affected district.”* ORS 198.857(4).

B. METRO CODE

For a proposed boundary change within the boundaries of Metro or within urban reserves designated by Metro, Metro code also specifies criteria that a reviewing entity must apply in reviewing and approving a boundary change.

First, Metro Code 3.09.050(B) requires a report, to be made available to the public, that addresses the following:

- “1. The extent to which urban services are available to serve the affected territory, including any extraterritorial extensions of service;*
- 2. Whether the proposed boundary change will result in the withdrawal of territory from the legal boundary of any necessary party¹; and*
- 3. The proposed effective date of the boundary change.”*

Second, Metro code requires the review and approval of a proposed boundary change to be consistent with certain service agreements, land use plans, and service quality standards. To approve a boundary change, the reviewing entity (e.g., the Board in this case) must:

- “(1) Find that the change is consistent with expressly applicable provisions in:*
 - (A) Any applicable urban service agreement adopted pursuant to ORS 195.205;*
 - (B) Any applicable annexation plan adopted pursuant to ORS 195.205;*
 - (C) Any applicable cooperative planning agreement adopted pursuant to ORS 195.020(2) between the affected entity and a necessary party;*
 - (D) Any applicable public facility plan adopted pursuant to a statewide planning goal on public facilities and services;*
 - (E) Any applicable comprehensive plan; and*
 - (F) Any applicable concept plan.*
- (2) Consider whether the boundary change would:*
 - (A) Promote the timely, orderly and economic provision of public facilities and services;*
 - (B) Affect the quality and quantity of urban services; and*
 - (C) Eliminate or avoid unnecessary duplication of facilities and services.”*

¹ A “necessary party” is another governmental entity which includes the same area or provides an urban service to the area.

See, Metro Code 3.09.045(D) and 3.09.050(D).

Finally, Metro Code Section 3.09.090 prohibits the extension of any district “water or sewer service from inside a UGB to territory that lies outside the UGB.”

C. COMPREHENSIVE PLANING

1. Regional Planning

The law that requires Metro to adopt criteria for boundary changes specifically states that Metro shall “*** *ensure that a boundary change is in compliance with the Metro regional framework plan as defined in ORS 197.015 and cooperative agreements and urban service agreements adopted pursuant to ORS 195.*” ORS 268.354(2)(d). Metro regional framework plan is “*the regional framework plan required by the 1992 Metro Charter or its separate components.*” ORS 197.015.

2. County Planning

The applicable comprehensive plan for areas in unincorporated Clackamas County is the Clackamas County Comprehensive Plan (the “Comp Plan”).

Chapter 7 of the Comp Plan discusses public facilities and services. It addresses, in part, the Oregon Land Use Goal 11 that requires planning for sanitary sewerage treatment, water, storm drainage and transportation, stating as follows: “[a]dequate levels of those public facilities and services must be available before urban levels of development can be built in a manner consistent with the land use designations in this Plan.” (Comp Plan p. 7-1).

An applicable public facilities goal in the Comp Plan is to “[r]equire adequate storm drainage, public sanitary sewer and public water service concurrent with development in areas that require these services.” (Comp Plan at p.7-6).

With respect to policies for sanitary sewer treatment, the Comp Plan specifies the following:

“7.A.8 Prohibit new on-site sewage disposal systems within Urban Growth Boundaries except for:

7.A.8.1 A lot of record outside of a sewage service district, legally recorded prior to January 31, 1980; or

7.A.8.2 Parcels of ten acres or larger in Future Urban areas inside the Metro Urban Growth Boundary (UGB); or

7.A.8.3 Outside the Metro UGB on lots that conform to the minimum lot size of the zone; or

7.A.8.4 Parcels inside a sewage service district having unique topographic or other natural features that make sewer extension impractical as determined on a case by case basis by the sewer service provider.”

(Comp Plan p.7-7)

3. City Planning

The SUBJECT PROPERTY is within the City of Happy Valley, whose comprehensive land use plan applies.

III. ANALYSIS AND FINDINGS

Collectively, review and approval criteria for a boundary change under state law and Metro Code generally fall into three categories: urban service and other facility service agreements, land use planning, and the quality and timing of the service resulted from the boundary change. Based on the application submitted by PETITIONER, and staff’s research, staff reaches the following analysis and findings.

A. TERRITORY TO BE ANNEXED

Staff reaches the following findings with respect to the territory to be annexed:

1. The SUBJECT PROPERTY, as territory to be annexed, is .4 acres, tax lot no. 13E31C 01700 with a current tax assessed value of \$391,986.00
2. The SUBJECT PROPERTY is in the City of Happy Valley.
3. The SUBJECT PROPERTY is within Metro's jurisdictional boundary and the regional UGB.
4. The SUBJECT PROPERTY is currently located adjacent to SE Hagen Rd. which contains a sewer line to serve the property.
5. The SUBJECT PROPERTY is currently developed.
6. The DISTRICT can provide sewer services to the SUBJECT PROPERTY in a more efficient and cost-effective manner.
7. Accordingly, the PETITIONER is seeking sewer services from the DISTRICT. The DISTRICT has endorsed the proposed annexation into the DISTRICT.

B. URBAN AND OTHER FACILITY SERVICES

As referenced in Section II of this report, state law and the Metro Code require a review for consistency with urban and other service agreements. (See, ORS 198.857(4) and

268.354(2)(d); Metro 3.09.050(B)(1), and 3.09.050(D)(1)(A)). ORS 195 requires agreements between providers of urban services to an area within a UGB that has a population of greater than 2,500 persons. Urban services are defined as: sanitary sewers, water, fire protection, parks, open space, recreation and streets, roads and mass transit. ORS 195.065(2)(b). These agreements specify which governmental entity will provide which service to an area in the long term. The counties are responsible for facilitating the creation of these agreements.

Staff finds that there are urban and other ORS 195.065 agreements applicable to this area of Clackamas County.

The SUBJECT PROPERTY is in the City of Happy Valley. It currently has, or will be receiving, various services in the following manner:

1. Water. The SUBJECT PROPERTY will be served by Sunrise Water Authority for water services.
2. Sewer. The SUBJECT PROPERTY is currently seeking to annex to CCSD1 for this service.
3. Storm Drainage. The SUBJECT PROPERTY is currently seeking to annex to SWM for this service. However, the PETITIONER is requesting annexation into the DISTRICT to receive these services due to the topography of the area surrounding the SUBJECT PROPERTY, and the SUBJECT PROPERTY is a part of a residential development to which the DISTRICT will be providing said services.
4. Parks and Recreation. The SUBJECT PROPERTY is be served by the City of Happy Valley for park and recreational services.
5. Fire. The SUBJECT PROPERTY is served by Clackamas Fire District No. 1 for fire services.
6. Police. The SUBJECT PROPERTY is served by the Clackamas County Sheriff for police services.

C. LAND USE PLANNING

As referenced in Section II of this report, state law and the Metro Code require a review for consistency with various regional and local land use plans. The following analyzes and reaches findings related to regional and local plans that may be applicable to the proposed annexation of the SUBJECT PROPERTY into the DISTRICT.

1. Regional Plans

The SUBJECT PROPERTY is in the City of Happy Valley, and inside Metro's jurisdictional boundary and the regional UGB. As such, a boundary change approval must be consistent with the applicable Metro regional framework plan. (See, ORS 268.354(2)(d)). Metro has adopted a Regional Framework Plan, and two regional functional plans--the Urban Growth Management Functional Plan (2023) and the Regional Transportation Plan (2012).

Staff has reviewed these plans and finds that these plans have no applicable standards and criteria for boundary changes. Therefore, the proposed boundary change by the DISTRICT through annexation of the SUBJECT PROPERTY is consistent, or not in conflict, with any Metro regional plans.

2. Clackamas County Comp Plan

The SUBJECT PROPERTY is in unincorporated Clackamas County. Chapter 7 of the Comp Plan was reviewed. Staff finds that the DISTRICT's proposed provisioning of sewer services to the SUBJECT PROPERTY is consistent, or not in conflict, with Chapter 7 of the Comp Plan.

3. City Comprehensive Land Use Plan

Based on the information provided by the DISTRICT and PETITIONER, the proposed annexation is compatible with the City of Happy Valley's comprehensive land use plan.

4. Public Facility, Concept, and Annexation Plans and Cooperative Planning Agreements

Staff finds there are no facility, concept, or annexation plans applicable to the area.

D. QUALITY, QUANTITY, AND TIMING OF SERVICE

Metro Code requires the Board to consider various factors that address the quality, quantity, and timing of the services being sought by the proposed annexation.

Staff finds that the proposed annexation of the SUBJECT PROPERTY into the DISTRICT is consistent with the Metro's service quality standard under Section 3.09.045(D)(2), 3.09.050(B), and 3.09.090:

- Promote of the timely, orderly and economic provision of public facilities and services;
- Improve of the quality and quantity of urban services; and
- Eliminate or avoid unnecessary duplication of facilities and services.
- The extent to which urban services are available to serve the affected territory, including any extra territorial extensions of service;
- Whether the proposed boundary change will result in the withdrawal of the affected territory from the legal boundary of any necessary party;

- The proposed effective date of the boundary change; and
- No extension of service from inside a UGB to territory that lies outside the UGB.

The SUBJECT PROPERTY is a single-family residence. The DISTRICT is in a more advantageous technical position to provide sewer services to the SUBJECT PROPERTY due to having a sewer line in the right-of-way along the northern boundary of the property.

The SUBJECT PROPERTY will remain in the Sunrise Water Authority District for water services. Therefore, there is no duplication in the provisioning of the requested services, nor would there be a withdrawal of the SUBJECT PROPERTY from Sunrise Water Authority's jurisdiction.

Finally, because the SUBJECT PROPERTY is inside the UGB, the proposed annexation of the SUBJECT PROPERTY into the DISTRICT does not result in an extension of the DISTRICT's urban service from inside a UGB to territory that lies outside the UGB.

The boundary change will become effective on the date of Board's approval.

IV. CONCLUSIONS

Staff conclude that the proposed annexation complies with all applicable state statutes and Metro Code requirements. Staff recommends approval of Boundary Change No. 2025-003 (CCSD1) for the DISTRICT to provide sewer services to the SUBJECT PROPERTY.

Respectfully Submitted,



Jeffrey D. Munns
Assistant County Counsel

Attachments: Exhibit 1-Legal Description and MAP of SUBJECT PROPERTY



CLACKAMAS

**WATER
ENVIRONMENT
SERVICES**

GREGORY L. GEIST | DIRECTOR

Water Quality Protection
Surface Water Management
Wastewater Collection & Treatment

March 20, 2025

Board of Commissioners
Clackamas County

Members of the Board:

**ENDORSEMENT OF ANNEXATION OF TERRITORY TO
CLACKAMAS COUNTY SERVICE DISTRICT NO. 1**

ORS 198.850 requires the governing body of CLACKAMAS COUNTY SERVICE DISTRICT NO. 1, (District) to endorse annexation proposals prior to a hearing by the Board of County Commissioners. In the interest of efficiency, the Board has delegated the authority and duties for endorsement of annexations of territory to the District to the Director of Water Environment Services.

I have reviewed the attached petition from property owners requesting the annexation of territory to CLACKAMAS COUNTY SERVICE DISTRICT NO. 1 and find the District has sufficient sanitary sewer collection and treatment system capacity to provide sanitary sewer service to the area proposed to be annexed. Service is subject to the construction of public sewer extensions as required by WES Rules and Regulations.

Therefore, by the authority granted to me by Order No. 99-329, I hereby endorse the annexation of all Tax Lots described on Exhibit "B" and shown as Exhibit "C" (attached) to CLACKAMAS COUNTY SERVICE DISTRICT NO. 1, as set forth on the attached petition.

Greg Geist


Mar 20, 2025

Greg Geist, Director
Water Environment Services



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www.weddlesurveying.com

REGISTERED
PROFESSIONAL
LAND SURVEYOR


OREGON
JULY 13, 2004
ANTHONY B. RYAN
58833

RENEWAL DATE: DECEMBER 31, 2026

May 1, 2025

Job No. 6739

LEGAL DESCRIPTION - ANNEXATION

EXHIBIT "B"

A tract of land for Annexation purposes, in the Southwest 1/4 of Section 31, Township 1 South, Range 3 East of the Willamette Meridian, Clackamas County, Oregon, being all of that certain tract of land described as Lot 40, Block 2, "Pleasant Valley Golf Estates Replat" (a subdivision of record in said County), in Warranty Deed to Lance Nelson and Gemma Nelson, recorded as Document No. 2024-032157, Clackamas County Deed Records, together with a portion of the adjacent right-of-way of Hagen Road, being more particularly described as follows:

Beginning at the point of intersection of the centerline of said Hagen Road with the Northerly extension of the East line of said Lot 40, said point bears North 89°52'53" West, 343.60 feet from a 3-1/4" diameter bronze disk marking the Center of said Section 31;

Thence leaving said centerline, along said Northerly extension line, South 00°07'07" West, 30.00 feet to Northeast corner of said Lot 40, also being on the Southerly right-of-way line of said Hagen Road; thence leaving said Southerly right-of-way line, along the East line of said Lot 40, South 00°07'07" West, 176.03 feet to the Southeast corner of said Lot 40; thence along the South line thereof, North 89°48'33" West, 100.00 feet to the Southwest corner of said Lot 40; thence along the West line thereof, North 00°07'07" East, 175.90 feet to the Northwest corner of said Lot 40, also being a point on said Southerly right-of-way line (30.00 feet from centerline); thence leaving said right-of-way line, along the Northerly extension of said West line of Lot 40, North 00°07'07" East, 30.00 feet to said centerline of Hagen Road; thence along said centerline South 89°52'53" East, 100.00 feet to the point of beginning.

Containing therein 20,697 square feet, more or less.

The Basis of Bearings for this description is per "Pleasant Valley Golf Estates Replat", Clackamas County Plat Records.

Exhibit C

ANNEXATION MAP

LOT 40, BLOCK 2

"PLEASANT VALLEY GOLF ESTATES REPLAT"

SW 1/4 SEC 31, T1S, R3E, WM

CLACKAMAS COUNTY, OREGON



SCALE: 1" = 40'
MAY 1, 2025

N00°07'07"E
30.00'

Hagen Rd
S89°52'53"E 100.00'

CENTERLINE

POINT OF
BEGINNING

N89°52'53"W 343.60' (TO CENTER OF
SECTION 31)

S00°07'07"W
30.00'

RIGHT-OF-WAY LINE
S89°52'53"E 100.00'

DOCUMENT NO.
2024-032157

Lot 39

Lot 40

Lot 41

N00°07'07"E 175.90'

S00°07'07"W 176.03'

REGISTERED
PROFESSIONAL
LAND SURVEYOR

OREGON
JULY 13, 2004
ANTHONY B. RYAN
58833

EXPIRES: DECEMBER 31, 2026

"PLEASANT VALLEY GOLF ESTATES REPLAT"
BLOCK 2

N89°48'33"W 100.00'

Tract A1

PLEASANT VALLEY VILLAGES NO. 4
Lot 489 Lot 490 Lot 491



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JOB NO. 6739