



OFFICE OF COUNTY COUNSEL

PUBLIC SERVICES BUILDING

2051 KAEN ROAD | OREGON CITY, OR 97045

Billy J. Williams
County Counsel

August 6, 2026

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
M. Creston Rice
Andrew Naylor
Paul Matthias-Bennetch
Assistants

Approval of a Boundary Change Proposal for sewer services to territory located at 12720 SE Callahan Road, Happy Valley. No fiscal impact. No County General Funds are involved.

Previous Board Action/Review:

None

Performance Clackamas:

Build public trust through good government

Build a strong infrastructure

Counsel Review: Yes; 7/15/2026

Procurement Review: N/A

Contact Person: Jeffrey D. Munns

Contact Phone: (503) 742-5984

EXECUTIVE SUMMARY:

The owner of a parcel of land, tax lot no. 12E26BD02001 ("SUBJECT PROPERTY"), petitioned this Board to annex into the Clackamas County Service District No. 1 (the "District") in order to receive Sewer 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 the City of Happy Valley with a current tax assessed value of \$35,303.00. It is at 12720 SE Callahan Road, Happy Valley, OR 97086 in the Sunnyside-Mt. Scott community. It is vacant.

There is a sewer lateral line already installed on property to serve future development.

If the Board approves this proposed annexation, the District will provide only Sewer services to the SUBJECT PROPERTY.

The District has endorsed the proposed annexation.

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

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v.ccc2024

annexation petition met the criteria laid out in Metro Code 3.09.

Staff Findings and Recommendations, dated July 15, 2026, 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. 2026-005 (CCSD1).

Respectfully submitted,

/s/ Jeffrey D. 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. 2026-005 (CCSD1)



Board Order No. _____

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Whereas, the Clackamas County Service District No. 1 (“DISTRICT”) is a county service district organized under ORS Chapter 451 that provides Sewer 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 Exhibits B and C, to the DISTRICT pursuant to procedures set forth in ORS 198.857 and Metro Code 3.09; and

Whereas, on April 22, 2026, the annexation petition was approved and endorsed by the DISTRICT, as required by ORS 198.857; and

Whereas, this Board is charged with 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 A.

Whereas, a public hearing is held before the Board on August 6, 2026, and a decision of approval was made on August 6, 2026. 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 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 on the map in Exhibit C, is annexed to Clackamas County Service District No. 1 for Sewer services.

BEFORE THE BOARD OF COUNTY COMMISSIONERS

OF CLACKAMAS COUNTY, STATE OF OREGON

In the Matter of Approving a Boundary
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3. County staff are directed to file this document with the required parties and take all necessary steps to finalize the annexation.

DATED this 6th day of August 2026

BOARD OF COUNTY COMMISSIONERS

Chair

Recording Secretary



OFFICE OF COUNTY COUNSEL

PUBLIC SERVICES BUILDING
2051 KAEN ROAD | OREGON CITY, OR 97045

Billy J. Williams
County Counsel

TO: Clackamas County Board of County Commissioners (the "Board")
FROM: Jeffrey D. Munns, Assistant County Counsel
RE: Boundary Change Proposal No. 2026-005 (CCSD1)
DATE of REPORT: July 15, 2026
DATE of HEARING: August 6, 2026

Scott C. Ciecko
Amanda Keller
Shawn Lillegren
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STAFF FINDINGS AND RECOMMENDATIONS

REQUEST: Approval of Boundary Change Proposal No. 2026-005 (CCSD1), authorizing property of William & Cammy Patterson (the "Petitioner"), known as tax lot number 12E26BD02001 and located at 12720 SE Callahan Rd., Happy Valley, Clackamas County, Oregon (the "Property"), into Clackamas County Service District No. 1 (the "District"), an ORS Chapter 451 county service district.

REASON FOR ANNEXATION:

The Petitioner is requesting annexation so that the Property can connect to and receive Sewer services from the District.

RECOMMENDATION: Based on the analysis and findings of this report, staff respectfully recommend that the Board APPROVES the Boundary Change Proposal No. 2026-005 (CCSD1).

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

I. BACKGROUND

A. PROPERTY INFORMATION

PETITIONER:	William & Cammy Patterson
PETITIONER Representative, if any:	Devin Dougherty, Designer Built Homes
Tax Lot Nos.	12E26BD02001

v.ccc2024

Address, if any:	12720 SE Callahan Road, Happy Valley, OR 97086
Legal Description	Exhibit B to Board Order

B. PETITION UNDER ORS 198.857

By application submitted to the District, dated April 22, 2026, 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 June 23, 2026.

The Property is currently Vacant. The services to be provided by the District will support future residential development on the Property.

C. ENDORSEMENTS BY INTERESTED PARTIES

Discussed below in this report, the Property is located in Happy Valley and is within the Sunrise Water Authority jurisdiction for water, and is seeking annexation for sanitary sewer, and stormwater services. Due to the topography, the Property can be served by the District for Sewer services.

By letter dated April 22, 2026, 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 Property, at the Clackamas County Courthouse, and outside the Commissioner's Hearing room at least 20 days prior to the hearing;
2. Publishing notice two 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 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 Property, as territory to be annexed, is one tax lot, no. 12E26BD02001, with a current tax assessed value of \$35,303.00.
2. The Property is in Happy Valley and is considered a part of the Sunnyside-Mt. Scott community.
3. The Property is within Metro's jurisdictional boundary and the regional UGB.
4. The Property is currently Vacant
5. The District can provide Sewer services to the Property in an efficient and cost-effective manner. Based on information received by the District, a sewer lateral is already installed on the property.
6. 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 find that there are ORS 195.065 agreements applicable to this area of Clackamas County.

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

1. Water. The Property will be served by Sunrise Water Authority for water services.
2. Sewer. The Property is currently seeking annexation for this service.
3. Storm Drainage. The Property is currently seeking annexation to receive this service.
4. Parks and Recreation. The Property is served by Happy Valley for park and recreational services.
5. Fire. The Property is served by Clackamas Fire District #1 for fire services.
6. Police. The Property is served by the Clackamas County Sheriff's Office 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 Property into the District.

1. Regional Plans

The Property is in 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 have reviewed these plans and found that these plans have no applicable standards and criteria for boundary changes. Therefore, the proposed boundary change

by the District through annexation of the Property is consistent, or is not in conflict, with any Metro regional plans.

2. Clackamas County Comp Plan

The Property is in Happy Valley. Chapter 7 of the Comp Plan was reviewed. Staff find that the District's proposed provision of Sewer services to the Property is consistent, or is 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 find 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 find that the proposed annexation of the 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 Property is vacant. The District is in a more advantageous technical position to provide services to the Property due to location and the fact that the new development will also be served by the District.

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

Finally, because the Property is inside the UGB, the proposed annexation of the Property into the District does not result in an extension of the District's 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 recommend the approval of Boundary Change No. 2026-005 (CCSD1) for the District to provide Sewer services to the Property.

Respectfully Submitted,



Jeffrey D. Munns
Assistant County Counsel

Attachment 1: District Endorsement



CLACKAMAS

**WATER
ENVIRONMENT
SERVICES**

GREGORY L. GEIST | DIRECTOR

Water Quality Protection
Surface Water Management
Wastewater Collection & Treatment

DATE : 4/22/26

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

Greg Geist, Director
Water Environment Services

Serving Clackamas County, Gladstone, Happy Valley, Johnson City, Milwaukie, Oregon City, Rivergrove and West Linn

150 Beavercreek Road #430, Oregon City, OR 97045 | 503-742-4567 | clackamas.us/wes

Exhibit B

Legal Description:

Parcel 2 of Partition Plat No. 2022-050.

PARTITION PLAT NO. 2022 -050

**A REPLAT OF LOT 16, "SCOTT CREST EAST NO. 4" AND ADJOINING PROPERTIES
LOCATED IN THE N.W. 1/4 OF SECTION 26, T. 1 S., R. 2 E., W.M.
IN THE CITY OF HAPPY VALLEY AND CLACKAMAS COUNTY, OREGON**

**CITY OF HAPPY VALLEY FILE NOS. LLA-04-21 AND LLA-07-21
SHEET 1 OF 2 APRIL 12, 2022 SCALE: 1" = 50'**

12

Received
Clackamas
County
Assessor
APR 16 2026

