

RESOLUTION NO. 6074

A RESOLUTION SETTING RATES FOR WATER USE AND REPEALING RESOLUTION NO. 5509.

WHEREAS, the Water Fund is primarily dependent upon water rate revenues for its funding; and

WHEREAS, the Mayor's Water Task Force reviewed the needs of, and funding for, the City's water system from September 2001 to September 2004; and

WHEREAS, the Mayor's Water Task Force developed a 10-year Financial Plan to meet capital, operation and maintenance, and regulatory requirements for Albany's water system; and

WHEREAS, the Water Financial Plan was presented to the public for comment and was adopted by the Albany City Council on October 13, 2004; and

WHEREAS, the Financial Plan recommended changes to the rate structure to enhance rate equity, and recommended implementation of a uniform fixed charge for each meter size for all classes, which include residential, multi-family, and non-residential; and

WHEREAS, the rate structure changes were implemented in January 2006; and

WHEREAS, future annual water rate increases were to be based on the 12-month change in the *Seattle Engineering News Record* Construction Cost Index plus one percent based on the published October data (minimum of two and one-half percent (2.5%) and a maximum of six percent (6%) per year); and

WHEREAS, the Financial Plan recommended implementation of a low-income assistance program and that program was initiated in January 2006 and reaffirmed in June 2007 (Resolution No. 5451); and

WHEREAS, annual rate increases were not implemented in 2009, 2010, and 2011 in recognition of the financial needs facing the residents of Albany during an economically challenging time; and

WHEREAS, the City Council has determined that rate setting guidelines established in the 2004 Water Financial Plan do not represent current conditions and is no longer a viable tool for guiding decisions regarding necessary rate increases; and

WHEREAS, water revenues and, therefore, rates, must be adequate to cover annual water debt service, operation and maintenance, and capital requirements; and

WHEREAS, the City Council has determined to set future rate increases by evaluating these system requirements annually against anticipated revenues; rather than rely on the process described in the 2004 Water Financial Plan; and

WHEREAS, the City Council completed this year's evaluation at the January 23, 2012, Council Work Session; and

WHEREAS, a three percent (3%) increase in revenue is required to comply with contractual debt service requirements in the City's 2004 Water Revenue bonds.

NOW, THEREFORE, BE IT RESOLVED by the Albany City Council that the water rates and service charges for water service as specifically described in Exhibit "A" (attached hereto) are hereby adopted; and

BE IT FURTHER RESOLVED that Resolution No. 5509 is hereby repealed; and

BE IT FURTHER RESOLVED that the rates established by this resolution shall be effective February 1, 2012;
and

BE IT FURTHER RESOLVED that the water rates and service charges will be evaluated annually based on the current requirements of the system and that future rate increases will not be based on the provisions identified in the 2004 Water Financial Plan.

DATED THIS 25TH DAY OF JANUARY 2012.



Mayor

ATTEST:



City Clerk



EXHIBIT "A"

I. SERVICE FEES AND CHARGES

Description	Reference	Charge		
		Customer Type	Property Owner	Not Property Owner
New – Turn Ons (Deposit)	AMC 11.01.040(2a)	Residential	no deposit	\$80
		Multi-family & Non-residential	no deposit	\$80 or \$120 depending on consumption
New – Account Fees (Activation)	AMC 11.01.040(5)	Normal working hours \$15 After hours call-out \$60		
Charge to Restore Service for Past Due Accounts	AMC 11.01.060(5)	Normal working hours \$25 After hours call-out \$60		
Non-sufficient Funds Checks	ORS 30.701(5)	\$25		
Disconnection Notice Door Hanger	AMC 11.01.060 (3)	\$5 per occurrence		
Discontinuance of Service (Meter Removal)	AMC 11.01.080(8)	\$15		
Tampering Fees	AMC 11.01.080(9)	\$50		
Investigation of Meter Error	AMC 11.01.090(1)(b)(ii)	<u>Meter Size</u>	<u>Service Charge Deposit</u>	
		¾"	\$15	
		1" to 1½"	\$25	
		Larger than 1½"	Actual Cost	
Reduction of Meter Size	AMC 11.01.100(5)(b)	<u>Meter Size</u>	<u>Service Charge</u>	
		Reduction to ¾"	\$50	\$160
		Reduction to 1"	\$85	\$180
		Reduction to 1½"	\$85	\$530
		Reduction to 2"	\$85	\$570
		Greater than 2"	Actual Cost	
Main Extensions	AMC 11.01.120(2)(h)	Actual Cost Plus 15% Overhead		
Fire Service Extensions	AMC 11.01.150(1)	Actual Cost Plus 15% Overhead		
Unauthorized Use of Fire Hydrant	AMC 11.01.180(4)	\$50		
Metered Use of Hydrant	AMC 11.01.180(4)	Refundable Deposit	\$75.00	
		Set Up	\$25.00	
		Bulk Rate	\$3.12	\$3.03 per 100 cubic feet
		Relocation Rate	\$25.00	
		Monthly Base Charge	\$89.18	\$86.58

II. RESIDENTIAL, MULTI-FAMILY, AND NON-RESIDENTIAL WATER SERVICE

A. WATER CUSTOMERS INSIDE CITY LIMITS

Applicable to all residential, multi-family, and non-residential customers receiving water service within the Albany city limits.

A residential customer is defined as a customer whose meter serves only one single-family dwelling unit. All dwelling units served by individual meters shall be charged the residential rate for service. For example, the residential rate shall apply where separate water meters provide service to each side of a duplex.

Multi-family customers are defined as customers whose meter services more than one dwelling unit. For the purposes of this rate resolution, dwelling unit shall be defined as any place of human habitation designed for occupancy based upon separate leases, rental agreements, or other written instruments.

Non-residential customers are defined as customers whose meter is for any use other than residential and multi-family. Some examples of non-residential uses include, but are not limited to: commercial, industrial, institutional, and food processing. Examples of institutional uses include schools, hospitals, and nursing homes.

MONTHLY RATE:

Customer Class/ Meter Size	Base Charge (\$/month)	Consumption Charge			
		Block 1	Block 2	Block 3	
Nonresidential & Multi-Family		Consumption Level (hundred cubic feet)			
¾ inch or less	\$16.25 \$16.74	First 17	Next 17	Over 34	
1 inch	\$23.73 \$24.44	First 18	Next 18	Over 36	
1½ inch	\$54.09 \$55.71	First 21	Next 21	Over 42	
2 inch	\$86.58 \$89.18	First 25	Next 25	Over 50	
3 inch	\$173.33 \$178.53	First 28	Next 28	Over 56	
4 inch	\$270.78 \$278.90	First 30	Next 30	Over 60	
6 inch	\$541.39 \$557.63	First 31	Next 31	Over 62	
8 inch	\$604.02 \$619.05	First 40	Next 40	Over 80	
10 inch	\$604.02 \$619.05	First 92	Next 92	Over 184	
12 inch	\$604.02 \$619.05	First 92	Next 92	Over 184	
		Consumption Rate (\$/100 cubic feet)			
Nonresidential		\$3.03 \$3.12	\$2.20 \$2.27	\$2.10 \$2.16	
Multifamily		\$2.91 \$3.00	\$2.17 \$2.24	\$2.04 \$2.10	
Residential		Consumption Level (hundred cubic feet)			
¾ inch or less	\$16.25 \$16.74	First 6	Over 6	NA	
1 inch	\$23.73 \$24.44	First 6	Over 6	NA	
1½ inch	\$54.09 \$55.71	First 6	Over 6	NA	
2 inch	\$86.58 \$89.18	First 6	Over 6	NA	
		Consumption Rate (\$/100 cubic feet)			
All Meters		\$3.62 \$3.73	\$2.29 \$2.36	NA	
<i>Low-Income Assistance Program Surcharge – Residential Bills Only</i>				\$0.35	

B. WATER CUSTOMERS OUTSIDE CITY LIMITS

Applicable to all residential, multi-family, and non-residential customers receiving water service outside the Albany city limits and that are not served by water lines previously operated by the North Albany County Service District (NACSD) or the Dumbeck Lane Domestic Water Supply District.

MONTHLY RATE

Rates by class as listed under Section I.A, Water Customers Inside City Limits, with a 10 percent surcharge on said rates for service outside the city limits.

C. WATER CUSTOMERS WITHIN THE DUMBECK LANE DOMESTIC WATER SUPPLY DISTRICT

Applicable to the Dumbeck’s master water meter that will serve a maximum of 133 residential connections as defined in the agreement dated September 2006 between the Dumbeck Lane Domestic Water Supply District and the City of Albany.

MONTHLY RATE

Dumbeck will pay quarterly for water delivered to Dumbeck's meter that Albany installs and maintains for billing purposes. The water rate will be increased annually to reflect changes adopted by Albany.

Dumbeck	Base Charge (\$/month)	Consumption Rate (\$/100 cubic feet)
Wholesale	N/A	\$3.30 \$3.40

D. WATER CUSTOMERS OUTSIDE CITY LIMITS IN BENTON COUNTY

Applicable to all residential, multi-family, and non-residential customers outside city limits and served by water lines previously operated by the North Albany County Service District (NACSD) (excludes the Dumbeck Lane Domestic Water Supply District).

MONTHLY RATE

The water rates adopted by the Benton County Commissioners acting as the governing body of the NACSD consistent with the contractual agreement between NACSD and the City of Albany.

SPECIAL CONDITIONS APPLYING TO ALL CUSTOMERS

If water service is provided through a single meter to a facility that contains a mixture of customer classes, the customer class with the higher consumption rates shall be used for calculating the consumption portion of the bill. For example, all water used in a building that contains both non-residential and multi-family uses will be billed at the non-residential consumption rate.

Meter readings from meters that measure flow in 1,000 gallon increments shall be converted to hundred cubic foot units prior to applying the appropriate consumption charge for calculating the water bill.

Water used during construction of a building shall be metered and billed at the rate appropriate for the type of facility being constructed. For example, water used during construction of a single-family residence will be billed at the residential rate. When, during construction, setting a meter is impracticable, the amount of water used shall be estimated and billed at the appropriate rate for the type of facility being constructed.

III. PRIVATE FIRE PROTECTION SERVICE

A. INSIDE CITY LIMITS

Applicable to standpipes, connections for automatic sprinkler systems, and fire hydrant service for private fire protection located within city limits.

MONTHLY RATE

For Standpipes, Privately Owned Hydrants, or Other Types of Private Fire Line Connection

Fire Line Size	Monthly Rate	
2" or smaller	\$11.86	\$12.22
3"	\$14.77	\$15.21
4"	\$16.10	\$16.58
6"	\$25.79	\$26.56
8"	\$41.65	\$42.90
10"	\$66.32	\$68.31

For Hydrants Furnished by the City

For each four-inch hydrant (nominal size) – \$37.62 **\$38.75**

For each six-inch hydrant (nominal size) – \$54.07 **\$55.69**

B. OUTSIDE CITY LIMITS

Applicable to standpipes, connections for automatic sprinkler systems, and fire hydrant service for private fire protection located within city limits.

MONTHLY RATE

Rates as listed under Private Fire Protection Service, Section III.A, Inside City Limits, with a 10 percent surcharge on said rates for service outside the city limits.

SPECIAL CONDITIONS FOR ALL FIRE PROTECTION SERVICE CUSTOMERS

Water taken under this classification is to be used only to extinguish fires and for flushing necessary to maintain fire protection equipment. In case of surreptitious or improper use of water, the consumption may be estimated and the water used shall be billed at regular meter rates.

**BEFORE THE NORTH ALBANY COUNTY SERVICE DISTRICT GOVERNING BODY
STATE OF OREGON, COUNTY OF BENTON**

In the Matter of Increasing Water)
Rates, Fees and Charges for the)
North Albany County Service)
District Water Users)

ORDER D2012- 038

The above entitled matter coming now for the consideration of the Governing Body, and
It appearing to the Governing Body;

THAT the Albany City Council approved a rate increase of 3.0 percent on January 25, 2012, to be effective February 1, 2012; and

THAT, the Albany City Council will continue a low-income assistance program for residential customers that is funded by a monthly surcharge on residential customer bills; and

THAT, the Albany City Council adopted a Water Financial Plan in 2004 that required future fees, charges, and rates to be increased annually using the 12-month change in Engineering-News Record Construction Cost Index (posted in October) plus one percent; and

THAT, the adopted Financial Plan envisioned fees, charges, and rates increasing at least two and one-half percent per year but no more than six percent per year; and

THAT based on discussions with a citizens water task force and the North Albany County Service District (NACSD) governing body, the NACSD fees, charges and rates should be adjusted by an amount that matches that used for Albany residents; and

THAT NACSD water customers also pay a separate capital charge that is dedicated to replacing failing water lines serving NACSD customers; and

THAT consistent with NACSD Order D2007-183, the capital charge was increased by \$5 when collection of debt service for the 1984 purchase of the Albany water system was discontinued in fiscal year 2010; and

THAT consistent with NACSD Order D2007-183, debt service has not been collected for the NACSD's 1979 Farmer's Home Administration (FHA) loan Bond Assessment since it was retired in February 2009; and

THAT the City of Albany's modification of the water rates are consistent with the original 1990 Albany/NACSD Sewer and Water Maintenance Transition Plan; and

THAT annual rate increases were not implemented in 2009, 2010, and 2011 in recognition of the financial needs facing the residents of Albany and NACSD water customers during an economically challenging time; and

THAT the Albany City Council has determined that rate setting guidelines established in the 2004 Water Financial Plan do not represent current conditions and is no longer a viable tool for guiding decisions regarding necessary rate increases; and

THAT water revenues, and therefore rates, must be adequate to cover annual water debt service,

operation and maintenance, and capital requirements; and

THAT the Albany City Council has determined to set future rate increases by evaluating these system requirements annually against anticipated revenues; rather than rely on the process described in the 2004 Water Financial Plan; and

THAT the Albany City Council completed this year's evaluation at the January 23, 2012 City Council Work Session; and

THAT, a 3% increase in revenue is required to comply with contractual debt service requirements in the City's 2004 Water Revenues bonds.

NOW THEREFORE, be it hereby ordered;

That the fees, charges, and rates established by this order shall be effective February 1, 2012, or as established by the City of Albany; and

That the \$20.93 per customer, per month, capital charge will be collected for the Capital Improvement Program. These monies shall be used for replacement of existing water lines and improvements to the water system in the North Albany area. When properties are annexed to the City of Albany, this fee will no longer be in effect; and

That the service meter installation charges, system development charges, deposits, and all other fees or charges including those for late payment, tampering, turn off/turn on, returned checks, fire protection, account transfer, and credits shall be the same as those fees or charges for City of Albany customers; and

That the monthly water service charges will increase by 3.0% in order to meet contractual debt service requirements. The monthly water service charges are shown in Table 1 and service fees and charges are shown in Table 2; and

That meter readings from meters that measure flow in 1,000 gallon increments shall be converted to hundred cubic foot units prior to applying the appropriate consumption charge for calculating the water bill.

TABLE 1 NACSD SINGLE-FAMILY RESIDENTIAL SERVICE <i>Water Rates for Cubic Foot Meters</i>			
Meter Size	Base Charge (\$/month)	Consumption Level and Rate (hundred cubic feet) ¹	
		Block 1 (First 6 hcf)	Block 2 (Over 6 hcf)
¼ inch or less	\$16.74	\$3.73	\$2.36
1 inch	\$24.44	\$3.73	\$2.36
1½ inch	\$55.71	\$3.73	\$2.36
2 inch	\$89.18	\$3.73	\$2.36

Example calculation:

A typical residential customer has a ¼ inch meter and uses eight hundred cubic feet or 8 units of water or 6000 gallons per month. This customer's monthly water bill would be calculated as follows:

$$\$16.74 \text{ (base charge)} + (\$3.73 * 6 \text{ units of water}) + (\$2.36 * 2 \text{ units of water}) = \$43.84$$

Table 1 continued from page 2

Additional Service Charges or Fees:	
Additional service charges or fees for a typical residential customer includes:	
Low-Income Assistance Program Surcharge	\$0.35
Capital Charge ²	\$20.93
¹ Some NACSD customers have meters that read in gallons. This consumption is converted to hundred cubic feet to calculate water bills. ² The capital charge is dedicated to replacement of existing water lines and improvements to the water system in the North Albany area.	

TABLE 2 SERVICE FEES AND CHARGES				
Description	Reference	Charge		
New – Turn Ons (Deposit)	AMC 11.01.040(2a)	Customer Type	Property	Not Property Owner
		Residential	Owner	\$80
		Multi-family & Non-residential	no deposit	\$80 or \$120 depending on consumption
New – Account Fees (Activation)	AMC 11.01.040(5)	Normal working hours \$15 After hours call-out \$60		
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		Set Up	\$25.00	
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		Relocation Rate	\$25.00	
		Monthly Base Charge	\$89.18	\$86.58

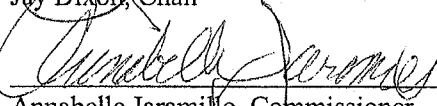
Adopted this 7 day of FEBRUARY, 2012

Signed this 7 day of FEBRUARY, 2012

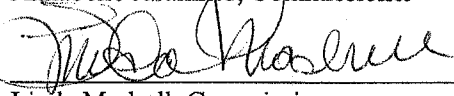
NORTH ALBANY COUNTY SERVICE DISTRICT
GOVERNING BODY



Jay Dixon, Chair



Annabelle Jaramillo, Commissioner



Linda Modrell, Commissioner