RESOLUTION NO. 6411

A RESOLUTION SETTING RATES FOR WATER USE AND REPEALING RESOLUTION NO. 6373.

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 (+1%) 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 determined in 2012 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 determined in 2012 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 November 8, 2014, Council Work Session; and

WHEREAS, a two percent (2%) increase in revenue is recommended to cover debt and operating expenses and to keep the water utility on track to be able to generate $1.25 million in annual capital revenue by fiscal year 2017, **and**

WHEREAS, the City Council reviewed the status and future of the Private Fire Protection Service program at a work session on April 6, 2015, and

WHEREAS, regular Fire Code compliance inspections help to ensure that private fire suppression systems are operable, and

WHEREAS, the City Council determined that revenues from the Private Fire Protection Service fees are more appropriately used by the Fire Department to cover the costs associated with inspection, testing, and maintenance compliance verification of private fire protection systems.

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. 6373 is hereby repealed; and

BE IT FURTHER RESOLVED that the rates established by this resolution shall be effective **July 1, 2015.**

DATED THIS 13TH DAY OF MAY 2015.

Mayor

ATTEST:

City Clerk

EXHIBIT "A"

I. SERVICE FEES AND CHARGES

Description	Reference	Charge			
Account Deposit	AMC 11.01.040(2a)	Customer Type Residential Multi-family & Non-residential	Property Owner no deposit no deposit	Non Property Owner $80 $80 or $120 depending on consumption	
New Account – Service Fees	AMC 11.01.040(5)	Regular working hours $15 After hours $60			
Restore Service	AMC 11.01.060(5)	Regular working hours $25 After hours $60			
Financial Institution Returned Item	ORS 30.701(5)	$35			
Past Due and Disconnection Notice	AMC 11.01.060(4)	$5 per occurrence			
Tampering Fees	AMC 11.01.080(9)	$100			
Meter Testing at Customer's Request	AMC 11.01.090(1b)(ii)	Meter Size ¾-inch Larger than ¾-inch	Service Charge Deposit $15 Actual Cost		
Drop-in Meter Installation	AMC 11.01.100(2)(3)	¾" meter $275	1" meter $340	1-1/2" meter $1,771	2" meter $1,883
Full Installation with meter (Excludes system development charges)	AMC 11.01.100(2)(3)	¾" meter $2,950	1" meter $2,975	1-1/2" meter Actual Cost	2" meter Actual Cost
Reduction of Meter Size (based on size of meter to be installed)	AMC 11.01.100(5b)	¾" meter $275	1" meter $340	1-1/2" meter $1,771	2" meter $1,883
Main Extensions	AMC 11.01.120(2h)	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(1) & (4)	$50 + $3.35 per 100 cubic feet			
Metered Use of Hydrant	AMC 11.01.180(4)	Refundable Deposit $75.00 Set Up $25.00 Bulk Rate $3.35 per 100 cubic feet Relocation Rate $25.00 Monthly Base Charge $95.56			

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	$17.93	First 17	Next 17	Over 34
1 inch	$26.19	First 18	Next 18	Over 36
1½ inch	$59.69	First 21	Next 21	Over 42
2 inch	$95.56	First 25	Next 25	Over 50
3 inch	$191.31	First 28	Next 28	Over 56
4 inch	$298.87	First 30	Next 30	Over 60
6 inch	$597.56	First 31	Next 31	Over 62
8 inch	$663.38	First 40	Next 40	Over 80
10 inch	$663.38	First 92	Next 92	Over 184
12 inch	$663.38	First 92	Next 92	Over 184
		Consumption Rate ($/100 cubic feet)		
Nonresidential		$3.35	$2.44	$2.32
Multifamily		$3.21	$2.40	$2.24
Residential		***Consumption Level (hundred cubic feet)***		
¾ inch or less	$17.93	First 6	Over 6	NA
1 inch	$26.19	First 6	Over 6	NA
1½ inch	$59.69	First 6	Over 6	NA
2 inch	$95.56	First 6	Over 6	NA
		Consumption Rate ($/100 cubic feet)		
All Meters		$3.99	$2.53	NA
Low-Income Assistance Program Surcharge – Residential Bills Only				$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 132 residential connections as defined in the agreement dated December 2014 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	$3.64

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	$13.09
3"	$16.30
4"	$17.77
6"	$28.46
8"	$45.97
10"	$73.21

For Hydrants Furnished by the City

For each four-inch hydrant (nominal size) – $41.53

For each six-inch hydrant (nominal size) – $59.67

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 SERVICES

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.