

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

In the Matter of Increasing Water)
Rates, Fees and Charges for the)
North Albany County Service) ORDER D2015-017
District Water Users)

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 2.0 percent on December 10, 2014, to be effective January 1, 2015; 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 rates were adjusted 3% in 2012, 2% in 2013, and 3% in 2014; and

THAT the Albany 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

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 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

THAT the Albany City Council completed this year's evaluation at the December 8, 2014 City Council Work Session; and

THAT, a 2% 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 January 1, 2015, as established by the City of Albany; and

That the \$23.10 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 2.0% 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)
¾ inch or less	\$17.93	\$3.99	\$2.53
1 inch	\$26.19	\$3.99	\$2.53
1½ inch	\$59.69	\$3.99	\$2.53
2 inch	\$95.56	\$3.99	\$2.53
<u>Example calculation:</u>			
A typical residential customer has a ¾ 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:			
$\$17.93$ (base charge) + $(\$3.99 * 6$ units of water) + $(\$2.53 * 2$ units of water) = $\$46.93$			
<u>Additional Service Charges or Fees:</u>			
Additional service charges or fees for a typical residential customer includes:			
<i>Low-Income Assistance Program Surcharge</i>	\$0.35		
<i>Capital Charge</i> ²	\$23.10		
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.			

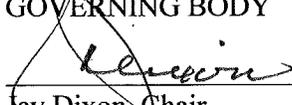
**TABLE 2
SERVICE FEES AND CHARGES**

Description	Reference	Charge			
Account Deposit	AMC 11.01.040(2a)	<u>Customer Type</u> Residential	<u>Property Owner</u> no deposit	<u>Not Property Owner</u> \$80	
		Multi-family & Non-residential	no deposit	\$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			
Investigation of Meter Error	AMC 11.01.090(1)(b)(ii)	<u>Meter Size</u> ¾”	<u>Service Charge Deposit</u> \$15		
		1” to 1½”	\$25		
		Larger than 1½”	Actual Cost		
Drop-in Meter Installation	AMC 11.01.100(2)(3)	<u>¾” meter</u> \$275	<u>1” meter</u> \$340	<u>1-1/2” meter</u> \$1,771	<u>2” meter</u> \$1,883
Full Installation with meter (Excludes system development charges.	AMC 11.01.100(2)(3)	<u>¾” meter</u> \$2,950	<u>1” meter</u> \$2,975	<u>1-1/2” meter</u> Actual Cost	<u>2” meter</u> Actual Cost
Reduction of Meter Size (based on size of meter to be installed)	AMC 11.01.100(5)(b)	<u>¾” meter</u> \$275	<u>1” meter</u> \$340	<u>1-1/2” meter</u> \$1,771	<u>2” meter</u> \$1,883
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(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		

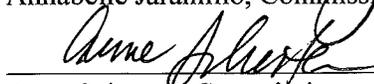
Adopted this 6th day of January, 2015.

Signed this 6th day of January, 2015.

NORTH ALBANY COUNTY SERVICE DISTRICT
GOVERNING BODY


Jay Dixon, Chair


Annabelle Jaramillo, Commissioner


Anne Schuster, Commissioner