

RESOLUTION NO. 1480

A RESOLUTION INCREASING THE OVERALL WATER UTILITY RATES BY THIRTY TWO PERCENT (32.0%), ESTABLISHING AN INVERTED BLOCK VOLUME BILLING SYSTEM FOR SINGLE FAMILY RESIDENTIAL CUSTOMERS AND AMENDING TABLE 1 OF RESOLUTION NO. 1154.

WHEREAS, CH2M Hill conducted a water rate and system development charge study to determine the cost of service to provide water to city customers in 1994; and

WHEREAS, by Resolution No. 1154 which was adopted by Council on December 19, 1994, the Council approved the recommended changes to the water utility rates and systems development charges; and

WHEREAS, the rates as established by Resolution No. 1154 were calculated to apply for a five year period; and

WHEREAS, Resolution No. 1154 indicated that the Council could increase fees annually based on a change in the consumer price index "CPI" for the Portland Metropolitan Tri-county area; and

WHEREAS, by Resolution No. 1392 which was adopted by Council on June 16, 1997, water rates were increased by 5 % effective July 1, 1997; and

WHEREAS, due to successful water conservation practices subsequent to the implementation of the water rate increase in July 1, 1997, the city actually experienced a decline in revenue for fiscal year 1997-98; and

WHEREAS, the 1994 study was based on our continued ability to use well system to provided water for our city customers; and

WHEREAS, recent projections indicate that the water level in our wells is declining and we need to obtain an alternate source of water in the next few years; and

WHEREAS, the consulting firm of Montgomery Watson has completed a Water Supply study for construction of either a regional or a city water treatment plant on the Willamette; and

WHEREAS, the consulting firm of CH2M Hill is completing a study of use of the Troutdale Aquifer by the City of Wilsonville; and

WHEREAS, the City of Portland is considering the possibility of providing water service to this area; and

WHEREAS, the cost of providing water with any alternate source will be significantly higher than our present system; and

WHEREAS, the city is conducting a water rate system development charge study which will consider the various alternative means of production and following Council selection of the preferred alternative will implement an increase in water systems development charges in September 1998; and

WHEREAS, the City Council has determined the long-term water source and funding plan for water SDCs to insure new development pays its fair share will be immediately implemented; and

WHEREAS, the Budget Committee met on April 22, 1998, and recommended a revenue increase of thirty percent (30%); and

WHEREAS, the Budget Committee further recommended the implementation of the inverted block rate structure to encourage increased water conservation efforts; and

WHEREAS, it is anticipated that the study will result in recommendations that the water rates be significantly increased; and

WHEREAS, to accumulate funds to defray construction costs and minimize the total rate increase, the Council desires to implement an increase in water utility rates at this time.

WHEREAS, during the winter when irrigation is at a minimum the median single family residential customer uses 1200 cubic feet of water per bimonthly period; and

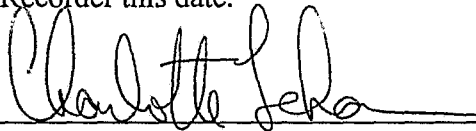
WHEREAS, the purpose of an inverted block rate system is to discourage excessive use of water and encourage water conservation without penalizing customers for efficiently using water for domestic purposes; and

WHEREAS, the City Council has reviewed Table 1, Revision 2, City of Wilsonville Water User Fee Minimum Charges for all customers, Table 2 Comparison of Residential all attached hereto and incorporated herein as well as the Community Development Director's staff report and recommendations of May 26, 1998.

NOW, THEREFORE THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

1. Based on the above mentioned recited findings, information, and recommendations, effective October 1, 1998, but in no case sooner than the SDC resolution setting rates is adjusted so that both effective dates are the same. All water consumption, minimum bills and fire service charges will be billed at the proposed rates indicated in Table 1, Revision 2, attached hereto and incorporated by reference herein, is hereby amended by substitution of the aforementioned Table 1, Revision 2.

ADOPTED by the Wilsonville City Council at a regular meeting thereof this 1st day of June, 1998, and filed with the Wilsonville City Recorder this date.



CHARLOTTE LEHAN, Mayor

ATTEST:



Sandra C. King, CMC, City Recorder

SUMMARY of votes:

Mayor Lehan	Yes
Councilor Kirk	Yes
Councilor Luper	Yes
Councilor Helser	Yes
Councilor Barton	Yes

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**TABLE I
COMPARISON OF PRESENT AND PROPOSED
CITY OF WILSONVILLE
WATER USER FEE
MINIMUM CHARGES FOR ALL CUSTOMERS**

Meter Size	Bimonthly Volumes Included in Minimum Charge (HCF)	Present Bimonthly Total Minimum Charge	Proposed Bimonthly Total Minimum Charge
5/8" X 3/4"	8	12.00	13.75
3/4"	8	12.00	13.75
1"	9	13.25	15.15
1 1/2"	10	14.50	16.55
2"	12	17.00	19.35
3"	14	19.51	22.15
4"	16	22.01	24.95
6"	20	27.02	30.55
8"	25	33.56	37.55
10"	35	45.79	51.55
Bulk Water	12	17.00	19.35

VOLUME CHARGES

CUSTOMER CLASS	PRESENT VOLUME RATE Above Volume Included in Minimum Charge (HCF)	PROPOSED VOLUME RATE Above Volume Included in Minimum Charge (HCF)
Single-Family Residential 17 hcf & under	6.26	1.40
Single-Family Residential over 17 hcf	1.26	2.32
Multi-Family Residential	1.13	1.49
Commercial	1.08	1.43
Industrial	1.17	1.54
Commercial/Industrial/Multi-Family Irrigation	1.76	2.32
Bulk Water	1.26	1.66

FIRE SERVICE CHARGES

CUSTOMER CLASS	PRESENT RATE	PROPOSED RATE
All Customers	\$4.41 per inch diameter of pipe	\$5.80 per inch diameter of pipe

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**TABLE I, REVISION 2
CITY OF WILSONVILLE
WATER USER FEE
MINIMUM CHARGES FOR ALL CUSTOMERS**

Meter Size	Bimonthly Volumes Included in Minimum Charge (HCF)	Proposed Bimonthly Total Minimum Charge
5/8 " X 3/4"	8	15.60
3/4"	8	15.60
1"	9	17.20
1 1/2"	10	18.85
2"	12	22.10
3"	14	25.35
4"	16	28.60
6"	20	35.15
8"	25	43.65
10"	35	59.55
Bulk Water	12	22.10

VOLUME CHARGES

CUSTOMER CLASS	PROPOSED VOLUME RATE Above Volume Included in Minimum Charge (HCF)
Single Family Residential 17 hcf & under	1.45
Single Family Residential over 17 to 21 hcf	1.64
Single Family Residential over 21 hcf	2.32
Multi-Family Residential	1.49
Commercial	1.43
Industrial	1.54
Commercial/Industrial/Multi-Family Irrigation	2.32
Bulk Water	1.66

FIRE SERVICE CHARGES

CUSTOMER CLASS	PROPOSED RATE
All Customers	\$5.80 per inch diameter of pipe



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COMPARISON OF RESIDENTIAL WATER RATES

(costs expressed in monthly equivalents)

<u>Water Provider</u>	<u>Base Rate</u>	<u>100 cubic feet</u>	Total cost for 800 cubic feet (i.e., typical usage)
City of Wilsonville	\$6.24*	\$1.31	\$11.48
City of Wilsonville (with 32% increase)	\$8.11*	\$1.45***	\$14.14
City of Tigard	\$3.56	\$1.32	\$14.12
City of Newberg	\$2.48	\$1.49	\$14.40
Tualatin Valley Water District	\$5.13	\$1.25	\$15.13
City of Tualatin	\$6.90	\$1.15	\$16.10
City of Sherwood	\$4.35**	\$1.67	\$17.49
City of Canby	\$10.30	\$0.97	\$18.06

* Wilsonville's base rate includes the first 400 cubic feet of water with 4% franchise fee

** Sherwood's base rate includes the first 100 gallons of water

*** Above 1700 cubic feet to 2100 cubic feet the volume rate per two month period the Wilsonville volume rate increases to 1.64/hcf and above 2100 cubic feet per two month period the Wilsonville volume rate increases to \$2.32 per hundred cubic feet