

RESOLUTION NO. 1713

A RESOLUTION OF THE CITY OF WILSONVILLE AMENDING RESOLUTION NO. 1624 BY REPLACING TABLE II EFFECTIVE JUNE 1, 2001 AND THEREBY CHANGING THE VOLUME CHARGES FOR SINGLE FAMILY RESIDENTIAL CUSTOMERS TO MORE EQUITABLY CHARGE FOR DOMESTIC AND IRRIGATION CONSUMPTION.

WHEREAS, the water rates were established by Resolution No. 1624 on March 20, 2000; and

WHEREAS, Block 3 was established at the irrigation rate for multi-family, commercial and industrial customers; and

WHEREAS, Block 1 was established at the domestic rate for customers; and

WHEREAS, Block 2 was a transition rate that attempted to bridge the gap between domestic rates and irrigation rates; and

WHEREAS, the three block structure caused larger families to pay the irrigation rate for domestic water consumption; and

WHEREAS, the purpose of the high irrigation rate was to discourage use of water for irrigation and not to penalize large families; and

WHEREAS, the City now calculates the sewer volume charge based on winter consumption when irrigation watering is at a very minimum; and

WHEREAS, this winter consumption much more closely approximates the break between domestic consumption and irrigation consumption; and

WHEREAS, staff has proposed that the break between domestic and irrigation use be established at 200 cubic feet above the winter consumption so that users are not penalized for minor fluctuations in water consumption; and

WHEREAS, Debbie Galardi of Galardi and Associates, the City's consulting rate expert, has determined that the change from a three block residential volume billing system to a two block residential billing system with domestic volume rates charged for water consumption between the amount allowed in the minimum bill and two units above the winter consumption with all additional water charge at the irrigation rate will have a negligible impact on water utility revenue from single family residential customers; and

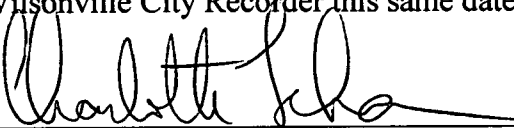
WHEREAS, staff recommends that consistent with our summer water use and to eliminate billing administrative costs that the new rate system be made retroactive, effective June 1, 2001; and

WHEREAS, the overall projected revenues and expenditures as used in the rate model that was used to established the water rates and systems development charges as adopted in Resolution No. 1624 on March 20, 2000 still remain valid pending a review after final completion of the water treatment plant and determination of electricity rate charges.


NOW, THEREFORE, THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

1. That Table II, City of Wilsonville Water User Fees in Resolution No. 1624 shall be replaced by the updated Table II, City of Wilsonville Water User Fees effective June 1, 2001 a copy of the revised Table II is marked Exhibit A, attached hereto, and incorporated by reference as if fully set forth herein.

ADOPTED by the City Council of the City of Wilsonville at a regular meeting thereof this 18th day of June, 2001, and filed with the Wilsonville City Recorder this same date.


CHARLOTTE LEHAN, MAYOR

ATTEST:


Sandra C. King, CMC, City Recorder

SUMMARY OF VOTES:

Mayor Lehan	Yes
Councilor Helser	Yes
Councilor Barton	No
Councilor Kirk	Yes
Councilor Holt	Yes

Attachment: Revised Table II, City of Wilsonville Water User Fees Effective June 1, 2001.

**TABLE II
CITY OF WILSONVILLE
WATER USER FEES
EFFECTIVE JUNE 1, 2001**

Date Effective		10/1/98	4/1/00	10/1/00	4/1/01	6/1/01	10/1/01	4/1/02
Minimum charge and volume percent increase			22%	22%	22%	0	10%	9%
MINIMUM CHARGES FOR ALL CUSTOMERS								
Meter Size	Monthly Quantity Allowance (hcf)	MONTHLY MINIMUM CHARGE						
5/8" x 3/4"	4	\$ 7.80	\$ 9.52	\$ 11.61	\$ 14.16	\$ 14.16	\$ 15.58	\$ 16.98
3/4"	4	\$ 7.80	\$ 9.52	\$ 11.61	\$ 14.16	\$ 14.16	\$ 15.58	\$ 16.98
1"	4	\$ 8.60	\$ 10.49	\$ 12.80	\$ 15.62	\$ 15.62	\$ 17.18	\$ 18.72
1-1/2"	5	\$ 9.43	\$ 11.50	\$ 14.04	\$ 17.12	\$ 17.12	\$ 18.84	\$ 20.53
2"	6	\$ 11.05	\$ 13.48	\$ 16.45	\$ 20.07	\$ 20.07	\$ 22.07	\$ 24.06
3"	7	\$ 12.68	\$ 15.47	\$ 18.87	\$ 23.02	\$ 23.02	\$ 25.33	\$ 27.61
4"	8	\$ 14.30	\$ 17.45	\$ 21.28	\$ 25.97	\$ 25.97	\$ 28.56	\$ 31.13
6"	10	\$ 17.58	\$ 21.45	\$ 26.17	\$ 31.92	\$ 31.92	\$ 35.11	\$ 38.28
8"	12	\$ 21.83	\$ 26.63	\$ 32.49	\$ 39.64	\$ 39.64	\$ 43.60	\$ 47.53
10"	17	\$ 29.78	\$ 36.33	\$ 44.32	\$ 54.08	\$ 54.08	\$ 59.48	\$ 64.84
Bulk water	6	\$ 11.05	\$ 13.48	\$ 16.45	\$ 20.07	\$ 20.07	\$ 22.07	\$ 24.06
VOLUME CHARGES								
Customer Class	Volume Rate (\$/HCF)							
S-F Residential Block 1	\$ 1.45	\$ 1.77	\$ 2.16	\$ 2.63	\$ 2.63	\$ 2.90	\$ 3.16	
S-F Residential Block 2	\$ 1.64	\$ 2.00	\$ 2.44	\$ 2.98	\$ 4.21	\$ 4.63	\$ 5.05	
S-F Residential Block 3	\$ 2.32	\$ 2.83	\$ 3.45	\$ 4.21	\$ -	\$ -	\$ -	
Multifamily	\$ 1.49	\$ 1.82	\$ 2.22	\$ 2.71	\$ 2.71	\$ 2.98	\$ 3.24	
Commercial	\$ 1.43	\$ 1.74	\$ 2.13	\$ 2.60	\$ 2.60	\$ 2.86	\$ 3.11	
Industrial	\$ 1.54	\$ 1.88	\$ 2.29	\$ 2.80	\$ 2.80	\$ 3.08	\$ 3.35	
Combined Irrigation	\$ 2.32	\$ 2.83	\$ 3.45	\$ 4.21	\$ 4.21	\$ 4.63	\$ 5.05	
Bulk water	\$ 1.66	\$ 2.03	\$ 2.47	\$ 3.01	\$ 3.01	\$ 3.32	\$ 3.61	
FIRE SERVICE CHARGES								
All Customers per inch diameter of pipe	\$ 5.80	\$ 5.95	\$ 6.09	\$ 6.25	\$ 6.25	\$ 6.40	\$ 6.56	
Notes:	S-F Residential Block 1 before 6/1/01	5 to 8 hcf						
	S-F Residential Block 2 before 6/1/01	9 & 10 hcf						
	S-F Residential Block 3 before 6/1/01	over 10 hcf						
	S-F Residential Block 1 after 5/31/01	winter average* plus 2						
	S-F Residential Block 2 after 5/31/01	Over winter average* plus 2						
	S-F Residential Block 3 after 5/31/01	Deleted						
Fire service charges increase by changes in costs estimated at 2.5% every six months								

*Winter average is described in and will be determined as described in Section 7, User Fees within City of Wilsonville Resolution No. 1279.

MEMORANDUM

Date: June 21, 2001

To: Arlene Loble

From: Gary Wallis *gary*

Subject: Implementation of Water Rate Study, June 1, 2001

*File w/
Resolution
pls.*

This is to document a discussion between myself and Mike Kohlhoff on how the new rate model is to be implemented. At question is the application of the rates during the winter months – November through March.

The enabling resolution implies that Tier 1 is for domestic use. Conversely, Tier 2 is used for irrigation purposes and intended to encourage water conservation. It refers to the domestic period which is November through March. Thus, it would seem that during those months all water consumed would be at the domestic rate. The alternative is to charge the irrigation rate during the winter months when actual usage exceeds the prior year's average winter consumption.

Mike and I discussed the alternatives and concluded that the wording of the resolution implied that only the domestic rate would be used during the winter months. (Ref Whereas #8: "... winter consumption much more closely approximates the break between domestic consumption and irrigation consumption...") Further, there is little logic to charging irrigation rates during with winter months.

Lending further support for this interpretation is that the consultant, Debbie Galardi, designed the model assuming that only domestic rates would be applied during the winter months.

Will this have a measurable monetary impact? I don't believe so. For this to have an impact, a significant number of customers would have to use more water next winter than this winter. We found just the opposite to be true when comparing this years average to the prior year. With increasing rates we should see consumption decline even more.

cc: Eldon Johansen, Mike Kohlhoff, Rob Moody