

RESOLUTION NO. 5167

A RESOLUTION SETTING RATES FOR WATER USE AND REPEALING RESOLUTION NO. 5053.

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 on August 26, 2004, and September 15, 2004; and

WHEREAS, the Water Financial Plan was adopted by the Albany City Council on October 13, 2004; and

WHEREAS, the Financial Plan includes changes to the rate structure to enhance rate equity including 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 are planned to be implemented in January 2006; and

WHEREAS, in addition to rate structure changes, the Financial Plan includes a rate revenue increase of two and one-half percent (2.5%) in January 2006; and

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

WHEREAS, the Financial Plan includes a 10 percent surcharge for customers outside Albany city limits (excluding North Albany County Service District and Millersburg); and

WHEREAS, the Financial Plan includes a recommendation for implementation of a low-income assistance program to be effective January 2006;

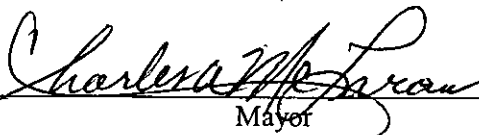
WHEREAS, the Albany City Council adopted a low-income assistance program effective January 2006 in Resolution No. 5166.

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

BE IT FURTHER RESOLVED that Resolution No. 5053 is hereby repealed; and

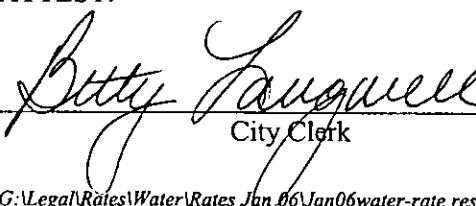
BE IT FURTHER RESOLVED that the rates established by this resolution shall be effective January 1, 2006.

DATED THIS 27TH DAY OF JULY 2005.



Mayor

ATTEST:



City Clerk

EXHIBIT "A"

I. SERVICE FEES AND CHARGES

Description	Reference	Charge
New – Turn Ons (Deposit)	AMC 11.01.040(2a)	Residential \$80 Multi-family Equal to est. 3 months usage Non-residential Equal to est. 3 months usage
New – Account Fees (Activation)	AMC 11.01.040(5)	Normal working hours \$15 After hours call-out \$50
Charge to Restore Service for Past Due Accounts	AMC 11.01.060(5)	Normal working hours \$20 After hours call-out \$50
Non-sufficient Funds Checks	ORS 82.300(1)(2) ORS 30.700(1)(2)(3)	\$20
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> From 1" to ¾" \$50 From 2" to 1½" 2" \$85 From 2" to ¾" or 1" \$85 All Other Sizes 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 \$ 2.86 per 100 cubic feet Relocation Rate \$25.00 Monthly Base Charge \$81.53

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	\$15.30	First 17	Next 17	Over 34
1 inch	\$22.35	First 18	Next 18	Over 36
1½ inch	\$50.94	First 21	Next 21	Over 42
2 inch	\$81.53	First 25	Next 25	Over 50
3 inch	\$163.22	First 28	Next 28	Over 56
4 inch	\$255.00	First 30	Next 30	Over 60
6 inch	\$509.84	First 31	Next 31	Over 62
8 inch	\$565.98	First 40	Next 40	Over 80
10 inch	\$565.98	First 92	Next 92	Over 184
		Consumption Rate (\$/100 cubic feet)		
Nonresidential		\$2.86	\$2.08	\$1.98
Multifamily		\$2.74	\$2.05	\$1.92
Residential		Consumption Level (hundred cubic feet)		
¾ inch or less	\$15.30	First 6	Over 6	NA
1 inch	\$22.35	First 6	Over 6	NA
1½ inch	\$50.94	First 6	Over 6	NA
2 inch	\$81.53	First 6	Over 6	NA
		Consumption Rate (\$/100 cubic feet)		
All Meters		\$3.41	\$2.15	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 located within the City of Millersburg or are not served by water lines previously operated by the North Albany County Service District (NACSD).

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 CITY OF MILLERSBURG

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

MONTHLY RATE

Until the City of Millersburg assumes responsibility for providing water service to customers within its corporate boundaries following completion of the Joint Water Supply Project, Millersburg's water customers will be charged rates by class as listed under Section I.A, Water Customers Inside City Limits.

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).

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 Type of Private Fire Line Connection

Fire Line Size	Monthly Rate
2" or smaller	\$11.17
3"	\$13.91
4"	\$15.16
6"	\$24.29
8"	\$39.22
10"	\$62.45

For Hydrants Furnished by the City

For each four-inch hydrant (nominal size) – \$35.42

For each six-inch hydrant (nominal size) – \$50.92

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, and Adjusting Rate Structure,)
Capital Charge & Debt Service Charge)
For the North Albany County Service)
District Water Users)

ORDER D2005- 078

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 rate structure changes and a rate revenue increase of two and one-half percent on July 27, 2005, to be effective January 1, 2006; and

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

THAT, the adopted Financial Plan envisions 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 City of Albany proposes to change the NACSD rate structure to match that used for Albany residents; and

THAT based on the condition of existing water lines in the NACSD boundary, the capital improvement charge should be increased to \$15 to expand the replacement program; and

THAT additional funds will need to be dedicated to pipe replacement in the future; and

THAT water customers located outside Albany city limits and served by water lines previously operated by the NACSD do not currently pay their portion of debt service on a general obligation bond used to purchase the Albany water system from Pacific Power and Light in 1984; 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.

NOW THEREFORE, be it hereby ordered;

That the rates and rate structure established by this order shall be effective January 1, 2006, or as established by the City of Albany; and

That the \$15.00 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 Bond Assessment for the NACSD's 1979 Farmer's Home Administration (FHA) loan will be collected; which is the District Tax Rate multiplied by each property's value and is in lieu of property tax paid within the District to retire the bond; and

That when the FHA loan is retired, the debt service is no longer collected; and

That the Bond Assessment for the 1984 purchase of the Albany water system will be collected; which is the Water General Obligation Bond Debt Service Tax Rate multiplied by each property's value and is in lieu of property tax paid within the City to retire the bond; and

That when the Bond Assessment for the 1984 water system purchase is retired and the debt service is no longer collected, an additional \$5.00 will be added to the capital charge collected for the Capital Improvement Program; 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 of charges for City of Albany customers; and

That the monthly water service charges are shown in Table 1; 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.

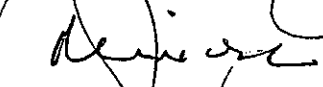
TABLE 1				
NACSD SINGLE-FAMILY RESIDENTIAL SERVICE				
<i>Water Rates for Cubic Foot Meters</i>				
(does not include bond assessments or capital improvement program fee)				
Meter Size	Base Charge (\$/month)	Consumption Charge		
		Block 1	Block 2	Block 3
<i>Consumption Level (hundred cubic feet)</i>				
¼ inch or less	\$15.30	First 6	Over 6	NA
1 inch	\$22.35	First 6	Over 6	NA
1½ inch	\$50.94	First 6	Over 6	NA
2 inch	\$81.53	First 6	Over 6	NA
<i>Consumption Rate (\$/100 cubic feet)</i>				
All Meters		\$3.41	\$2.15	NA
<i>Low-Income Assistance Program Surcharge – Residential Bills Only</i>				\$0.35

Adopted this 16th day of August, 2005

Signed this 17th day of August, 2005

NORTH ALBANY COUNTY SERVICE DISTRICT
GOVERNING BODY


Annabelle Jaramillo, Chair


Jay Dixon, Commissioner


Linda Modrell, Commissioner