

RESOLUTION NO. 2447

A RESOLUTION ESTABLISHING AND IMPOSING JUST AND EQUITABLE USER FEES FOR THE WATER SYSTEM OF THE CITY OF WILSONVILLE; PROVIDING FOR THE MANNER OF PAYMENT, COLLECTION, ENFORCEMENT, AND DISBURSEMENT OF SUCH FEES; PROVIDING RULES AND REGULATIONS FOR CONTROL OF CITY WATER SERVICE; AND AMENDING RESOLUTION 1624

WHEREAS, the City adopted a Water System Master Plan per Ordinance 707 on September 6, 2012; and

WHEREAS, the City wanted to determine a schedule of water rate increases sufficient to implement the Water System Master Plan; and

WHEREAS, the current water rate structure was established in Resolution 1624, which was adopted on March 20, 2000; and

WHEREAS, the composition of the City in regards to residential, multi-family, industrial, and commercial water users has significantly changed since that date; and

WHEREAS, the City desires to adjust the current rate structure in order to generate stable and predictable revenue overall, and equitably recover revenue from the different water user types, based on the cost of services provided; and

WHEREAS, the Galardi-Rothstein Group, expert in the development of water user rates, has prepared the water rate calculations contained in their September 2013 report. The report provides a cost of service analysis that provides an equitable system of user charges to ensure that all users pay for their share of the total costs imposed on the system; and

WHEREAS, water rates were last adjusted by Resolution 2204, which became effective October 19, 2009; and

WHEREAS, the City has duly noticed the public hearing of December 2, 2013 and has heard testimony and comments regarding the contents of this Resolution; and

WHEREAS, based upon the reports, testimony, and comments received, the City Council finds water rate increases are required to cover capital and operations and maintenance costs of the water-distribution system; and

WHEREAS, the structure of the water utility rate is intended to be a charge for services and not a charge imposed upon property or upon a property owner as a direct consequence of ownership of that property. Although the water utility rate structure is intended to constitute

charges for service; even if it were a tax on property, it would allow the owner to have the ability to control the amount of the charge. Similarly the water utility rate structure reflects the actual cost for providing the service and only imposes charges on persons receiving a service. Actual costs include all direct and indirect costs the utility might incur, as set forth in ORS 310.140(13).

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

1. Resolution 1624 is amended as follows:

1.1 PART I: Determinations & Findings, paragraph B, is amended to read:

“B. The City Council has reviewed the proposed water rate structure adjustment and finds the proposed rate structure adjustment to be rationally based. The City Council hereby finds that maximum day demand (peak day) use of the City of Wilsonville water system is rationally and proportionally based for allocating the reimbursable and improvements costs for the production, storage, operations, and maintenance of the City’s potable water system. Additionally, The City Council has reviewed the proposed annual water rate increase of 2.25 percent per year for the next three years, beginning January 1, 2015 and ending January 1 2017, and finds the proposed rate increases to be rationally based to cover capital and operations and maintenance costs of the City’s potable water system.”

1.2 PART II, ARTICLE I, USER FEES FOR WATER SERVICE, Sections 1 through 11 are deleted and replaced as follows:

“Section 1. USER FEES WITHIN CITY.

The January 1, 2014 rates for domestic water consumption, whether it is for residential, commercial, or industrial, shall be adjusted on the effective dates and at the rates set forth in the respective corresponding columns in Table II below:

**TABLE II
CITY OF WILSONVILLE
WATER USER FEES**

| | | | | |
|---|-----------------|-----------------|-----------------|-----------------|
| Date effective | 1/1/2014 | 1/1/2015 | 1/1/2016 | 1/1/2017 |
| Minimum charge and volume percent increase | 0% | 2.25% | 2.25% | 2.25% |

MINIMUM CHARGES FOR ALL CUSTOMERS

| Meter Size | Monthly Quantity Allowance (hcf) | | | | |
|-------------------|---|----------|----------|----------|----------|
| 5/8" X 3/4" | 2 | \$ 18.39 | \$ 18.81 | \$ 19.23 | \$ 19.66 |
| 3/4" | 2 | 18.39 | 18.81 | 19.23 | 19.66 |
| 1" | 2 | 20.31 | 20.76 | 21.23 | 21.71 |
| 1-1/2" | 2 | 22.85 | 23.36 | 23.89 | 24.42 |
| 2" | 2 | 29.85 | 30.52 | 31.20 | 31.91 |
| 3" | 2 | 60.38 | 61.74 | 63.13 | 64.55 |
| 4" | 2 | 100.47 | 102.73 | 105.04 | 107.41 |
| 6" | 2 | 145.00 | 148.26 | 151.60 | 155.01 |
| 8" | 2 | 195.90 | 200.31 | 204.82 | 209.43 |
| 10" | 2 | 242.03 | 247.47 | 253.04 | 258.74 |
| Bulk water | 2 | 29.85 | 30.52 | 31.20 | 31.91 |

Volume Charges

| Customer Class | | | | |
|------------------------|---------|---------|---------|---------|
| S-F Residential Tier 1 | \$ 3.10 | \$ 3.17 | \$ 3.24 | \$ 3.31 |
| S-F Residential Tier 2 | 5.18 | 5.30 | 5.42 | 5.54 |
| Multifamily | 3.33 | 3.40 | 3.48 | 3.56 |
| Commercial | 3.23 | 3.30 | 3.38 | 3.45 |
| Industrial | 3.28 | 3.35 | 3.43 | 3.51 |
| Combined Irrigation | 5.18 | 5.30 | 5.42 | 5.54 |
| Bulk water | 3.76 | 3.84 | 3.93 | 4.02 |

FIRE SERVICE CHARGES

| | | | | |
|---|---------|---------|---------|---------|
| All Customers per inch diameter of pipe | \$ 7.38 | \$ 7.55 | \$ 7.72 | \$ 7.89 |
|---|---------|---------|---------|---------|

*Fees do not include Franchise Fees

Section 2. USER FEES OUTSIDE CITY

Monthly services outside the City limits shall be billed at double the normal rate indicated in Table I except as modified by other agreements (i.e., French Prairie Rest Area and City of

Sherwood). This is to offset reduction for debt service financing otherwise paid by property within the city.

Section 3. FRANCHISE FEE

For the right to receive additional services from the general fund, a franchise fee has been previously imposed and shall continue to be imposed upon the water fund of the City in an amount equal to four percent (4%) of the gross annual revenue from water user charges. This fee shall be collected from the water users and remitted quarterly to the general fund.

Section 4. EXCEPTION FOR WATER LEAKS

The City will follow the procedures outlined in the City's Leak Adjustment Policy.

Section 5. BILLING

Billing shall be every month and shall be due the last business day of the month after billing is sent, and shall be considered past due after the first business day of the following month. User fees shall be billed and due as payable to the water service user.

Section 6. FIRE PROTECTION SERVICE CHARGES

Standpipe services for fire protection shall be charged monthly at the rate as indicated in Table II.

Section 7. ANNUAL REVENUE

Water user fees may be reviewed annually by the City Council. The City Council may, from time to time, including but not limited to its annual review, increase fees giving due consideration to the increase in labor, material, and supply costs and the consumer price index (CPI) for the Annual Portland-Salem, OR-WA, Consumer Price Index-Urban (CPI-U) for all items, not seasonally adjusted for the twelve (12) month period ending in June. The Council may take action not to increase fees in any year it is deemed appropriate to do so.

Section 8. APPLICATION FOR WATER SERVICES

Application for City water service and meter installation service shall be by written application on forms provided at the Finance Director's office or on the City's website. Completed forms may be delivered to City Hall either in person, or by mail, email, or fax. In accordance with the Federal Red Flag Program, all applicants shall provide proof of identity when applying for utility services. Each application will designate the property to be served and the user thereof. If a deposit is deemed necessary and cost effective by the Finance Director, the application must be accompanied by a deposit in the sum as established in the City's Master Fee

& Charges Schedule. However, any resident of Wilsonville (a person who has established credit with the City of Wilsonville by having water and/or sewer service in his/her own name) will be allowed to move from one location within the City limits without having to pay a deposit if that resident has lived in Wilsonville for at least one (1) year, has had City of Wilsonville water and/or sewer service in his/her name and has not been delinquent in paying for water and/or sewer service within the past three (3) years.

Section 9. REFUND OF DEPOSITS

A. A refund of the water service deposit will occur when a customer shows a satisfactory credit performance for one (1) year. If it becomes necessary to give notice to enforce collection and/or shut-off for non-payment during the one (1) year period, the City shall retain the deposit. The deposit will be held for an additional one (1) year from the date of the last visit to the customer's premises for collection for non-payment of a bill. (Definition of notice – past due bill or letter of delinquency. Definition of satisfactory credit – no water shut-off notices and/or temporary shut off of service for non-payment during a one (1) year period.)

B. A refund of the deposit will occur upon the applicant's requesting discontinuance of service, provided that all outstanding bills are paid in full. The deposit may be applied to the final bill.

C. If an account is shut off for non-payment, the deposit shall be held as security until the outstanding balance is paid. The deposit will only be applied to the outstanding balance when the account is closed and no further water service is required by the customer. The remaining balance of the deposit not used to pay outstanding bills will be refunded to the customer.

D. The deposit shall be refunded by the City to the applicant for satisfactory credit performance or upon termination of service. All deposits so paid to the City of Wilsonville by water users shall be credited by the Finance Department into an account to be known as the "Water Deposit Account."

Section 10. CHARGES MADE TO CURRENT USERS AND APPLICANTS

All charges for water service furnished or rendered by the City of Wilsonville shall be chargeable to the current user of the property where water service is supplied and, in addition, all persons signing an application for the use of water service shall be personally liable for all charges accrued against the property designated within the application. All customers are

responsible for monthly base charges. The City reserves the right to cut off and disconnect water service to the premises without further notice when charges for water service have not been paid within twenty-five (25) days after the due date, and the expense thereof shall be borne by the user to which such service has been supplied. The City shall provide a minimum of three (3) days' notice prior to water service disconnection. Water service disconnection procedures are specified in Article V of this resolution.

1.3 PART II, ARTICLE II, BULK WATER RATE, Sections 1 through 4 are deleted and replaced as follows:

Section 1. RATES

All bulk water sold after the effective date of this resolution shall be at the rate indicated in Table II, and full payment for all water purchased shall be made on a quarterly basis or until portable meter(s) are returned, and said payment will be due within thirty (30) days of receipt of the bill. Deposit checks will not be returned until final billing is paid.

Section 2. DEPOSITS

The deposits required for the use of portable water meter(s), fire hydrant wrenches, and fire hydrant valves(s) by the applicant are identified in The City's Master Fee & Charges Schedule. The only item which is mandatory for completion of the application is the portable water meter(s).

Section 3. REFUND OF DEPOSITS

If the above items mentioned in the City's Master Fee & Charges Schedule are returned in good condition, a portion or all of the deposit shall be returned to the applicant. The Public Works Director or designated staff shall inspect the item(s) at time of return. The Public Works Director or designated staff shall determine the condition of the equipment and shall make the determination as to the amount of the deposit to be returned based on the estimated cost of repairing or replacing the item(s). If the applicant wishes to renew the deposit for another ninety (90) day period, the applicant may do so by using a portion or all of the previous deposit as designated by the Public Works Director or designated staff person to be used as part of or all of the new deposit to be returned.

Section 4. PERMIT FEE

In addition to the bulk water rate and equipment deposit, a bulk water permit fee shall be paid. A copy of the permit shall be kept onsite. The permit may be renewed at the completion of the permit period, after the inspection of all portable meter(s), fire hydrant valve(s), and hydrant wrenches. Permit fees are listed in the City's Master Fee & Charges Schedule.

1.4 PART II, ARTICLE V, APPEALS, PAYMENT COLLECTION, ENFORCEMENT AND DISCONNECTION PROCEDURE, Sections 1 through 13 are deleted and replaced as follows:

Section 1. APPEALS PROCEDURE

A. Any person aggrieved by a ruling under, or interpretation of, the provisions of this resolution may submit, within thirty (30) days of the occurrence, a written appeal to the City Manager. The appeal shall set forth the events and circumstances leading to the appeal, the nature of the ruling or interpretation from which relief is sought, and the nature of the impact of the ruling on appellant's property or business, together with any other reasons for appeal.

B. The City Manager will set a date to hear the appeal within thirty (30) days thereafter and hear testimony if deemed necessary. The decision of the City Manager will be final.

Section 2. PAYMENT

Every person subject to a charge hereunder shall pay the same, when due, to the City.

Section 3. COLLECTION

A. The Finance Director is hereby directed to collect the water user fees as provided for herein. In doing so, the services of other City departments may be utilized.

B. Water user fees, as herein before provided, shall be collected monthly, and if not paid by the last business day of the month, said charges should then be deemed delinquent.

C. Delinquent water service and service connection accounts shall bear interest from the day of delinquency at a rate of fifteen percent (15%) per annum, with a minimum of \$5.00 per month.

D. All returned payments by a bank shall be subject to a handling fee as set forth in the City's Master Fee & Charges Schedule.

Section 4. ENFORCEMENT

A. The Finance Director may use such means of collection as may be provided by the laws of the State of Oregon or permitted by the Charter and ordinances of the City of Wilsonville.

B. If a court or suit action is instituted to enjoin any unauthorized connection to or use of the water system, or for the collection of accounts, the City shall be entitled to collect, in addition to costs and disbursements provided by statute, such sum as any court, including any appellate court, may adjudge reasonable as attorney's fees in such suit or action.

C. The City may, upon notice to the user and property owner, discontinue water service and disconnect buildings from the City's water system if water service charges, or other fees under this resolution, become delinquent; or if the safety, health, or welfare of the citizens of Wilsonville may be jeopardized or without notice in the case of emergency affecting safety, health, or welfare of its citizens; and the City may continue thereafter to refuse water service and water connections to such delinquent water user until all such delinquencies and interest are fully paid or until a satisfactory payment plan is established with the Finance Director or until such safety, health, or welfare problem is abated or cured.

Section 5. NON-PAYMENT RESTORATION CHARGES

After City water service has been disconnected for non-payment, it shall not be restored unless at least the past-due portion of the bill has been paid in full and payment has been verified by the Finance Director. The charges for restoration for non-payment of a water bill shall be as set forth in the City's Master Fee & Charges Schedule.

Section 6. OTHER RESTORATION/DISCONNECTION CHARGES

The charges for restoration and/or disconnection for reasons other than non-payment of a water bill are set forth in the City's Master Fee & Charges Schedule. No charge shall be made for water restoration service for the restoration and/or disconnection of services necessitated by an emergency such as waterline or equipment breakage.

Section 7. SATISFACTION OF CURRENT BILLINGS

A utility user shall not be allowed to have City utility services at a new location unless the current billings have been satisfied. The non-delinquent bills, after deposit deduction, remain the responsibility of the service user.

Section 8. DISCONNECT NOTICE

The disconnect notice shall be sent to the user at the time of termination of service for non-payment of bill.

Section 9. NOTICE TO CITY FOR RESTORATION OR DISCONNECTION

Notice to the City of the desire of any person to have the water restored or disconnected at any premises shall be given to the Finance Director or designee at least twenty-four (24) hours before the water is to be so restored or disconnected. In no event shall any person, other than the duly authorized employees of the City, turn on the supply of City water after the same has been shut off by the City due to discontinuance of service for any reason. The penalty for tampering with the meter is as set forth in the City's Master Fee & Charges Schedule. Customers with services that are temporarily turned off for thirty (30) days or greater will be responsible for 50 percent of their total monthly base charge beginning on July 1, 2014 and 100 percent of their total monthly base charge beginning on July 1, 2015.

Section 10. PERMIT

No person supplied with water service shall be permitted to supply or furnish such service in any way to other persons or premises without a permit from the City Council.

Section 11. REPAIRS

The City reserves the right to shut off water from the mains, without notice, for repairs or other necessary purposes. For normal, routine repairs, the City shall take reasonable precaution to notify occupants of affected premises of the intention to shut off the water supply. In no event shall the City, its officers, employees, or agents be responsible for any damages resulting from shutting off the City water supply. Water for steam boilers for power purposes shall not be furnished by direct pressure from the City water main. Owners of steam boilers shall maintain tanks for holding an ample reserve of water.

Section 12. ALTERATIONS

No person, other than an employee or agent of the City, shall tap the City water mains or make alterations to any conduit, pipe, or other fixture connected therewith between the main and the property line. The penalty for unauthorized alteration is as set forth in the City's Master Fee & Charges Schedule.

Section 13. ACCESS

The City shall have free access to all parts of the building or premises which are served by City water service for the purpose of inspecting the pipes and fixtures.

1.5 PART II, ARTICLE VI, DISBURSEMENT OF FUNDS, Section 1, paragraph E, is deleted and replaced as follows:

E. The "Water Deposit Account" is established for maintaining a deposit fund to ensure payment for services.

1.6 PART II, ARTICLE VIII, REPEAL OF EXISTING RESOLUTION, is deleted and replaced as follows:

ARTICLE VIII

AMENDMENT OF RESOLUTION 1624

It is the intent of the City Council in amending Resolution 1624, as set forth above, that the remaining parts of Resolution 1624 remain in full force and effect and that Resolution 1502, enacted by City Council, shall remain repealed. The City Recorder is directed to add these amendments to Resolution No. 1624, and note under the Resolution No. 1624 (as amended by Resolution No. 2447).

2. This resolution is effective upon adoption.

ADOPTED by the Wilsonville City Council at a regular meeting thereof this 2nd day of December 2013, and filed with the Wilsonville City Recorder this same date.

TIM KNAPP, Mayor

ATTEST:

SANDRA C. KING, MMC City Recorder

SUMMARY OF VOTES:

Mayor Knapp – Yes

Council President Starr – Yes

Councilor Goddard – Excused

Councilor Fitzgerald – Yes

Councilor Stevens - Yes