

**BEFORE THE CITY COUNCIL
OF THE
CITY OF ADAIR VILLAGE, OREGON**

In the Matter of Establishing Water and Sewer Rates)
That Will Enable the City to Undertake Necessary)
Improvements and Upgrades Needed to the Water)
Facilities and Transmission Lines and To Cover)
Basic Operating And Maintenance Costs)

RESOLUTION 2012 -- #2

WHEREAS, the City of Adair Village established, adopted, and codified a Water Code via Ordinance 00/01 #3 and a Sewer Code via Ordinance 90-03; and

WHEREAS, the these Ordinances allow the City Council to periodically review the charges and to make any changes via resolution; and

WHEREAS, the basic charges for water and sewer were raised last year via Resolution 2011-#4, in order to move towards an “affordability index” (AI) for each system; these indices being 1.25% of Median Household Income (MHI) for sewer systems and 1.48% of MHI for water systems, in order to be eligible for grant funds; and; and

WHEREAS, the AI for sewer is \$51.05 and the AI for water is \$60.45; and

WHEREAS, leakage in the present system brings the loss of treated water to more than 60 percent, which means that the City must treat 1000 gallons of water for every 400 gallons it sells; and

WHEREAS, it is necessary for the City to begin to replace the present one million gallon in ground water tank with above ground tanks in order to reduce the existing rate of loss; and

WHEREAS, the present water charges no longer cover the costs of operations and maintenance for either system, nor do they allow any money to be put in reserve for upgrades needed by both systems; and

WHEREAS, to simply assure that the present system continues to function, the City has will establish a \$2.3 million, 25 year revenue bond to undertake the replacement of the in-ground reservoir and to make improvements to the water facility to reduce leakage and to begin a program to replace existing, out-of-date water meters with radio or automatic read meters; and

WHEREAS, the City must update charges for the water utility in order to be able to pay for the revenue bond; and

WHEREAS, the previous base rate included the first 6,000 gallons of use; now therefore

IT IS HEREBY RESOLVED that the rates, charges, and fees associated with the City of Adair Village water and wastewater systems are as follows:

Section 1. Residential water rates within the city limits shall be raised as presented below.

	Present Rate (incl. 1 st 6,000 gals)	1,000 gallons Over 6,000	New Rate (No water included)	Cost per 1,000 gallons
Water	\$ 48.80	\$2.65	\$ 48.00	\$4.25

Section 2. Water rates for 3/4" residential meters outside the city limits New rates are presented below.

	Present Rate	New Rate	Cost per 1,000 gallons
3/4" meter	\$ 60.15	\$ 54.00	\$4.25

Section 3. Rates for non-residential lines of various sizes shall be raised rate based on water pressure available by pipe size and viewed as appropriate EDU (Equivalent Dwelling Unit) for the water delivered. Rates will be raised in two increments to allow these commercial accounts to prepare their budgets for these changes. In the first increment, the base rate would remain the same, but the new charge per 1,000 gallons would begin. The first increment will take place in the billing for July's water use. The new base rates for non-residential lines will be put in place in the billings for September use.

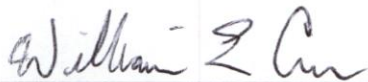
	Present Rate	New Rate	Cost per 1,000 gallons
1" Meter	\$ 69.67	\$ 80.00	\$4.25
1.5" Meter	\$ 94.87	\$ 160.00	\$4.25
2" Meter	\$ 164.44	\$ 256.00	\$4.25
4"+ Meter	\$ 270.00	\$ 2,000.00	\$4.25

Section 4. Costs for other utility services shall be as follows:

- A. Connection to City water-
 - 3/4" meter- Cost of meter, plus \$60 per hour
 - 1" or larger meter- Cost of meter, plus \$60 per hour
- B. Application for new service- \$25.00
- C. Delinquent fee- \$10.00
- D. Shutoff Notice- \$25.00
- E. Shutoff (with turn on)- \$50.00
- F. Deposit for new Service \$120.00
(including Sewer and Storm Drain)

Section 5. The initial charges shall go into effect for the billing period for the month of June 2012, which begins on May 21st. New rates will first be seen in July bills.

DATED: This 1st day of May, 2012.



Mayor



City Administrator