

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

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

RESOLUTION 2015 -- #3

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 were raised via Resolution 2012-#2, 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

WHEREAS, the AI for sewer is \$66.08 and the AI for water is \$78.24; and

WHEREAS, while the leakage in the present system has been reduced from 80 percent to 45 percent, which means that the City must treat 1000 gallons of water for every 650 gallons it sells, water loss remains a significant issue; and

WHEREAS, it is necessary for the City 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 the system; and

WHEREAS, to simply assure that the present system continues to function, the City will initiate an estimated \$2.25 million project to undertake the replacement of the in-ground reservoir and to make improvements to the water facility to reduce leakage and to upgrade the water plants intake infrastructure; and

WHEREAS, the City must update charges for the water utility in order to be able to pay for the increasing operating costs and for the reservoir/intake project; now therefore,

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

Section 1. Basic meter rates will remain the same. The charge per 1,000 gallons shall be raised in two increments to \$4.65 (a 9.4 percent increase) during the 2015-16 fiscal year. This will bring the City to 97 percent of the Affordability Index required to qualify for grant funding (based on 6,000 gallons residential use per month). Rates and dates of change are presented below.

Date	Present Rate Cost per 1,000 gallons	July 1, 2015 Cost per 1,000 gallons	January 1, 2016 Cost per 1,000 gallons
Water	\$ 4.25	\$ 4.45	\$ 4.65

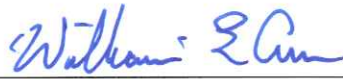
Section 2. Costs for other utility services shall be raised 10 percent as follows:

- A. Connection to City water-
 - ¾" meter- Cost of meter, plus \$44 per hour
 - 1" or larger meter- Cost of meter, plus \$55 per hour
- B. Application for new service- \$27.50
- C. Delinquent fee- \$12.00
- D. Shutoff Notice- \$27.50
- E. Shutoff (with turn on)- \$55.00
- F. Deposit for new Service \$130.00

Section 3. The initial increase shall go into effect for the billing period for the month of July 2015, which is based on the water usage from on June 21st to July 20th.

Section 4. The second increase shall go into effect for the billing period for the month of January 2016, which is based on the water usage from on December 21st, 2015 to January 20th, 2016.

DATED: This 2nd day of June, 2015.



 Mayor



 City Administrator