

RESOLUTION 12-2019

**A RESOLUTION REVISING WATER RATES
AND RESCINDING RESOLUTION NO. 8-2013**

WHEREAS, the City of Stanfield adopted Ordinance No. 255 on August 6, 1991, which established certain regulations governing the operation of the City's water supply and distribution system; and

WHEREAS, said ordinance provides water charges shall be established by resolution of the City Council; and

WHEREAS, there is a need to adjust water rates to provide needed water system improvements;

NOW, THEREFORE, BE IT RESOLVED,

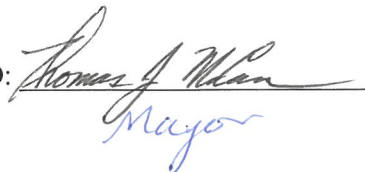
I. BEGINNING FEBRUARY 21, 2020

- A. Each metered water service will be charged the same monthly service fee (base rate) of \$30.16.
- B. Each water user's base rate will include up to 5,000 gallons of water at no additional charge.
- C. Water consumption, as determined by monthly meter readings, will be charged in a tiered system based on usage per 1,000 gallons as listed in attachment A "Tiered Water Volume Threshold". Water consumed will be billed in increments of 200 gallons.
- D. Each water consumption tier is independent of the other tiers; meaning, higher rate tiers do not supersede the rates of the water consumed in a lower rate tier, the rate only applies to the water consumed in each listed tier range.
- E. Each water user's monthly bill will be determined by adding the base rate of \$30.16 to the monthly consumption charge of each applicable tier.
- F. The monthly base rate and consumption rates will be reviewed and adjusted each year based on an assumed 4% yearly increase in operating, maintenance, and improvement costs as is listed in attachment B "Water Rate Table 2017-2030".

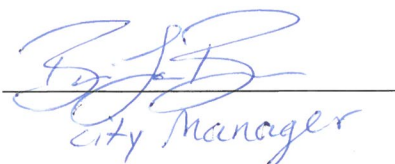
II. RESOLUTION NO. 8-2013 IS HEREBY RESCINDED.

ADOPTED by the common council of the City of Stanfield on this 3rd day of December, 2019.

APPROVED:


Mayor

ATTEST:


City Manager

ATTACHMENT "A"

TIERED WATER VOLUME THRESHOLD

MONTHLY BASE RATE: \$30.16		
<u>Rate Volumetric Tier</u>	<u>Volume Allowance</u>	<u>Consumption Charge</u>
Base Volume	0 to 5,000 gallons	\$0 per 1,000 gallons
Tier 1	5,001 to 20,000 gallons	\$2.08 per 1,000 gallons
Tier 2	20,001 to 40,000 gallons	\$2.60 per 1,000 gallons
Tier 3	40,001 gallons and up	\$3.38 per 1,000 gallons

ATTACHMENT "B"

WATER RATE TABLE 2017-2030

Alternative E - Three-Tiered Water Rate Structure with Self-Funded Improvements

Year	Water Usage Forecast		Water Rate Fee Structure ^{1,2}					Typical Revenue			Typical Expenditures							Net Income (Loss)	Water Fund Ending Balance
	Connections ³	Average Flow per Connection per Year (gal) ⁴	Base Water Rate (for 5,000 gal)	Tier 1 - Rate from 5 to 20,000 gal (per 1,000 gal)	Tier 2 - Rate 20 to 40,000 gal (per 1,000 gal)	Tier 3 - Rate ≥ 40,000 gal (per 1,000 gal)	Average Monthly Charge per Connection	Annual Total Water Sales	New User per Service Connection Fees ⁵	Total Projected Revenue	Personal Services ⁶	Materials and Services	Capital Outlay	Existing Debt Services ⁷	Reserve and Contingency Transfer	Proposed System Improvements	Total Projected Expenditures		
2017	654	30,432	N/A	N/A	N/A	N/A	N/A	\$425,834	\$3,094	\$428,928	\$194,882	\$225,679	\$1,870	\$50,836	\$12,000	\$0	\$485,267	(\$56,339)	\$126,000
2018	654	30,432	N/A	N/A	N/A	N/A	N/A	\$547,080	\$2,200	\$549,280	\$183,530	\$196,770	\$1,900	\$60,000	\$12,000	\$0	\$454,200	\$95,080	221,079
2019	656	30,432	\$29.00	\$2.00	\$2.50	\$3.25	\$85	\$669,720	\$2,200	\$671,920	\$222,253	\$204,641	\$1,976	\$116,776	\$12,460	\$0	\$558,126	\$113,795	176,000
2020	658	30,417	\$30.15	\$2.08	\$2.60	\$3.38	\$88	\$698,599	\$2,200	\$700,799	\$231,149	\$212,826	\$2,055	\$62,176	\$12,979	\$0	\$592,180	\$179,619	305,619
2021	660	30,432	\$31.37	\$2.16	\$2.70	\$3.52	\$92	\$728,722	\$2,200	\$730,922	\$240,380	\$221,119	\$2,137	\$62,176	\$13,498	\$0	\$639,540	\$191,382	497,001
2022	662	30,432	\$32.62	\$2.25	\$2.81	\$3.66	\$96	\$760,145	\$2,200	\$762,345	\$250,005	\$230,193	\$2,223	\$62,176	\$14,036	\$516,591	\$1,075,226	(\$312,881)	184,221
2023	664	30,417	\$33.93	\$2.34	\$2.92	\$3.80	\$100	\$792,927	\$2,200	\$795,122	\$260,005	\$239,401	\$2,312	\$62,176	\$14,600	\$0	\$578,493	\$216,629	400,750
2024	666	30,432	\$35.28	\$2.43	\$3.04	\$3.95	\$104	\$827,113	\$2,200	\$829,313	\$270,405	\$248,977	\$2,404	\$50,836	\$15,184	\$542,427	\$1,130,233	(\$300,920)	99,831
2025	668	30,432	\$36.69	\$2.53	\$3.16	\$4.11	\$108	\$862,778	\$2,200	\$864,978	\$281,221	\$258,936	\$2,500	\$50,836	\$15,791	\$517,234	\$926,518	(\$61,540)	38,290
2026	670	30,417	\$38.16	\$2.63	\$3.29	\$4.28	\$112	\$899,981	\$2,200	\$902,181	\$292,470	\$269,293	\$2,600	\$50,836	\$16,423	\$243,671	\$875,293	\$26,888	65,178
2027	672	30,432	\$39.69	\$2.74	\$3.42	\$4.45	\$116	\$938,788	\$2,200	\$940,988	\$304,160	\$280,065	\$2,704	\$50,836	\$17,080	\$0	\$654,854	\$286,135	351,313
2028	674	30,432	\$41.28	\$2.85	\$3.56	\$4.63	\$121	\$979,269	\$2,200	\$981,469	\$316,336	\$291,268	\$2,812	\$50,836	\$17,763	\$337,140	\$1,016,155	(\$34,686)	316,627
2029	676	30,432	\$42.93	\$2.96	\$3.70	\$4.81	\$126	\$1,021,495	\$2,200	\$1,023,695	\$328,989	\$302,918	\$2,925	\$50,836	\$18,473	\$556,359	\$1,260,501	(\$236,806)	79,821
2030	678	30,432	\$44.64	\$3.08	\$3.85	\$5.00	\$131	\$1,065,542	\$2,200	\$1,067,742	\$342,149	\$315,895	\$3,042	\$50,836	\$19,212	\$210,299	\$940,579	\$127,169	205,990

¹Rate structure assumes all meters utilize same base rate, plus a tiered usage charge.

²Water rate increase affects water rate, base rate, and new user/connection fees.

³Connections increase at 0.3 percent per year, taken from Portland State University Population Research Center's projected population growth in the area.

⁴Average flow per connection used is the average between the 2017 and 2018 flows measured.

⁵Personal services for year 2019 increases a flat \$31,382 in 2019 plus annual inflation due to anticipated new operator hire.

⁶Debt service payment after year 2023 drops due to the end of the Public Works Storage loan term and Water System Master Plan loan; payments no longer needed.

⁷Debt services for the years 2019 through 2023 is increased by a sum of \$12,000 to account for repayment of the Water System Master Plan loan.

Assumptions:		2020 - Average Low Volume Customer (10,000 gal) Pays =	\$40.56 per month
Assumed Rate Increase After 2019:	4.0%	2030 - Average Low Volume Customer (10,000 gal) Pays =	\$60.04 per month
Assumed Population Growth Rate:	0.3%	2020 - Average High Volume Customer (50,000 gal) Pays =	\$147.16 per month
Assumed Inflation Rate:	4.0%	2030 - Average High Volume Customer (50,000 gal) Pays =	\$217.83 per month