



**CITIZENS' RATE REVIEW COMMITTEE AGENDA
THURSDAY, OCTOBER 10, 2019**

6:30 P.M. MEETING

WASTEWATER TREATMENT PLANT CONFERENCE ROOM (2301 N.E. Wynooski Rd)

Mission Statement

The City of Newberg serves its citizens, promotes safety, and maintains a healthy community.

Vision Statement

Newberg will cultivate a healthy, safe environment where citizens can work, play and grow in a friendly, dynamic and diverse community valuing partnerships and opportunity.

I. CALL MEETING TO ORDER

II. ROLL CALL

III. COMMITTEE BUSINESS

1. Presentation of rate structure.
2. Continue water rate discussion.

IV. PUBLIC COMMENTS

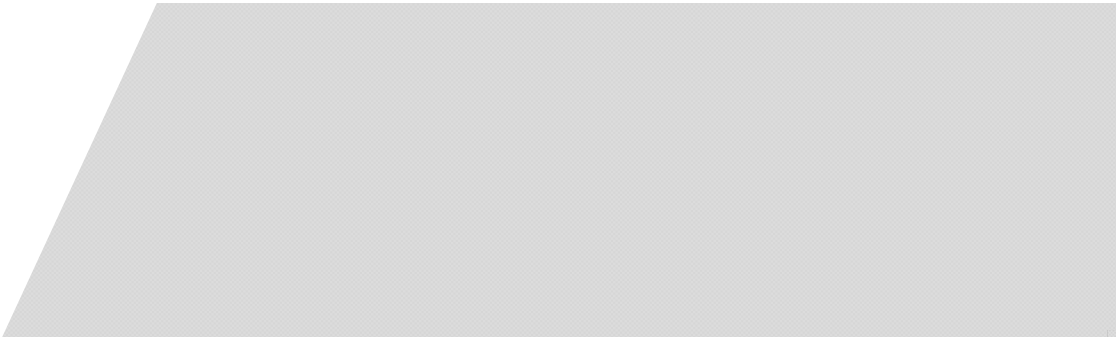
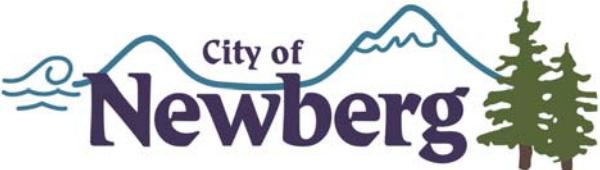
(30 minutes maximum, which may be extended at the Chair's discretion, with an opportunity to speak for no more than 5 minutes per speaker allowed)

V. ADJOURNMENT

Next Meeting: November 24, 2019 at 6:30 pm at City of Newberg Wastewater Treatment Plant, 2301 Wynooski Rd, Newberg, Oregon.

ACCOMMODATION OF PHYSICAL IMPAIRMENTS: In order to accommodate persons with physical impairments, please notify the City Recorder's office of any special physical or language accommodations you may need as far in advance of the meeting as possible and no later than 48 hours prior to the meeting. To request these arrangements, please contact the City Recorder at (503) 537-1283. For TTY services please call (503) 554-7793.

The Committee accepts comments on agenda items during the meeting. Fill out a form identifying the item you wish to speak on prior to the agenda item beginning and turn it into the Secretary. The Chair reserves the right to change the order of the items on this agenda.



Water Rates

Citizen Rates Review Committee Meeting

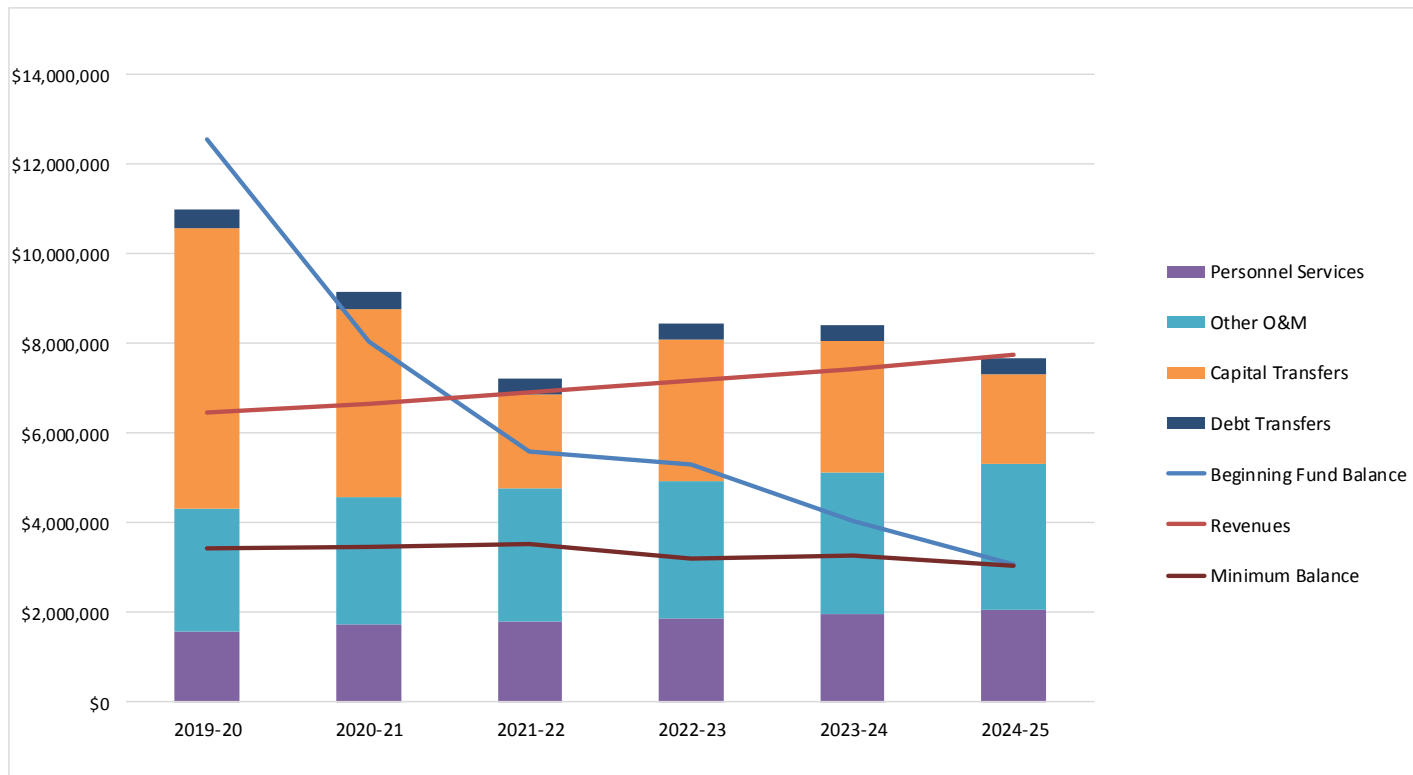
October 10, 2019



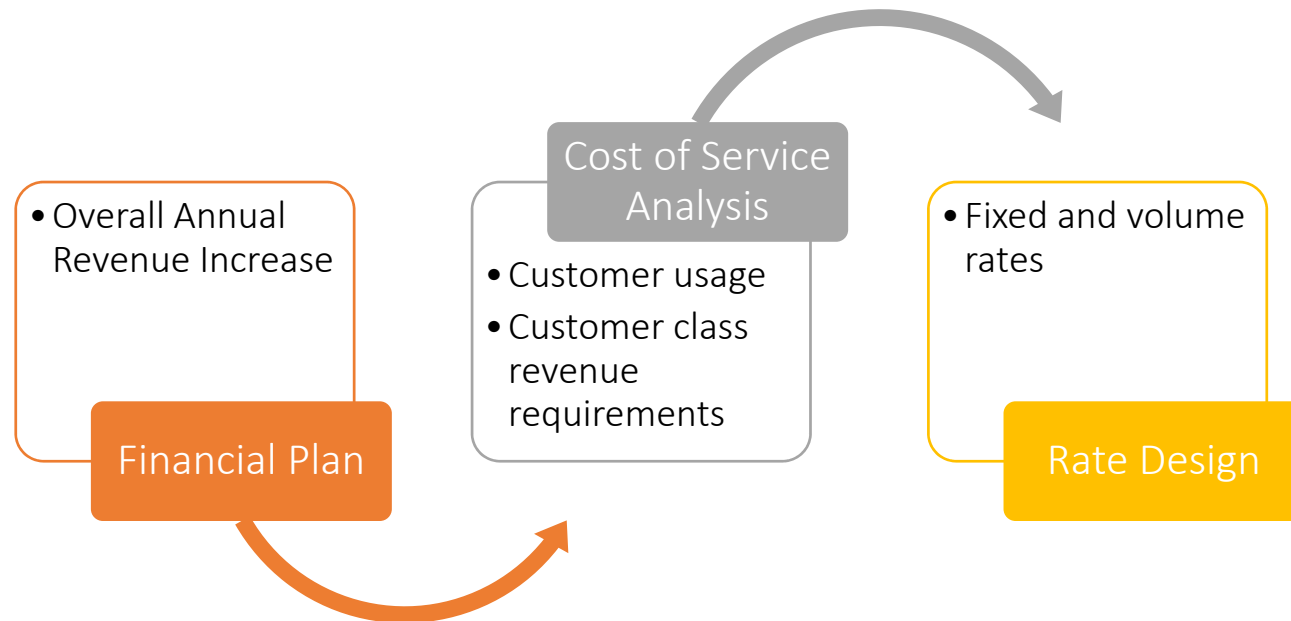
Discussion Items

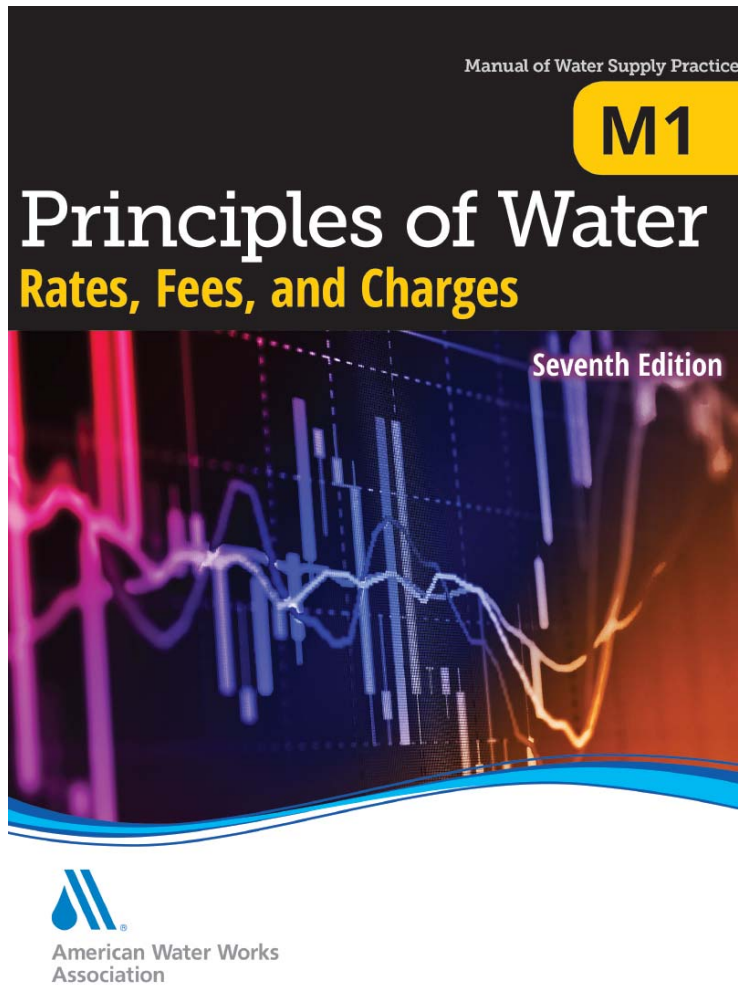
- Financial forecast review
- Cost of service analysis
- Rate design
- Summary

Financial Forecast with 4% Increases



Rate Update Components

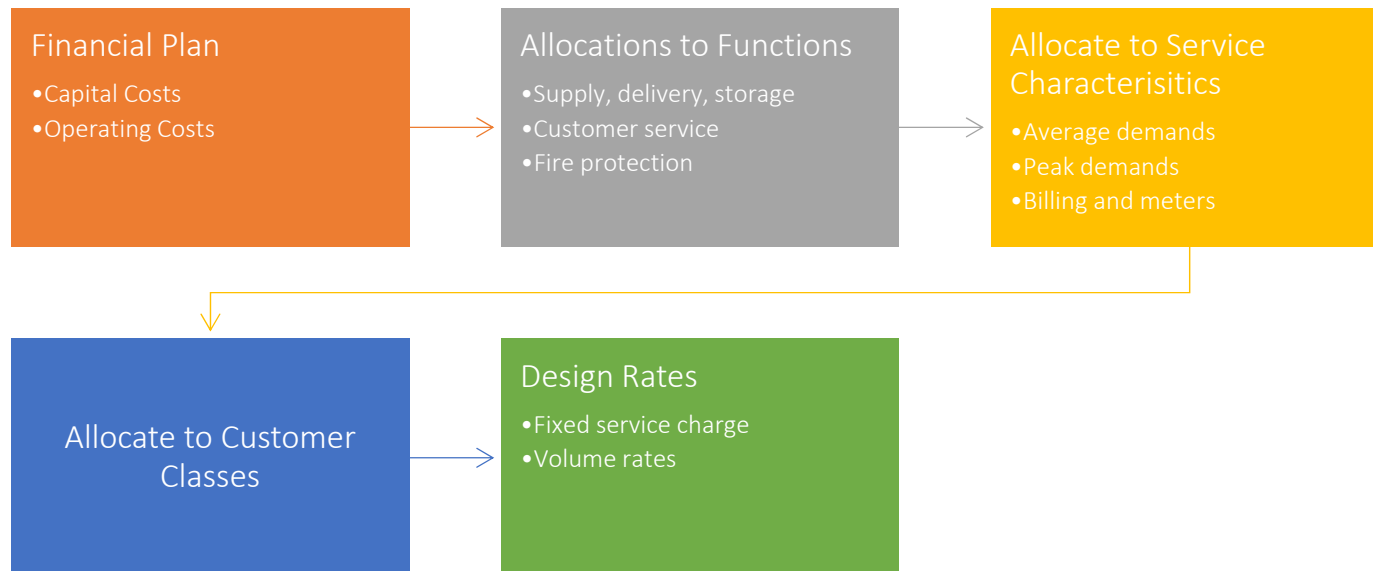




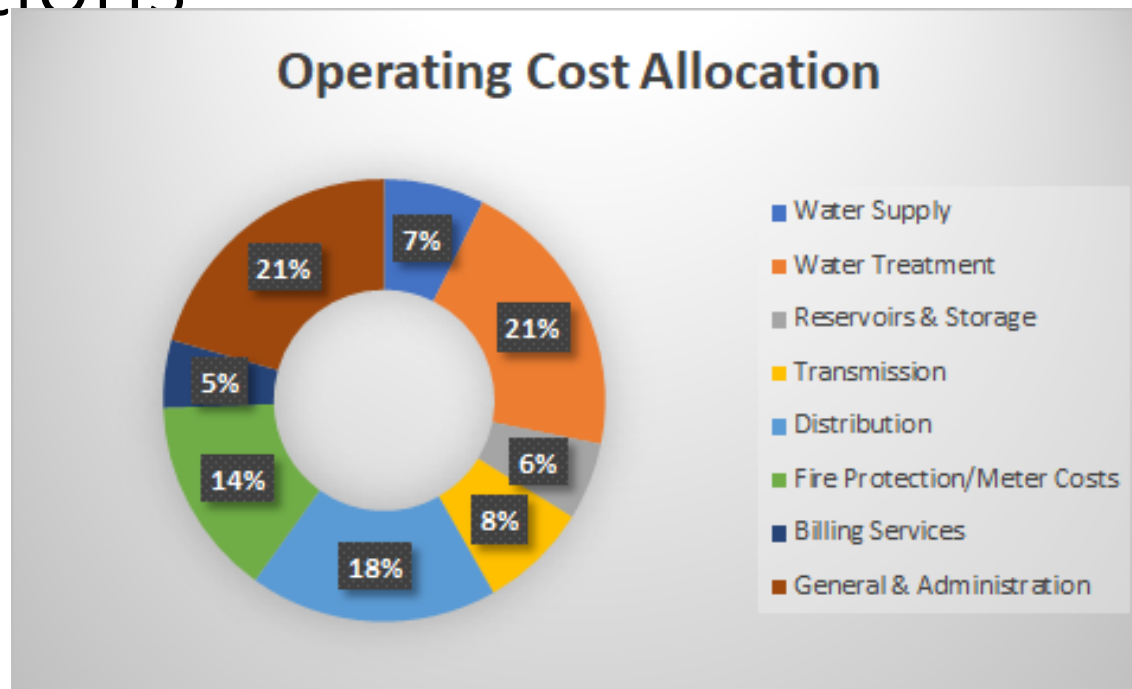
Cost of Service Principles

- Classify costs by specific services provided
 - Potable vs. Non-potable
 - Fixed vs. Variable
 - Customer service vs. Water use
- Recover costs from customer classes in proportion to service requirements

Cost Allocation Process

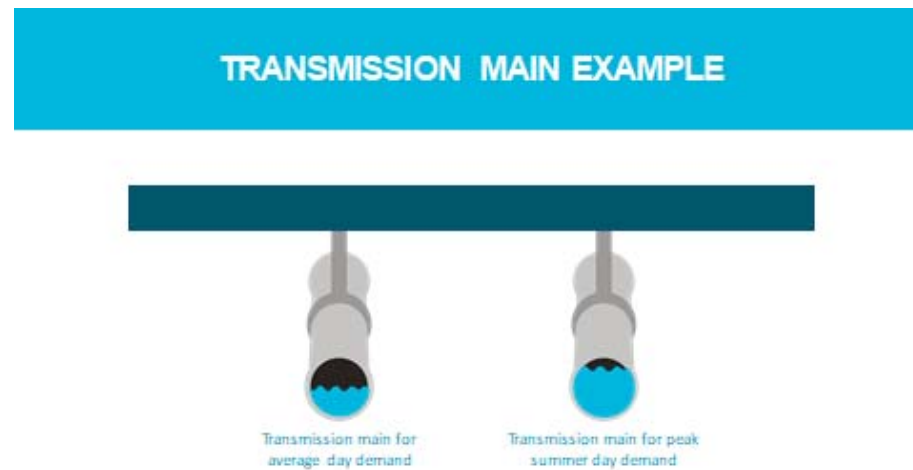


Allocations to Water System Functions



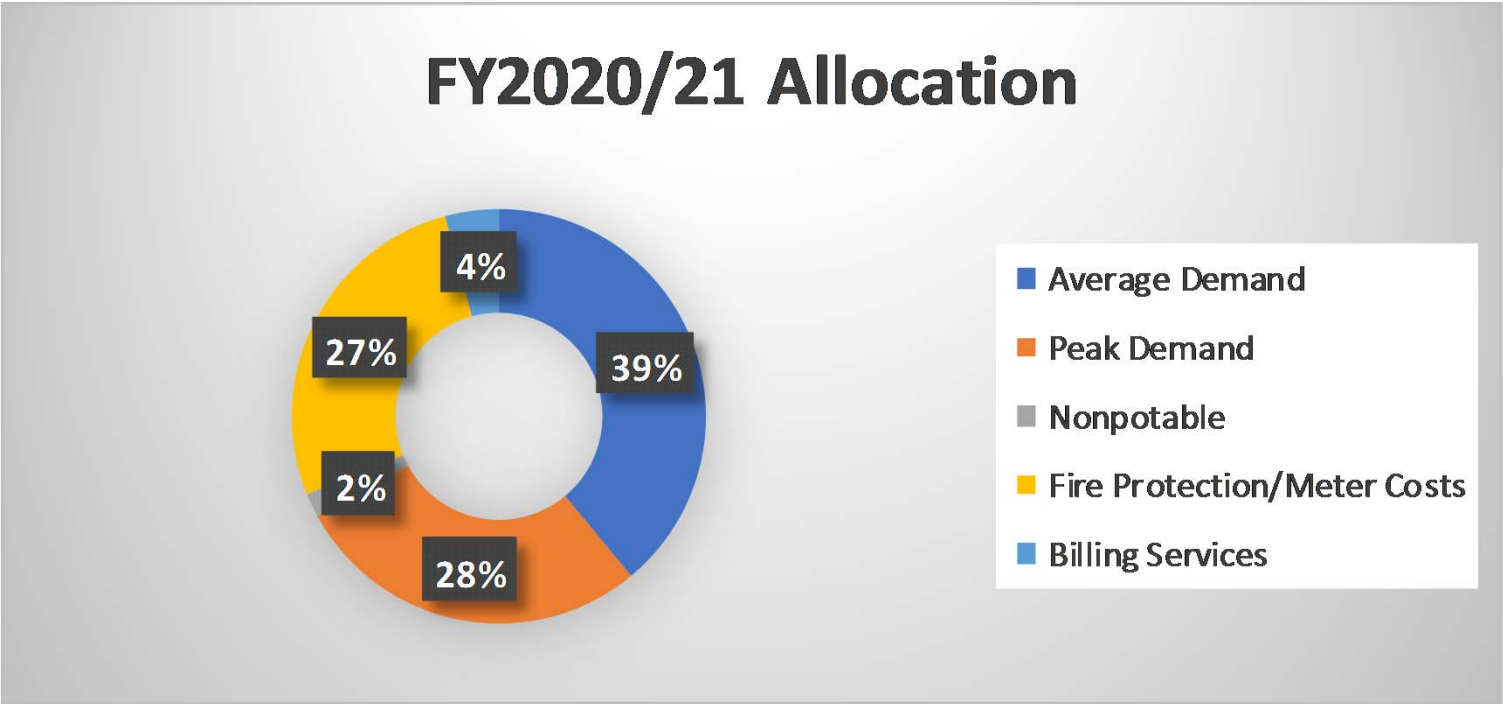
*Subject to change pending review of non-potable system costs

Average vs. Peak Demand Costs



*Peak to average ratios based on 2017 Water System Master Plan factors

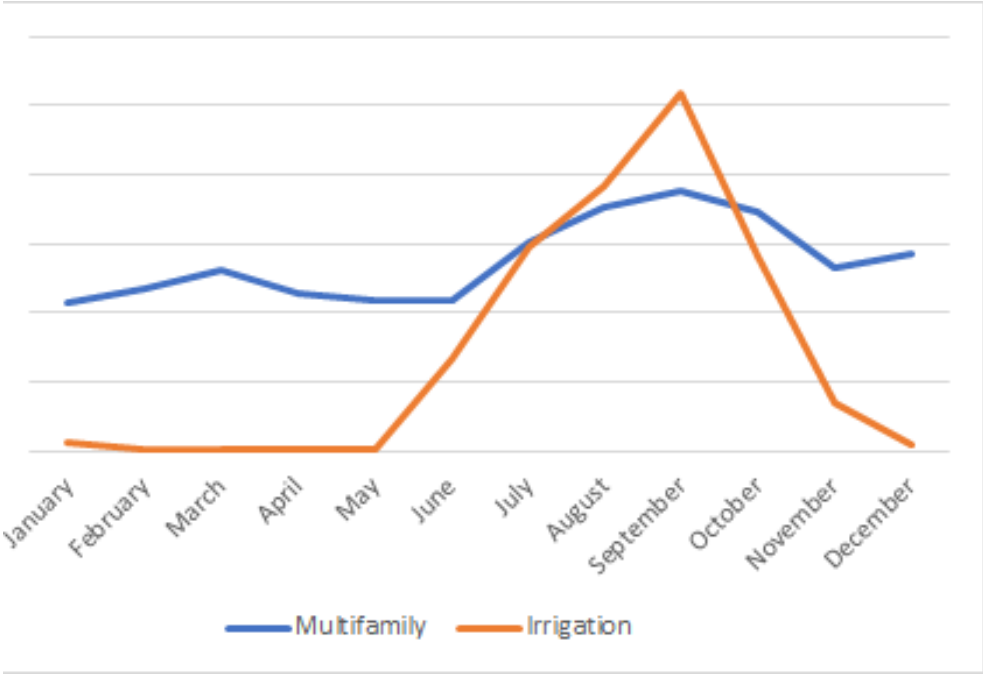
Costs by Service Characteristic

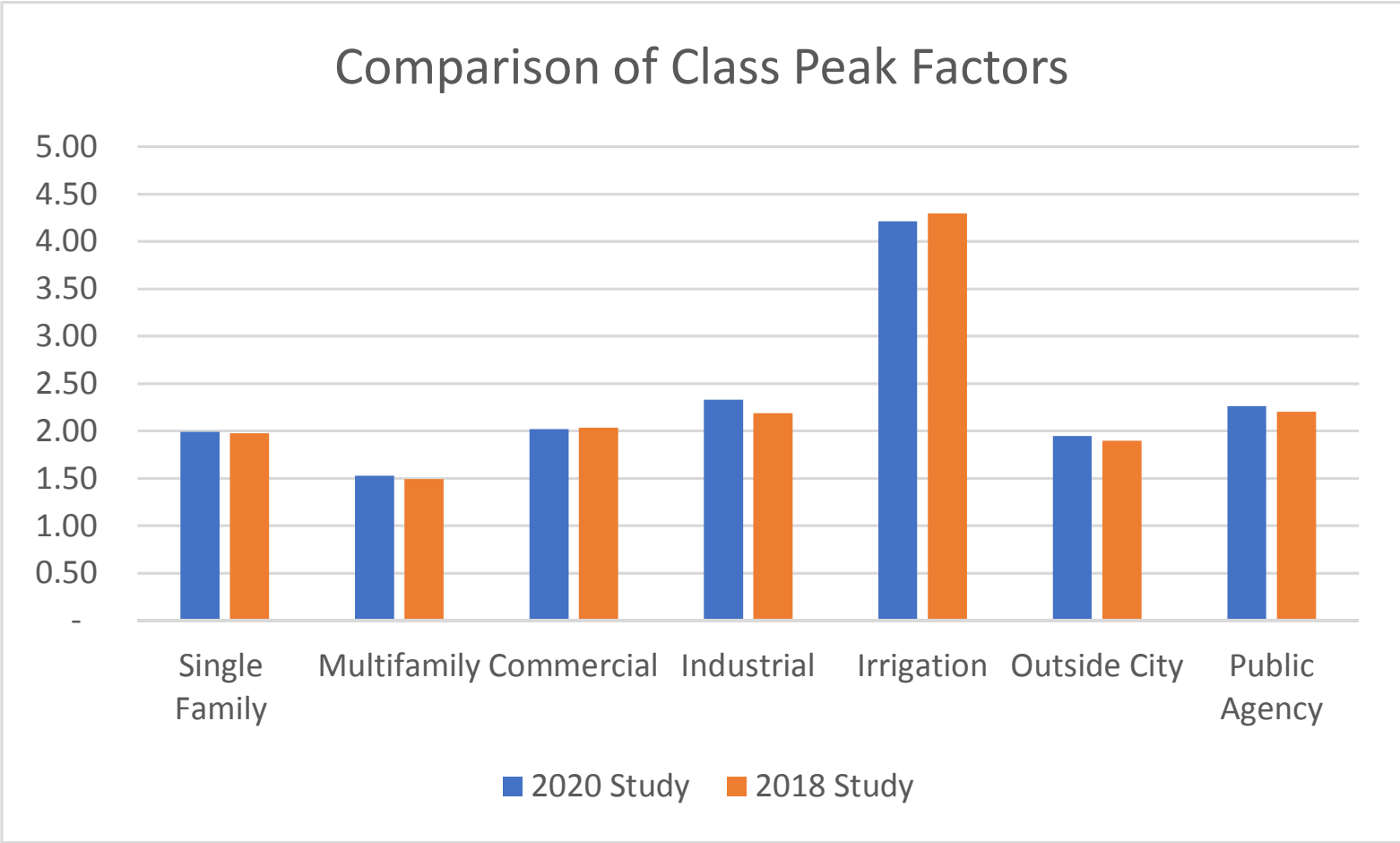


*Subject to change pending review of non-potable system costs

Determining Peak Demands by Class

- Ratio of average annual use to system peak month use
- Based on 5-year Average billing data





Current and Revised Fixed Charges

Scenario: Fixed Charge Revenue =		31%	32%		
	Adopted	Revised		%Increase	
Customer Class	FY 2020	FY 2021	FY 2022	FY 2021	FY 2022
Service Charge (\$/Month)	\$2.38	\$2.82	\$3.25	18%	15%
Meter Charge (\$/Month)					
3/4"	\$16.05	\$17.06	\$17.96	6.3%	5.3%
1"	\$27.29	\$29.00	\$30.53	6.3%	5.3%
1-1/4'	\$40.13	\$42.65	\$44.90	6.3%	5.3%
1-1/2"	\$52.97	\$56.30	\$59.27	6.3%	5.3%
2"	\$85.07	\$90.42	\$95.19	6.3%	5.3%
3"	\$160.50	\$170.60	\$179.60	6.3%	5.3%
4"	\$268.04	\$284.90	\$299.93	6.3%	5.3%
6"	\$534.47	\$568.10	\$598.07	6.3%	5.3%
8"	\$855.47	\$909.30	\$957.27	6.3%	5.3%
10"	\$1,336.97	\$1,421.10	\$1,496.07	6.3%	5.3%
Nonpotable Meter Charge (\$/Month)					
4"	\$59.79	\$60.99	\$62.21	2%	2%
8"	\$188.15	\$191.91	\$195.75	2%	2%

*Subject to change pending review of non-potable system costs

Current and Revised Volume Charges

Customer Class	Adopted	Revised		% Increase	
	FY 2020	FY 2021	FY 2022	FY 2021	FY 2022
Volume Charge (\$/ccf)					
S-F Residential	\$4.06	\$4.17	\$4.29	2.8%	2.7%
Multifamily	\$3.28	\$3.41	\$3.50	4.1%	2.6%
Commercial	\$4.16	\$4.23	\$4.34	1.6%	2.8%
Industrial	\$4.42	\$4.73	\$4.89	7.0%	3.3%
Irrigation	\$7.75	\$7.83	\$8.03	1.0%	2.6%
Outside City	\$6.09	\$6.26	\$6.43	2.8%	2.7%
Public Agency	\$4.45	\$4.62	\$4.78	3.9%	3.3%
Non-Potable	\$2.51	\$2.51	\$2.51	0.0%	0.0%

*Subject to change pending review of non-potable system costs

Sample Bill Comparison

- Bills for small users go up at higher percent due to increase in fixed charge
- Bill changes across classes reflect revised peak demand factors

Scenario: Fixed Charge Revenue =			30%	31%	32%		
CUSTOMER CLASS	Meter Size	Monthly Use (ccf)	Adopted	Proposed		Annual \$ Increase	
			FY 2020	FY 2021	FY 2022	FY 2021	FY 2022
Residential Small	3/4"	1.0	\$22.49	\$24.05	\$25.50	\$1.56	\$1.45
Residential Avg.	3/4"	7.0	\$46.85	\$49.08	\$51.21	\$2.23	\$2.13
Multifamily	1"	48.1	\$187.47	\$196.09	\$202.30	\$8.62	\$6.21
Commercial	1"	31.7	\$161.69	\$165.91	\$171.64	\$4.22	\$5.73
Industrial	1 1/2"	97.4	\$485.95	\$520.03	\$538.57	\$34.08	\$18.54
Irrigation	2"	51.0	\$482.78	\$492.48	\$507.90	\$9.70	\$15.42
Outside City	3/4"	7.0	\$61.06	\$63.70	\$66.22	\$2.64	\$2.52
Public Agency	2"	55.2	\$333.02	\$348.41	\$362.00	\$15.39	\$13.59
				Percent Change			
Residential Small				6.9%	6.0%		
Residential Avg				4.8%	4.3%		
Multifamily				4.6%	3.2%		
Commercial				2.6%	3.5%		
Industrial				7.0%	3.6%		
Irrigation				2.0%	3.1%		
Outside City				4.3%	4.0%		
Public Agency				4.6%	3.9%		

Summary and Next Steps

- Overall revenue increase of 4 percent to meet forecast requirements and informal reserve targets
- Bill impacts vary for customer classes and usage levels
- Non-potable rates to be presented at a future meeting

Table 1

City of Newberg

Water Rate Model

Rate Schedule Comparison

Scenario: Fixed Charge Revenue =

31%

32%

Customer Class	Adopted			Revised		% Increase	
	FY 2020	FY 2021	FY 2022	FY 2021	FY 2022		
Service Charge (\$/Month)	\$2.38	\$2.82	\$3.25	18%	15%		
Meter Charge (\$/Month)							
3/4"	\$16.05	\$17.06	\$17.96	6.3%	5.3%		
1"	\$27.29	\$29.00	\$30.53	6.3%	5.3%		
1-1/4"	\$40.13	\$42.65	\$44.90	6.3%	5.3%		
1-1/2"	\$52.97	\$56.30	\$59.27	6.3%	5.3%		
2"	\$85.07	\$90.42	\$95.19	6.3%	5.3%		
3"	\$160.50	\$170.60	\$179.60	6.3%	5.3%		
4"	\$268.04	\$284.90	\$299.93	6.3%	5.3%		
6"	\$534.47	\$568.10	\$598.07	6.3%	5.3%		
8"	\$855.47	\$909.30	\$957.27	6.3%	5.3%		
10"	\$1,336.97	\$1,421.10	\$1,496.07	6.3%	5.3%		
Nonpotable Meter Charge (\$/Month)							
4"	\$59.79	\$60.99	\$62.21	2%	2%		
8"	\$188.15	\$191.91	\$195.75	2%	2%		

Customer Class	Adopted			Revised		% Increase	
	FY 2020	FY 2021	FY 2022	FY 2021	FY 2022		
Volume Charge (\$/ccf)							
S-F Residential	\$4.06	\$4.17	\$4.29	2.8%	2.7%		
Multifamily	\$3.28	\$3.41	\$3.50	4.1%	2.6%		
Commercial	\$4.16	\$4.23	\$4.34	1.6%	2.8%		
Industrial	\$4.42	\$4.73	\$4.89	7.0%	3.3%		
Irrigation	\$7.75	\$7.83	\$8.03	1.0%	2.6%		
Outside City	\$6.09	\$6.26	\$6.43	2.8%	2.7%		
Public Agency	\$4.45	\$4.62	\$4.78	3.9%	3.3%		
Non-Potable	\$2.51	\$2.51	\$2.51	0.0%	0.0%		TBD
Revenue from Fixed Charges	30%	31%	32%				
Avg. Residential Bill (7 ccf)	\$46.85	\$49.08	\$51.21				
		\$2.23	\$2.13				

Table 2

City of Newberg

Water Rate Model

Typical Bill Comparisons

Scenario: Fixed Charge Revenue =

30%

31%

Customer Class	Meter Size	Monthly Use (ccf)	Adopted FY 2020	Revised Bill/Month		\$ Change		% Change	
				FY 2021	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022
Residential	3/4"	1.0	\$22.49	\$24.05	\$25.50	\$1.56	\$1.45	6.9%	6.0%
Residential	3/4"	3.0	\$30.61	\$32.39	\$34.07	\$1.78	\$1.68	5.8%	5.2%
Residential	3/4"	5.0	\$38.73	\$40.73	\$42.64	\$2.00	\$1.91	5.2%	4.7%
Residential Avg	3/4"	7.0	\$46.85	\$49.08	\$51.21	\$2.23	\$2.13	4.8%	4.3%
Residential	3/4"	10.0	\$59.03	\$61.59	\$64.07	\$2.56	\$2.48	4.3%	4.0%
Residential	1"	25.0	\$131.17	\$136.11	\$140.92	\$4.94	\$4.81	3.8%	3.5%
Residential	1"	100.0	\$435.67	\$449.00	\$462.32	\$13.33	\$13.32	3.1%	3.0%
Multifamily	3/4"	5.0	\$34.83	\$36.95	\$38.73	\$2.12	\$1.78	6.1%	4.8%
Multifamily	1"	40.0	\$160.87	\$168.40	\$173.90	\$7.53	\$5.50	4.7%	3.3%
Multifamily - Avg	1"	48.1	\$187.47	\$196.09	\$202.30	\$8.62	\$6.21	4.6%	3.2%
Multifamily	2"	75.0	\$333.45	\$349.32	\$361.16	\$15.87	\$11.84	4.8%	3.4%
Multifamily	3"	100.0	\$490.88	\$514.87	\$533.14	\$23.99	\$18.27	4.9%	3.6%
Commercial	3/4"	5.0	\$39.23	\$41.00	\$42.93	\$1.77	\$1.93	4.5%	4.7%
Commercial	1"	25.0	\$133.67	\$137.45	\$142.38	\$3.78	\$4.93	2.8%	3.6%
Commercial - Avg	1"	31.7	\$161.69	\$165.91	\$171.64	\$4.22	\$5.73	2.6%	3.5%
Commercial	2"	55.0	\$316.25	\$325.63	\$337.36	\$9.38	\$11.73	3.0%	3.6%
Commercial	3"	75.0	\$474.88	\$490.32	\$508.65	\$15.44	\$18.33	3.3%	3.7%
Industrial	3/4"	25.0	\$128.93	\$138.16	\$143.38	\$9.23	\$5.22	7.2%	3.8%
Industrial	1"	100.0	\$471.67	\$504.94	\$522.44	\$33.27	\$17.50	7.1%	3.5%
Industrial - Avg	1-1/2"	97.4	\$485.95	\$520.03	\$538.57	\$34.08	\$18.54	7.0%	3.6%
Industrial	2"	250.0	\$1,192.45	\$1,276.04	\$1,320.09	\$83.59	\$44.05	7.0%	3.5%
Industrial	3"	500.0	\$2,372.88	\$2,539.02	\$2,626.15	\$166.14	\$87.13	7.0%	3.4%
Irrigation	1"	10.0	\$107.17	\$110.08	\$114.05	\$2.91	\$3.97	2.7%	3.6%
Irrigation	1-1/2"	45.0	\$404.10	\$411.32	\$423.74	\$7.22	\$12.42	1.8%	3.0%
Irrigation - Avg	2"	51.0	\$482.78	\$492.48	\$507.90	\$9.70	\$15.42	2.0%	3.1%
Irrigation	3"	100.0	\$937.88	\$956.10	\$985.55	\$18.22	\$29.45	1.9%	3.1%
Irrigation	4"	150.0	\$1,432.92	\$1,461.74	\$1,507.23	\$28.82	\$45.49	2.0%	3.1%
Outside City	3/4"	5.0	\$48.88	\$51.18	\$53.36	\$2.30	\$2.18	4.7%	4.3%
Outside City	3/4"	25.0	\$170.68	\$176.38	\$181.96	\$5.70	\$5.58	3.3%	3.2%
Outside City - Avg	3/4"	7.0	\$61.06	\$63.70	\$66.22	\$2.64	\$2.52	4.3%	4.0%
Outside City	3"	60.0	\$528.28	\$549.02	\$568.65	\$20.74	\$19.63	3.9%	3.6%
Outside City	4"	75.0	\$727.17	\$757.22	\$785.43	\$30.05	\$28.21	4.1%	3.7%
Public Agency	3/4"	5.0	\$40.68	\$43.00	\$45.09	\$2.32	\$2.09	5.7%	4.9%
Public Agency	1"	55.0	\$274.42	\$286.14	\$296.46	\$11.72	\$10.32	4.3%	3.6%
Public Agency - Avg	2"	55.2	\$333.02	\$348.41	\$362.00	\$15.39	\$13.59	4.6%	3.9%
Public Agency	2"	100.0	\$532.45	\$555.64	\$576.03	\$23.19	\$20.39	4.4%	3.7%
Public Agency	3"	150.0	\$830.38	\$867.02	\$899.24	\$36.64	\$32.22	4.4%	3.7%

Table 3

City of Newberg
 Water Rate Model
 Projected Average Monthly Bills by Customer Class

Scenario: Fixed Charge Revenue =			30%	31%	32%		
CUSTOMER CLASS	Meter Size	Monthly Use (ccf)	Adopted	Proposed		Annual \$ Increase	
			FY 2020	FY 2021	FY 2022	FY 2021	FY 2022
Residential Small	3/4"	1.0	\$22.49	\$24.05	\$25.50	\$1.56	\$1.45
Residential Avg.	3/4"	7.0	\$46.85	\$49.08	\$51.21	\$2.23	\$2.13
Multifamily	1"	48.1	\$187.47	\$196.09	\$202.30	\$8.62	\$6.21
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Industrial	1 1/2"	97.4	\$485.95	\$520.03	\$538.57	\$34.08	\$18.54
Irrigation	2"	51.0	\$482.78	\$492.48	\$507.90	\$9.70	\$15.42
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Public Agency	2"	55.2	\$333.02	\$348.41	\$362.00	\$15.39	\$13.59

	Percent Change	
Residential Small	6.9%	6.0%
Residential Avg	4.8%	4.3%
Multifamily	4.6%	3.2%
Commercial	2.6%	3.5%
Industrial	7.0%	3.6%
Irrigation	2.0%	3.1%
Outside City	4.3%	4.0%
Public Agency	4.6%	3.9%
System-Wide	4.0%	4.0%

2.15.120 Established.

There is established a citizens' rate review committee ("**committee**") for the City of Newberg, Oregon. [Ord. 2585, 7-21-03; Ord. 2418, 10-2-95. Code 2001 § 32.70.]

2.15.130 Powers and duties.

The committee shall consider the rates for the city wastewater and water systems, the amount of the stormwater maintenance fee, and other rates and/or fees, at the request of and as assigned by the city council. The committee shall hold public hearings, make recommendations to the city council regarding the establishment of the rates and fees, reconsider rates and fees that are proposed to be established by the city council, when referred to them for reconsideration, and make other recommendations concerning the operation, maintenance and construction of the wastewater and water systems, stormwater system, and other systems of the city. Such recommendations shall be accompanied by statements of facts as a basis for such recommendation. The committee, once assigned the responsibility for reviewing the rates and fees, may structure the review process as necessary to offer a recommendation to the city council. The committee shall further have the powers and duties which may hereinafter be assigned to it by the city council. [Ord. 2733 Att. A, 2-7-11; Ord. 2585, 7-21-03; Ord. 2418, 10-2-95. Code 2001 § 32.71.]

2.15.140 Membership.

The committee shall consist of eight members. Seven members shall be residents of the city, one of whom may be a water customer outside of the city and who would be eligible to vote only on water rate issues. The eighth member shall be the mayor, who shall serve as an ex officio nonvoting member. [Ord. 2685, 1-7-08; Ord. 2627, 12-5-05; Ord. 2585, 7-21-03; Ord. 2418, 10-2-95. Code 2001 § 32.72.]

2.15.150 Terms of office and appointment.

Members of the committee shall be appointed by the mayor with the consent of the city council for a term of three years, commencing July 1st to coincide with the city's fiscal year. The appointment of some members shall be, other than specified terms, in order to establish an approximately equal expiration of terms each fiscal year. The term of each member shall continue after expiration until such time as their successors are appointed. Committee members may be reappointed to serve a full three-year term or additional three-year terms without limit. To facilitate the transition from a calendar year term to a fiscal year term, the member terms of office in existence on December 30, 2013, shall each be extended six additional months. [Ord. 2767 § 1(A), 12-2-13; Ord. 2690 § 2(C), 2-4-08; Ord. 2585, 7-21-03; Ord. 2418, 10-2-95. Code 2001 § 32.73.]

2.15.160 Application and qualifications.

- A. The city shall give public notice of any vacancy of the committee and accept such applications for vacancies.
- B. The application for membership on the committee shall state the principal occupation of the applicant, the principal residence of the applicant and give other information and qualifications, as the city may deem necessary.
- C. All members shall have their principal place of residency inside the city limits at the time of their appointment and during the term that they serve on the committee.
- D. No member, except the mayor, shall be an employee or official of the city. [Ord. 2790 § 1, 11-2-15; Ord. 2585, 7-21-03; Ord. 2418, 10-2-95. Code 2001 § 32.74.]

2.15.170 Vacancies and removal.

- A. Any vacancy on the committee shall be filled by appointment of the mayor with the consent of the city council for the unexpired term of the predecessor in the position.
- B. A member of the committee may be removed by the city council after hearing for misconduct or nonperformance of duty.
- C. A member who is absent from two consecutive meetings without an excuse as approved by the committee is rebuttably presumed to be in nonperformance of duty and the city

council shall declare the position vacant unless finding otherwise following the hearing. [Ord. 2690 § 2(C), 2-4-08; Ord. 2585, 7-21-03; Ord. 2418, 10-2-95. Code 2001 § 32.75.]

2.15.180 Presiding members.

At the committee's first meeting of the new fiscal year, the committee shall elect a chair, vice chair and secretary to serve one-year terms. The mayor may serve as chair of the committee. [Ord. 2767 § 1(B), 12-2-13; Ord. 2585, 7-21-03; Ord. 2418, 10-2-95. Code 2001 § 32.76.]

2.15.190 Meetings.

A. A majority of the voting members of the committee shall constitute a quorum. The committee shall meet first as requested by the city council, with subsequent meetings scheduled by the committee. The chair shall have the authority to set the day and time of the meetings; provided, that the council has requested that the rate and/or fee review process proceed. The chair shall have the authority to cancel meetings of the committee. Meetings of the committee shall be open to the public and subject to the Open Meetings Law. Meetings other than the regularly scheduled meetings may be announced at a prior meeting and thereby made a part of the meeting records.

B. The chairman, upon the chairman's own motion, may, or at the request of three members of the committee, shall, by giving notice to the members of the committee, call a special meeting of the committee for a time not earlier than 24 hours after the notice is given. Notice of a special meeting shall be posted at City Hall and, to the extent feasible, provided to interested persons and the local newspaper at least 24 hours prior to the meeting. [Ord. 2585, 7-21-03; Ord. 2418, 10-2-95. Code 2001 § 32.77.]

2.15.200 Authority.

Once convened, the committee shall have the authority to establish a process for reviewing the water rates, wastewater rates, stormwater maintenance fees, and other fees as assigned by the city council. The process for establishing the rates and fees shall be just and equitable, and set by an administrative process which includes the following:

- A. Rates shall be imposed upon all users of the water and wastewater systems, both inside and outside the city, and shall be just and equitable charges for service, maintenance, operation, debt service and reconstruction of the water and/or wastewater system.
- B. Fees shall be imposed upon all users of the stormwater system, both in and outside the city, and shall be just and equitable charges for service, maintenance, operation, debt service, and reconstruction of the stormwater system. This review process may be undertaken with either the water rates, wastewater rates, or stormwater maintenance fees, or both the water and wastewater rates together, or all or both rates and fees together.
- C. All costs for maintenance, operation, debt service, and reconstruction of the water system and/or wastewater system and/or stormwater system shall be identified by the city staff. These costs shall be reported to, reviewed, changed, and approved by the budget committee of the city during the annual budget process, as required by state statute.
- D. The city council shall, as part of the annual budget process, adopt a budget for the maintenance, operation, debt service, and reconstruction of the water system and/or wastewater system and/or stormwater system.
- E. Should the budget which the city council adopts require a change in the rates and/or fees levied and imposed upon all users of the water system and/or wastewater system and/or stormwater system, the city council shall, by motion at a duly noticed regular city council meeting, instruct the committee to develop and identify the rates and/or fees according to a cost-to-serve analysis. The cost-to-serve analysis shall provide a proposal for charges for service for the customer service groups which use the water system and/or wastewater system and/or stormwater system.
- F. The committee, after due deliberation and consideration, shall set a date for a public hearing to receive input on the proposed rates and/or fees. The public hearing shall be held prior to a final recommendation to the city council on the rates and/or fees. The existing rates and/or fees and the new rates and/or fees shall be published in a newspaper and posted in three public places as part of the notice for the public hearing with the committee. The hearing shall consist of a presentation and explanation of the rates and/or fees by the city manager or designee, and an opportunity for users or representatives of users to address the rates and/or fees or other items of concern with relation to the water system and/or wastewater system and/or stormwater system. A written record of the hearing shall be made and kept for review by the city council.

G. Based on the input from the hearing, its understanding of the needs of the water system and/or wastewater system and/or stormwater system, and any other information it decides to consider, the committee shall recommend the water rates and/or wastewater rates and/or stormwater maintenance fees to be adopted by the city council.

H. The city manager, or a designee, shall compile the written and/or video record for the city council to consider as part of the committee's recommendation.

I. Notice of the rates and/or fees that are recommended by the committee shall be published in the newspaper and posted in three public places within the city.

J. The city council shall hold a public hearing within 30 days after receiving the committee's recommendation. The public hearing shall provide an opportunity to comment on the recommended water rates and/or wastewater rates and/or stormwater maintenance fees. The city council shall consider the record of the public hearing held by the committee and may open the matter for additional public input on the proposed rates and/or fees. The city council shall hear presentations and explanations of the rates and/or fees by the city manager, or a designee, as part of the public hearing. The city council may set rates and/or fees which are either equal to or less than those recommended by the committee. The city council may adjust the rates and/or fees, but if they are higher than those recommended by the committee, the city council must send the proposed rates and/or fees to the committee for reconsideration and hearing.

K. If the rates and/or fees are sent back to the committee for reconsideration, the city council shall review the recommendation after the public hearing by the committee.

L. The city council shall then, by resolution, set the water rates, wastewater rates and/or stormwater maintenance fees at an amount that assures the financial self-sufficiency of the systems.

M. Special Provision Allowing Increases Above a Certain Percent per Year in the Rates and/or Fees Set by the City Council to Be Subject to the State Referendum Process. The city council by resolution will set the rate and/or fees as provided for in this section. The rates and/or fees are set by the city council through exercising administrative authority by approval of a resolution. The exercise of administrative authority is not subject to the state referendum process since it is not municipal legislation. However, the city council grants the right to the electorate of the city to refer the resolution that approves any increase in rates and/or fees to the voters of the city for approval subject to the provisions set out

below. This right of referral granted to the electorate will use the state referendum process including all the rules, regulations, and laws that apply to that process. Such resolution that adopts the approved increase in rates and/or fees will not take effect for at least 30 days from date of passage. This right of referral is subject to the following conditions:

1. Any annual increase in the rates and/or fees that does not exceed a percentage equal to the Consumer Price Index (CPI) plus three percent annually will not be subject to the referendum process.
2. Any portion of an annual increase which is greater than the percentage designated in subsection (M)(1) of this section will be subject to the right of the electors to refer the approval of that portion of the increase to the voters for approval through the state referendum process as set out above.
3. The CPI designated in subsection (M)(1) of this section is the annual CPI for all urban consumers in the Portland-Salem, OR-WA metropolitan area. The metropolitan area covered in this release is comprised of Clackamas, Columbia, Marion, Multnomah, Polk, Washington, and Yamhill Counties in the State of Oregon and Clark County in the State of Washington. The annual CPI is released on or around February 17th of the following year (approximately one and a half months after calendar year-end).
4. The resolution approving the increase in rates and/or fees will designate which portion of an increase if any is subject to the referral process as set out above. [Ord. 2752 § 1, 5-7-12; Ord. 2585, 7-21-03; Ord. 2418, 10-2-95. Code 2001 § 32.78.]