

RESOLUTION No. 2016-3284

**A RESOLUTION ADOPTING NEW MONTHLY WASTEWATER RATES FOR THE
CITY OF NEWBERG EFFECTIVE JANUARY 1, 2017 AND JANUARY 1, 2018**

RECITALS:

1. Newberg Municipal Code Chapter 13.10 governs the city of Newberg wastewater system and the adoption of the wastewater rates, fees and charges.
2. The Citizens' Rate Review Committee (CRRC) met November 19, 2015, and December 3, 2015, to review wastewater system rates and system attributes, including the Capital Improvement Program and the system operating and maintenance costs.
3. The review also included the modification of the wastewater rate structure by increasing the fixed cost charge portion for the service charges. That fixed portion allocation will change from the current 32% to an estimated 33% in the proposed rates.
4. The CRRC held a Town Hall meeting and Public Hearing on the proposed monthly charges on February 4, 2016, and approved their final rate change recommendations to City Council on February 18, 2016.
5. On March 7, 2016, City Council held a public hearing on the CRRC recommended rates. The Council referred the wastewater rates back to the CRRC to consider the inclusion of additional Inflow and Infiltration projects that were not included in the original CRRC rate recommendation. The CRRC met on March 24, 2016 and held a public hearing on April 7, 2016. The CRRC was presented with the rates included in Exhibit A, but they voted 3-1 in favor of staying with their original wastewater rate recommendation.
6. The CRRC recommends changes to the monthly wastewater charges based on their analysis of current and future anticipated wastewater fund needs.

THE CITY OF NEWBERG RESOLVES AS FOLLOWS:

1. Effective on the respective dates outlined in Exhibit A, the monthly wastewater service charges shall consist of charges as shown on the attached Exhibit A, which is hereby attached and by this reference incorporated.
2. Rates for any other wastewater use, not explicitly provided for in this resolution, shall be established by the finance director to conform as close as practical to the charges established herein. Such charges shall be reviewed by the City Council.

➤ **EFFECTIVE DATE** of this resolution is the day after the adoption date, which is: May 3, 2016.

ADOPTED by the City Council of the City of Newberg, Oregon, this 2nd day of May, 2016.


Sue Ryan, City Recorder

ATTEST by the Mayor this 6th day of May, 2016.

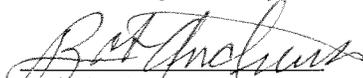

Bob Andrews, Mayor

EXHIBIT A

| Council Adopted Rates | | | | | | |
|----------------------------------|------------------------------|-----------------------|-----------------------|-------------|-------------|---------------------|
| Monthly Wastewater Rates | | | | | | |
| Customer Class | Current Through Dec 31, 2016 | Effective Jan 1, 2017 | Effective Jan 1, 2018 | 2017 % Incr | 2018 % Incr | Avg Annual Increase |
| Service Charge (\$/Month) | \$20.66 | \$21.30 | \$22.57 | 3.10% | 5.96% | 4.62% |
| Multifamily Unit Charge | \$18.24 | \$18.69 | \$19.89 | 2.47% | 6.42% | 4.52% |
| Volume Charge (\$/ccf) | | | | | | |
| Single Family | \$8.19 | \$8.58 | \$8.86 | 4.76% | 3.26% | 4.09% |
| Multifamily | \$8.19 | \$8.58 | \$8.86 | 4.76% | 3.26% | 4.09% |
| Commercial - 1 | \$8.19 | \$8.58 | \$8.86 | 4.76% | 3.26% | 4.09% |
| Commercial - 2 | \$10.02 | \$10.52 | \$10.86 | 4.99% | 3.23% | 4.19% |
| Commercial - 3 | \$16.37 | \$17.23 | \$17.78 | 5.25% | 3.19% | 4.31% |
| Industrial | \$10.02 | \$10.52 | \$10.86 | 5.02% | 3.20% | 4.19% |
| Outside City | \$8.19 | \$8.58 | \$8.86 | 4.76% | 3.26% | 4.09% |

| Rates at or below 4.2% increase per year (not subject to referral process) | | | |
|---|------------------------------|-----------------------|------------------------|
| Monthly Wastewater Rates | | | |
| Customer Class | Current Through Dec 31, 2016 | Effective Jan 1, 2017 | Effective Jan 1, 2018* |
| Service Charge (\$/Month) | \$20.66 | \$21.30 | \$22.19 |
| Multifamily Unit Charge | \$18.24 | \$18.69 | \$19.47 |
| Volume Charge (\$/ccf) | | | |
| Single Family | \$8.19 | \$8.53 | \$8.94 |
| Multifamily | \$8.19 | \$8.53 | \$8.94 |
| Commercial - 1 | \$8.19 | \$8.53 | \$8.94 |
| Commercial - 2 | \$10.02 | \$10.44 | \$10.96 |
| Commercial - 3 | \$16.37 | \$17.06 | \$17.95 |
| Industrial | \$10.02 | \$10.44 | \$10.97 |
| Outside City | \$8.19 | \$8.53 | \$8.94 |

| Portion of increase greater than cap (referrable) | | | |
|--|------------------------------|-----------------------|-----------------------|
| Monthly Wastewater Rates | | | |
| Customer Class | Current Through Dec 31, 2016 | Effective Jan 1, 2017 | Effective Jan 1, 2018 |
| Service Charge (\$/Month) | \$20.66 | \$0.00 | \$0.38 |
| Multifamily Unit Charge | \$18.24 | \$0.00 | \$0.42 |
| Volume Charge (\$/ccf) | | | |
| Single Family | \$8.19 | \$0.05 | \$0.00 |
| Multifamily | \$8.19 | \$0.05 | \$0.00 |
| Commercial - 1 | \$8.19 | \$0.05 | \$0.00 |
| Commercial - 2 | \$10.02 | \$0.08 | \$0.00 |
| Commercial - 3 | \$16.37 | \$0.17 | \$0.00 |
| Industrial | \$10.02 | \$0.08 | \$0.00 |
| Outside City | \$8.19 | \$0.05 | \$0.00 |

* The calculation of the "rates not subject to the referral process effective **January 1, 2018**" as shown above are based on a 4.2% increase above the January 1, 2017 rates in the "Council Approved Rates" columns above. This assumes that rates are not lowered through the referral process. If rates were lowered through the referral process, this could lower the "rates not subject to the referral process" for January 1, 2018, as these "year 2" rates would be based on 4.2% of the lower, *actual* referred rates from year 1. For example, if the rate effective January 1, 2017 (year 1) was \$8.58, of which \$8.53 was not eligible for referral, the assumed rate "not subject to the referral process for January 1, 2018" (year 2) will be calculated as a 4.2% increase on \$8.58, resulting in \$8.94 (as shown above), unless the year 1 rates were lowered through the referral process, which would produce a "year 2" rate based on the "year 1" rate of \$8.53, resulting in a \$8.89 amount "not eligible for referral" in year 2.