

RESOLUTION NO. 1128

A RESOLUTION AUTHORIZING AN INTERIM INCREASE IN FEES FOR USERS OF THE CITY OF WILSONVILLE SEWAGE DISPOSAL SYSTEM AND AMENDING RESOLUTION NO. 1059.

WHEREAS, the City of Wilsonville is currently conducting a sewer and water rate and systems development charge study; and

WHEREAS, the aforementioned study is expected to be completed and presented to the City Council for approval in September of 1994; and

WHEREAS, the sewer operating fund will have a deficit fund as of June 30, 1994 of \$350,000; and

WHEREAS, the sewer operating fund's current operating revenues are not sufficient to cover its current operating costs; and

WHEREAS, the City Council must give due consideration to the need to maintain and repair the City's wastewater treatment plant and collection system and meet the demands placed on it; and

WHEREAS, the City Council has determined that it must secure the financial position of the sewer operating fund and, therefore, has determined that sewer user fees be increased seventy-five percent (75%) to help accomplish this need; and

WHEREAS, the City Council has determined that such an increase will be an interim rate increase subject to retroactive adjustment once the results of the rate study are approved and adopted by the City Council.

NOW, THEREFORE, THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

- 1) Sewer user fees listed in the table in Resolution No. 1059 are replaced by the user fee schedule below, effective October 1, 1994.

SEWAGE DISPOSAL USER FEE SCHEDULE

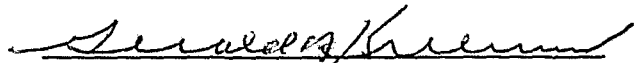
| <u>CATEGORY</u> | <u>MINIMUM MONTHLY CHARGE</u> | <u>MINIMUM BILLING PERIOD CHARGE</u> | <u>USER FEE</u> |
|---|---------------------------------|--------------------------------------|-----------------|
| Residential Single Family Dwelling Unit | \$18.04/month per dwelling unit | \$36.08 per billing period | N/A |

| | | | |
|---|-------------------------------------|----------------------------|-----------------------|
| Residential Multi Family Dwelling Unit | \$18.04 per month per dwelling unit | \$36.08 per billing period | N/A |
| Commercial/Industrial Users Connected to City Water System | \$33.06 per month per unit | \$66.12 per billing period | .0173/cu ft per month |
| Commercial Users Not Connected to City Water System | \$33.06 per month per unit | \$66.12 per billing period | .0173/cu ft per month |
| Commercial/Industrial Users Whose Domestic Water Consumption, Less Irrigation Water Use is Proportionately A Minimum of Three (3) Times Greater than the Measured Sanitary Sewer Discharged | \$33.06 per month per unit | \$66.12 per billing period | .0173/cu ft per month |

2) The above table represents interim sewer rates and these rates will be adjusted, if necessary, once the results of the rate study are approved and adopted by the City Council.

CONSIDERED by the City Council of the City of Wilsonville at a regular meeting thereof this 1st day of August, 1994, at which time the resolution was continued until August 15, 1994.

ADOPTED by the City Council of the City of Wilsonville at a regular meeting thereof this 15th day of August, 1994 and filed with the Wilsonville City Recorder this date.

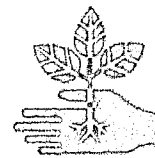

 GERALD A. KRUMMEL, Mayor

ATTEST:


 VERA A. ROJAS, CMC/AAE, City Recorder

SUMMARY of Votes:


Mayor Krummel AYE
 Councilor Lehan AYE
 Councilor Benson AYE
 Councilor Hawkins AYE
 Councilor Sempert AYE



City of
WILSONVILLE
in OREGON

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**FINANCE DEPARTMENT
STAFF REPORT & RECOMMENDATION**

DATE : July 13, 1994
TO : Honorable Mayor and City Council
FROM : Tom Jowaiszas 
Finance Director
RE : Interim Sewer Rate Increase

Summary

The Sewer Operating Fund is estimated to have a deficit fund balance of \$350,000 on June 30, 1994. In addition, the sewer fund's current operating revenues are not sufficient to cover its ongoing operating costs. As a result, the sewer fund's deficit fund balance will continue to grow. The sewer fund's deteriorating financial position as well as the need to expand the existing plant have resulted in the need to conduct a rate study.

The city has hired CH2M Hill to conduct a sewer and water rate and systems development charge study. As part of this study, a citizens advisory task force has been formed with representatives from all of the various customer groups (residential, commercial and industrial). The study is scheduled to be completed by the end of August and a recommendation should go to the City Council in September of 1994. As a result, any change to the city's rate structure would not be able to go into effect until November 1, 1994, at the earliest.

The City Council requested staff to develop a resolution adopting an interim sewer rate increase of seventy-five percent (75%) to be implemented effective October 1, 1994. This increase should be applied to all of the sewer system's customers. The interim rate increase should be subject to adjustment once the results of the study are completed and adopted by the City Council.

Recommendation

Adopt resolution CB-R- 816 -94.

FINANCE DEPT STAFF REPORT/RECOMMENDATION
JULY 13, 1994
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Background

As part of the city's budget process for FY '94-'95, a detailed financial analysis was performed of all of the city's operating funds. This analysis revealed that the city's sewer operating fund was going to have a deficit fund balance of approximately \$350,000 on June 30, 1994. Based on the sewer fund's current rate structure, this deficit fund balance is expected to grow by approximately \$20,000 a month during FY '94-'95.

The city's current sewer treatment plant is rapidly approaching capacity. There is a need to expand the existing plant and construction needs to begin no later than FY '95-'96. The city's Community Development Director, Eldon Johansen, has estimated that the needed plant expansion will cost approximately \$6,000,000.

The sewer plant's deteriorating financial position and the need to expand the existing plant in the very near future were the primary reasons the city decided to conduct a sewer and water rate and systems development charge study. The city conducted a competitive bidding process and CH2M Hill was selected by the city to perform the rate and systems development charge study.

As part of the rate study, a citizens advisory task force was formed. The task force has representatives from all of the sewer and water utility customer groups. The first meeting of the task force was held July 11, 1994, and the final meeting is scheduled to take place on August 24, 1994. The study is expected to be completed by the end of August, 1994 with the results of the study and a recommendation being forwarded to the City Council in September. Based on this schedule, a new rate structure would not be implemented prior to November 1, 1994. However, the authorization for the new rate structure would be in place.

Another complicating factor is the "son of Ballot Measure 5" that will be on the ballot in November. If this measure passes, it's possible that any rate increase would have to be referred to a vote of the citizens. This measure would require that such rate increases be voted on only at the primary and general elections during even numbered years and during two elections to be established by the legislature during odd numbered years. There is no way of knowing when those off year election dates would occur. So, it is possible that this election would not occur until late in the spring of 1995. Such a delay would cause the sewer fund's deficit balance to exceed \$500,000.

TJ:gp

pc: Jerry Krummel, Mayor
Charlotte Lehan, Councilor President
Joanna Hawkins, Councilor
Dean Sempert, Councilor
Steve Benson, Councilor

Arlene Loble, City Manager
Mike Kohlhoff, City Attorney
File