

RESOLUTION NO. 2019-26

**RESOLUTION FIXING WATER RATES FOR THE
CITY OF FOREST GROVE, EFFECTIVE JULY 1, 2019,
AND REPEALING RESOLUTION NO. 2018-50**

WHEREAS, Forest Grove Code Section 50.07 authorizes the City Council to fix water rates by resolution; and

WHEREAS, the City Council has determined that water fund revenue requirements will necessitate that water rates be increased by two (2%); and

WHEREAS, a duly-noticed Public Hearing was held June 10, 2019.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:

Section 1: That the water rates within the city limits of Forest Grove shall be as follows:

SF RESIDENTIAL CUSTOMER CLASS				
METER SIZE	BILLING INTERVAL RATE	MONTHLY USAGE RATES		
		TIER 1	TIER 2	TIER 3
		0 kgal to 7 kgal	7 kgal to 15 kgal	15 kgal & Over
3/4" & Less	\$25.67	\$1.94	\$4.11	\$5.96
1"	\$35.93	\$1.94	\$4.11	\$5.96
1.5"	\$52.98	\$1.94	\$4.11	\$5.96
2"	\$73.47	\$1.94	\$4.11	\$5.96

MF RESIDENTIAL CUSTOMER CLASS			COMMERCIAL CUSTOMER CLASS		
METER SIZE	BILLING INTERVAL RATE	MONTHLY USAGE RATE (kgal)	METER SIZE	MONTHLY FIXED RATE	MONTHLY USAGE RATE (kgal)
3/4" & Less	\$25.67	\$2.79	3/4" & Less	\$25.67	\$2.96
1"	\$35.93	\$2.79	1"	\$35.93	\$2.96
1.5"	\$52.98	\$2.79	1.5"	\$52.98	\$2.96
2"	\$73.47	\$2.79	2"	\$73.47	\$2.96
3"	\$94.32	\$2.79	3"	\$116.76	\$2.96
4"	\$139.10	\$2.79	4"	\$190.39	\$2.96
6"	\$263.37	\$2.79	6"	\$337.63	\$2.96
8"	\$412.55	\$2.79	8"	\$530.95	\$2.96

INDUSTRIAL CUSTOMER CLASS			COMPOUND METERS		
METER SIZE	BILLING INTERVAL RATE	MONTHLY USAGE RATE (kgal)	MONTHLY FIRE SERVICE CHARGE	\$73.85	MFR compound meter example: 2" domestic plus compound meter: \$140.22
3/4" & Less	\$25.67	\$2.57			
1"	\$35.93	\$2.57			
1.5"	\$52.98	\$2.57			
2"	\$73.47	\$2.57	FIRE SERVICE		
3"	\$134.45	\$2.57	MONTHLY FIRE SERVICE CHARGE	\$8.90	
4"	\$201.78	\$2.57			
6"	\$388.79	\$2.57			
8"	\$613.17	\$2.57			

	USAGE RATE (kgal)
FIRE HYDRANT WATER <i>(permit required)</i>	\$3.34

	ANNUAL RATE
WATER STAND-BY SERVICE <i>(meter out of service for 7+ months)</i>	\$64.80

Section 2: That the following rules shall govern the definition of various customer classes:

- a. Whenever one water meter serves more than one type of customer class, the higher of the two rates shall be charged for all water used.
- b. In order to be classified as a residential water user, the water customer must meet the following definition:

The term residential user is applicable to all single family, multiple family, and mobile home buildings where residential customers receive metered water service, and which structures house family dwelling units. A residential dwelling unit is defined to include dwelling units designed for permanent occupation by family and which include kitchens and bathroom facilities.

- c. In order to be classified as an industrial water user, a water utility customer must meet all three requirements listed below:

- (1) A water system customer's status is determined by using the Standard Industrial Classification Manual and the customer must belong to a major industrial group in Division A (agriculture, forestry, and fishing), Division B (mining), Division D (manufacturing), or Division F (wholesale trade) as defined in most current Standard Industrial Classification Manual.
 - (2) A water system customer's historical annual water use, documented by City of Forest Grove Water Utility water billing records, must equal or exceed an average of 10,000 gallons per day.
 - (3) A water system customer's water meter size must equal or exceed two inches in diameter.
- d. A water user who does not meet the requirements contained in Section 2(b) residential user or section 2(c) industrial user shall be classified and billed for water as a commercial class customer.
 - e. Any water taken from fire hydrant or other unmetered facility other than for an authorized city use shall be charged at the rate listed in Section 1 above for Fire Hydrant Water, plus the current permit fee.

Section 3: That the billing interval charge when there is no water consumption shall be the billing interval fixed rate contained in Section 1 of the meter size and customer class for the service being provided.

Section 4: That the following rules shall govern the definition of a meter on stand-by service:

- a. A meter on stand-by service is out of service;
- b. The property owner may make application for stand-by service to the City, or the City may place a water meter on stand-by at its discretion after seven (7) or more months of non-use;
- c. The water meter must be out of service for seven (7) or more consecutive months from the date the property owner applies, or the seven (7) preceding months if the City places a meter on stand-by;
- d. If a meter is taken off of stand-by service before the passage of seven (7) consecutive months, Section 3 will apply retro-actively from the date the meter was placed on stand-by;
- e. Once brought back into service, the water meter must remain in service for twelve (12) consecutive months before becoming eligible to be placed on stand-by service again;
- f. If the water meter remains on stand-by service for sixty (60) or more consecutive months, in order to put the meter back in service, the prevailing meter drop-in charges will apply.

Section 5: That the applicable rate for water service outside the city limits shall be those contained in Section One (1) through Section Four (4), plus 100%, except as otherwise noted.

Section 6: The above water rates shall become effective July 1, 2019.

Section 7: Resolution No. 2018-50 is hereby repealed upon the effective implementation date of the foregoing water rates.

Section 8: This resolution is effective immediately upon its enactment by the City Council.

PRESENTED AND PASSED this 10th day of June, 2019.



Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 10th day of June, 2019.



Peter B. Truax, Mayor



A place where families and businesses thrive.

<i>CITY RECORDER USE ONLY:</i>	
AGENDA ITEM #:	10.
MEETING DATE:	06/10/2019
FINAL ACTION:	RESO 2019-26

CITY COUNCIL STAFF REPORT

TO: City Council

FROM: Jesse VanderZanden, City Manager

MEETING DATE: June 10, 2019

PROJECT TEAM: Paul Downey, Administrative Services Director
Greg Robertson, Public Works Director

SUBJECT TITLE: Water Rate Increase Effective July 1, 2019

ACTION REQUESTED: Ordinance Order Resolution Motion Informational

X all that apply

ISSUE STATEMENT: The attached resolution for Council consideration proposes to increase water rates by a system-wide average of 2.0% effective July 1, 2019.

BACKGROUND: The City hired FCS Group in 2011 to perform a cost of service analysis to ensure that water rates were recovering adequate revenue in an equitable manner. In 2015, the City hired FSC Group to perform an updated water rate analysis due to significant revisions in the capital improvement program. The revisions were mostly due to changes in the JWC capital program with larger capital expenditures being moved out to future years. The results of that update was a need for the City to increase water rates by a system-wide average of 3.5% for the next several years to pay for ongoing operational expenses and to fund needed investments to maintain and expand the water capital infrastructure.

Staff has reviewed the Water Fund’s financial position. The Water Fund Balance has been increasing faster than expected due to revisions in the timing of capital projects and better than expected net revenue from the annual timber harvest in the City’s watershed. An update of the Water Master Plan is underway which will include a revised long-term capital project list. After the master plan update is complete, the City will update the water rate analysis and the Water System Development Charge (SDC) to analyze the need for future water rate increases.

Due to the above factors, staff is proposing to lower the forecasted 3.5% increase to 2.0% for FY 2019-20 to cover increasing operational costs while the master plan is being completed and the rate analysis updated. The rate increase will be applied equally across-the-board to all customer classes. The fee for Water Stand-By Service has been moved from the general fee schedule to this Water Rate Schedule and increased by 2.0% to match the increase for the other rates.

For a single-family residential user using 7,000 gallons of water per month, the proposed 2.0% increase means the water bill will increase by about \$0.78 per month.

A chart comparing how Forest Grove's residential water rates using 7,000 gallons per month compares with the other agencies in the Joint Water Commission is attached.

FISCAL IMPACT: The proposed rate increase and the adjustment to the residential rate schedule should be adequate to fund operational requirements and to continue to set funds aside for upcoming planned capital improvement projects with the goal of not having to borrow additional funds until the existing Water Fund debt is paid in 2023.

STAFF RECOMMENDATION: Staff recommends the City Council approve the attached resolution.

ATTACHMENT(s):
Resolution

Costs for Average Single-Family Residence

	Current Cost	Proposed Cost	Increase	
Electricity	<u>87.11</u>	<u>91.08</u>	<u>3.97</u>	
Water	<u>38.47</u>	<u>39.25</u>	<u>0.78</u>	
Sewer				
CWS	33.28	34.22	0.94	
City	<u>15.47</u>	<u>15.92</u>	<u>0.45</u>	
Total	<u>48.75</u>	<u>50.14</u>	<u>1.39</u>	
SWM				
CWS	2.19	2.31	0.12	
City	<u>7.52</u>	<u>7.94</u>	<u>0.42</u>	
Total	<u>9.71</u>	<u>10.25</u>	<u>0.54</u>	
Total - All Utilities	<u>184.04</u>	<u>190.72</u>	<u>6.68</u>	3.6%

Date: JUNE 10, 2019

Agenda Item: 10.

Subject: RESOLUTION NO. 2019-26 FIXING WATER RATES (2% INCREASE) FOR THE CITY OF FOREST GROVE, EFFECTIVE JULY 1, 2019, AND REPEALING RESOLUTION NO. 2018-50

CITY COUNCIL MEETING

Request to Testify at Public Hearing

Public Hearings – Public hearings are held on each matter required by state law or City policy. Anyone wishing to testify should sign-in for the Public Hearing prior to the meeting. The Mayor or presiding officer will review the complete hearing instructions prior to testimony. The Mayor or presiding officer will call the individual or group by the name given on the sign-in form. When addressing the Mayor and Council, please move to the witness table (center front of the room). Each person should speak clearly into the microphone and must state their first and last name and provided a mailing address for the record. All testimony is electronically recorded. In the interest of time, Public Hearing testimony is limited to three minutes unless the Mayor or presiding officer grants an extension. Written or oral testimony is heard prior to any Council action.

Please sign-in below to testify:

PROPONENTS: (Please print legibly)

First & Last Name:

Address:

City, State & Zip Code:

OPPONENTS: (Please print legibly)

First & Last Name:

Address:

City, State & Zip Code:

Margaret Ledford

2403 26th Ave F.G. OR 97116

OTHERS: (Please print legibly)

First & Last Name:

Address:

City, State & Zip Code:

Testimony 6/10/19
Item 9-12

**OPPOSITION TO CITY OF FOREST GROVE'S PROPOSED
UTILITY RATE INCREASES OF 17.1%
JUNE 10, 2019**

2403 21st Ave Forest Grove OR 97116

~ \$17,000/yr

Good evening council members. My name is Margaret Ledford. I moved here in May of 2001 to raise my daughter, Emmeline. I am 53 years old and am disabled under the Social Security Administration Act. My limited income will not allow me to keep paying the high utility increases year after year that this city imposes. This is the first time in the 18 years of my residency that I have appeared before this council. Never before have I been so strongly led to speak as I am now. I wish to keep my home here, but must do so within my income.

I am a
home
owner.

I speak not only for myself but for other low income residents, others with disabilities and for the elderly. Struggling to stay in their homes. I ask you to listen to me as a representative of them.

Last year the city imposed a 13.5% utility increase and now this year it is 17.1%. I work hard to conserve my electricity and water usage, but feel my efforts are futile with such increases. I am opposed to these drastic increases and to the largest portion of my utility bill being sanitary sewer. I currently pay \$439.56 per year for sewage alone. Can the sewage portion be removed or at least lessened? What is generating this huge increase?

We ask that you reduce the proposed rate and implement a tiered discount program for all low income residents, including seniors and those with disabilities. We cannot afford these high increases year after year. We don't want to have our power shut off and eventually become part of the homeless population.

Thank you for listening to us.

