



City of Nehalem
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ORDINANCE 2006-03

AN ORDINANCE PROVIDING RULES, REGULATIONS & FEES FOR THE CITY WATER SYSTEM; REPEALING CERTAIN ORDINANCES AND RESOLUTIONS; AMENDING ORDINANCE 2001-06, ATTACHMENT A; AND DECLARING AN EMERGENCY

THE CITY OF NEHALEM DOES ORDAIN AS FOLLOWS:

Article I. Title & Purpose

Section 1.1 Title. This *Ordinance* shall be known as the "City of Nehalem Water Ordinance."

Section 1.2 Purpose. The purpose of this *Ordinance* is to establish the rules and regulations governing the City's water system, including the installation of service connections, customer methodology and fees for service, and other items related to the overall management of the system.

Article II. Definitions

Section 2.1 Definitions. The following words and phrases shall have the following meaning within this *Ordinance*:

- (a) **Abandoned Service.** A once-active service which has been shut off and unpaid for more than six (6) billing periods from the date of the original delinquency.
- (b) **Base Monthly Gallons.** The minimum amount of water provided to a customer for use for which a base water rate is derived.
- (c) **Base Water Rate.** The minimum charge for an amount of base monthly gallons available to a customer.
- (d) **Billing Cycle.** The period upon which water meters are read on or about the 20th day of each month to establish a customer's water charge for the next Billing Period.
- (e) **Billing Period.** The period between the 1st day of each month until the 20th day of that same month, when accrued water charges are due to the City for water usage during the preceding billing cycle.
- (f) **City.** The City of Nehalem; any area inside the corporate boundaries of the City of Nehalem.
- (g) **City Council, Council.** The Common Council of the City of Nehalem.
- (h) **Customer.** The owner of record of the property which is served by the City water system. Also, a person or persons purchasing property under contract, deed of trust, mortgage or other such instruments, will for the purposes of this Ordinance, be deemed to be the customer.
- (i) **Equivalent Residential Unit (ERU).** A unit of measurement which serves as an index to compare the normal water usage of a single-family residential customer to other multi-use and non-residential customers, to ensure that all customers (excepting wholesale customers) are charged the same per 1,000 gallon base

rate. A single-family residential customer shall be defined as having "1" ERU and 4,000 gallons of Base Monthly Gallons.

- (j) **Fixed Costs.** Expenditures of the Water Fund that occur regardless of any water produced, treated, stored and/or delivered to customers.
- (k) **Improvement Fee.** A fee, either separate or together with a reimbursement fee, that constitutes a System Development Charge for costs associated with capital improvements to the City's water system to be constructed or assets to be added after the date the fee is adopted, pursuant to Ordinance 97-01 or successor Ordinance.
- (l) **Overage Charge.** The charge for water used in excess of a customer's Base Monthly Gallons, on a per 1,000 gallon basis.
- (m) **Reimbursement Fee.** A fee, either separate or together with an improvement fee, that constitutes a System Development Charge for costs associated with capital improvements to the City's water system constructed or under construction on the date the fee is adopted, pursuant to Ordinance 97-01 or successor Ordinance.
- (n) **Rural.** Any area outside the corporate boundaries of the City of Nehalem
- (o) **Service Connection.** The pipe, valve and other equipment by means of which the City conducts water from its main to and through the meter. This does not include piping from the meter to the premises served.
- (p) **Subdivision.** A development consisting of four (4) or more residential units and/or their ERU equivalents within a twenty-four (24) month period.
- (q) **System Development Charge (SDC).** A reimbursement fee, an improvement fee or a combination thereof assessed or collected whenever a development (as defined, established and set in Ordinance 97-01 or successor Ordinance) occurs.
- (r) **Variable Costs.** Expenditures of the Water Fund that are directly tied to the amount of water produced, treated, stored and/or delivered to customers.
- (s) **Water Main.** Distribution pipelines that are part of the City water system.
- (t) **Water Rate, Charge.** A charge per 1,000 gallons of water used. May be comprised of a base water rate, overage charge, and/or wholesale rate.
- (u) **Water System.** All piping, reservoirs, filtration equipment, buildings, water intakes, water sources, main valves, hydrants, meters, and all other equipment, materials or buildings used to produce, treat, store and deliver water to City customers.

Article III. New Water Connections; Application

Section 3.1 **Priorities.** The City shall grant an application of service, should the customer comply with this *Ordinance* and other related administrative rules and policies of the City, on the basis of the following priority schedule, should the City determine that the City will have, at the time of the application, sufficient water supply to satisfy all the customers within the group described below to which the customer belongs and all the customers within all groups having a higher priority than the customer's group:

- (a) Individual service on existing lots and parcels, at this time, on existing adequate mains within the Incorporated City Limits of Nehalem.
- (b) Individual service on existing lots and parcels, at this time, on existing adequate mains outside of the Incorporated City Limits of Nehalem.
- (c) All other services requiring main extensions or main upgrading within the Incorporated City Limits of Nehalem, including subdivisions and partitions.
- (d) All other services requiring main extensions or main upgrading outside the Incorporated City Limits of Nehalem, including subdivisions and partitions.

Section 3.2 **Connection Fees.** Connection fees shall be composed of two parts, a hookup or service fee and a System Development Charge. Both fees, when applicable, shall be paid in full before any new connection is made to the City's water system.

- (a) Hookup or Service Fee. This fee provides for the costs of providing a service connection, and includes the costs of the meter, meter box, service control valve, miscellaneous fittings and pipe, and the labor and equipment used to install a service connection.
 - 1. This fee shall be one of two separate amounts, the difference between them being the increased cost of having to bore or trench across a paved road in order to install a connection between the customer and the main.
 - 2. This fee will not be charged for connections in subdivisions, partitions or planned developments where the service connections have been installed by the developer.
- (b) System Development Charge. This charge component provides for a share of the cost of system capacity. The System Development Charge shall be either or both a reimbursement fee or an improvement fee. The System Development Charge reimbursement and improvement fee rates, as well as the expenditure of funds raised thereby shall be defined, set and governed by *Ordinance 97-01*, and/or any successor *Ordinance*.

Section 3.3 Written Application. Each prospective customer shall make a written application for water service. The application shall be signed by the applicant and state the location of the premises for which the service is requested, the address to which bills are to be sent, information adequate to determine and establish the water rate and other fees which apply, and other such information as the City may reasonably require.

- (a) By signing the application, the customer agrees to abide by the rules and regulations of the City in regards to the water system which include this *Ordinance*, and any other successor *Ordinance* related to the system.
 - 1. The application is merely a written request for service, and does not bind the City to serve the customer.

Section 3.4 Customers desiring a material change in the size, character or extent of equipment or amount of water used must reapply for service under this *Ordinance*.

Article IV. Regular Service

Section 4.1 Generally. Water delivered through the City's water system is to be used for domestic and ancillary-commercial purposes only. Use of water for agricultural irrigation is strictly prohibited.

- (a) Service to water customers shall be subject to the rules, regulations and rates applicable and in effect at the time service is accepted or as they may be adopted or modified by Council.
 - 1. Service to customers or groups of customers may be discontinued for a failure to comply with the provisions of this *Ordinance* and related rules, regulations and administrative policies.

Section 4.2 Service Connections. The City shall furnish, install, maintain and connect to the main and own the service line from the main through and including the water meter.

- (a) No connection to or from the City mains or alteration in the service connection shall be made by anyone other than the City.
- (b) Service line sizes shall be determined by the City.

Section 4.3 Customer's Line. The customer's line shall begin at the end of the service connection and will be installed and maintained at the expense of the property owner.

- (a) The property owner shall protect such line from injury, freezing or siphonage and be responsible for all damages resulting from leaks, breaks or other similar causes and/or events.
- (b) The customer's service line shall conform to the prevailing Plumbing Code of the City, County or State, in effect at the time of installation.

Section 4.4 Third-Party Usage Restricted. No customer shall serve any other water user except his or her immediate family residing on the property, persons renting from the customer or customer's incidental invitees or guests through his/her own meter serving the existing residential or non-residential structure, without the written consent of the City.

(a) Development that results in the creation of additional ERUs on the same or adjacent property may be subject to an additional connection, connection fee, SDC, and/or increased water-related rates based on the additional ERUs.

1. Any additional ERU which is intended to be under separate ownership shall be required to install a separate connection.

Section 4.6 Abandoned Service. When a service meets the definition of "abandoned" as defined in *Section 2.1*, the water meter will be removed by the City with all further billing on the account suspended. The separate turn-on fee after discontinuance will not be charged.

(a) A new service application and reconnection fee, in addition to any amounts still owed on the original account, shall be paid in full before service is reinstated.

(b) When service is abandoned for six (6) additional months, a new service application, reconnection fee and System Development Charge shall apply and be paid in full before service is reinstated.

Section 4.7 Discontinuance of Service.

(a) The City may limit the use of water in times of shortage.

(b) The City may refuse to furnish water and may discontinue service to premises where excessive demand by one customer may result in inadequate service to others.

(c) Where wasteful or negligent water use seriously affects the general service, the City may discontinue the service if such conditions are not corrected within five (5) days after the customer is given notice to that effect.

Section 4.8 Contamination of Water Supply

(a) No owner of property or user of City water shall introduce or permit the introduction of pollution or contamination of any kind into the water system.

1. Whenever a condition is found which presents the possibility of contamination or pollution, water service to such premises and/or other such premises as is necessary shall be discontinued immediately by physical break until such condition is remedied.

(b) No owner of property, customer or user of water shall cause or allow a connection of the City's water system to any other water system or source, to include Recreational Vehicles (unless within a RV Park in compliance with subsection (c) below).

1. Such cross connections and the water supply to such premises shall be discontinued immediately until such cross connections are eliminated.

2. The control of cross connections shall be in accordance with the requirements of standard practice pertaining to cross connection control approved by the City and any requirements set forth by the *Safe Drinking Water Act, Public Law 92-523* and any subsequent applicable federal and/or state legislation, rule or law.

(c) If the City determines that a permanent physical separation from the City's water system is not practicable or necessary, or adequate inspection for cross connections cannot be made, the City may require the owner of property or customer to install, test and maintain a Backflow Prevention Device to prevent pollution or contamination of the City water supply.

1. If a Backflow Prevention Device is required by the City, the City shall prescribe the pattern, design and size of such device as it believes is reasonably adequate to prevent contamination.

2. The City shall also regulate the location, installation and testing of such devices, in accordance with all applicable state and federal requirements.

3. Any corrective measure or change required to a premises, and any testing of the Backflow Prevention Device that the City may require, shall

be at the sole expense of the owner of the property or the customer of City water.

4. The cost of any change required in the City water system up to the property line or between the property line and the meter, as well as cut off or disconnection costs, shall be added to the charge for eater against the premises or premises necessitating the expense.

Section 4.9 Private Water Supply Connections. No physical connection, direct or indirect, shall exist even temporarily between the City water supply and that of a private water supply. Where such a connection is found to exist, the City water service shall be disconnected.

- (a) The service shall not be re-established until satisfactory proof is furnished that the cross connection has been permanently severed.

Section 4.10 Non-Return Assemblies & Valves; Backflow Prevention Devices. Regulation of non-return assemblies and valves, as well as Backflow Prevention Devices, including but not limited to the inspection for the need of such devices and required testing, performed solely at the customer's expense, shall be administered in accordance with all applicable rules, regulations and standards of the Oregon Health Department, and any other such state and/or federal rule, regulation or standard as applicable.

Section 4.11 Temporary Shutdowns. Temporary shutdowns of water service may be required by the City to make repairs or improvements to the system. Whenever possible, and as time may permit, affected customers shall be notified prior to a shutdown. The City shall not liable for any damage resulting from interruption in service.

Article V. Temporary Service

Section 5.1 For any service connection the City believes will not be necessary for more than three (3) months, applicants shall be required to pay, in advance, the cost of installing a meter and a monthly water charge in accordance with *Section 13.1*.

- (a) If such service becomes a full-time connection, the SDC shall be paid immediately or service may be terminated.
- (b) Such service shall be terminated after three (3) months, unless an extension of time is granted in writing by the City.
- (c) The rate charged shall be what the City Manager determines is most appropriate for the circumstances, using current methodology and rates then in effect, for a similarly situated customer.

Article VI. Water Meters; Service Control Valve

Section 6.1 Generally. Water meters are required for all customers of the water system.

Section 6.2 Location; Access. Every meter location shall be designated by the City. Ordinarily, the meter and related fittings shall be installed within a public right-of-way outside the buildings or fence, as near the main as practical.

- (a) The meter may be located on private property, but only when a location within a public right-of-way is impractical.
 1. When a meter is located on private property, and as a condition preceding service to the customer, an easement or other written permission, satisfactory to the City, shall be required of the property owner giving the City the right to locate the meter on the relevant property and providing sufficient authority and area so as to allow the City to install, maintain, read and upgrade the meter at the City's discretion.

- (b) Access to Water Meters. Access to water meters, whether on private property or within a public right-of-way, must remain unobstructed so that meter reading, repair or replacement can be done unimpeded and unimpaired.

Section 6.3 Multiple-unit Customers. Each separate residence or equivalent residential unit shall be metered separately, where possible. However, if one building or property houses two or more residential or equivalent residential units, water may be served through a single meter where it is impractical or impossible to serve each single use through separate meters, solely at the discretion of the City.

- (a) In making its determination, the City may base such decisions on whether the intended use(s) will be owned separately (duplexes) or under single-ownership (condominiums, RV Parks, etc.), in order to conclude whether multiple meters are warranted.

Section 6.4 Meter Error. A customer may request the City to test the meter servicing their property. The customer will be notified, prior to the meter being removed, to verify the ID number of the meter.

- (a) The customer shall deposit an amount to cover the reasonable cost of the test, as listed within this *Ordinance*.
 1. The deposit will be returned if the meter is found to register more than two percent (2%) fast or four percent (4%) slow.
- (b) If the test result reads over two percent (2%) fast or four percent (4%) slow, the customer's bill will be credited or debited with an adjustment based on corrected meter readings for a period not exceeding four (4) months.

Section 6.5 Service Control Valve. The City shall install a service control valve on the customer's side of the meter, at the same time a meter is installed. The purpose of this valve is to control the entire water supply from the service connection to a customer. After installation, the valve and related fittings shall belong to the customer for the customer's use.

- (a) At no time shall a customer be permitted to operate the curb stop in the meter box as a means to control the water supply from the meter or main, to their property.

Article VII. Payment of Bills

Section 7.1 Generally. Water bills shall be charged on a monthly basis for all customer classes. There shall be no part-time or seasonal service billing rates.

Section 7.2 Responsibility. The customer shall be solely responsible for the payment of all charges and fees proscribed within this *Ordinance* or any succeeding *Ordinance*.

- (a) Upon written request of the customer, the City may bill a renter of the customer directly, with the understanding that the owner remains fully responsible.

Section 7.3 Billing Cycle; Period.

- (a) Billing Cycle. Water meters shall be read monthly on or about the 20th day of each month and shall be the basis for water bills in the next billing period.
- (b) Billing Period. Water bills shall be mailed to each customer by the 1st day of each month following the billing cycle. Each water bill shall be due to the City by the 20th day of the same month of the billing period.

Section 7.4 Requirement to Pay for Actual or Estimated Water Use. Failure to read a water meter does not relieve a customer's obligation to pay for actual or estimated water use.

- (a) In the event it is impossible or impractical to read a meter during the billing cycle, water bills shall be computed using one of the following methods, at the City's discretion:

1. The consumption by the customer for the same month of the preceding year;
2. The consumption by the customer during the most recent billing period; or
3. The yearly average for the preceding year.

Section 7.5 Past Billing Errors. The City will refund or re-bill customers upon the discovery of incorrect billings due to technical, clerical or mechanical errors or omissions. Re-billings and refunds shall be limited to four (4) months.

- (a) This policy shall not apply to cases involving customer water theft, diversion, meter tampering or customer damage to City property. Such re-billings shall go back as far as the City determines the infraction(s) began.

Section 7.6 Lien for Services to Multi-Family/Multi-Use Buildings and Properties. The City may file a lien for all water charges that are not paid for any multi-family buildings and/or multi-use properties that are either served through a single meter or are billed as a single "use," when the City, at its option, determines not to shut off service.

- (a) Whenever a bill for water service remains unpaid ninety (90) days after it has been rendered, the lien thereby created may be foreclosed in a manner provided for by *ORS Chapter 223*, or in any other manner provided by law.

Section 7.7 Non-Payment of Bills. If water charges are not paid on or before the end of the billing period, an additional charge will be assessed for late payment. A late notice shall be sent by first-class mail to the customer if full payment has not been received within fifteen (15) days after the billing period has closed. The late payment charge shall be an amount designed to recover the approximate average cost to the City that is occasioned by a payment being late.

- (a) If full payment of all owed and cumulative water charges to-date have not been paid prior to the end of the next billing period, a Discontinuance of Service Notice or other notice of water service termination will be sent by certified mail.
 1. If full payment has not been made within five (5) business days of the certified mailing, a Shut Off Notice will be posted on the premises of the customer stating that service will be shut off in twenty-four (24) hours.
- (b) Once a service has been shut off under this *Section*, it will not be turned on again until all delinquent and accrued payments have been made in full, in addition to a turn-on fee as listed in *Section 13.1*.

Section 7.8 Fraudulent Payment. Service may be discontinued when a fraudulent payment has been received by the City.

Article VIII. Subdivisions, Partitions & Planned Developments

Section 8.1 On-Site Improvements. The developer of a subdivision shall be responsible for the design and installation, at his/her sole expense, of that portion of the water system to be located within the subject property, including all service connections, valves, meters, etc., unless a separate agreement with the City is made in regards to paying for the actual installation of each connection at the time the connection is made. All work and materials must be furnished in conformance with City standards.

- (a) Larger Main Required. When the City's Master Water Plan calls for a larger main within a proposed subdivision than would be otherwise required, it shall be the responsibility of the primary developer to provide and install, to City specifications, such larger main at his/her cost.
 1. If this difference in size is attributable to vacant land indicated for development in the *Comprehensive Plan*, the cost difference shall be charged as an off-site cost to the secondary developer of such vacant land and rebated to the primary developer if that land is secondarily developed within ten (10) years of the larger main's installation.

- Section 8.2 Off-Site Improvements.** The developer of a subdivision shall pay for all off-site costs required to provide adequate service to the subdivision.
- (a) Larger Main Required. When the City's Master Water Plan calls for a larger main providing service to a proposed subdivision than would be otherwise required for adequate service to the subdivision, it shall be the responsibility of the primary developer to provide and install, to City specifications, such larger main.
 - 1. If this difference in size is attributable to vacant land indicated for development in the *Comprehensive Plan*, the cost difference shall be charged as an off-site cost to the secondary developer of such vacant land and rebated to the primary developer if that land is secondarily developed within ten (10) years.
 - (b) Where the City determines that it is necessary or desirable to upgrade or extend existing mains serving other areas, the developer must pay the developer's share of such upgrading where the City determines that the subdivision will benefit from such upgrade and/or extension.
 - (c) The developer shall pay for the developer's share, as determined by the City, for any of the water system's main lines or main extensions that have occurred in the past ten (10) years that may benefit the proposed subdivision.

- Section 8.3 Rates & Charges.** Water rates, connection fees and System Development Charges shall be on the same basis as individual services.

Article IX. Main Extensions & Upgrading

- Section 9.1 Generally.** The City shall have a regular on-going program of upgrading the existing water system, when monies are available, to meet the sizing and demand requirements contained within the City's Master Water Plan.

- Section 9.2 Location & Standards.** All mains shall be built in public right-of-ways or in easements purchased by or granted to the City for construction and future maintenance.
- (a) All main extension construction shall be to City standards.

- Section 9.3 Cost-Sharing Agreements.** When added capacity for mains is required in the City's upgrading program, based on the Master Water Plan, to provide service for proposed development on vacant land, the City may require a cost-sharing agreement with affected property owners of such vacant land.
- (a) When an owner of undeveloped land declines to enter into a cost-sharing agreement and the City deems it necessary to go ahead with the construction, it may do so and charge the owner's share as an off-site cost if the property is developed within ten (10) years of the upgrading.

- Section 9.4 Cost of Main Extensions.** The cost of main extensions shall be paid for by the property owners benefiting from such extensions.
- (a) When an owner of undeveloped land declines to enter into a cost-sharing agreement and the City deems it necessary to go ahead with the construction, it may do so and charge that property owner's share as an off-site cost if the property in question is developed within ten (10) years of the extension construction.

- Section 9.5 Larger Main Required.** When the City's Master Water Plan calls for a larger main than would be normally required to provide future service for proposed development of vacant land, the City shall pay the difference in material cost.
- (a) If this difference in cost is attributable to vacant land indicated for development in the *Comprehensive Plan*, the cost difference shall be charged as an off-site cost to the secondary developer of such vacant land at such time as that land is

developed, so long as such development occurs no later than ten (10) years after the main is installed.

- Section 9.6 Fire Flows; Hydrants.** All new mains shall be sized to provide flows meeting underwriter standards, as well as any other applicable and prevailing standard, for fire protection flows as well as projected future water demands.
- (a) All mains supply a fire hydrant shall be no less than six (6) inches in diameter, with all hydrants being no less than five (5) inches in diameter.

Article X. Damage to Water System; Tampering

- Section 10.1 Generally.** No person shall inadvertently, intentionally, negligently or otherwise damage or injure any of the pipes, valves, Backflow Prevention Devices, meters, locks, seals or other property belonging to the City or used in connection with the City water system.
- (a) In addition to any criminal and/or civil fines or penalties as contained within this *Ordinance*, or applicable under state and/or federal law, any person causing such damage or injury shall be charged for all costs relating to such damage or injury, including those of third persons and including the cost of repairing such damage or injury, including labor, materials and overhead.
- (b) Failure to pay all related charges shall be deemed a basis for discontinuance of water service, in addition to any other remedy available to the City under state, federal and/or local law.
- Section 10.2 Tampering with Service.** Service may be discontinued when locks and/or seals have been tampered with or removed from the meter assembly, when water service has been turned on by someone other than an authorized City employee, and/or other unauthorized use of the City's water meter or water main valves.
- (a) In addition to or in lieu of discontinuance of service, the City may impose a civil penalty as contained herein. Failure to pay this penalty may lead to a discontinuance of service in itself.

Article XI. Water Rates & Methodology

- Section 11.1 Generally.** Water rates shall be designed to maintain an adequate level of funding for water-related operations and capital replacements. Rates should be set to cover all water system related operational expenditures, including Depreciation; as well as other operational and capital expenditures as determined by the City Council, from time-to-time.
- (a) The City shall review water rates annually to ensure that rates cover all operational expenditures and depreciation first, then other expenditure requirements as needed.
- Section 11.2 Outside City Rate Differential.** Water customers outside the Incorporated City Limits of Nehalem shall pay a higher rate than those customers within the City to cover those shared expenditures inherit within the City's Fiscal Year Budget that are not paid or accounted for by customers outside the City's Limits; shall be based on the same ERU basis as water rates, for each customer; and shall be reviewed periodically to ensure equity, fairness and applicability.
- (a) Such shared expenditures include, but may not be limited to:
1. Shared Personnel in the General and Street Funds; Advertising/Public Notices (General Fund – Administration Department); Materials & Supplies (General Fund – Administration Department); Bank Service Charge (General Fund – Administration Department); Supplemental Expenses (General Fund – Administration Department); and General Fund Non-Departmental Department.

2. The formula to calculate the additional monthly rate shall be by taking the total amount of shared expenditures times the total percentage of single-family residential customers, divided by the total number of single-family residential customers, divided by 12. This number is then rounded to the nearest half-dollar.
- (b) Rate Set. Based on this formula, and beginning with the 2005-2006 Fiscal Year, water customers outside the Incorporated City Limits of Nehalem shall pay an additional \$8.00 per ERU more in their base monthly water bill than those customers inside the Incorporated City Limits of Nehalem.
- (c) This Outside City Rate Differential shall be reviewed periodically to ensure that all shared expenditures are accounted for by those customers outside of the Incorporated City Limits of Nehalem.

Section 11.3 Calculation of Water Rate. Water rates should be reviewed and derived by using the previous year's historic total billed customer usage from the date (month) of review and the next Fiscal Year's Proposed Water Fund Operational Budget, in order to derive a *per 1,000 gallon* water rate charge. The Operational Budget shall be broken down by Fixed Costs (expenditures regardless of any water treated, stored or produced) and Variable Costs (costs of actually treating, storing and/or producing water); and shall conform and account for those items in *Section 11.1*.

- (a) The Fixed Cost calculation shall be deemed to be the Base Rate, per 1,000 gallons, of all customers who are not Wholesale Customers.
- (b) The Variable Cost calculation shall be deemed to be the Overage charge (for water used over the Base Allotment), and the Wholesale Customer rate.

Example of per 1,000 Gallons Water Rate Calculation

FY 2005-2006 Water Fund Operational Budget		Breakdown by 1,000 Gals. Bill. 43,560	Breakdown by 1,000 Gals. Billed			
			Fixed		Variable	
			%	Year	%	Year
Personal Services	\$ 188,681.00	\$ 4.33	70%	\$ 3.03	30%	\$ 1.30
Materials & Services	\$ 124,053.00	\$ 2.85		\$ 1.27		\$ 1.57
Base Expenses	\$ 19,703.00	\$ 0.45		\$ 0.17		\$ 0.29
6010 Utilities	\$ 11,985.00	\$ 0.28	10%	\$ 0.03	90%	\$ 0.25
6020 Insurance	\$ 7,718.00	\$ 0.18	80%	\$ 0.14	20%	\$ 0.04
Operations	\$ 69,600.00	\$ 1.60		\$ 0.57		\$ 1.01
6035 Billing Supplies	\$ 5,000.00	\$ 0.11	0%	\$ -	100%	\$ 0.11
6040 Professional Services	\$ 8,500.00	\$ 0.20	80%	\$ 0.16	20%	\$ 0.04
6043 Engineering/Consulting	\$ 5,000.00	\$ 0.11	80%	\$ 0.09	20%	\$ 0.02
6060 Advertising & Public Notices	\$ 1,000.00	\$ 0.02	10%	\$ 0.00	90%	\$ 0.02
6085 Testing (water)	\$ 4,000.00	\$ 0.09	0%	\$ -	100%	\$ 0.09
6090 Gas, Oil & Accessories	\$ 4,500.00	\$ 0.10	40%	\$ 0.04	60%	\$ 0.06
6120 Filtration Plant Operation	\$ 20,000.00	\$ 0.46	0%	\$ -	100%	\$ 0.46
6130 Chemicals & Supplies	\$ 1,500.00	\$ 0.03	0%	\$ -	100%	\$ 0.03
6140 Materials & Supplies	\$ 20,000.00	\$ 0.46	60%	\$ 0.28	40%	\$ 0.18
6220 Refunds	\$ 100.00	\$ 0.00	0%	\$ -	100%	\$ 0.00
Maintenance & Repairs	\$ 32,000.00	\$ 0.73		\$ 0.51		\$ 0.23
6300 Maintenance & Repair	\$ 20,000.00	\$ 0.46	50%	\$ 0.23	50%	\$ 0.23
6390 Dams M/R	\$ 6,000.00	\$ 0.14	100%	\$ 0.14	0%	\$ -
6400 Reservoir M/R	\$ 6,000.00	\$ 0.14	100%	\$ 0.14	0%	\$ -
Supplemental Expenses	\$ 2,750.00	\$ 0.06		\$ 0.02		\$ 0.04
6520 Food & Travel	\$ 1,000.00	\$ 0.02	10%	\$ 0.00	90%	\$ 0.02
6530 Training	\$ 1,000.00	\$ 0.02	10%	\$ 0.00	90%	\$ 0.02
6540 Dues & Subscriptions	\$ 750.00	\$ 0.02	100%	\$ 0.02	0%	\$ -
Transfers, Loans & Repayments	\$ 35,743.00	\$ 0.82		\$ 0.82		\$ -
8070 Water Rate Capital Transfer Out	\$ 35,743.00	\$ 0.82	100%	\$ 0.82	0%	\$ -
TOTAL	\$ 348,477.00	\$ 8.00		\$ 5.12		\$ 2.87
Depreciation (2003-2004, 2004-2005)	\$ 44,697.00	\$ 1.03	100%	\$ 1.03	0%	\$ -
TOTALS	\$ 393,174.00	\$ 9.02		\$ 6.15		\$ 2.87
Per Month	\$ 32,764.50					

Section 11.4 Rate Methodology. A customer's Base Water Rate and Base Monthly Gallons shall be calculated on an ERU basis, using one or more of the following Customer Classes, as applicable:

Customer Classes	ERU	Base Monthly Gallons	Customer Classes	ERU	Base Monthly Gallons
Bulk Sales	0.25	1,000	Maintenance Building w/ restroom associated - each 9 employees	1	4,000
Single-Family Residential	1	4,000	Laundromats, first washing machine	1	4,000
Apartments/Rentals	1	4,000	Each additional Washing Machine	0.5	2,000
Mobile Home Park (each space)	1	4,000	Schools, Colleges & Recreation Centers		
Motel, Hotel and Bed & Breakfast			Kindergarten/Preschool/Elementary-each 40 students	1	4,000
Each with Sleeping room w/ kitchen	1	4,000	Jr./Sr. High Schools - each 20 students	1	4,000
Without Kitchen	0.5	2,000	Colleges - each 20 full-time equivalent students	1	4,000
Light-Commercial (Office, retail, etc.)	1	4,000	Recreation Center - each 40 FT equivalent students	1	4,000
Each additional Restroom	1	4,000	* Swimming Pool, Public	5	20,000
Restaurant/Food Service or Tavern/Bar	2	8,000	Car Wash, per two washing stations (round up)	1	4,000
Restaurant with Tavern/Bar	3	12,000	Nursing Home/Hospital, per two beds	1	4,000
NBWA Sewer Lagoon	3	12,000	Kitchen, food service	2	8,000
Light-Industrial/Manufact. - each 9 emp.	2	8,000	* Farms	5	20,000
Churches or Lodges	1.5	6,000	* Tideland Water Co-op	51	204,000
Recreational Vehicle Parks					
Office/Manager's Site	1	4,000			
Public Restroom/Showers (each)	1	4,000			
Each Space	0.25	1,000			

* Denotes Wholesale Customers/Customer Classes

- (a) Where a customer's use characteristics are not directly referred to or specifically listed herein, their proper methodology may be determined by finding that they are similar in nature to an existing Customer Class or Classes.
- Nothing in this *Section* shall preclude the creation of a new Customer Class if the City determines that a customer's likely water usage is not best represented by the existing Customer Classes:

Section 11.5 Review of Customers; Classes. The City shall review its water customers and Customer Classes periodically to ensure that the Base Water Rate and Base Monthly Gallons allotment assigned to a customer is correct and reflected in the City's billing records.

- (a) If the City finds that a customer's use of water has changed (i.e., residential units and/or RV spaces added, conversion of residential to commercial use, etc.), that customer's Base Water Rate and Base Monthly Gallons shall be adjusted to reflect their change in use immediately upon the date that this change occurred or is discovered by the City.
- The City shall send a notice by Certified Mail to the customer upon the determination that a change or conversion has occurred.
- (b) It is the responsibility of the customer to inform the City of such changes in their use.
- Failure of a customer to inform the City about a change in their use may result in a finding of theft of service or fraud, and could lead to additional charges or fines, as well as discontinuance of service, as applied within this *Ordinance*.

Article XII. Rates & Fees

Section 12.1 A customer's Rate, Fee, Charge and/or Monetary Penalty, as provided within this *Ordinance*, shall be or be based on the following:

<u>Water Rates</u>	ERU	Base Monthly Water Rate - Inside City	Base Monthly Water Rate - Rural	Base Monthly Gallons
Usage Over Base Allotment & Wholesale Rate		\$ 3.80	\$ 3.80	1,000
Bulk Sales	0.25	\$ 8.15	\$ 8.15	1,000
Residential	1	\$ 32.60	\$ 40.60	4,000
Apartments/Rentals	1	\$ 32.60	\$ 40.60	4,000
Mobile Home Park (each space)	1	\$ 32.60	\$ 40.60	4,000
Motel, Hotel and Bed & Breakfast				
Each with Sleeping room w/ kitchen	1	\$ 32.60	\$ 40.60	4,000
Without Kitchen	0.5	\$ 16.30	\$ 20.30	2,000
Light-Commercial (Office, retail, etc.)	1	\$ 32.60	\$ 40.60	4,000
Each additional Restroom	1	\$ 32.60	\$ 40.60	4,000
Restaurant/Food Service or Tavern/Bar	2	\$ 65.20	\$ 81.20	8,000
Restaurant with Tavern/Bar	3	\$ 97.80	\$ 121.80	12,000
NBWA Sewer Lagoon	3	\$ 97.80	\$ 121.80	12,000
Light-Industrial/Manufact. - each 9 emp.	2	\$ 65.20	\$ 81.20	8,000
Churches or Lodges	1.5	\$ 48.90	\$ 60.90	6,000
Recreational Vehicle Parks				
Office/Manager's Site	1	\$ 32.60	\$ 40.60	4,000
Public Restroom/Showers (each)	1	\$ 32.60	\$ 40.60	4,000
Each Space	0.25	\$ 8.15	\$ 10.15	1,000
Maintenance Building w/ restroom associated - each 9 employees	1	\$ 32.60	\$ 40.60	4,000
Laundromats, first washing machine	1	\$ 32.60	\$ 40.60	4,000
Each additional Washing Machine	0.5	\$ 16.30	\$ 20.30	2,000
Schools, Colleges & Recreation Centers				
Kindergarten/Preschool/Elementary-each 40 students	1	\$ 32.60	\$ 40.60	4,000
Jr./Sr. High Schools - each 20 students	1	\$ 32.60	\$ 40.60	4,000
Colleges - each 20 full-time equivalent students	1	\$ 32.60	\$ 40.60	4,000
Recreation Center - each 40 FT equivalent students	1	\$ 32.60	\$ 40.60	4,000
* Swimming Pool, Public	5	\$ 76.00	\$ 76.00	20,000
Car Wash, per two washing stations (round up)	1	\$ 32.60	\$ 40.60	4,000
Nursing Home/Hospital, per two beds	1	\$ 32.60	\$ 40.60	4,000
Kitchen, food service	2	\$ 65.20	\$ 81.20	8,000
* Farms	5	\$ 76.00	\$ 76.00	20,000
* Tideland Water Co-op	51	\$ 775.20		204,000

* Denotes Wholesale ERU equivalent (\$3.80 per 1,000 ga.)

<u>Other Fees, Charges & Fines</u>	Amount
Connection Fees	
Connections Requiring Boring/Excavation on a Paved Road	\$ 1,025.00
All Other Connections	\$ 500.00
Deposit for Meter Testing	
Standard Residential Meters	\$ 50.00
Larger Meters	Varies by Size
Later Payment Charge	\$ 10.00
Bad Check Charge	\$ 20.00
Tampering, Vandalism, Damage to System Fine (per day, per incident)	\$ 275.00
Turn-on Charge, After Service is Discontinued due to Non-Payment	
During Normal Hours	\$ 30.00
After Hours	\$ 60.00

Article XIII. Amend Ordinance 2001-06, Attachment A

Section 13.1 *Ordinance 2001-06, Attachment A*, is hereby amended to include all rates, fees, charges, and monetary penalties contained within this *Ordinance*, and as may be amended by any successor *Ordinance*.

Article XIV. Repeal of Ordinances, Resolutions

Section 14.1 *Ordinances 2005-03, 2003-01, 2000-04, 99-03, 99-01, 98-01, and 97-02*, save and except for its repeal of *Ordinance 90-04* which previously repealed *Ordinances 202, 230, 239, 81-08, 82-01 and 82-03*, and the *Resolution* passed and approved May 11th, 1982 (all of which shall remain repealed), are hereby repealed in their entirety, upon the effective date this *Ordinance*.

Article XV. Emergency Declared

Section 15.1 An Emergency is Declared to exist so that this Ordinance shall be in full force and effect on July 15th, 2006; to coincide with the next billing period and the passage of Ordinance 2006-02 which eliminated the Filtration & Storage Surcharge Fee from Ordinance 2005-03.

Article XVI. Severability

Section 16.1 Should any *Article, Section, subsection, provision, clause or paragraph* of this *Ordinance* be adjudged or declared invalid by any court of competent jurisdiction, the remaining parts shall explicitly remain in full force and effect.

PASSED AND ADOPTED by the City Council on this ____ day of _____, 2006; and

APPROVED by the Mayor this ____ day of _____, 2006.

Shirley Kalkhoven, Mayor

ATTEST: _____
Michael A. Nitzsche, City Manager

First Reading: _____, 2006

Ayes: _____
Nays: _____
Abstentions: _____
Absent: _____

Adopted: _____, 2006

Ayes: _____
Nays: _____
Abstentions: _____
Absent: _____

Second Reading: _____, 2006

Ayes: _____
Nays: _____
Abstentions: _____
Absent: _____