

RESOLUTION NO. 2022-43

**RESOLUTION FIXING WATER RATES
FOR THE CITY OF FOREST GROVE, EFFECTIVE JULY 1, 2022,
AND REPEALING RESOLUTION NO. 2019-26**

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 three (3%); and

WHEREAS, a duly-noticed Public Hearing was held June 27, 2022.

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	\$26.44	\$2.00	\$4.23	\$6.14
1"	\$37.01	\$2.00	\$4.23	\$6.14
1.5"	\$54.57	\$2.00	\$4.23	\$6.14
2"	\$75.67	\$2.00	\$4.23	\$6.14

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	\$26.44	\$2.87	3/4" & Less	\$26.44	\$3.05
1"	\$37.01	\$2.87	1"	\$37.01	\$3.05
1.5"	\$54.57	\$2.87	1.5"	\$54.57	\$3.05
2"	\$75.67	\$2.87	2"	\$75.67	\$3.05
3"	\$97.15	\$2.87	3"	\$120.16	\$3.05
4"	\$143.27	\$2.87	4"	\$196.10	\$3.05
6"	\$271.27	\$2.87	6"	\$347.76	\$3.05
8"	\$424.93	\$2.87	8"	\$546.98	\$3.05

INDUSTRIAL CUSTOMER CLASS			COMPOUND METERS		
METER SIZE	BILLING INTERVAL RATE	MONTHLY USAGE RATE (kgal)	MONTHLY FIRE SERVICE CHARGE	\$76.07	MFR compound meter example: 2" domestic plus compound meter: \$140.22
2"	\$75.67	\$2.65	FIRE SERVICE		
3"	\$138.48	\$2.65	MONTHLY FIRE SERVICE CHARGE	\$9.17	
4"	\$207.83	\$2.65			
6"	\$400.45	\$2.65			
8"	\$631.57	\$2.65			

	USAGE RATE (kgal)
FIRE HYDRANT WATER <i>(permit required)</i>	\$3.44

	ANNUAL RATE
WATER STAND-BY SERVICE <i>(meter out of service for 7+ months)</i>	\$66.74

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.

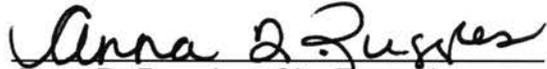
Section 5: That the applicable rate for water service outside the city limits shall be those contained in Section One (1) through Section Four (4), plus 100%, except as otherwise noted.

Section 6: The above water rates shall become effective July 1, 2022.

Section 7: Resolution No. 2019-26 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 27th day of June, 2022.



Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 27th day of June, 2022.



Peter B. Truax, Mayor



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<u>CITY RECORDER USE ONLY:</u>	
AGENDA ITEM #:	F. 12.
MEETING DATE:	06/27/2022
FINAL ACTION:	RESO 2022-43

CITY COUNCIL STAFF REPORT

TO: City Council

FROM: Jesse VanderZanden, City Manager

MEETING DATE: June 13, 2022

PROJECT TEAM: Paul Downey, Assistant City Manager/Finance Director
Greg Robertson, Public Works Director

SUBJECT TITLE: Water Rate Increase Effective July 1, 2022

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 3.0% effective July 1, 2022.

BACKGROUND: The last water rate increase was a 2.0% increase that was effective July 1, 2019. The City has not increased water rate since that date due to COVID and the City is going to prepare an update to the City’s Water Master Plan which should receive Council approval this month. After the Master Plan update is approved, a study will be done to update the water rates and the Water System Development Charge (SDC). The update is expected to be complete by the end of 2022 so the results can be reflected in the budget for the fiscal year commencing July 1, 2023. The update will look at current and projected operating costs, capital maintenance costs and costs to expand the water capital infrastructure, the timing of those capital costs, how the costs will be funded (rates vs debt financing) and revenue available to fund all costs including debt service for any debt incurred for projects.

Staff has reviewed the Water Fund’s financial position. At July 1, 2022, the Water Fund’s Beginning Fund Balance is projected to be approximately \$15.25 million and the Water SDC Fund’s Beginning Fund Balance is projected to be approximately \$7.67 million. These fund balances have been accumulated over time to help for the upcoming capital projects. The Water Master Plan update has \$45.9 million in capital improvements over the next five years and additional \$16.7 million in capital improvements in years 6-10. Not all of these projects will occur in the projected time frame but many of them will need to occur in that time frame to maintain and expand the system so the City can reliably continue to provide water to its customers. Additional resources will be required to do those projects.

In addition, this fund is seeing upward cost pressures on personnel costs and supplies as higher than expected inflation appears to be taking hold. Since it has been three years since water rates have increased and staff is seeing upward pressure on operating and capital costs, staff is

proposing a 3% rate increase to be effective July 1, 2022. This proposed increase will follow Council's established direction trying to do smaller incremental increases over time instead of significant one-time rate increases.

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: For a single-family residential user using 7,000 gallons of water per month, the proposed 3.0% increase means the water bill will increase by about \$1.20 per month from \$39.24 to \$40.44 per month.

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

ATTACHMENT(s): Resolution

Date: June 27, 2022

Agenda Item: F. 12.

Subject: PUBLIC HEARING:
RESOLUTION NO. 2022-43 FIXING WATER RATES FOR CITY OF FOREST GROVE, EFFECTIVE JULY 1, 2022, AND REPEALING RESOLUTION NO. 2019-26

CITY COUNCIL MEETING

Request to Testify at Public Hearing

Public Hearings: Hearings are held on each matter required by state law or City policy. Sign in before the meeting on the Public Hearing form posted in the foyer. The presiding officer will review the hearing instructions prior to testimony. The presiding officer will call the individual or group by the name given on the sign-in form. When addressing the Council, please use the witness table (center front of the room), provide your full name and please limit your remarks to three (3) minutes unless the presiding officer grants an extension. Written or oral testimony is heard prior to any Council action. All testimony is electronically recorded. Written testimony may be submitted by 3:00 p.m. the day of the meeting to: CityCouncilors@forestgrove-or.gov.

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:

OTHERS: (Please print legibly)

First & Last Name:

Address:

City, State & Zip Code:

Please continue on Page 2:



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NOTICE OF PUBLIC HEARING PROPOSED UTILITY RATE INCREASES FOR THE CITY OF FOREST GROVE

NOTICE IS HEREBY GIVEN that the Forest Grove City Council will hold Public Hearings on **Monday, June 27, 2022, at 7:00 p.m.** or thereafter, in the Community Auditorium, 1915 Main Street, Forest Grove, to consider the following utility rate increases for the City of Forest Grove. If enacted by City Council, the proposed increases would be effective July 1, 2022:

- **WATER:** All customer classes to achieve an overall 3.0 percent water revenue increase. Approximately \$1.20 per month increase average residential customer.
- **SANITARY SEWER:** 4.0 percent City and 4.0 percent Clean Water Services per month per equivalent dwelling unit. Approximately \$2.14 per month combined increase average residential customer.
- **SURFACE WATER MANAGEMENT:** 4.0 percent City and 4.0 percent Clean Water Services per month per equivalent dwelling unit. Approximately \$0.45 per month combined increase average residential customer.

The hearing will be held in a “hybrid” format allowing the public to attend the meeting virtually via Zoom and in-person. A copy of the meeting agenda with Zoom instructions and staff report are available seven days prior to the hearing and are published on the City's website at <https://www.forestgrove-or.gov/meetings>. To provide testimony via Zoom, please email aruggles@forestgrove-or.gov at least 24 hours prior to the hearing. Written comments or testimony be submitted at the hearings or sent prior to the hearings to the attention of the City Recorder's Office, P.O. Box 326, 1924 Council Street, 2nd Floor, Forest Grove, OR 97116, aruggles@forestgrove-or.gov. For assistance, please call the City Recorder's Office at (503) 992-3235

**Anna D. Ruggles, CMC, City Recorder
City of Forest Grove**

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Pamplin Media Group

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Anna D. Ruggles, CMC, City Recorder
City of Forest Grove
Publish June 23, 2022

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