

RESOLUTION 2008-10

A RESOLUTION ADJUSTING RATES AND FEES FOR THE GARIBALDI WATER SYSTEM TO RECOVER INCREASES IN WATER FUND OPERATING AND MAINTENANCE EXPENSES.

WHEREAS, the City of Garibaldi provides and maintains water utility service for it's citizens and businesses and Ord. 184, enacted 12 August 1991 and last amended 20 December 2004, prescribes rules, regulations and rates for water service; and

WHEREAS, fees for residential and commercial users were last set by Resolution 2007-06 adopted 21 May 2007; and

WHEREAS, Res. No. 2007-06 mandates that "during the budget process, Water Fund O&M Expenses shall be compared to the previous year and a new proposed base rate shall be calculated for use in that budget"; and

WHEREAS, Water Fund Operating and Maintenance (O&M) Expenses are determined by adding the Water Department Personal Services and Water Department Materials & Services line items. Furthermore, as O&M increases the amount available for Capital Outlay, Payroll Liability Transfers and Public Works Equipment Reserves decreases; and

WHEREAS, Water O&M Expenses increased \$5,492 between Fiscal Years 2005-06 and 2007-08 resulting in a 51-cent (2.4%) increase; and

WHEREAS, Water Fund O&M Expenses from audited fiscal year 2005-06 were \$5,492.00 (2.4%) less than approved by the budget committee for the fiscal year 2007-08 budget;

	APPROVED BUDGET FY 2007-08	+/- \$	+/- %	PROPOSED BUDGET FY 2008-09
WATER FUND O&M EXPENSES				
PERSONAL SERVICES	\$153,935	+21,250	+ 13.8%	\$175,185
MATERIALS & SERVICES	\$74,514	-3,324	- 4.7%	\$71,190
TOTAL WATER FUND O&M EXPENSES	\$228,449	+17,926	+7.8%	\$246,375

and

WHEREAS, the water system has seen a significant decrease in consumption since FY 2004-05. A significant increase in users would distribute the O&M increase over a larger number of users keeping the base rate down and generate additional funds for Capital Outlay and Reserves; and

WHEREAS, the Water System Improvement Fee established May 2007 had a Consumer Cost Index (as published by the *Engineering News-Record*) of 7942 and the same index in April 2008 is now 8126 (+2.3%) and should be adjusted using this same methodology as applied to System Development Charges; NOW, THEREFORE

THE COMMON COUNCIL OF THE CITY OF GARIBALDI RESOLVES AS FOLLOWS:

Section 1. Effective 1 July 2008, Water System Charges shall increase by 8.7% to recover Water Fund Operating and Maintenance Expenses increases. This increase is separate from the Water System Improvement Fee established December 2004 and located in the System Development Fund (SDF). The 8.7% increase shall be considered a Water System Charge and budgeted for in the Water Fund (WF).

WATER SYSTEM CHARGES	BASE	+8.7%	NEW BASE
Residential 3/4"	\$21.60	1.88	23.48
Commercial 3/4"	\$21.60	1.88	23.48
Commercial 1"	\$39.92	3.48	43.40
Commercial 1-1/2"	\$60.61	5.28	65.89
Commercial 2"	\$100.96	8.79	109.75
Commercial 3"	\$207.86	18.10	225.96
Commercial 4"	\$350.39	30.51	380.90
Commercial 6"	\$777.97	67.73	845.70

Section 2. Effective 1 July 2008, the residential and commercial overage rate per 1000 gallons will increase 8.7% from \$2.14 to \$2.33. The 19¢ increase shall be considered a Water System Charge and budgeted for in the Water Fund (WF).

Section 3. Effective 1 July 2008, the monthly Water System Improvement fee for residential and commercial water usage shall be adjusted 2.3%.

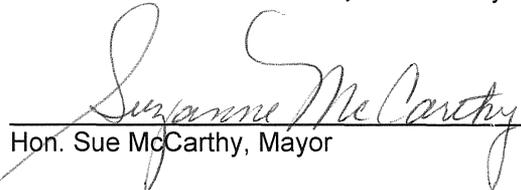
WATER SYSTEM IMPROVEMENT FEE	+2.3%	NEW FEE	
Residential 3/4"	4.35	0.10	4.45
Commercial 3/4"	4.35	0.10	4.45
Commercial 1"	7.43	0.17	7.60
Commercial 1-1/2"	12.20	0.28	12.48
Commercial 2"	20.32	0.47	20.79
Commercial 3"	41.84	0.96	42.80
Commercial 4"	70.53	1.62	72.15
Commercial 6"	156.60	3.60	160.20

Section 4. Revenue from Water System Improvement Fees shall accumulate in the Systems Development Revenue Fund in a separate Water System Improvement line item and used for the replacement of the water reservoir.

Section 5. Each subsequent year, during the budget process, Water Fund O&M Expenses shall be compared to the previous year and a new proposed base rate shall be calculated for use in that budget.

Section 6. The City Council, through assistance by City Staff, shall evaluate the Water Fund O&M Expenses and proposed base rate increases; and determine by resolution a new rate increase. The resolution should be voted upon prior to the budget's adoption and take effect 1 July 2008.

PASSED BY THE COMMON COUNCIL AND APPROVED BY THE MAYOR, this 19th day of May 2008.



 Hon. Sue McCarthy, Mayor

ATTEST:


 Kevin M. Greenwood, Administrator