

## RESOLUTION 2010-22

### A RESOLUTION ADJUSTING SERVICE RATES 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 its 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 2008-10 adopted 19 May 2008; and

**WHEREAS**, Res. No. 2008-10 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**, the Garibaldi City Council elected not to increase water service rates in FY 2009-2010 in response to regional and local economic conditions; and

**WHEREAS**, Water Fund O&M Expenses from fiscal year 2009-10 were \$10,851 (5.25%) less than approved by the budget committee for the fiscal year 2010-11 budget;

	APPROVED BUDGET FY 2009-10	+/- \$	+/- %	PROPOSED BUDGET FY 2010-11
<b>WATER FUND O&amp;M EXPENSES</b>				
PERSONAL SERVICES	\$136,299	-\$6,064	- 4.45%	\$130,235
MATERIALS & SERVICES	\$62,189	-\$2,374	+ 3.82%	\$64,563
CAPITAL OUTLAY	\$0.00	+\$12,700	+ 100.00%	\$12,700
TRANSFERS	\$8,336	+\$1,841	+ 22.08%	\$10,177
<b>TOTAL WATER FUND O&amp;M EXPENSES</b>	<b>\$206,824</b>	<b>+10,851</b>	<b>+5.25%</b>	<b>\$217,675</b>

and

**WHEREAS**, the Garibaldi City Council finds that increasing the water service rate by 4.35% will meet the budgetary requirements of the City's Water Department for the fiscal year of 2010-2011 as approved by the Garibaldi Budget Committee on 3 May 2010; NOW, THEREFORE

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

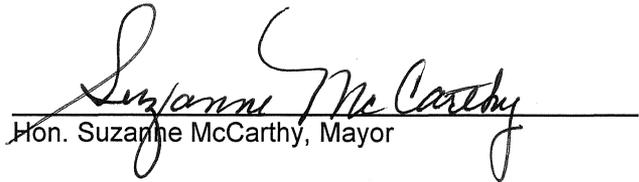
**Section 1.** Effective 1 July 2010, Water System Charges shall increase by 4.35% to recover Water Fund Operating and Maintenance Expenses, Capital Outlay and Transfer increases. This increase is separate from the Water System Improvement Fee established December 2004 and received to the System Development Fund (SDF) for the replacement/improvement of the City's water system reservoirs. The 4.35% increase in the Water System Charge shall be budgeted in as revenue for in the Water Fund (WF).

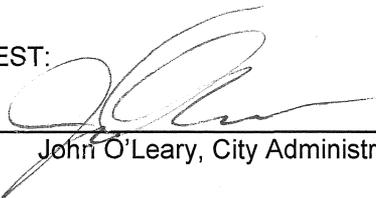
<b>WATER SYSTEM CHARGES</b>	<b>BASE</b>	<b>+4.35%</b>	<b>NEW BASE</b>
Residential 3/4" .....	\$23.48	1.02	24.50
Commercial 3/4" .....	\$23.48	1.02	24.50
Commercial 1" .....	\$43.40	1.89	45.29
Commercial 1-1/2" .....	\$65.89	2.87	68.76
Commercial 2" .....	\$109.75	4.77	114.52
Commercial 3" .....	\$225.96	9.83	235.79
Commercial 4" .....	\$380.90	16.57	397.47
Commercial 6" .....	\$845.70	36.79	882.49

**Section 2.** Effective 1 July 2010, the residential and commercial overage rate per 1000 gallons will increase 4.35% from \$2.33 to \$2.43. The 10¢ increase shall be considered a Water System Charge and budgeted for in the Water Fund (WF).

**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.

**PASSED BY THE COMMON COUNCIL AND APPROVED BY THE MAYOR,** this 19<sup>th</sup> day of July 2010.

  
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 Hon. Suzanne McCarthy, Mayor

ATTEST:  
  
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 John O'Leary, City Administrator