

RESOLUTION NO. 1411

A RESOLUTION TO ADJUST WASTEWATER RATES ESTABLISHED BY RESOLUTION NO. 1317 TO PAY FOR DEBT SERVICE INCURRED WITH THE WASTEWATER FACILITIES IMPROVEMENT PROJECT AND REPEALING RESOLUTION NO. 1317.

WHEREAS, the City has undertaken a major wastewater facilities and collection system upgrade with the help of the Oregon Business Development Department (OBDD or BizOregon) and the United States Department of Agriculture Rural Utilities Service (USDA-RUS); and

WHEREAS, the rates established in 2005 are not sufficient to repay the loans from Biz Oregon and USDA-RUS; now therefore

THE COMMON COUNCIL FOR THE CITY OF CASCADE LOCKS, HOOD RIVER COUNTY, OREGON, RESOLVES AS FOLLOWS:

SECTION 1. Sewer Charges. The sewer user charges as established in 2005 shall continue.

These rates include the moneys necessary to pay the debt service on the 1998 Sewer Bond which was refinanced in 2018. As of this resolution \$550,000 remains on the principal of the bond. At the current rate of repayment of approximately \$76,500 per year, this bond will be paid off in by June 30, 2027. At that time the City Council is encouraged to roll the annual payment for the 1998 Bond into the repayment for the 2018 Oregon Business Development Department loan of \$1.1 million for the 2019 Wastewater Facility Project.

A. Residential Sewer Charges shall remain as follows:

Fixed Charge per Unit <u>Up to 10,000 gallons/unit/month</u>	Charge per <u>1,000 gallons</u>
\$45.40	\$8.77

B. Residential Summer Sewer Charges shall be a flat rate per month from April 21 through October 19 each year, and the amount of the flat rate shall be the current Fixed Charge per Unit used in the Residential Sewer Charges table above.

C. Commercial, Public Agency and Small Industrial Sewer Charges shall remain as follows:

Fixed Charge per Unit <u>Up to 5,000 gallons/unit/month</u>	Charge per <u>1,000 gallons</u>
\$45.40	\$8.77

D. Debt Service Rates shall be included on the monthly billing as follows:

Beginning Meter Size Fixed Charge per Meter Size

September 1, 2019

5/8 inch	\$	7.55
3/4 inch	\$	11.25
1 inch	\$	18.57
1 1/2 inch	\$	36.84
2 inch	\$	58.81
3 inch	\$	128.50
4 inch	\$	230.80

During the first year of this collection 41% of the debt service payments collected will be allocated to the Business Oregon loan, 59% to the USDA RUS loan.

September 1, 2020

5/8 inch	\$	15.10
3/4 inch	\$	22.50
1 inch	\$	37.15
1 1/2 inch	\$	73.69
2 inch	\$	117.63
3 inch	\$	257.00
4 inch	\$	461.61

Beginning with the September 1, 2020, collection, 20.5% of the collection amount will be dedicated to the Business Oregon loan, 79.5% to the USDA RUS loan.

These debt services charges are collected to pay the \$1,100,000 loan from Business Oregon (3.5% 30-year loan) and the \$4.6 million loan from the US Department of Agriculture Rural Utility Services (2.75% 40-year loan). Assuming no growth in residential, commercial customers, this debt service, with the promised loan forgiveness of approximately \$2.4 million from the State and Federal agencies, and assuming that the City Council chooses to rollover debt service revenues, all of the infrastructure loans (1998 refinance Sewer Bond, OBDD Loan, and USDA Loan) would be retired within 28 years saving the citizens approximately \$700,000 in interest payments.

SECTION 2. Residential Customers. A residential customer is a single-family house, an apartment unit that is intended for year-around occupancy, a mobile-home either on a separate lot or in a mobile-home court that is leased on a month-to-month or longer period. It does NOT include RV parks, motels, hotels, hostels or other living quarters occupied on a seasonal, daily, or weekly basis, nor live-in care facilities. No exceptions from these rates will be allowed for unoccupied units unless the water meter is physically disconnected. In the event that a water meter is disconnected for more than one month, a flat sewer rate of one-half the regular rate per month will be charged to the property owner.

1. Single Family Housing:

- a. Summer Rate: April 21 through October 19. The regular flat rate per month for each single-family residence will be charged and reflected on the bills received June 1 to November 1.
- b. Winter Rate: October 20 through April 20. The regular flat rate per month per single-family residence and for each residential unit for usage up to 10,000 gallons of water per residential unit will be charged. If usage exceeds 10,000 gallons of water per month, the regular base rate will not be used and the rate per every 1,000 gallons of water will be assessed. (Example: up to 10,000 gal = \$45.40; OR 11,000 = 11 x 8.77 = \$96.47).

3. Multiple Housing Units on a Single Water Meter: (duplexes, apartment buildings and mobile home parks). No exceptions from these rates will be allowed for unoccupied units.

- a. **Summer Rate:** April 21 through October 19. The regular flat rate per month for each residential unit served by the same water meter will be charged.
- b. **Winter Rate:** October 20 through April 20. The regular flat rate per housing unit for up to 10,000 gallons of water times the number of housing units will be charged. If the average usage exceeds 10,000 gallons of water times the number of housing units, the base regular flat rate will not be used and the current rate per every 1,000 gallons of water will be assessed.

SECTION 3. Non-Residential Customers. Non-residential customers include RV parks, motels, hotels, hostels or other living quarters occupied on a seasonal, daily, or weekly basis, all retail businesses, offices, medical facilities, food services, wholesale businesses, manufacturers, institutional (including hospitals, day-care, clinic, live-in facilities), clubs, churches, and government owned, leased, or used buildings, schools, parks, warehouses, and any other use not specifically described as a Residential Customer or as an Industrial Customer. If a water meter feeds more than one unit and some of the units could be classified as Residential and some could be classified Non-residential, then the Non-residential rates will apply to all the units on that water meter.

1. **Non-Residential Rate:** Without regard to seasons, the rate will be the regular flat rate per month for usage up to 5,000 gallons of water per month. If usage exceeds 5,000 gallons of water per month, the regular flat rate will not be used and the current rate per every 1,000 gallons of water will be assessed.

SECTION 4. Large Industrial Customers. For industrial customers who use more than 250,000 gallons of water per month, the wastes from industrial customers that send process water to the sewer system will be evaluated for "strength" as milligrams of suspended solids (SS) per liter (mg/l) of sewage and by biological oxygen demand (BOD) in milligrams per liter (mg/l), by a testing agency of the City's choice and at the customer's expense. The City will determine from these tests the cost to treat that strength of sewage and determine a rate per month.

SECTION 5. Future Development. Any future development will be required to install a water meter for each category (Residential, Non-residential or Industrial) of units served in order to facilitate determination of sewer rates. Rates for any development not easily designated as one of the categories described above, shall be determined by the City Administrator. In these cases, the developer can appeal the City Administrator's decision to the Council by submitting a written appeal for review within ten (10) days of the notice of the original decision.

SECTION 6. Prohibition of Discounts. The grant and loan conditions of the USDA Rural Development program prohibit the City from subsidizing any class of customer with sewer rates. The City will bill each customer according to the above schedule. The City is also prohibited from subsidizing sewer rates (or System Development Charges (SDC)) for economic development purposes.

SECTION 7. Exceptions to Established Rates.

1. **Unoccupied Units:** No exceptions from the rates established in this Resolution will be allowed for unoccupied units unless the water meter is physically disconnected. In the event that a water meter is disconnected, a flat sewer rate of one-half the regular flat rate per residential unit per month will be charged to the property owner.
2. **Demolished Buildings:** Property with no buildings or lots with demolished buildings that are not connected to water service and sewer service will not be charged for sewer service.
3. **No sewer charge shall be assessed to any vacant lot within a mobile home park.**

SECTION 8. Repeal of Prior Resolution. Resolutions No. 1317 is hereby repealed.

SECTION 9. Effective Date. This resolution shall become effective upon adoption by the City Council and approval by the Mayor.

SECTION 10. Expiration. This resolution shall remain in effect until repealed or amended by the City Council.

ADOPTED by the City Council this 8th day of April, 2019.

APPROVED by the Mayor this 8th day of April, 2019.



Tom Cramblett, Mayor

ATTEST:



Kathy Woosley, City Recorder