

**CITY OF COOS BAY
JOINT CITY COUNCIL / URA WORK SESSION
Agenda Staff Report**

| | |
|------------------------------------|---------------------------|
| MEETING DATE May 9, 2017 | AGENDA ITEM NUMBER |
|------------------------------------|---------------------------|

TO: Mayor Benetti and City Councilors (or URA Chair Kramer and Board Members)

FROM: Jim Hossley, Public Works and Community Development Director *JH*

THROUGH: Rodger Craddock, City Manager *pec*

ISSUE: Adjusting of Sewer Rate Fees - Resolution 17-07

SUMMARY:

The City of Coos Bay Budget Committee concluded the FY 2017-2018 budget hearings in April which included a 6.4% increase in sewer user rates. In order to implement the sewer user rate adjustment commencing with the June 2017 billing cycle, Resolution 17-07 will need to be approved.

ACTION REQUESTED:

If it pleases the Council, adopt Resolution 17-07.

BACKGROUND:

The City of Coos Bay Budget Committee concluded the FY 2017-2018 budget hearings in April which included a 6.4% increase in sewer user rates. In order to implement the sewer user rate adjustment commencing with the June 2017 billing cycle, Resolution 17-07 will need to be approved. The sewer fee portion on the Coos Bay - North Bend Water Board billing will increase, based upon the rate study average use of 560 cubic feet per household, approximately \$3.63 per month. The revenue will provide funding for sewer line replacements, pump station rehabilitations, storm drain repairs, and the capital improvements at both wastewater treatment plants. Rates were not raised last year. The last rate increase was 6.5% in May 2015.

A comparison of rates from other communities along with a history of rate increases are attached. Approving the resolution at this time will provide the Coos Bay - North Bend Water Board time to change their computer programming and provide a full 12 months of billings at the adjusted rate.

BUDGET IMPLICATIONS:

The adjustment is projected to provide \$339,200 in additional sewer fee revenue over the budgeted sewer fee revenue for FYE 17.

CITY OF COOS BAY

Resolution 17- 07

A RESOLUTION OF THE CITY OF COOS BAY, COOS COUNTY, OREGON ADJUSTING SEWER USER RATES, CHARGES AND FEES AND OTHER MATTERS RELATING PROPERLY THERETO

WHEREAS, the City of Coos Bay, pursuant to Ordinance No. 132, has the right and authority to set sewer user rates and charges with respect to administering the Wastewater fund; and

WHEREAS, the City of Coos Bay Budget Committee approved a 6.4% rate increase at the April 13, 2017 budget meeting; and

NOW, THEREFORE, BE IT RESOLVED, the monthly sewage fee to be charged to every sewer user in the City of Coos Bay shall be as follows:

1. For all sewer users who are not customers of the Coos Bay-North Bend Water Board, the amount of \$77.59 per month.
2. For individually metered one-family residential sewer users who are customers of the Coos Bay - North Bend Water Board, the base rate of \$20.07 and \$7.19 per month for each 100 cubic feet of water consumption based on actual water consumption, except during the May through the October billing cycle a flat rate shall be charged or the rate based on actual water consumption, whichever is less.

The flat rate shall be calculated from the average water consumption for the prior six month billing cycle of November through April, except for accounts opened during the April billing cycle.

Accounts opened during the April billing cycle or do not have any prior history, a flat rate of \$77.59 per month or the rate based on actual water consumption shall be charged, whichever is less.

3. For multi-family residential sewer users who are customers of the Coos Bay-North Bend Water Board, the base rate of \$20.07 per unit and \$7.19 per month for each 100 cubic feet of water consumption based on actual water consumption.
4. For governmental (schools, city, county, state, and federal) sewer users who are customers of the Coos Bay-North Bend Water Board, the base rate of \$20.07 and \$7.19 per month for each 100 cubic feet of water consumption based on actual water consumption.
5. High strength users, including restaurants; markets with garbage disposal units; bakeries with on-site cleaning facilities; commercial laundries; and other users, as approved by the City of Coos Bay with similar 5-day BOD or suspended solids concentrations; and/or who are customers of the Coos Bay-North Bend Water Board, as applicable, and discharge waters or waste, the base rate of \$20.07 and \$8.92 per month for each 100 cubic feet of water consumption based on actual water consumption.

6. Commercial sewer users who are customers of the Coos Bay-North Bend Water Board, the base rate of \$20.07 and \$7.19 per month for each 100 cubic feet of water consumption based on actual water consumption.
7. Customers of the Coos Bay-North Bend Water Board whose consumption is combined high-strength and commercial sewer use shall be required to meter such uses separately for the purpose of determining rates to be charged to those customers.

BE IT FURTHER RESOLVED, each user who is required to provide metering of their wastewater discharged to Coos Bay's sewer system for treatment if their wastewater flows are different from water metered to them by the Coos Bay-North Bend Water Board or they do not have metered water upon which wastewater flows can be determined. Metered flows of either water or wastewater shall be read by the Coos Bay-North Bend Water Board or the City of Coos Bay. Metering equipment, if installed by the user, shall be available at all times to the City of Coos Bay for inspection, and/or recording of flows.

BE IT FURTHER RESOLVED, there is established a non-refundable waste discharge permit application fee in the amount of \$1,838. The application fee shall be credited against the annual discharge permit fee. The waste discharge permit shall be issued for one year periods, and the fee for the first year shall be \$1,655. Annual renewal of the permit is required, and the permit renewal fee shall be \$1,655.

BE IT FURTHER RESOLVED, for those properties being developed that cannot be served by a City sewer at the time of development but have been granted permission to install a septic tank, owner shall be obligated to enter an agreement with the City assuring that said property shall not attempt to remonstrate a sewer improvement when the construction of a sewer within said district becomes necessary.

The foregoing resolution was duly adopted by the City Council of the City of Coos Bay, Coos County, Oregon this 16th day of May 2017 and will be effective with the Coos Bay-North Bend Water Board June 2017 billing cycle for each customer.

Joe Benetti, Mayor

ATTEST:

Susanne Baker, City Recorder

Comparison of Sewer Rates - Single Family Residential
Based upon 560 cubic feet (4190 gallons) water consumption
Updated March 2017

| | Rate |
|----------------------------------|-----------------|
| Seaside | \$ 33.29 |
| Lincoln City | \$ 33.49 |
| Bandon | \$ 34.00 |
| North Bend | \$ 34.50 |
| Eugene | \$ 35.93 |
| Astoria | \$ 44.88 |
| Lakeside | \$ 45.00 |
| Klamath Falls | \$ 48.94 |
| Gold Beach | \$ 50.95 |
| Florence | \$ 51.57 |
| LaGrande | \$ 53.95 |
| Newport | \$ 56.69 |
| COOS BAY | \$ 56.72 |
| Myrtle Point | \$ 59.88 |
| Charleston Sanitary | \$ 71.00 |
| Coquille | \$ 73.08 |
| Tillamook | \$ 73.25 |
| Port Orford | \$ 79.18 |
| Reedsport | \$ 80.25 |
| Winchester Bay Sanitary District | \$ 82.00 |

Sewer Rate Resolutions with Rate Increases

| Rate Study Change in Average Sewer Rate Base | Resolution Year and Number | Monthly Average Family Sewer Fee Based on Rate Study | | | Increase in Dollars |
|--|----------------------------|--|---------------|-----------------------------|---------------------|
| | | Study | Based on Rate | Percentage of Rate Increase | |
| 560 cf | 2017 | \$60.39 | \$60.39 | 6.4% | \$0.97 |
| 560 cf | 2015-05 | \$59.42 | \$59.42 | 6.5% | \$3.61 |
| 560 cf | 2014-06 | \$55.81 | \$55.81 | 6.5% | \$3.42 |
| 560 cf | 2013-04 | \$52.39 | \$52.39 | 6.5% | \$3.17 |
| 560 cf | 2012-11 | \$49.22 | \$49.22 | 6.5% | \$2.99 |
| 560 cf | 2011-08 | \$46.23 | \$46.23 | 6.5% | \$2.82 |
| 560 cf | 2010-05 | \$43.41 | \$43.41 | 6.5% | \$2.64 |
| 560 cf | 2009-32 | \$40.77 | \$40.77 | 6.5% | \$2.47 |
| 560 cf | 2008-19 | \$38.30 | \$38.30 | 5% | \$1.84 |
| 560 cf | 2007-11 | \$36.46 | \$36.46 | 25% | \$7.29 |
| 560 cf* | 2006-12 | \$29.17 | \$29.17 | 17% | (\$1.45) |
| 770 cf | 2005-05 | \$30.62 | \$30.62 | 10% | \$2.80 |
| 770 cf | 2003-27 | \$27.82 | \$27.82 | 12% | \$2.98 |
| 770 cf | 2003-01 | \$24.84 | \$24.84 | 25% | \$4.97 |
| 770 cf | 2001-15 | \$19.87 | \$19.87 | 8% | \$1.54 |
| 770 cf | 2000-37 | \$18.33 | \$18.33 | 5% | \$0.87 |
| 770 cf | 1994-17 | \$17.46 | \$17.46 | 6% | \$0.98 |
| 770 cf | 1992-04 | \$16.48 | \$16.48 | 0 | 0 |

first rate increase since not rounding up to 600 cf

560.00 40.32 60.39
New Rate

-4.7%

| | 2016 Rate | Increase |
|-------------------|-----------|----------|
| Base Rate | 18.86 | 6.4% |
| All others rate | 6.76 | 20.07 |
| High Strength | 8.38 | 7.20 |
| No water accounts | 72.96 | 8.92 |
| permit app | 1727 | 71.63 |
| discharge permit | 1555 | 1838 |
| | | 1655 |

*Change in the average sewer rate per family was based upon the 2006 West Yost Rate Study stating that the average single family dwelling had decreased consumption from 770 cf to 560 cf.

2017 was the first rate increase since the change in not rounding up the consumption, based on actual