



ADMINISTRATIVE SERVICES COMMITTEE

Agenda

Wednesday, November 6, 2013
3:30 pm

Madison Avenue Meeting Room
500 SW Madison

- | | |
|------------------------------------|------------------------------------------------|
| Discussion/ Possible Action | I. 2014 Land Use Fee Review
(Attachment) |
| Discussion/ Possible Action | II. Utility Rate Annual Review
(Attachment) |
| Information | III. Other Business |

Next Scheduled Meeting

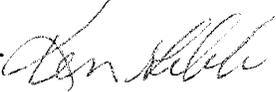
Wednesday, November 20, 2013 at 3:30 pm
Madison Avenue Meeting Room, 500 SW Madison Ave

Agenda

Council Policy Reviews and Recommendations:

- 94-2.09, "Council Orientation"
- 92-1.05, "Miscellaneous Property Ownership"
- 91-3.04, "Separation Policy"
- 04-1.09, "Public Access Television"

MEMORANDUM

From: Ken Gibb, Community Development Director 
To: Administrative Services Committee (ASC)
Date: October 29, 2013
Re: Yearly Review of land use application fees - 2014

I. Issue

Each year, the City Council conducts a review of land use application fees and adopts a schedule of fees that typically takes effect on January 1 of the following year. State law and Land Development Code Section 1.2.100.01 require these fees to be not more than the actual or the average cost of processing such applications. Corvallis has been basing fees on the average cost since at least 1998. The average costs are based on the funding for Current Planning in the Community Development Department's budget and an analysis of the efforts associated with each type of application. This year's update is presented below, and further direction is requested.

II. Background

In recent reviews of land use application fees, an analysis has been conducted to determine the average number of land use actions considered and the associated level of effort. Dividing the cost of providing the service by the yearly level of effort allows the average cost to be determined for each application type. Since the last review, there has been a need to shuffle staff resources due to the loss of the long-range planning position. For example, the recent package of Land Development Code Amendments that was adopted in December of 2012 was accomplished by staff members who are otherwise categorized as "current planners." That particular effort engaged a significant portion of the time of three Associate Planners and the Planning Division Manager for a period of two or three months, and was possible because of a hiatus in land use application submittals over that time period. This change in the structure of the Planning Division has made it more difficult to determine the time planners spend on land use applications as opposed to other important projects. It is also evident that, with diminished staff resources, it is necessary to develop a more streamlined methodology

for establishing land use application fees than the time-intensive process that has been used previously.

III. Analysis

It is clear that the new City budget process will necessitate a closer look at Planning Division revenues, with consideration of new methodologies for land use fees that could more accurately capture the amount of staff time spent on individual land use applications, as well as particular cost aspects of processing land use applications, such as public notice requirements. In order to explore new methodologies for cost recovery on land use applications in a comprehensive manner, more time will be needed, along with better data on staff time spent on land use applications and further consultation with the City Attorney's Office regarding the legal parameters for establishing land use application fees.

At this time; however, there is a need to begin the process for establishing land use application fees for calendar year 2014, as the 2013 fees will expire as of January 1, 2014. Because more time is needed to put a new fee methodology in place, Community Development Staff recommend that the current fee schedule for 2013 be adopted as the fee schedule for 2014, with the goal of putting in place a new land use fee methodology and new fee schedule at some point later in calendar year 2014. This will provide adequate time for staff to develop the new methodology, for Council consideration. It also may be appropriate to change the timing of the fee review to coincide with the start of the City's fiscal year rather than the calendar year.

III. Direction Requested

With past reviews of land use application fees, the Administrative Services Committee has asked staff to prepare fees based on direction given at an initial meeting and then to provide notice to the general public and the development community of an Administrative Services Committee meeting to allow review and comment on those proposed fees. However, Staff are recommending that the current land use fees be extended into calendar year 2014, until a new methodology and fee schedule can be developed. Therefore, since no change in fees is proposed at this time, Staff recommend that this proposal be forwarded to the City Council directly for their consideration, with a public input opportunity to be scheduled in the future, as part of the review process for land use application fees developed under the new methodology. Staff have prepared a draft 2014 Fee Schedule (**Attachment 1**) that moves forward current land use application fees from 2013. The Administrative Services Committee is provided with the following two options:

Option		Potential Fee Increase
1	Direct Staff to prepare a fee schedule for City Council review and adoption that maintains 2013 land use application fees, allowing time for the preparation of a new methodology and new fees in 2014.	No proposed increase in fees. Maintain current 2013 land use application fees (Attachment 1).
2	Direct Staff to prepare a fee schedule for City Council review and adoption that modifies the current fees to increase or decrease cost recovery from the current 70% level for 2013 fees, based on the prior methodology for land use fees.	_____% Fee Increase or Decrease for Special and General Development Application Types

If Option 1 is selected, the proposal to maintain 2013 land use application fees will move forward to the City Council for consideration. If Option 2 is selected, Staff will prepare a notice for publication and distribute the notice to the general public and to the development community regarding an upcoming ASC meeting at which public comment regarding the proposed changed fees will be heard. Following this second ASC meeting, Staff will make any ASC-recommended adjustments to the fee schedule for presentation to the full City Council.

For information purposes, Staff have updated sample land use application fees charged by comparator jurisdictions in Oregon **(Attachment 2)**.

Review and Concur:



James A. Patterson, City Manager



Nancy Brewer, Finance Director

ATTACHMENT 1 - DRAFT - 2014 Land Use Application Fees¹ (Effective January 1, 2014)

Table 1: Special Development (70% Cost Recovery, unless otherwise noted)		Base Fee	Per Unit Add-on
Appeal			
	<i>Appeal of Administrative-Level Decision</i>	\$250	
	<i>General</i>	10% of Base Fee ²	
	<i>Recognized Neighborhood Association</i>	5% of Base Fee ²	
Annexation (with per acre add-on and \$100 survey verification fee³)			
	<i>Major</i>	\$9,173	\$132
	<i>Minor (including Health Hazard)</i>	\$2,708	
Comprehensive Plan Amendment		\$11,084	
Conditional Development (including Willamette River Greenway CD)			
	<i>Residential (per lot add-on)</i>	\$6,857	\$41
	<i>Non-residential (per 100 sq. ft. add-on)</i>	\$6,857	\$8
	<i>Modification</i>	\$2,796	
District Change			
	<i>Standard</i>	\$5,216	
	<i>Minor Annexation (including Health Hazard)</i>	\$1,304	
	<i>Historic Preservation Overlay (0% cost recovery/5-yr. average)</i>	no fee	
	<i>Administrative</i>	\$2,608	
Planned Development			
Conceptual Development Plan			
	<i>Residential (per acre add-on)</i>	\$7,347	\$81
	<i>Non-residential (per acre add-on)</i>	\$7,347	\$81
Detailed Development Plan			
	<i>Residential (per lot add-on)</i>	\$7,838	\$47
	<i>Non-residential (per 100 sq. ft. add-on)</i>	\$7,838	\$9
Conceptual and Detailed Development Plan			
	<i>Residential (per lot add-on)</i>	\$8,328	\$50
	<i>Non-residential (per 100 sq. ft. add-on)</i>	\$8,328	\$10
Major Modification to P.D.			
	<i>Residential (per lot add-on)</i>	\$7,347	\$44
	<i>Non-residential (per 100 sq. ft. add-on)</i>	\$7,347	\$9
P.D. Nullification		\$5,216	
Minor Modification		\$3,260	
Subdivision Tentative Plat			
	<i>Non-residential</i>	\$6,857	\$41
	<i>Modification</i>	\$3,260	
	<i>Major Replat</i>	\$7,809	\$1
	<i>Residential (Admin.)</i>	\$6,368	\$38
Historic Preservation Permit			
	<i>HRC-level (0% cost recovery/5-yr. average)</i>	no fee	
	<i>Director-level (0% cost recovery/5-yr. average)</i>	no fee	
Director's Interpretation		\$1,956	
Land Development Code Text Amendment		\$5,216	
Extension of Services		\$9,128	

Table 2: General Development (70% Cost Recovery)		
Minor Replat	\$1,304	
Lot Development Option (Minor)	\$1,304	
Lot Development Option (Major)	\$3,912	
Lot Line Adjustment	\$326	
Partition	\$3,260	
Plan Compatibility Review	\$652	
Vacation	\$1,301	
Sign Permit	\$62	
Sign Variance	\$3,254	
Solar Access Permit ⁴	\$652	
Floodplain Development Permit Variance ⁵	\$3,912	

Notes

1. Deposit - With the exception of appeal fees and historic preservation permits, Special Development land use applications (Table 1) shall be submitted with a \$1,000 deposit. General Development land use applications (Table 2) shall be submitted with a \$100 deposit. Following a determination of the actual extent of the request, the remainder of the fees shall be charged to the applicant. Applications shall be deemed incomplete until all fees have been paid.

Concurrent Application Fees - Where development requires concurrent actions, the largest of the fees determined from Table 1 or Table 2 shall be charged, and 75 percent of the fee for each additional action shall be charged.

2. For appeals of concurrent applications, a percentage of the single highest base fee shall be charged, without inclusion of add-on fees.
3. Beginning in 2013, a survey review fee of \$100 will be charged in conjunction with each Annexation application to fund the City Surveyor's time needed to review and confirm surveyed boundaries of each annexation.
4. Beginning in 2013, a fee has been established for review of a Solar Access Permit.
5. With adoption of Chapter 2.11 - Floodplain Development Permits, in 2011, there is a need for a fee for a Floodplain Development Permit Variance (no fees are charged for Floodplain Development Permits).

Attachment 2 - Comparator Cities Land Use Application Review Fees Update Selected Special Development Fee Comparisons

(FY 2012-2013 Comparators)

Jurisdiction	Comp. Plan Map Amendment (5- acre)	Zone Change (5-acre)	Annexation (200 lots;50 acres)	Conditional Use Permit (Non-residential)	Residential PD & Subdivision (100 lots; 25 acres)	Subdivision (100 lots; 25 acres)
Albany ¹	\$ 3,301	\$ 3,301	<i>varies</i>	\$ 2,643	\$ 14,110	\$ 8,301
Bend ²	\$ 18,672	\$ 5,689	\$ 87,850	\$ 3,099	\$ 29,376	\$ 29,276
Eugene ³	\$ 8,778	\$ 3,984	\$ 17,489	\$ 6,797	\$ 23,228	\$ 9,608
Gresham ⁴	\$ 11,516	\$ 11,516	\$ 84,858	\$ 6,203	\$ 53,619	\$ 42,988
Lake Oswego ⁵	\$ 10,153	\$ 10,153	\$ 144,200	\$ 4,984	\$ 26,695	\$ 26,695
Salem ⁶	\$ 1,085	\$ 4,257	\$ 14,467	\$ 2,379	\$ 6,719	\$ 6,865
Springfield ⁷	\$ 13,719	\$ 5,178	\$ 154,995	\$ 3,828	\$ 34,664	\$ 80,367
Other Cities (Averages)	\$ 9,603	\$ 6,297	\$ 83,976	\$ 4,276	\$ 26,916	\$ 29,157
Other Cities (Median Values)	\$ 10,153	\$ 5,178	\$ 86,354	\$ 3,828	\$ 26,695	\$ 26,695
Corvallis (current)	\$ 11,084	\$ 5,216	\$ 46,049	\$ 6,857	\$ 20,954	\$ 10,168

Footnotes:

¹ City of Albany: Annexation fee per adopted schedule "varies"; Add-ons for traffic report review(\$660) and Design Standards review (\$289); Final Plat review (\$665)

²City of Bend: 4% surcharge on all land use fees to fund Long Range Planning program; Bend charges the full rate for concurrent applications; Final Plat fees (partition): \$531; Final Plat fees (subdivision): approx. \$600 (depending on # of lots); Property Line Adjustment (\$1,245);Annexation process in Bend under review / remand (so fee is negotiated)

³City of Eugene: additional fees for final plat review (\$5,332.28 + \$32.70/lot)

⁴City of Gresham: charges full fee amount for each application when processing concurrently; Final Plat review fees (\$1,421 + \$94/lot)

⁵ City of Lake Oswego; Final Plat Review (\$370); Records Retention Fees (\$104)

⁶City of Salem: charges additional fees for archiving documents not filed electronically (50 cents / page); charges actual cost of processing in addition to the base fee for Comp Plan Amendment;Final

⁷City of Springfield: Planned Development equated to Master Plan review

MEMORANDUM

TO: Administrative Services Committee
FROM: Mary Steckel, Public Works Director 
DATE: October 22, 2013
SUBJECT: Annual Utility Rate Review

ISSUE

The City of Corvallis Financial Policies call for an annual review of City water, wastewater, and storm water rates for Council consideration.

BACKGROUND

Utility funds are not supported by property taxes, but generate revenue from user fees. In government, utility funds are operated as a business. The rate structure must capture the costs of operating the utility, which include personnel, equipment, materials, debt service, and capital improvements that are not growth-related (i.e., current-revenue-funded projects). The principal expenditures in these funds are for the treatment of water and wastewater, and the maintenance of the infrastructure in plant, pipe, pump, and urban stream systems valued at over \$490 million.

In 1995, the City Council adopted a rate adjustment strategy that required the three utility funds to be addressed as a whole and limited the total annual utility bill increase to 7%. To further mitigate the impact of increases on the rate payer, the Council, in 1999, amended Financial Policy 10.03.050.020 (Annual Rate Review) guiding staff to target the combined rate increase to 2% to 3%. This strategy provided for an annual increase to meet existing operating needs and debt service capacity for capital projects.

In June 2004, the City Council approved a proposal by staff for a mechanism to determine when utility rates that exceed Council's 2-3% guideline might be needed. In this model, during the rate review process, the carryover balance into the next fiscal year is compared to a minimum fund balance targeted amount. If the ending fund balance is below the minimum target amount, the situation would trigger City Council consideration of a combined rate increase in excess of the 2-3% guideline. Alternatively, if compliance with the guideline could only be achieved by deferring scheduled projects, staff would have the latitude to bring forward arguments for rate increases above the guideline based on an assessment of the risk of project deferral.

Attachment A shows a 10-year history of utility rate increases and the resulting monthly water, wastewater, and storm water charge for an average single-family residential customer in Corvallis.

DISCUSSION

Review process

Staff conducted a review of each utility fund for the upcoming three-year planning period. First, information was gathered from utility staff about projects or new expenditures that are essential to meet the operational needs of the utility systems, as well as the ongoing expenditures necessary to operate systems at the current level. Then, the utility master plans were reviewed for any updates or additions in infrastructure capital needs. The identified changes to operation and capital expenditures were incorporated in the utility fund financial plans.

Next, building off the experience from the previous year, staff analyzed the expenditure patterns in each fund and developed mitigation factors based on historic spending levels. This resulted in factors for FY 12-13 of \$1,060,000 in the Water Fund, \$1,050,000 in the Wastewater Fund, and \$650,000 in the Storm Water Fund. These factors will continue to be refined as more experience is accumulated and will be reviewed each year as a part of the rate review process.

The funds then were reviewed against the triggering criteria established by the City Council in June 2004. The following table compares the FY 12-13 unaudited fund balance with the minimum fund balance determined by the Finance Director, in compliance with City Council Financial Policies. In all cases, the actual ending fund balance is higher than the minimum target, which means it does not trigger a request to Council to consider a rate increase in excess of the 2-3% guideline.

Fund	Actual Ending Balance	Minimum Fund Balance Target
Water	\$2,312,979	\$500,000
Wastewater	\$2,954,608	\$500,000
Storm Water	\$1,215,010	\$300,000

An assessment of the viability of each fund for the three-year planning period follows.

Water Fund

The primary revenue source in this fund is from customer utility bills, which accounts for 96% of the annual operating revenues. Impacts to this revenue source have been felt in recent years, with revenue received falling short of budget projections by over \$1,000,000 (see table below). This trend appears to be shifting as FY 12-13 ended with an 8.7% gain in revenue, and FY13-14 is on track to exceed original revenue projections.

Water production for FY 12-13 was significantly higher than the previous year for the first time in the last four years (Attachment B). The largest factor influencing water production this year is weather. The 2013 spring proved to be one of the driest on record resulting in a 17% increase in water production for the last quarter (April-June) of FY 12-13 as compared to FY 11-12. With the dry weather continuing through summer, staff is predicting the total receipts for FY 13-14 will be 1.6% more than budgeted (see table).

Fiscal Year	Water Service Revenue			Over/(Under) Budget
	Budgeted	Received	Projected	
08-09	\$8,082,640	\$7,873,891		\$(208,749)
09-10	\$8,208,650	\$7,773,058		\$(435,592)
10-11	\$8,277,330	\$7,765,525		\$(511,805)
11-12	\$8,266,800	\$8,150,611		\$(116,189)
12-13	\$8,248,610	\$8,964,818		\$716,208
13-14	\$8,466,730		\$8,606,730	\$140,000

The next largest category of Water Fund revenues comprise only 1% of the total operating revenue and are those associated with new developments, such as the sale of water meters. During the planning period, a conservative budgeting approach was taken with these revenues to reflect the rebounding development climate. However, due to timing of permits and associated construction, the revenue received in FY 12-13 was nearly \$38,000 lower than projected.

On the expenditure side, special projects and capital projects in FY 12-13 came in less than budgeted by about \$1.2 million, including \$270,000 in special projects that were deferred to a future year. Capital projects for improvements to the North Hills Reservoir, and 36th and Grant pump station were carried over to FY 13-14 and will be completed this fiscal year. In addition, the Finance Department was able to refund two state loans resulting in present value savings of \$170,320.

A major item affecting the expenditure picture in the planning period that is not reflected in the financial plan is the outcome of the asset management program development currently underway. This program will provide a comprehensive picture of the water utility infrastructure from the treatment plant to the customer meter, encompassing both inventory information (i.e., pipe location, useful life, and replacement cost) and assessment information (i.e., pipe condition, performance, and criticality to overall system). Using this data, a more complete understanding of the state of the utility will be achieved, leading to recommendations for the level and type of maintenance needed to ensure a fully functioning system into the future. Current progress on this project includes a two-prong effort; Information Systems staff are transitioning Public Works to a new work order and asset management software, while field staff are collecting data about assets in the field and updating existing part and equipment specifications and pricing. With completion of this work, it is anticipated that within the planning period recommendations about system maintenance and performance will be available that may alter significantly the current expenditure levels.

In an effort to develop a budget that meets the City's 5-year sustainable budget goal and ensure fund viability in the planning period, but also being sensitive to the on-going economic situation, staff took a hard look at the planned expenditures. As a result, no significant new projects were added during the planning period. Council is slated to review the Utility Rate Structure Study results. Recommendations have been made by the consultant to consider alternate methodologies for recovering fixed and consumption costs. Depending on Council action, the revenue picture might change within the planning period.

The Water Fund is currently in a stable position, showing a positive fund balance for the 3-year planning period (Attachment C). For rate setting in FY 13-14, staff recommends no increase which is 2% lower than what staff projected would be needed in last year's report. For the remainder of the planning period, rate increases are recommended to be 2%, consistent with last year's projections, however it is possible that these proposed increases may be mitigated depending on decisions made about rate structure changes.

Wastewater Fund

The primary revenue source in this fund is also from customer utility bills, accounting for 91% of the annual operating revenues. Revenue received in FY 12-13 aligned closely with projections, coming in only \$36,970 higher than budgeted. However, a \$87,350 decrease in revenues projected for Coffin Butte landfill leachate treatment offset that gain. Revenues related to new development in this fund are an insignificant portion of the annual operating revenue, and therefore when actuals were below the already reduced projections, there was no effect on the fund viability.

On the expenditure side, nearly \$950,000 in savings were achieved in FY 12-13 special and capital projects, mainly due to delays associated with the Total Maximum Daily Load (TMDL) project. In addition, the Finance Department refunded one state loan in the Wastewater Fund resulting in present value savings of \$1,409,360.

For the planning period, staff updated project timing and/or scope per Capital Improvement Program recommendations. Being sensitive to the on-going economic situation, while attempting to accommodate the future large TMDL capital outlay, staff took a hard look at the fund viability in terms of expenditures planned. As a result, no significant new projects were added.

A possible impact to future expenditure levels is the implementation of the asset management program discussed under the Water Fund above. The more refined wastewater infrastructure information that will be an outcome of this effort will provide a solid foundation for maintenance program planning, which may result in recommendations to alter the current expenditure levels.

The revenue from processing landfill leachate is about \$750,000 a year. The long-term stability of this source is unknown at this time, as Republic Services (formerly Allied Waste) continues to explore the least cost option for their disposal needs. Loss of this source, or even a significant reduction, would have an impact during the planning period, triggering a need to raise utility rates to replace the lost revenues.

For rate setting in FY 13-14, staff recommends a 4% percent increase equivalent to what staff projected would be needed in last year's report. This moderate increase begins to move the fund toward meeting the 5-year sustainable budget goal and builds capacity for future projects. Staff believe a higher increase is not warranted until additional information is available on the pending solution for the TMDL project. The rate increases recommended for the rest of the planning period are shown at 3.5%. With these proposed increases, the financial plan reflects a negative fund balance in the fourth year of the planning period (Attachment D). As noted in the Water Fund above, proposed rate structure changes from the Utility Rate Structure Review project may mitigate planned increases in future years.

Storm Water Fund

The primary revenue source in this fund is also from customer utility bills, accounting for 95% of the annual operating revenues. The actual revenue in FY 12-13 was lower than projections by about 2% or \$42,750. Revenues related to new development in this fund comprise less than half a percent of the total annual operating revenue, and the fund viability was not impacted by reductions in this revenue stream.

On the expenditure side, savings from special and capital projects in FY 12-13 totaled approximately \$470,000. The majority of the savings resulted from postponing the project to define storm water detention facility standards and the replacement of a dump truck for one year. In the planning period, no new storm water operational or capital needs were identified.

The asset management program mentioned in the other two funds also will be implemented for storm water infrastructure and future expenditure levels in this fund are expected to change, as more refined information is available for planning the utility's maintenance programs.

Storm water utility rates were increased by 7% in February 2013, representing only the second increase in the last ten years. From 2003 through 2009 and 2011 through 2012, the decision was made to defer an increase in storm water because of the more urgent need for increases in the water utility. In last year's report, storm water rate increases of 7% and 6% were projected for the planning period to mitigate the effects on the long-term viability of the fund from many years of no increases combined with annually increasing costs for materials and supplies. For rate setting in FY 13-14, staff recommends a 7% percent increase equivalent to what staff projected would be needed in last year's report. This increase aligns with the goal of a 5-year sustainable budget and builds capacity for future projects. The rate increases recommended for the rest of the planning period are shown at 5-6%. With these proposed increases, the financial plan reflects a negative fund balance in the fifth year (Attachment E).

Beyond the three-year planning period

Water Fund

Based on what is known about current and emerging State and federal regulations, there is not a pressing need for significant, new capital projects. New operating or special project expenditures may develop from the impact on preventive maintenance programs from the asset management

system implementation. To the extent that customer water use levels off and the revenue capacity is sufficient, rate increases in the years beyond the planning period are projected to remain at 2%. These planned increases result in a projected positive fund balance and the annual viability review provides the flexibility to alter the projected course if circumstances change. Attachment C shows the financial planning document used by staff to predict needs outside the planning period.

Wastewater Fund

Several factors influence the future viability of the Wastewater Fund; the major one being the selected solution to comply with TMDL wastewater discharge permit requirements, which will affect both capital and operating expenditures. Other potential impacts may come from discussions at the Department of Environmental Quality about how to address water quality issues related to the components identified in Senate Bill 737 (“Priority Persistent Pollutants”), those in personal care products, and those in pharmaceuticals that end up in the wastewater stream. Additionally, budgets for the years beyond the planning period will likely be adjusted based on recommendations from the asset management program implementation. Revenues may be impacted by decisions made by Republic Services for leachate disposal. Anticipating the need to build capacity in the revenue stream to address these items in the future results in projected increases of 3.5%. The combination of moderate rate increases coupled with a reduction in debt service returns the Wastewater Fund to a positive fund balance in FY 19-20. Attachment D shows the financial planning document used by staff to predict needs outside the planning period.

Storm Water Fund

In the years following the planning period, expenditures continue to outpace revenues and the fund balance deficit continues to grow. Items not currently reflected in the financial plan include the impact of the asset management implementation and likely projects from the updated storm water detention facility standards project scheduled for this fiscal year. However, capacity within the combined rate increase will likely be needed to address regulations in the Wastewater Fund, and as a result, projected increases in storm water rates level off at 5% per year to keep the combined rate increase within City Council guidelines. Attachment E shows the financial planning document used by staff to predict needs outside the planning period.

Recommended rate adjustment

The recommended rate adjustment for 2013 is a 0% increase for water, a 4% increase for wastewater and a 7% increase for storm water. This results in a combined rate increase of 2.8% or approximately \$1.60 per month for the average single-family residence, which is within the parameters of the City Council’s guidance for combined rate increases of 2-3%, and well within the 7% ceiling in the Financial Policies.

An average residential utility bill is included as Attachment F, showing the rate increases projected for the three-year planning period based on the items discussed in this report. Each year the actual rate adjustment for each utility will be reviewed and refined, and the financial plans updated in light of the most current information available.

Even with the proposed increase, Corvallis’ combined average single-family residential monthly utility charge is the lowest of the comparator like-sized Oregon cities (Attachment G). All municipalities are facing challenges to provide services, meet regulatory requirements, and address aging infrastructure. Comparing rates today with those of last year, the increases for the comparator cities average 4.6%, while Corvallis rates would increase only 2.8%. A comparison of neighboring cities show Corvallis utility rates contribute favorably to the overall liveability of our community (Attachment H).

A public notice in the *Gazette-Times*, on the cable access channels and on the City’s Web page will invite citizens to comment on the proposed rate adjustment during Visitors Propositions at the City

Council meeting when this item is discussed. A copy of this staff report will be available for review on the Web, at the Public Library and at the Public Works Administrative Office.

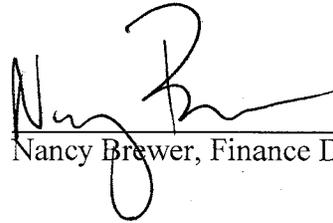
RECOMMENDATION

Staff recommends approval of a combined rate increase of 2.8%, and an ordinance change to increase wastewater utility rates by 4% and storm water utility rates by 7% to be effective February 1, 2014.

Reviewed and concur:



James A. Patterson, City Manager



Nancy Brewer, Finance Director

Attachments

- Attachment A - History of Utility Rate Increases
 - Attachment B - 10-year History of Water Produced
 - Attachment C - Water Fund (Operating) Seven-Year Plan
 - Attachment D - Wastewater Fund (Operating) Seven-Year Plan
 - Attachment E - Storm Water Fund (Operating) Seven-Year Plan
 - Attachment F - Average Residential Utility Bill
 - Attachment G - Comparison of Average Bill with Like-sized Oregon Cities
 - Attachment H - Comparison of Average Bill with Surrounding Communities
- Draft Ordinance

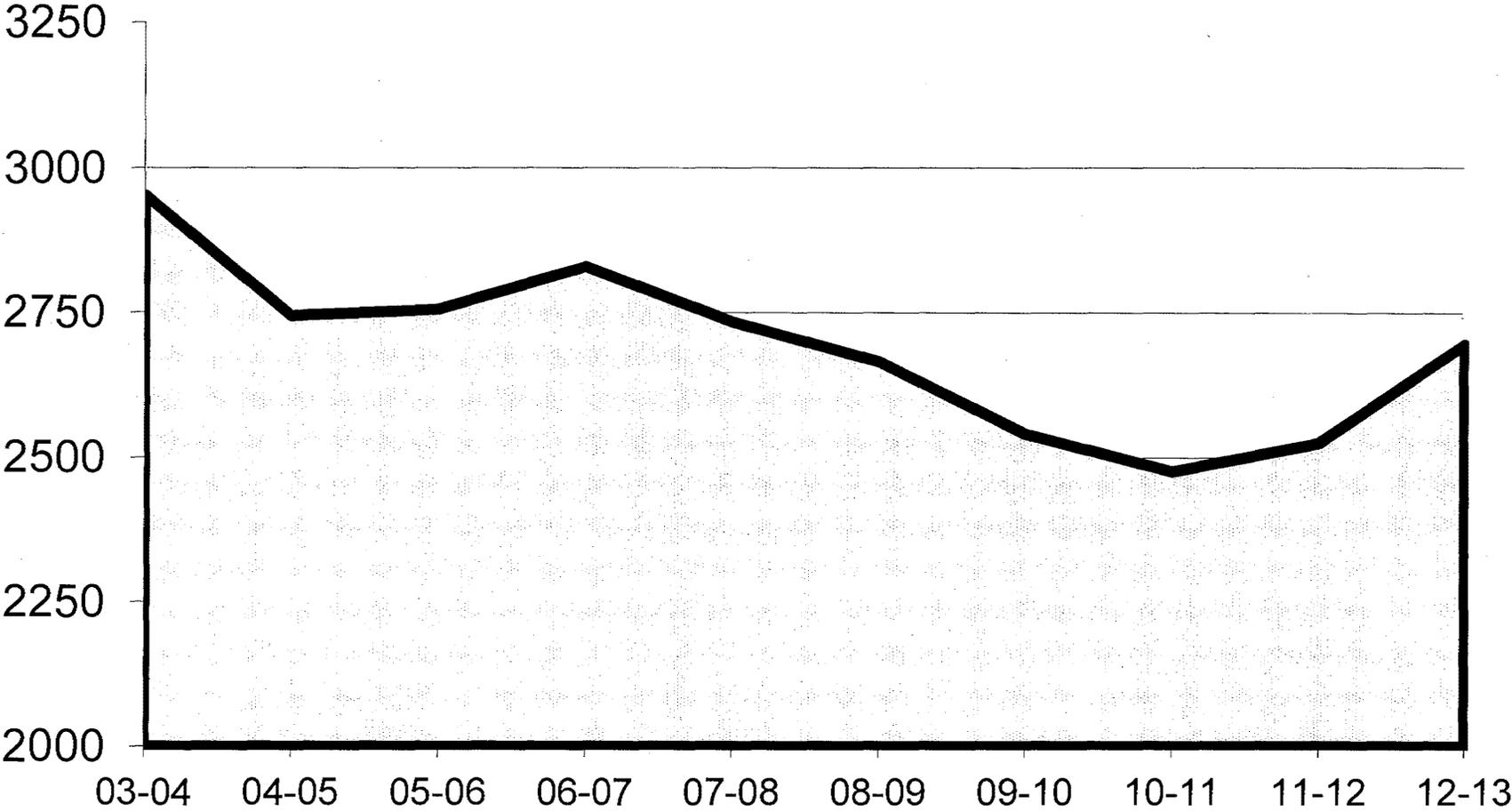
November 2013

City of Corvallis Utility Rate History

(Monthly charge for single-family residential customer based on average water consumption of 600 cu.ft. [6 units])

Year	Water		Wastewater		Storm Water		Combined Bill	
	Dollar Amount	Percentage Increase						
2000-01	\$13.72		\$21.15		\$4.70		\$39.57	
2001-02	\$13.72	0%	\$21.79	3%	\$4.98	6%	\$40.49	2.3%
2002-03	\$14.23	4%	\$22.42	3%	\$4.98	0%	\$41.63	2.8%
2003-04	\$14.55	2.2%	\$23.33	4%	\$4.98	0%	\$42.86	3.0%
2004-05	\$15.19	4.4%	\$23.97	2.7%	\$4.98	0%	\$44.14	3.0%
2005-06	\$16.11	6%	\$24.73	3.2%	\$4.98	0%	\$45.82	3.8%
2006-07	\$17.22	7%	\$25.56	3.4%	\$4.98	0%	\$47.76	4.2%
2007-08	\$18.44	7%	\$26.48	3.6%	\$4.98	0%	\$49.90	4.5%
2008-09	\$19.53	6%	\$26.97	2%	\$4.98	0%	\$51.48	3.2%
2009-10	\$19.89	8%	\$27.52	4%	\$5.48	10%	\$52.89	2.7%
2010-11	\$20.63	3.7%	\$28.07	2%	\$5.48	0%	\$54.18	2.4%
2011-12	\$21.60	4.3%	\$28.93	3%	\$5.48	0%	\$56.01	3.3%
2012-13	\$22.04	2%	\$29.78	3%	\$5.86	7%	\$57.68	3%

Corvallis Water Production (in million gallons)



WATER FUND - OPERATING

10/17/13 1:10 PM

BUDGETARY BASIS	AUDITED	UNAUDITED	ADOPTED	REVISED	PLANNING PERIOD			FY 17-18	FY 18-19	FY 19-20	FY 20-21
	FY 11-12	FY 12-13	FY 13-14	FY 13-14	FY 14-15	FY 15-16	FY 16-17				
RATE INCREASE	4.30%	2.00%	2.00%	0.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
BEGINNING OPERATING FUND BALANCE	\$1,261,227	\$885,438	\$1,616,888	\$2,312,979	\$1,587,743	\$1,414,317	\$1,967,734	\$2,349,016	\$1,784,729	\$2,838,802	\$3,462,094
OPERATING REVENUES											
Charges for Service	\$8,552,193	\$9,346,130	\$8,860,100	\$9,000,100	\$9,023,480	\$9,203,520	\$9,387,160	\$9,574,490	\$9,765,560	\$9,960,460	\$10,159,250
Intergovernmental	(1,024)	0	0	0	0	0	0	0	0	0	0
Fines & Forfeitures	2,954	50	0	0	0	0	0	0	0	0	0
Miscellaneous	243,299	68,682	37,190	37,190	33,670	35,070	45,310	53,630	55,850	78,160	85,740
TOTAL OPERATING REVENUES	\$8,797,423	\$9,414,862	\$8,897,290	\$9,037,290	\$9,057,150	\$9,238,590	\$9,432,470	\$9,628,120	\$9,821,410	\$10,038,620	\$10,244,990
OPERATING EXPENDITURES											
Community Development	\$49,156	\$55,094	\$56,850	\$56,850	\$57,420	\$59,860	\$63,030	\$68,680	\$72,320	\$78,730	\$82,920
Public Works	7,475,484	6,880,291	7,278,430	6,832,417	6,962,477	7,402,833	7,421,617	7,790,947	7,907,167	8,826,188	8,983,828
Non-Departmental	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING EXPENDITURES	\$7,524,640	\$6,935,385	\$7,335,280	\$6,889,267	\$7,019,897	\$7,462,693	\$7,484,647	\$7,859,627	\$7,979,487	\$8,904,918	\$9,066,748
REVENUE EXCESS (SHORTFALL) OVER EXPENDITURES	\$1,272,783	\$2,479,477	\$1,562,010	\$2,148,024	\$2,037,253	\$1,775,897	\$1,947,823	\$1,768,493	\$1,841,923	\$1,133,702	\$1,178,242
NON-OPERATING RESOURCES (USES)											
NON-OPERATING ACTIVITY											
Debt Service	(\$1,018,798)	(\$24,936)	(\$966,500)	(\$966,500)	(\$977,600)	(\$166,400)	(\$162,400)	\$0	\$0	\$0	\$0
Transfers In	344,558	343,954	268,240	268,240	329,260	61,890	60,920	7,700	8,080	8,490	8,910
Transfers Out	(921,551)	(788,154)	(2,150,000)	(2,150,000)	(1,299,870)	(1,076,220)	(1,603,751)	(2,260,480)	(715,930)	(726,220)	(737,030)
Other Financing Sources	0	2,330,747	0	0	0	0	0	0	0	0	0
Other Financing Uses	0	(3,222,766)	0	0	0	0	0	0	0	0	0
Contingencies	0	0	(183,310)	0	(187,728)	0	0	0	0	0	0
TOTAL NON-OPERATING RESOURCES (USES)	(\$1,595,791)	(\$1,361,156)	(\$3,031,570)	(\$2,848,260)	(\$2,135,938)	(\$1,180,730)	(\$1,705,231)	(\$2,252,780)	(\$707,850)	(\$717,730)	(\$728,120)
NET OPERATING FUND ACTIVITY	(\$323,009)	\$1,118,321	(\$1,469,560)	(\$700,237)	(\$98,685)	\$595,167	\$242,592	(\$484,287)	\$1,134,073	\$415,972	\$450,122
RESTRICTED BALANCES, Beginning of Year	\$380,099	\$432,879	\$123,659	\$123,659	\$148,659	\$223,399	\$265,149	\$126,459	\$206,459	\$286,459	\$79,139
FUND BALANCE (Including Restricted), End of Year	\$1,318,317	\$2,436,638	\$270,987	\$1,736,402	\$1,637,716	\$2,232,883	\$2,475,475	\$1,991,188	\$3,125,261	\$3,541,233	\$3,991,355
LESS: RESTRICTED BALANCES											
MANAGEMENT RESERVES	\$432,879	\$123,659	\$148,659	\$148,659	\$223,399	\$265,149	\$126,459	\$206,459	\$286,459	\$79,139	(\$102,481)
COUNCIL DESIGNATIONS	0	0	0	0	0	0	0	0	0	0	0
UNRESTRICTED FUND BALANCE	\$885,438	\$2,312,979	\$122,328	\$1,587,743	\$1,414,317	\$1,967,734	\$2,349,016	\$1,784,729	\$2,838,802	\$3,462,094	\$4,093,836

WASTEWATER FUND - OPERATING

10/16/13 9:06 AM

BUDGETARY BASIS	AUDITED	UNAUDITED	ADOPTED	REVISED	PLANNING PERIOD						
	FY 11-12	FY 12-13	FY 13-14	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21
RATE INCREASE	3.20%	3.00%	4.00%	4.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
BEGINNING OPERATING FUND BALANCE	\$2,331,589	\$1,945,458	\$2,846,129	\$2,954,608	\$1,733,056	\$868,089	\$535,078	(\$384,424)	(\$213,308)	\$102,842	\$151,147
OPERATING REVENUES											
Charges for Service	\$9,108,678	\$9,400,835	\$9,482,370	\$9,582,370	\$9,958,470	\$10,276,810	\$10,606,290	\$10,947,280	\$11,300,210	\$11,665,470	\$12,043,520
Intergovernmental	\$0	\$89,173	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous	48,115	32,345	32,090	32,090	21,570	20,520	20,280	15,000	20,080	22,620	21,620
TOTAL OPERATING REVENUES	\$9,156,793	\$9,522,353	\$9,514,460	\$9,614,460	\$9,980,040	\$10,297,330	\$10,626,570	\$10,962,280	\$11,320,290	\$11,688,090	\$12,065,140
OPERATING EXPENDITURES											
Community Development	\$48,196	\$52,231	\$54,640	\$54,640	\$55,140	\$57,510	\$60,610	\$66,180	\$69,740	\$76,070	\$80,180
Public Works	6,531,621	6,731,855	8,308,200	7,535,641	7,115,916	7,067,862	7,399,846	7,860,354	8,054,700	8,791,425	8,973,372
Non-Departmental	0	114,754	0	0	0	0	0	0	0	0	0
TOTAL OPERATING EXPENDITURES	\$6,579,817	\$6,898,840	\$8,362,840	\$7,590,281	\$7,171,056	\$7,125,372	\$7,460,456	\$7,926,534	\$8,124,440	\$8,867,495	\$9,053,552
REVENUE EXCESS (SHORTFALL) OVER EXPENDITURES	\$2,576,976	\$2,623,513	\$1,151,620	\$2,024,179	\$2,808,984	\$3,171,958	\$3,166,114	\$3,035,746	\$3,195,850	\$2,820,595	\$3,011,588
NON-OPERATING RESOURCES (USES)											
NON-OPERATING ACTIVITY											
Debt Service	(\$2,294,017)	(\$829,075)	(\$2,253,650)	(\$2,253,650)	(\$2,227,750)	(\$2,219,450)	(\$1,872,500)	(\$1,876,980)	(\$1,875,300)	(\$1,882,050)	(\$617,100)
Transfers In	24,923	16,311	77,500	77,500	0	0	0	0	0	0	0
Transfers Out	(611,038)	(961,172)	(1,232,570)	(1,232,570)	(1,428,840)	(1,358,320)	(2,181,755)	(960,380)	(992,930)	(1,026,660)	(1,061,600)
Other Financing Sources	7,025	10,009,438	0	0	0	0	0	0	0	0	0
Other Financing Uses	0	(11,329,135)	0	0	0	0	0	0	0	0	0
Contingencies	0	0	(191,840)	0	(199,610)	0	0	0	0	0	0
TOTAL NON-OPERATING RESOURCES (USES)	(\$2,873,107)	(\$3,093,633)	(\$3,600,560)	(\$3,408,720)	(\$3,856,200)	(\$3,577,770)	(\$4,054,255)	(\$2,837,360)	(\$2,868,230)	(\$2,908,710)	(\$1,678,700)
NET OPERATING FUND ACTIVITY	(\$296,131)	(\$470,121)	(\$2,448,940)	(\$1,384,541)	(\$1,047,216)	(\$405,812)	(\$888,141)	\$198,386	\$327,620	(\$88,115)	\$1,332,888
RESTRICTED BALANCES, Beginning of Year	\$1,770,964	\$1,860,964	\$381,694	\$381,694	\$218,705	\$36,455	(\$36,345)	(\$4,985)	\$22,285	\$33,755	(\$102,665)
FUND BALANCE (Including Restricted), End of Year	\$3,806,422	\$3,336,301	\$778,883	\$1,951,760	\$904,544	\$498,732	(\$389,409)	(\$191,023)	\$136,597	\$48,482	\$1,381,370
LESS: RESTRICTED BALANCES											
MANAGEMENT RESERVES	\$233,805	\$333,805	\$218,705	\$218,705	\$36,455	(\$36,345)	(\$4,985)	\$22,285	\$33,755	(\$102,665)	(\$168,365)
COUNCIL DESIGNATIONS	0	0	0	0	0	0	0	0	0	0	0
LEGAL RESTRICTIONS	1,627,159	47,889	0	0	0	0	0	0	0	0	0
UNRESTRICTED FUND BALANCE	\$1,945,458	\$2,954,608	\$560,178	\$1,733,056	\$868,089	\$535,078	(\$384,424)	(\$213,308)	\$102,842	\$151,147	\$1,549,736

STORM WATER FUND - OPERATING

10/17/13 1:13 PM

BUDGETARY BASIS	AUDITED	UNAUDITED	ADOPTED	REVISED	PLANNING PERIOD						
	FY 11-12	FY 12-13	FY 13-14	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21
RATE INCREASE	0.00%	0.00%	7.00%	7.00%	6.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
BEGINNING OPERATING FUND BALANCE	\$1,622,226	\$1,465,227	\$1,030,654	\$1,215,010	\$867,450	\$551,209	\$231,536	\$121,696	(\$234,444)	(\$378,846)	(\$761,819)
OPERATING REVENUES											
Charges for Service	\$2,080,793	\$2,095,578	\$2,240,880	\$2,240,880	\$2,320,760	\$2,446,940	\$2,566,710	\$2,692,410	\$2,824,340	\$2,962,800	\$3,108,120
Intergovernmental	12,803	36,743	39,220	39,220	0	0	0	0	0	0	0
Fines & Forfeitures	20	60	0	0	0	0	0	0	0	0	0
Miscellaneous	14,430	8,951	9,090	9,090	4,539	4,760	3,080	2,040	1,800	1,800	1,800
TOTAL OPERATING REVENUES	\$2,108,045	\$2,141,332	\$2,289,190	\$2,289,190	\$2,325,299	\$2,451,700	\$2,569,790	\$2,694,450	\$2,826,140	\$2,964,600	\$3,109,920
OPERATING EXPENDITURES											
Community Development	\$49,984	\$53,099	\$55,560	\$55,560	\$56,070	\$58,450	\$61,560	\$67,150	\$70,720	\$77,060	\$81,180
Public Works	1,785,906	1,897,721	2,263,460	1,945,441	1,866,680	2,190,123	2,131,930	2,169,850	2,247,613	2,414,723	2,530,100
Non-Departmental	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING EXPENDITURES	\$1,835,890	\$1,950,820	\$2,319,020	\$2,001,001	\$1,922,750	\$2,248,573	\$2,193,490	\$2,237,000	\$2,318,333	\$2,491,783	\$2,611,280
REVENUE EXCESS (SHORTFALL) OVER EXPENDITURES	\$272,155	\$190,512	(\$29,830)	\$288,190	\$402,549	\$203,128	\$376,300	\$457,450	\$507,808	\$472,818	\$498,640
NON-OPERATING RESOURCES (USES)											
NON-OPERATING ACTIVITY											
Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfers In	5,342	3,321	0	0	0	0	0	0	0	0	0
Transfers Out	(379,496)	(389,050)	(681,950)	(681,950)	(617,280)	(759,550)	(574,420)	(766,980)	(582,210)	(780,790)	(590,720)
Contingencies	0	0	(45,780)	0	(46,510)	0	0	0	0	0	0
TOTAL NON-OPERATING RESOURCES (USES)	(\$374,155)	(\$385,729)	(\$727,730)	(\$681,950)	(\$663,790)	(\$759,550)	(\$574,420)	(\$766,980)	(\$582,210)	(\$780,790)	(\$590,720)
NET OPERATING FUND ACTIVITY	(\$102,000)	(\$195,217)	(\$757,560)	(\$393,761)	(\$261,241)	(\$556,423)	(\$198,120)	(\$309,530)	(\$74,403)	(\$307,973)	(\$92,080)
RESTRICTED BALANCES, Beginning of Year	\$118,433	\$173,433	\$228,433	\$228,433	\$182,233	\$237,233	\$483	(\$87,797)	(\$41,187)	\$28,813	\$103,813
FUND BALANCE (Including Restricted), End of Year	\$1,638,660	\$1,443,443	\$501,527	\$1,049,683	\$788,442	\$232,019	\$33,899	(\$275,631)	(\$350,033)	(\$658,006)	(\$750,086)
LESS: RESTRICTED BALANCES											
MANAGEMENT RESERVES	\$173,433	\$228,433	\$182,233	\$182,233	\$237,233	\$483	(\$87,797)	(\$41,187)	\$28,813	\$103,813	\$183,813
COUNCIL DESIGNATIONS	0	0	0	0	0	0	0	0	0	0	0
UNRESTRICTED FUND BALANCE	\$1,465,227	\$1,215,010	\$319,294	\$867,450	\$551,209	\$231,536	\$121,696	(\$234,444)	(\$378,846)	(\$761,819)	(\$933,899)

October 14, 2013

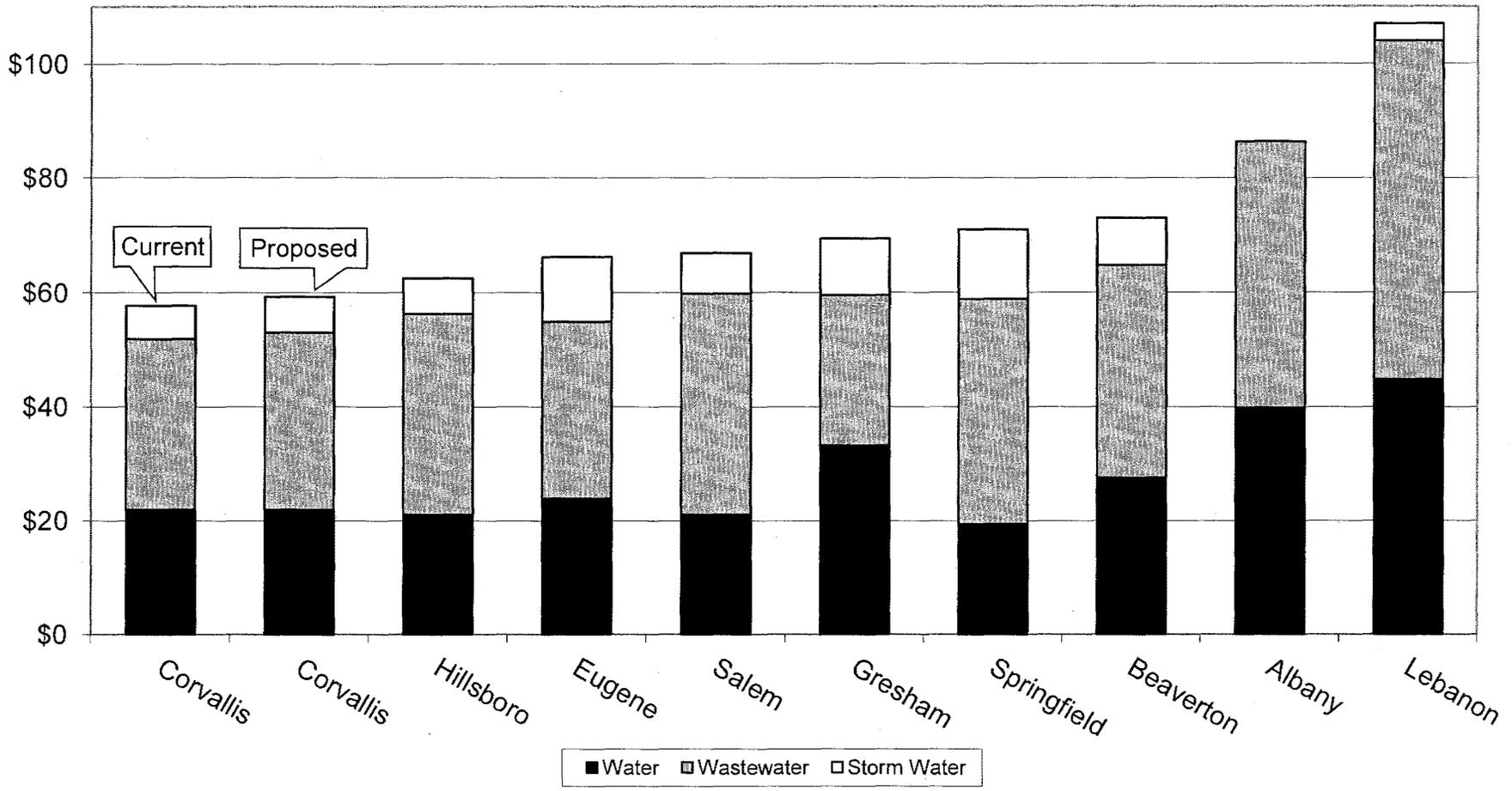
Average Residential Monthly Utility Bill
(based on water consumption of 600 cu.ft. [6 units])

Schedule of Projected Increases

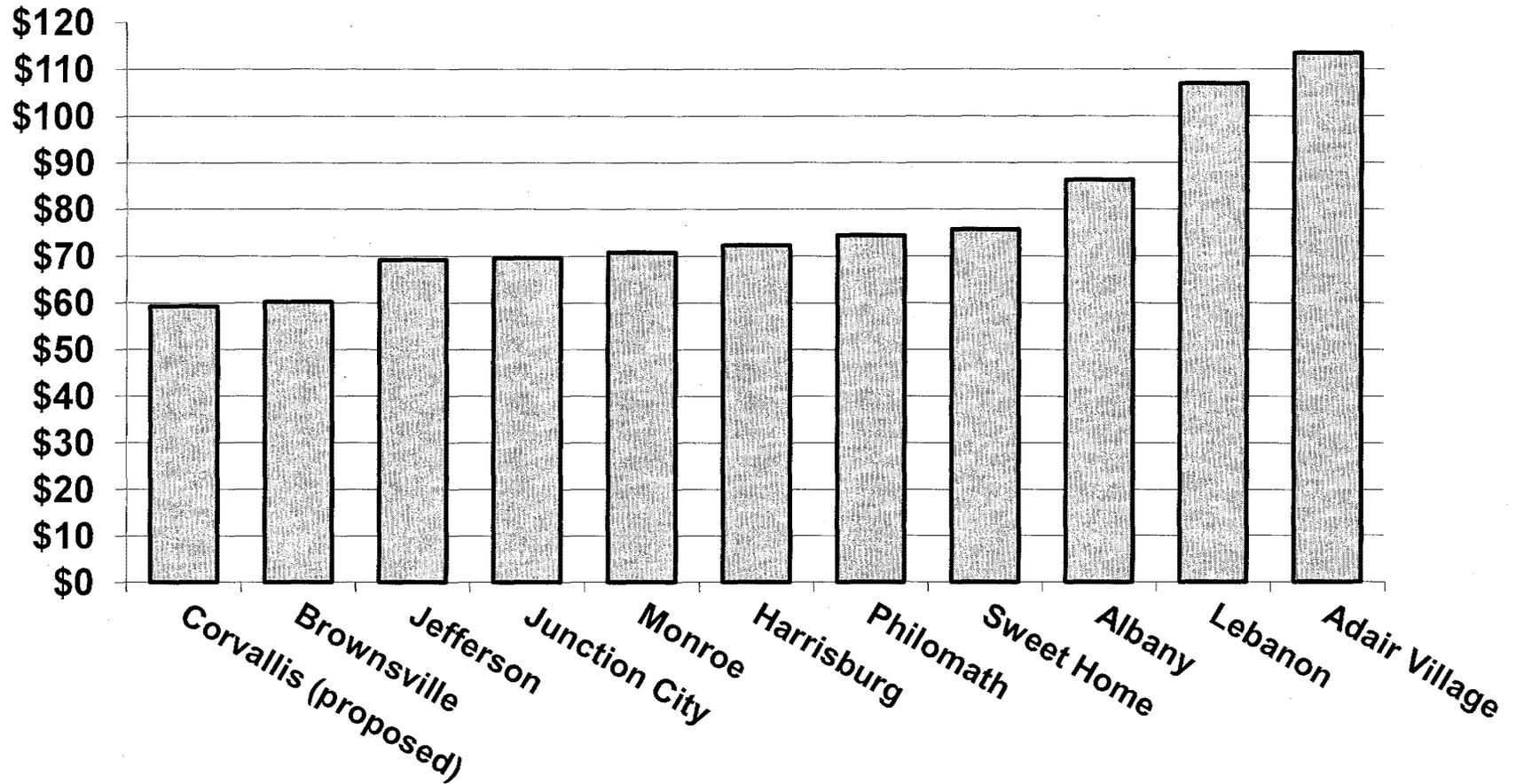
Utility	Last Rate Increase	Current Charge (Nov 13)	Proposed 13-14	Projected Rate Increases		
				14-15	15-16	16-17
Water	2/1/2013	\$22.04	0.0% \$22.04	2.0% \$22.48	2.0% \$22.93	2.0% \$23.39
Wastewater	2/1/2013	\$29.78	4.0% \$30.97	3.5% \$32.06	3.5% \$33.18	3.5% \$34.34
Storm Water	2/1/2013	\$5.86	7.0% \$6.27	6.0% \$6.65	5.0% \$6.98	5.0% \$7.33
Total % Increase			2.8%	3.2%	3.1%	3.1%
Total Bill		\$57.68	\$59.28	\$61.18	\$63.09	\$65.06

Comparison of Average Monthly Residential Utility Bill Oregon Cities Similar in Size to Corvallis

(based on consumption of 600 cu.ft. of water [6 units])
October 2013



Comparison of Average Monthly Residential Utility Bill Oregon Cities Surrounding Corvallis (Based on 6 units of water consumption) October 2013



ORDINANCE 2013-_____

AN ORDINANCE RELATING TO UTILITY RATES AMENDING CORVALLIS MUNICIPAL CODE CHAPTER 3.06, "CITY SERVICES BILLING," ESTABLISHING RATES FOR 2014, AND STATING AN EFFECTIVE DATE.

THE CITY OF CORVALLIS ORDAINS AS FOLLOWS:

Section 1. Municipal Code Section 3.06 is hereby amended as follows:

Section 3.06.140 Rates.

Effective for all utility bills rendered on or after February 1, 2014, service rates shall be as follows:

1) Rates for single family customers:

Meter Size	Base Rate	Water Consumption Rates - per hcf			Wastewater Consumption Rate - per hcf		Storm Water Per ESU	
		hcf	1 st Level	2 nd Level	3 rd Level	Base Rate		All Usage
5/8" - \$13.40 3/4"		0-7	\$1.44	\$1.74	\$1.79	\$10.70 11.13	\$3.183 3.31	\$5.866 6.27
		8-13	1.89	2.19	2.24			
		≥ 14	2.39	2.69	2.74			
1.0" - \$19.29		0-7	\$1.44	\$1.74	\$1.79	\$10.70 11.13	\$3.183 3.31	\$5.866 6.27
		8-13	1.89	2.19	2.24			
		≥ 14	2.39	2.69	2.74			
1.5" - \$29.11		0-7	\$1.44	\$1.74	\$1.79	\$10.70 11.13	\$3.183 3.31	\$5.866 6.27
		8-13	1.89	2.19	2.24			
		≥ 14	2.39	2.69	2.74			
2.0" - \$40.90		0-7	\$1.44	\$1.74	\$1.79	\$10.70 11.13	\$3.183 3.31	\$5.866 6.27
		8-13	1.89	2.19	2.24			
		≥ 14	2.39	2.69	2.74			
3.0" - \$72.33		0-7	\$1.44	\$1.74	\$1.79	\$10.70 11.13	\$3.183 3.31	\$5.866 6.27
		8-13	1.89	2.19	2.24			
		≥ 14	2.39	2.69	2.74			
4.0" - \$107.65		0-7	\$1.44	\$1.74	\$1.79	\$10.70 11.13	\$3.183 3.31	\$5.866 6.27
		8-13	1.89	2.19	2.24			
		≥ 14	2.39	2.69	2.74			
6.0" - \$205.85		0-7	\$1.44	\$1.74	\$1.79	\$10.70 11.13	\$3.183 3.31	\$5.866 6.27
		8-13	1.89	2.19	2.24			
		≥ 14	2.39	2.69	2.74			

2) Rates for irrigation meters:

Meter Base Size Rate	Water Consumption Rates - per hcf			
	hcf	1 st Level	2 nd Level	3 rd Level
5/8" - \$12.94 3/4"	0-7	\$1.37	\$1.67	\$1.72
	8-13	1.79	2.09	2.14
	≥ 14	2.39	2.69	2.74
1.0" \$19.31	0-7	\$1.37	\$1.67	\$1.72
	8-13	1.79	2.09	2.14
	≥ 14	2.39	2.69	2.74
1.5" \$29.88	0-7	\$1.37	\$1.67	\$1.72
	8-13	1.79	2.09	2.14
	≥ 14	2.39	2.69	2.74
2.0" \$42.55	0-7	\$1.37	\$1.67	\$1.72
	8-13	1.79	2.09	2.14
	≥ 14	2.39	2.69	2.74
3.0" \$76.41	0-7	\$1.37	\$1.67	\$1.72
	8-13	1.79	2.09	2.14
	≥ 14	2.39	2.69	2.74
4.0" \$114.44	0-7	\$1.37	\$1.67	\$1.72
	8-13	1.79	2.09	2.14
	≥ 14	2.39	2.69	2.74
6.0" \$220.20	0-7	\$1.37	\$1.67	\$1.72
	8-13	1.79	2.09	2.14
	≥ 14	2.39	2.69	2.74
8.0" \$347.09	0-7	\$1.37	\$1.67	\$1.72
	8-13	1.79	2.09	2.14
	≥ 14	2.39	2.69	2.74
10.0" \$495.12	0-7	\$1.37	\$1.67	\$1.72
	8-13	1.79	2.09	2.14
	≥ 14	2.39	2.69	2.74

3) Rates for Multi-Family:

Meter Base Size Rate	hcf	Water Consumption Rates - per hcf			Wastewater Consumption Rate - per hcf		Storm Water Per ESU	
		1 st Level	2 nd Level	3 rd Level	Base Rate	All Usage		
5/8" - \$20.73 3/4"	0-7	\$1.72	\$2.02	\$2.07	\$10.70	\$11.13	\$3.183.31	\$5.866.27
	8-13	1.79	2.09	2.14				
	≥ 14	2.03	2.33	2.38				
1.0" \$26.00	0-18	\$1.72	\$2.02	\$2.07	\$10.70	\$11.13	\$3.183.31	\$5.866.27
	19-33	1.79	2.09	2.14				
	≥ 34	2.03	2.33	2.38				
1.5" \$34.81	0-35	\$1.72	\$2.02	\$2.07	\$10.70	\$11.13	\$3.183.31	\$5.866.27
	36-65	1.79	2.09	2.14				
	≥ 66	2.03	2.33	2.38				
2.0" \$45.34	0-56	\$1.72	\$2.02	\$2.07	\$10.70	\$11.13	\$3.183.31	\$5.866.27
	57-104	1.79	2.09	2.14				
	≥ 105	2.03	2.33	2.38				
3.0" \$73.51	0-112	\$1.72	\$2.02	\$2.07	\$10.70	\$11.13	\$3.183.31	\$5.866.27
	113-208	1.79	2.09	2.14				
	≥ 209	2.03	2.33	2.38				
4.0" \$105.17	0-175	\$1.72	\$2.02	\$2.07	\$10.70	\$11.13	\$3.183.31	\$5.866.27
	176-325	1.79	2.09	2.14				
	≥ 326	2.03	2.33	2.38				
6.0" \$193.17	0-350	\$1.72	\$2.02	\$2.07	\$10.70	\$11.13	\$3.183.31	\$5.866.27
	351-650	1.79	2.09	2.14				
	≥ 651	2.03	2.33	2.38				
8.0" \$298.73	0-560	\$1.72	\$2.02	\$2.07	\$10.70	\$11.13	\$3.183.31	\$5.866.27
	561-1040	1.79	2.09	2.14				
	≥ 1041	2.03	2.33	2.38				
10.0" \$421.90	0-805	\$1.72	\$2.02	\$2.07	\$10.70	\$11.13	\$3.183.31	\$5.866.27
	806-1495	1.79	2.09	2.14				
	≥ 1496	2.03	2.33	2.38				

4) Rates for Group Residential/Fraternity/Sorority:
(D = Domestic; M = Medium; H = High; VH = Very High)

Meter Base Size	Rate	Water Consumption Rates - per hcf			Wastewater Consumption Rate - per hcf		Storm Water	
		hcf	1 st Level	2 nd Level	3 rd Level	Base Rate	All Usage	Per ESU
5/8" 3/4"	\$20.73	0-7	\$1.72	\$2.02	\$2.07	\$10.70	D- \$3,183.31	\$5,866.27
		8-13	1.79	2.09	2.14		M- 3,713.86	
		≥ 14	2.03	2.33	2.38		H- 5,085.28 VH- 6,877.14	
1.0"	\$26.00	0-18	\$1.72	\$2.02	\$2.07	\$10.70	D- \$3,183.31	\$5,866.27
		19-33	1.79	2.09	2.14		M- 3,713.86	
		≥ 34	2.03	2.33	2.38		H- 5,085.28 VH- 6,877.14	
1.5"	\$34.81	0-35	\$1.72	\$2.02	\$2.07	\$10.70	D- \$3,183.31	\$5,866.27
		36-65	1.79	2.09	2.14		M- 3,713.86	
		≥ 66	2.03	2.33	2.38		H- 5,085.28 VH- 6,877.14	
2.0"	\$45.34	0-56	\$1.72	\$2.02	\$2.07	\$10.70	D- \$3,183.31	\$5,866.27
		57-104	1.79	2.09	2.14		M- 3,713.86	
		≥ 105	2.03	2.33	2.38		H- 5,085.28 VH- 6,877.14	
3.0"	\$73.51	0-112	\$1.72	\$2.02	\$2.07	\$10.70	D- \$3,183.31	\$5,866.27
		113-208	1.79	2.09	2.14		M- 3,713.86	
		≥ 209	2.03	2.33	2.38		H- 5,085.28 VH- 6,877.14	
4.0"	\$105.17	0-175	\$1.72	\$2.02	\$2.07	\$10.70	D- \$3,183.31	\$5,866.27
		176-325	1.79	2.09	2.14		M- 3,713.86	
		≥ 326	2.03	2.33	2.38		H- 5,085.28 VH- 6,877.14	
6.0"	\$193.17	0-350	\$1.72	\$2.02	\$2.07	\$10.70	D- \$3,183.31	\$5,866.27
		351-650	1.79	2.09	2.14		M- 3,713.86	
		≥ 651	2.03	2.33	2.38		H- 5,085.28 VH- 6,877.14	
8.0"	\$298.73	0-560	\$1.72	\$2.02	\$2.07	\$10.70	D- \$3,183.31	\$5,866.27
		561-1040	1.79	2.09	2.14		M- 3,713.86	
		≥ 1041	2.03	2.33	2.38		H- 5,085.28 VH- 6,877.14	
10.0"	\$421.90	0-805	\$1.72	\$2.02	\$2.07	\$10.70	D- \$3,183.31	\$5,866.27
		805-1495	1.79	2.09	2.14		M- 3,713.86	
		≥ 1496	2.03	2.33	2.38		H- 5,085.28 VH- 6,877.14	

5) Rates for Commercial and all other customers:

(D = Domestic; M = Medium; H = High; VH = Very High)

Meter Base Size Rate	hcf	Water Consumption Rates - per hcf			Base Rate	All Usage	Storm Water Per ESU
		1 st Level	2 nd Level	3 rd Level			
5/8" - \$20.73	0-14	\$1.72	\$2.02	\$2.07	\$10.70	D- \$3,183.31	
3/4"	≥ 15	2.13	2.43	2.48		M- 3,713.86	
						H- 5,085.28	
						VH- 6,877.14	
1.0" \$26.00	0-43	\$1.72	\$2.02	\$2.07		D- \$3,183.31	
	≥ 44	2.13	2.43	2.48		M- 3,713.86	
						H- 5,085.28	
						VH- 6,877.14	
1.5" \$34.81	0-67	\$1.72	\$2.02	\$2.07		D- \$3,183.31	
	≥ 68	2.13	2.43	2.48	M- 3,713.86		
					H- 5,085.28		
					VH- 6,877.14		
2.0" \$45.34	0-179	\$1.72	\$2.02	\$2.07	D- \$3,183.31		
	≥ 180	2.13	2.43	2.48	M- 3,713.86		
					H- 5,085.28		
					VH- 6,877.14		
3.0" \$73.51	0-208	\$1.72	\$2.02	\$2.07	D- \$3,183.31		
	≥ 209	2.13	2.43	2.48	M- 3,713.86		
					H- 5,085.28		
					VH- 6,877.14		
4.0" \$105.17	0-341	\$1.72	\$2.02	\$2.07	D- \$3,183.31		
	≥ 342	2.13	2.43	2.48	M- 3,713.86		
					H- 5,085.28		
					VH- 6,877.14		
6.0" \$193.17	0-1,000	\$1.72	\$2.02	\$2.07	D- \$3,183.31		
	≥ 1,001	2.13	2.43	2.48	M- 3,713.86		
					H- 5,085.28		
					VH- 6,877.14		
8.0" \$298.72	0-1,040	\$1.72	\$2.02	\$2.07	D- \$3,183.31		
	≥ 1,041	2.13	2.43	2.48	M- 3,713.86		
					H- 5,085.28		
					VH- 6,877.14		
10.0" \$421.90	0-23,207	\$1.72	\$2.02	\$2.07	D- \$3,183.31		
	≥ 23,208	2.13	2.43	2.48	M- 3,713.86		
					H- 5,085.28		
					VH- 6,877.14		
12.0" \$502.71	0-23,207	\$1.72	\$2.02	\$2.07	D- \$3,183.31		
	≥ 23,208	2.13	2.43	2.48	M- 3,713.86		
					H- 5,085.28		
					VH- 6,877.14		

5) Rates for Fire Service:

a) Standby (minimum) charges for automatic fire service. Charges are based on wet or dry sprinkling systems without hose or other connections; combined systems will pay the regular service meter minimums and the regular meter rates:

- 1] 2": \$2.00 per month
- 2] 3": \$3.00 per month
- 3] 4": \$4.00 per month
- 4] 6": \$6.00 per month
- 5] 8": \$8.00 per month

6) Properties without a Water Meter:

a) Single family property that does not have utility provided water service and therefore has no water meter, but that has connection to the utility's wastewater service shall pay \$28.8830.03 per month, plus the applicable storm water and other City Services fees.

b) Multi-family unmetered rates shall be \$28.8830.03 per month for the one residential unit and \$18.1718.89 for each additional living unit above one, plus the applicable storm water and other City Services fees.

c) Commercial accounts with wastewater service, but no water service, shall be billed as identified in section 3.60.050 (1)(c)[5].

d) Billing for accounts where there is wastewater service, but no water service shall be billed each month, regardless of whether or not the property is vacant, as long as the property remains connected to the utility's wastewater line.

e) As provided in ORS 454.225, when wastewater charges are not paid when due, the amounts thereof, together with interest at the statutory rate and penalties from the due date, may be recovered using the procedures provided in Section 3.06.080, in an action at law brought by the City, or certified and presented to the County Assessor.

f) The liability for all accounts billed for wastewater only shall be that of the person who applied for service.

g) The City shall recover its costs and any reasonable attorney's fees in any action to recover charges pursuant to this Section.

7) Storm Water Special User Unit (per ESU to the nearest 0.1 ESU): \$1.201.28.

(Ord. 2013- § , Ord. 2012-15 § 1, 2012; Ord. 2011-19 § 1, 12/19/11; Ord. 2011-04 §1, 2/07/2011; Ord. 2010-29 §1, 12/06/2010; Ord. 2009-14 §1, 12/07/2009; Ord. 2008-19 §1, 12/01/2008; Ord. 2007-26 §1, 11/19/2007; Ord. 2007-02 §1, 02/05/2007; Ord. 2006-30 §1, 12/18/2006; Ord. 2006-07 §1, 04/03/2006)

Section 2. This ordinance shall become effective February 1, 2014.

PASSED by the City Council this _____ day of _____, 201_.

APPROVED by the Mayor this _____ day of _____, 201_.

EFFECTIVE this _____ day of _____, 201_.

Mayor

ATTEST:

City Recorder



LWV Corvallis
PO Box 1679, Corvallis, OR 97339-1679
541-754-1172 • <http://www.lwv.corvallis.or.us>

Attachment A

DATE: November 6, 2013
TO: Administrative Services Committee, City of Corvallis
FROM: League of Women Voters of Corvallis
SUBJECT: Land Use Application Fees

The League of Women Voters believes strongly in open, accountable, representative, and responsive government with opportunities for citizen participation at every level. Because of this strong belief, we are interested in the ramifications of Land Use Application Fees, especially fees for citizen appeals.

Until 2011, fees for neighborhood association and citizen appeals were \$125 and \$250, respectively. Beginning in 2011, they were raised significantly. League believes that because of the role citizens have played in land use decisions over the years, Corvallis is one of the most livable cities in the country. Now, as land use application fees are being reviewed, there is an opportunity to adjust the appeal fees so that not only the well-to-do can have a voice in the appeal process. The high fees make it very difficult, if not impossible, for individuals and community organizations to appeal the projects that will have major impacts on the City's livability. Moreover, keeping fees for appeals reasonable is consistent with Goal 1 of the Statewide Planning Goals encouraging public participation in land use matters.

If you decide to take the Staff's recommendation to keep the current Land Use Application Fees for 2014 to allow for the development of a new methodology for calculating these fees, please direct the Staff to make sure the appeals fees proposed in the new methodology are reasonable.

We realize that the City struggles to find ways to pay for expected services, but we urge you to consider mechanisms for revenue generation that do not jeopardize citizen involvement in the land use process.

Thank you.