

## RESOLUTION NO. 623

### **A RESOLUTION SETTING SEWER RATES FOR THE CITY OF MILL CITY**

WHEREAS, the City of Mill City operates a wastewater collection and treatment system for residents and businesses in the City of Mill City; and

WHEREAS, Section 13.08.030 of the Mill City Municipal Code states that user charges shall be levied on all structures connected to the sewer system and further states that sewer user charges shall cover the operation, maintenance, replacement, debt service and administrative costs of the sewer system; and

WHEREAS, Section 13.08.030 of the Mill City Municipal Code also states that the user charges shall distribute these costs based upon the city's debt service costs, sludge management costs and in proportion to each user's contribution to the waste water loading of the wastewater treatment plant;

WHEREAS, Section 13.08.070 of the Mill City Municipal Code states that users shall be grouped into residential users and non-residential users with residential users to be assessed a flat monthly charge and non-residential users to be charged based on estimated usage.

WHEREAS, non-residential users will be charged on an "Equivalent Dwelling Unit" (EDU) basis for sewer operation and maintenance charges; and

WHEREAS, there are certain properties known as NIPs (Not In Project), who were classified as benefitting users at the time the community sewer system was constructed in 1991 & 1992, but were not connected to the sewer system by the city using available grant and loan funds because of the owner's refusal to sign easements; and some of these properties are still not connected to the city sewer system; and

WHEREAS, in 2001 the city council approved reduced sewer rates for those properties not connected to the city sewer system to cover the city's debt service and administrative costs of operating the sewer system;

WHEREAS, in May 2005 the Mill City Budget Committee recommended the city modify sewer rates to cover increased cost of operating the system;

WHEREAS, in April 2006 the City applied for a Community Development Block Grant and a Water/Wastewater Loan from the Oregon Economic and Community Development Department (OECDD) to finance sewer system improvements; and

WHEREAS, in reviewing the city's application OECDD requires that there be evidence that the

City will charge an average monthly sewer rate for customers using an average of 7,500 gallons of water per month (One Residential EDU) at or above \$38.52 per month for all customers by the end of the project; and

WHEREAS, the following rates comply with the OECD requirements for an average residential EDU rate; and

WHEREAS, the City Council finds that a \$1.0 million CDBG grant coupled with a \$750,000 Water/Wastewater loan will save the city \$50,000 per year in interest versus a \$1,750,000 loan carrying an interest rate of 5.00%; and

WHEREAS, the City Council desires to qualify for the CDBG grant and therefore, the council agrees it should enact the following timetable and rate schedules corresponding to appropriate City Code provisions for the same; and

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Mill City that:

Section 1: Connection Charge: The administrative connection charge shall be determined for each new connection based on the actual costs of connection incurred by the City of Mill City including but not limited to construction, administration, engineering, easement preparation and recording and property rights acquisition. The cost shall be billed to the property owner upon determination of the actual costs.

Section 2: Sewer Deposit: Upon written application for water or sewer service, a \$ 50.00 sewer deposit for each new sewer service.

Section 3: Sewer Rates: The following sewer rate charges shall take effect on October 1, 2006:

<b>Class</b>	<b>Type of User</b>	<b>Monthly User Charges (+14.85-%)</b>
<b>Residential</b>		
1-A	Residential - Single Family Home	\$ 31.00
1-B	Residential - Multiple Family Units (Connected w/ full service. Each home or structure is charged for each dwelling unit )	\$31.00 per dwelling unit
1-C	Residential – No Usage -- NIP (Not connected, no tank. Owner pays debt service and admin share of sewer charge)	\$ 19.00

<b>Class</b>	<b>Type of User</b>	<b>Monthly User Charges (+14.85-%)</b>
1-D	Residential - No Usage -- Vacant Property (Prior user & home removed or demolished or the owner has installed tank but has not yet connected to the system. Owner pays debt service and admin share of sewer charge)	\$19.00
<b>Non-Residential</b>		
2-A	Business -- 1 EDU	\$ 31.00
2-B	Churches & Public Buildings without food service	\$ 31.00
2-C	Churches & Lodges with food service	\$ 39.00
2-D	Restaurants & Businesses w/ food service	\$ 75.80
2-E	Businesses – No Usage	\$19.00
2-F	High School Auditorium	\$380.00

Section 4: Sewer Rates: The following sewer rate charges shall take effect on October 1, 2007:

<b>Class</b>	<b>Type of User</b>	<b>Monthly User Charges (+12.9%)</b>
<b>Residential</b>		
1-A	Residential - Single Family Home	\$ 35.00
1-B	Residential - Multiple Family Units (Connected w/ full service. Each home or structure is charged for each dwelling unit )	\$35.00 per dwelling unit
1-C	Residential – No Usage -- NIP (Not connected, no tank. Owner pays debt service and admin share of sewer charge)	\$ 21.45
1-D	Residential - No Usage -- Vacant Property (Prior user & home removed or demolished or the owner has installed tank but has not yet connected to the system. Owner pays debt service and admin share of sewer charge)	\$21.45
<b>Non-Residential</b>		
2-A	Business -- 1 EDU	\$ 35.00
2-B	Churches & Public Buildings without food service	\$ 35.00
2-C	Churches & Lodges with food service	\$ 44.00

<b>Class</b>	<b>Type of User</b>	<b>Monthly User Charges (+12.9%)</b>
2-D	Restaurants & Businesses w/ food service	\$ 85.50
2-E	Businesses – No Usage	\$21.45
2-F	High School Auditorium	\$429.00

Section 5: Sewer Rates: The following sewer rate charges shall take effect on October 1, 2008:

<b>Class</b>	<b>Type of User</b>	<b>Monthly User Charges (+10%)</b>
<b>Residential</b>		
1-A	Residential - Single Family Home	\$ 38.52
1-B	Residential - Multiple Family Units (Connected w/ full service. Each home or structure is charged for each dwelling unit )	\$38.52 per dwelling unit
1-C	Residential – No Usage -- NIP (Not connected, no tank. Owner pays debt service and admin share of sewer charge)	\$ 23.60
1-D	Residential - No Usage -- Vacant Property (Prior user & home removed or demolished or the owner has installed tank but has not yet connected to the system. Owner pays debt service and admin share of sewer charge)	\$23.60
<b>Non-Residential</b>		
2-A	Business -- 1 EDU	\$ 38.52
2-B	Churches & Public Buildings without food service	\$ 38.52
2-C	Churches & Lodges with food service	\$ 48.40
2-D	Restaurants & Businesses w/ food service	\$ 94.00
2-E	Businesses – No Usage	\$23.60
2-F	High School Auditorium	\$472.00

Section 6: No Usage Rates – Application Required: Any person who qualifies for the “No Usage” rate must file an application with the city before the rate is reduced..

**Section 7: NIP Policy Re-Affirmed:** On April 10 & 24, 2001 the City Council considered whether or not to pay for any or all of the cost of connecting the remaining “Not In Project” dwellings to the city sewer system. The City Council reaffirms the following policies related to NIPs:

- A. The City Council adopted Ordinance No. 233 (Chapter 13.08 of the Mill City Municipal Code) which requires all new users to the city sewer system to pay the full cost of connecting their home or business to the sewer system. Costs to be borne by the property owner include any engineering costs, permit fees, building sewer connections, public sewer extensions or connections, interceptor tanks, private pumps or lift stations and any other appurtenances required by the city for the property owner to connect the structure to the city sewer system. Therefore, all costs of connection to the city sewer system shall be at the property owner’s sole expense.
  
- B. The City Council has reserved capacity for connection of the 12 remaining NIPs to the city sewer system and the NIPs are not required to pay the Sewer Systems Development Charge at the time of connection, but NIPs must pay all other costs of connection.

Section 8: Resolutions No. 615 is hereby repealed effective October 1, 2006.

Section 9: This Resolution shall be null and void if a grant / loan award is not made to the City of Mill City by the Oregon Economic and Community Development Department for sewer improvements in 2006.

Section 10: If the City does receive a CDBG grant and loan award the Council will review the adopted sewer rates and will modify them according to ensure that the actual rates equitably charge each residential and non-residential customer based on the city’s debt service costs, sludge management costs and in proportion to each user’s contribution to the waste water loading of the wastewater treatment plant as required by Section 13.08.030 of the Mill City municipal code.

**APPROVED AND ADOPTED** by the Council this 11<sup>th</sup> day of April 2006.

Date: \_\_\_\_\_ By: \_\_\_\_\_  
TIM KIRSCH, Mayor

Date: \_\_\_\_\_ Attest: \_\_\_\_\_  
DAVID W. KINNEY, City Administrator

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