



RESOLUTION NO. 1090

A RESOLUTION ACCEPTING THE UTILITY RATE STUDY FOR WATER, WASTEWATER, AND STORMWATER TO INFORM AND GUIDE RATES FOR FY 24/25 THROUGH 28/29

WHEREAS, Stayton Municipal Code (SMC) Title 13, Sections 13.16.440; 13.32.060; and 13.24.1190 require rates be established to pay for the costs of operating the City's water, stormwater, and wastewater utilities and authorize the City Council to establish those rates by resolution; and

WHEREAS, the City has been working with FCS Group to evaluate the water, wastewater, stormwater, and transportation maintenance fees to ensure that the revenues received are sufficient for the anticipated operating costs and capital improvement needs of providing services; and

WHEREAS, the rate study on transportation maintenance fees requires additional discussion and is not ready for completion; and

WHEREAS, the Utility Rate Study (URS) for water, wastewater, and stormwater has been completed and evaluates operation and maintenance cost needs between FY 24/25 and 28/29 and has determined that the existing rate structure will not cover the anticipated costs during that time; and

WHEREAS, the URS evaluated the cost of service based on several user groups and found that some groups are currently contributing more and some less to the system in a manner that is not consistent with their actual demands on the systems; and

WHEREAS, it was found that the City of Sublimity contract does not provide sufficient revenue for them to contribute their actual share of costs to the system and negotiations with Sublimity to update the contract terms has progressed to a point that the City is comfortable in forecasting rates for Stayton residents; and

WHEREAS, the City Council desires to establish a clear plan for rates that will be both fair and ensure a sustainable revenue source that meets the needs of each utility and the community; and

WHEREAS, it is understood that adopting this rate structure and plan makes clear the intent for rate changes over the next five fiscal years but does not adopt future rates, as that will occur as part of the annual adoption of the City fee schedule; and

WHEREAS, the City Council has carefully considered and discussed the proposed rate increases during no less than four Council work sessions and is committed to continuing to explore options and ideas that will minimize fiscal impacts to residents while also ensuring that sufficient revenues are achieved to complete necessary and desired utility maintenance and improvements.

NOW, THEREFORE, BE IT RESOLVED THAT:

SECTION 1. The Utility Rate Study for water, wastewater, and stormwater, attached as Exhibit 1 to this resolution, is accepted.

SECTION 2. The City staff is directed to finalize negotiations with the City of Sublimity to update the Wastewater Agreement between the two Cities.

SECTION 3. The following rate increases will be considered by staff when preparing budgets and will be included in the proposed fee schedule updates for the respective fiscal year:

- WATER**

	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
Single-Family	6.25%	2.41%	2.12%	1.79%	1.41%	0.97%
Multi-Family	6.25%	1.50%	1.50%	1.50%	1.50%	1.50%
City	6.25%	16.00%	16.00%	16.00%	16.00%	16.00%
Non-Residential	6.25%	0.00%	0.00%	0.00%	0.00%	0.00%
Irrigation only	6.25%	16.00%	16.00%	16.00%	16.00%	16.00%
Overall	6.25%	3.00%	3.00%	3.00%	3.00%	3.00%

Rate Design Schedule	Previous	Existing	Proposed	Proposed	Proposed	Proposed	Proposed
		2024	2025	2026	2027	2028	2029
System-wide Increase in Revenue		6.25%	3.00%	3.00%	3.00%	3.00%	3.00%
Fixed Rates (All Classes)							
<u>Base Fee</u>	\$16.91	\$17.96	\$18.50	\$19.06	\$19.63	\$20.22	\$20.82
<u>Meter Equivalent Charge</u>							
3/4"	\$8.53	\$9.06	\$9.33	\$9.61	\$9.90	\$10.20	\$10.50
1"	\$21.37	\$22.71	\$23.39	\$24.09	\$24.81	\$25.56	\$26.32
1 1/4"	\$31.92	\$33.91	\$34.93	\$35.98	\$37.06	\$38.17	\$39.32
1 1/2"	\$42.62	\$45.28	\$46.64	\$48.04	\$49.48	\$50.96	\$52.49
2"	\$68.08	\$72.34	\$74.51	\$76.74	\$79.04	\$81.41	\$83.86
3"	\$127.73	\$135.71	\$139.78	\$143.98	\$148.30	\$152.74	\$157.33
4"	\$212.89	\$226.19	\$232.98	\$239.97	\$247.16	\$254.58	\$262.22
6"	\$425.64	\$452.23	\$465.80	\$479.78	\$494.17	\$508.99	\$524.26
8"	\$702.38	\$746.26	\$768.65	\$791.71	\$815.46	\$839.92	\$865.12
10"	\$979.12	\$1,040.28	\$1,071.49	\$1,103.63	\$1,136.74	\$1,170.85	\$1,205.97
<u>Fire Standby Charge</u>							
Class 1	\$6.23	\$6.62	\$6.82	\$7.02	\$7.23	\$7.45	\$7.67
Class 2	\$26.51	\$28.17	\$29.02	\$29.89	\$30.78	\$31.71	\$32.66
Class 3	\$178.50	\$189.65	\$195.34	\$201.20	\$207.23	\$213.45	\$219.85
Class 4	\$424.73	\$451.26	\$464.80	\$478.74	\$493.10	\$507.90	\$523.13
Class 5	\$830.65	\$882.54	\$909.01	\$936.28	\$964.37	\$993.30	\$1,023.10
Volume Charges (by Class)							
Single-family	\$1.55	\$1.65	\$1.66	\$1.66	\$1.66	\$1.66	\$1.66
Multi-Family	\$1.55	\$1.65	\$1.65	\$1.65	\$1.65	\$1.65	\$1.65
City	\$1.55	\$1.65	\$1.95	\$2.31	\$2.73	\$3.21	\$3.77
Non-Residential	\$1.55	\$1.65	\$1.65	\$1.65	\$1.65	\$1.65	\$1.65
Irrigation	\$1.55	\$1.65	\$2.14	\$2.73	\$3.41	\$4.21	\$5.15
Fire Line	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

• SEWER

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Residential	6.25%	3%	3%	3%	3%	3%
Non-Residential	6.25%	6.75%	6.75%	6.75%	6.75%	6.75%
Sublimity	6.25%	Being negotiated				
Overall	6.25%	5.50%	5.50%	5.50%	5.50%	3.00%

Proposed Rate Schedule	Existing	2025	2026	2027	2028	2029
Residential						
Base fee per dwelling unit	\$71.03	\$73.16	\$75.35	\$77.61	\$79.94	\$82.34
Commercial and Industrial						
<u>Average Monthly Use</u>						
Up to 3,999 gallons	\$53.07	\$56.65	\$60.48	\$64.56	\$68.92	\$73.57
4,000 to 5,999 gallons	\$71.03	\$75.82	\$80.94	\$86.40	\$92.24	\$98.46
6,000 to 9,999 gallons	\$132.58	\$141.53	\$151.08	\$161.28	\$172.17	\$183.79
Above 10,000 gallons						
Rate per 1,000 gallons	\$13.26	\$14.16	\$15.11	\$16.13	\$17.22	\$18.38

• STORMWATER

	2024	2025	2026	2027	2028	2029
Stormwater	40.00%	40.00%	3.00%	3.00%	3.00%	3.00%

Across-the-Board Rate Schedule	Previous	Existing	ATB	ATB	ATB	ATB	ATB
	2023	2024	2025	2026	2027	2028	2029
Annual System-Wide Rate Increase		40.00%	40.00%	3.00%	3.00%	3.00%	3.00%
Monthly Fee							
Single Family Dwelling	\$6.45	\$9.03	\$12.64	\$13.02	\$13.41	\$13.81	\$14.23
Mobile Home Park (per unit)	\$6.45	\$9.03	\$12.64	\$13.02	\$13.41	\$13.81	\$14.23
Apartment (per unit)	\$3.87	\$5.42	\$7.59	\$7.81	\$8.05	\$8.29	\$8.54
Assisted Living Center (per unit)	\$3.87	\$5.42	\$7.59	\$7.81	\$8.05	\$8.29	\$8.54
All Others - Per ESU*	\$6.45	\$9.03	\$12.64	\$13.02	\$13.41	\$13.81	\$14.23
*one ESU = 2,500 square feet of impervious surface area							

This Resolution shall become effective upon its adoption by the Stayton City Council.

ADOPTED BY THE STAYTON CITY COUNCIL THIS 5TH DAY OF FEBRUARY 2023.

Signed: _____, 2024

By: 
 Mayor Brian Quigley, Mayor

Signed: _____, 2024

Attest: 
 Julia Hajduk, City Manager