

RESOLUTION NO. 624

RESOLUTION RELATING TO RATES TO BE CHARGED FOR SEWER SERVICE; PROVIDING FOR A SPECIFIC METHOD FOR ANNUAL MODIFICATION; AND REPEALING RESOLUTION 546.

RECITALS

1. Pursuant to the applicable provisions of the Municipal Code, the Council is given the authority and responsibility to establish utility rates by resolution.

2. The Mayor and Council have been informed that since the implementation of the prior resolution, certain administrative inconsistencies in its application have been identified which are best resolved by adoption of updated rate schedules.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS BY THE CITY COUNCIL OF THE CITY OF McCLEARY, THE MAYOR CONCURRING:

SECTION I: Until modified as authorized by Section II, the following rates and charges shall continue to be applied for the use of and the furnishing of services of the sewer system of the City and shall be collected from the users thereof:

A. From each and every person or entity making use of the system:

1. For each residential user:
 - A. 65 years of age or older: \$53.10.
 - B. Under 65 years of age: \$74.90.

2. For all non-residential users: an amount which is the sum of the monthly fixed rate of \$74.90 and three dollars (\$03.00) or pro rated portion thereof rounded to the nearest penny for every one hundred (100) cubic feet or portion thereof of water consumed over 850 cubic feet.

B. The rates for any establishment not herein covered shall be negotiated between such establishment and the City. In such negotiations, the City shall, in establishing the rate, consider the volume of the effluent, the nature and contents of the effluent, and the demands placed upon the treatment capabilities of the City as a result of such characteristics, as well as such other factors as may be deemed reasonably appropriate.

C. All persons or entities connecting to the sewer system of the City shall pay in advance of connection to the sewer system a hook-up charge in accordance with the schedule set forth by the City by Resolution from time-to-time.

D. In the event that any customer of the system establishes to the satisfaction of the City Engineer that the rate should be so established, with the approval of the City

Council, the rate for such customer shall be established as follows:

1. By negotiation, taking into consideration the factors established in paragraph B of this Section, as well as such other factors as may be recommended to the Council by the City Engineer; or

2. Installing a sewer meter at the expense of the customer. The meter in question shall be the property of the City, but the customer shall be responsible for such repair or replacement costs as may from time-to-time exist. The rate established for such service shall be as established in Section I, Article A(2).

SECTION II:

2.1: Annual Adjustment Protocol: In recognition of the necessity of assuring that the rates established for this service remain consistent with the increase in costs and of the billing period utilized by the City utility, the rates set by Section I of this resolution shall be subject to adjustment as of December 16, 2011, and as of December 16th of each calendar year thereafter, including 2011. The adjustment shall be the greater of following:

(1) three percent (3%) or

(2) the monetary amount which is the result of the following calculation:

Methodology of Calculation of CPI Based Adjustment:

The then existing utility rate shall be multiplied by a figure established as the average of the Seattle-Tacoma-Bremerton Area Bi-Monthly Index CPI-U (June compared with June) and the US All City Average CPI-U for the same period. [Example: S-T-B Area Bi-monthly Index CPI-U is 3.5% and the US All City Average CPI-U for that period is 2.5%. The multiplier to be utilized is 3.0%. If the existing rate is \$4.00, the result would be an increase of \$00.12 for an adjusted rate of \$4.12.]

2.2. Principals of application:

A. The average for the CPI multiplier, if not an even 1/10th of a percent, shall be rounded upward to the nearest 1/10th of a percent.

B. Application of annual adjustment rate to classifications:

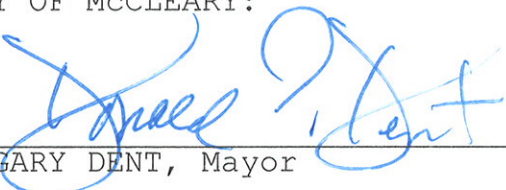
1. As to the base rate for any classification, the resulting product of the calculation carried out pursuant to §2.1 shall be rounded to the next highest 1/10th of a dollar, if the initial calculation does not so result.

2. As to the overage rate for any classification, the resulting product of the calculation carried out pursuant to §2.1 shall be rounded to the next highest 1/100th of a dollar, if the initial calculation does not so result.

SECTION III: Resolution 546 shall be and is hereby deemed repealed as of 12:01 a.m., January 15, 2011: PROVIDED THAT, such repeal shall not effect any billing or obligation for services received prior to that date under the terms of that resolution.

PASSED THIS 19th DAY OF JANUARY, 2011, by the City Council of the City of McCleary, and signed in authentication thereof this 26th day of January, 2011.

CITY OF McCLEARY:



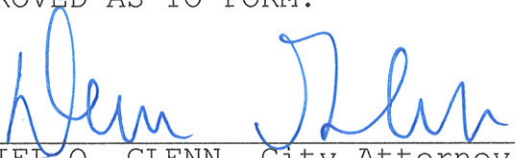
D. GARY DENT, Mayor

ATTEST:



WENDY COLLINS, Clerk-Treasurer

APPROVED AS TO FORM:



DANIEL O. GLENN, City Attorney