

RESOLUTION NO. 623

A RESOLUTION RELATING TO PUBLIC SERVICES;
REPEALING RESOLUTION 578; ESTABLISHING RATES
CHARGED FOR WATER; PROVIDING FOR ADJUSTMENT;
AND PROVIDING FOR EFFECTIVE DATES.

R E C I T A L S:

1. Pursuant to Resolution 578, adopted in 2008, the Council and Mayor set forth fees to be charged for the provision of water service to those served by the City's system. The fees were set after careful analysis by the Mayor and Council, after receiving the advice of City staff, as to the minimum levels necessary to adequately maintain and provide funding for the various services involved.

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.

3. It is the intention of the Mayor and Council, in the adoption of this resolution, to establish the minimum rates required to assure the fiscal stability of the utility system.

4. Pursuant to the recommendations of a consultant retained by the City in 2008, a program of rate adjustment of 22% per year through 2013 was previously implemented. To aid in predictability and reduce the likelihood of the need for major

adjustments to the rates, it is the intention to clarify the provisions which adjust the rates for the period commencing December, 2013.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS BY THE CITY COUNCIL OF THE CITY OF McCLEARY, THE MAYOR SIGNING IN AUTHENTICATION THEREOF:

SECTION I: RATES:

On and after the effective date set forth below, the rates and charges set forth and continuing thereafter until changed, monthly water consumption rates shall be as follows:

A. For Services Within the City Limits

1. Basic Charge:

- (a) Meters of 1" or less: \$43.10
 (including 500 cubic feet)
- (b) Meters over 1": \$55.40
 (including 500 cubic feet)

2. Excess Charge: Any use in excess of the base amount shall be charged at the following rate per one hundred (100) cubic feet or portion thereof:

\$00.60, such sum to be pro rated based upon actual use and rounded to the nearest cent.

B. For Services Outside The City Limits

1. Basic Charge:

- (a) Meters of 1" or less: \$64.30
 (including 500 cubic feet)
- (b) Meters over 1": \$85.30_
 (including 500 cubic feet)

2. Excess Charge: Any use in excess of the base amount shall be charged at the following rates per one hundred (100) cubic feet or portion thereof:

\$00.60, such sum to be pro rated based upon actual use and rounded to the nearest cent.

C. UNMETERED SERVICE OR HYDRANT FILL UP:

Unmetered service or hydrant fill up provided on a temporary basis shall be charged at the flat rate of thirty-three & 70/100 dollars (\$33.70) per use, as is applicable.

Such services shall be authorized in advance of use by the City Administrator or his or her designee.

SECTION II: INTERPRETATION

A. TIMING:

The rates established by Section I shall be effective on and after the commencement of the next utility billing cycle.

1. The annual adjustment authorized pursuant to Section III. A shall occur as to water utilized on and after the 16th day of December of each succeeding year through 2012.

2. The annual adjustment authorized pursuant to Section III. B shall occur as to water utilized on and after the 16th day of December of each year commencing with December 16, 2013.

B. CALCULATION:

1. In computing water consumption, meter readings ending in the number "1" through "5" shall be counted as "0" and meter readings ending in the numbers "6" through "9" shall be counted as "10".

2. If a meter serves more than one residential unit, the rate shall be determined by multiplying the base rate times the number of units served by that meter. To that sum, shall be

added the excess usage. If the occupant of each unit has an account with the City's utility, then the billing shall be divided pro rata among the units.

SECTION III: ANNUAL ADJUSTMENT

A. ADJUSTMENT BASIS THROUGH DECEMBER, 2012: Through the adjustment to be made on December 16, 2012, the rates set by Section I of this resolution shall be subject to an increase of twenty-two percent (22%) as of date set forth in Section II.A unless the Council sets a different rate of adjustment: PROVIDED THAT, the adjustment shall be rounded up to the nearest ten cents.

B. ADJUSTMENT BASIS COMMENCING DECEMBER, 2013 & THEREAFTER:

1: As of December 16th, 2013, and each calendar year thereafter, 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.]

C. PRINCIPALS OF APPLICATION:

1. 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.

2. Application of annual adjustment rate to classifications:

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

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

SECTION IV: Resolution 578 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.

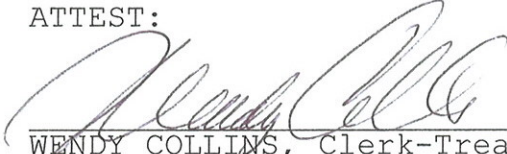
PASSED THIS 19TH DAY OF JANUARY, 2011, by the City Council of the City of McCleary, and signed in authentication thereof this 26th day of January, 2011.

CITY OF McCLEARY:



D. GARY DENT, Mayor

ATTEST:



WENDY COLLINS, Clerk-Treasurer

APPROVED AS TO FORM:



DANIEL O. GLENN, City Attorney