

## **WEST LINN CITY COUNCIL SPECIAL MEETING**

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Tuesday July 6, 2010

**6:00pm – City Council Executive Session ORS 192.660(2)(h)**  
Consult with Legal Counsel regarding potential litigation

**6:30pm – City Council Special Meeting - Council Chambers**

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**1. Special Meeting Item –**

- *Public Hearing – Resolution Number 2010-27*  
Modifying water pricing to pay for water system maintenance and promote conservation

**2. Adjourned**

The Council Chambers is equipped with an induction loop and a limited number of neck loops for the hearing impaired. Please let the City know if you require any special assistance under the Americans with Disabilities Act, please call City Hall 48 hours prior to the meeting date, 503-657-0331.

## Memorandum

**Date:** July 2, 2010

**To:** John Kovash, Mayor  
Members, West Linn City Council

**From:** Chris Jordan, City Manager *uj*

**Subject:** Water Rates Discussion

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At the Council meeting of June 28, the Council decided to continue the public hearing on Resolution 2010-27, Water Pricing. Attached to this memorandum is a memorandum from Finance Director Richard Seals with some additional information that responds to Council questions that were raised during the hearing on June 28. I have also attached 3 slides from a presentation to the Council in October 2009 that outlines the difference in the total dollars of the Capital Improvement Plan in the 2004 Master Plan and the 2008 Master Plan. It should be noted that under either Master Plan, significant rate increases would be required to implement the Capital Maintenance project list.

The Council discussed the issue of water rates for the first time at its goal setting session in March, 2009, had a lengthy work session discussion on this issue in October 2009 and discussed it again at its goals update retreat on October 10, 2009. During the past two months, the following process has been followed that has lead to educating the community, soliciting input, and informing the Council on this issue:

May 17: Council Work Session and Joint Meeting with the Utility Advisory Board. Staff presented options and received guidance that focused consideration on two specific rate options that would be phased-in over a period of three years.

May 24: Council regular Meeting. Staff presented information and Council opened a public hearing. Two citizens testified – Bob Thomas and Alice Richmond.

June 2: Open House at City Hall hosted by members of the Utility Advisory Board and staff. No other citizens attended.

June 7: Council work session. Council asked for some additional information regarding the 2008 water master plan. Staff provided the staff report that accompanied the water master plan when it was adopted by the Council in 2008.

June 8: Open House at the Library hosted by members of the Utility Advisory Board and staff. Two citizens attended.

June 8: State of the City speech by Mayor Kovash to the West Linn Chamber of Commerce includes discussion of the ongoing water rate deliberations of the City Council.

June 14: Regular Council Meeting. Council re-opens the public hearing on water rates. Two citizens testified – Bob Thomas and Alice Richmond. Councilor Cummings asks questions regarding the 2008 master plan. City Engineer responds in writing on June 18.

June 16: Open House at the Willamette Fire Station hosted by members of the UAB and staff. Two citizens attended.

June 21: Council work session. Council asks questions regarding impact on school district and City of the two proposed rate modifications. Staff responds with some information on June 25.

June 28: Regular Council Meeting. Council re-opens public hearing. Four citizens testify – Bob Thomas, Alice Richmond, Kevin Brycke, Karie Oakes. Council requests some additional information regarding the breakdown of the number of rate payers in each category of the proposed tiered rate system and some additional information regarding the effect on the school district and impact if the District and City were exempted from the rate increase. Responses to these requests are included the attached information from Richard Seals.

Future Schedule:

July 6, 6:00: Utility Advisory Board meeting. The UAB will discuss the rate options and determine if the Board prefers one option over the other and will then make that recommendation to the City Council.

July 6, 6:30: Special Meeting of the City Council. Council will re-open the public hearing. Council will make a final decision regarding Resolution 2010-27.

Attachment

## Memorandum

Date: July 1, 2010

To: Chris Jordan, City Manager

From: Richard Seals, Finance Director

Subject: Additional Water Consumption Information

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### **Purpose**

To provide additional water consumption information.

### **Background**

Requests for additional water consumption information came out of Monday's Council meeting on June 28<sup>th</sup> relating to impacts to the School District and other demographic information relating to water usage. I also heard a request for message clarity on how capacity-related projects may or may not affect proposed water rate increases.

### **Impacts to the School District**

Attached is an analysis showing the 5-year impact on the School District from our proposed water rate increases as well as comparing their same water usage on their 13 West Linn water accounts utilizing Wilsonville's current rate structure. Under both proposals, the School District would still pay substantially less than using Wilsonville's current rate structure. As three of these School District accounts relate to summer irrigation, it is no surprise that the less progressive one-tier system is projected to be \$100,000 less over the 5-years. We have received feedback from the School District that they would prefer the one-tier system.

In regards to the proposal of charging the City's wholesale cost of \$0.64 per unit to School District and City water accounts, this trade-off equates to approximately an additional 8 to 10 percent more of a rate increase than currently in the two existing water rate proposals.

### **Other Demographic Information**

Below is an overall summary of West Linn's water demographics:

Tier 1 (0 to 10 units)	68% or 5800 accounts using 25% or 375,000 units of water per year
Tier 2 (11 to 30 units)	25% or 2100 accounts using 33% or 490,000 units of water per year
Tier 3 (over 30 units)	7% or 650 accounts using 44% or 665,000 units of water per year

Median: City's median usage is at 7 units of water per month  
Breakeven: 18% or 1500 accounts use 3 units of water per month or less

### **Message Clarity on Water Rate Proposals and Capacity-related Projects**

*The proposed water rate increases only include funding for the "existing structure" portion of needed projects and all "capacity-related" projects are accounted through Water SDC rates charged to developers*

The proposed water rate increases only include the portion of projects in the 2008 Water Master Plan relating to our "existing structure". The "capacity-related" portion was used to increase Water SDC rates completed in April 2010. Even if a different list or amount of capacity-related projects is used, this would not change the proposed water rate increase analysis. It would only change the Water SDC rate analysis.

### **Utility Advisory Board Recommends Water Rate Increases**

Below are excerpts from their recommendation statement issued in 2009:

*"The UAB is strongly recommending that the City Council seek voter approval ...  
"This higher rate increase is necessary to provide adequate funding for infrastructure maintenance ..."*

The Utility Advisory Board has recently hosted three town hall meetings and has called a Special Meeting prior to the Tuesday July 6<sup>th</sup> Council meeting.

### **Recommendation**

Following the lead of the Utility Advisory Board, staff recommends that the City Council makes a motion to place a Ballot Measure question before the voters at the next election scheduled for September 21, 2010.

### **Attachments**

- School District Impact Projection
- Handout on Water Quick Facts
- Usage Distribution Handout on Water Accounts

# City of West Linn School District Impact Projection

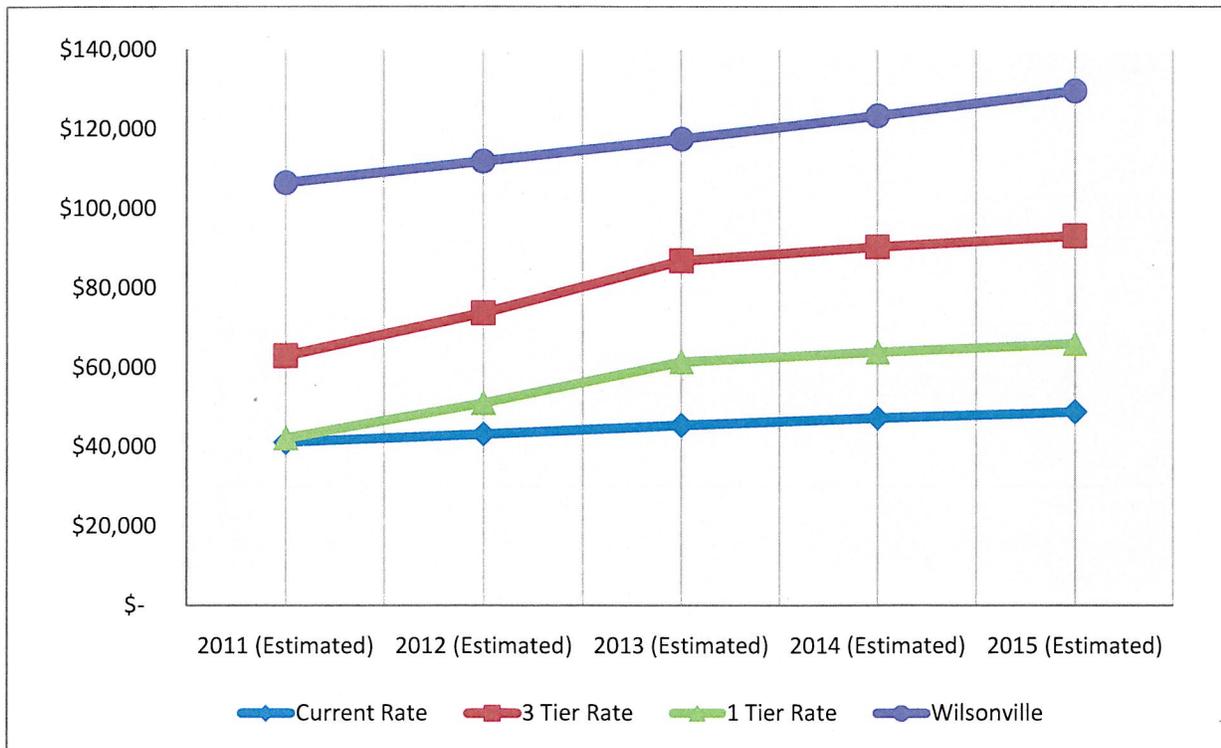
## Analysis Methodology:

For this analysis, West Linn Finance Staff took the total monthly average consumption for West Linn schools and annualized it. The annualized consumption amounts were then applied to the proposed one-tier and three-tier rate structures to arrive at an estimated total annual utility cost. The Wilsonville rate structure was also applied to the annualized consumption to calculate the estimated total utility cost as if the West Linn schools were located in Wilsonville.

West Linn Schools	
Total Monthly Estimated Consumption	1,565
Number of Months	12
<b>TOTAL</b>	<b>18,780</b>

	Current Rate	1 Tier Rate	3 Tier Rate	Wilsonville
	Total Billing	Total Billing	Total Billing	Total Billing <sup>1</sup>
2011 (Estimated)	\$ 41,148	\$ 42,143	\$ 62,953	\$ 106,516
2012 (Estimated)	43,169	50,986	73,684	111,842
2013 (Estimated)	45,390	61,354	86,840	117,434
2014 (Estimated)	47,251	63,820	90,345	123,306
2015 (Estimated)	48,750	65,916	93,175	129,471
<b>TOTAL</b>	<b>\$ 225,708</b>	<b>\$ 284,219</b>	<b>\$ 406,997</b>	<b>\$ 588,568</b>

<sup>1</sup> 2011 number is based on current Wilsonville rate structure. 2012 - 2015 rates assume a five percent increase per year off of the 2011 figure.



# Water Quick Facts

Q1: What is the average daily water usage per person in West Linn compared to other cities in the area?

Average gallons of water used per person per day

	Portland area cities	National average	Percentage from National avg
Wilsonville	173	183	-5.5%
Lake Oswego	170	183	-7.1%
Oregon City	144	183	-21.3%
West Linn	126	183	-31.1%
Tigard	110	183	-39.9%
Gresham	103	183	-43.7%
Tualatin	86	183	-53.0%
Portland	64	183	-65.0%

Q2: On the National Average, what is the average breakdown of how that water is used?

Average gallons of water used per person per day

Residential use:	bathing, cooking, washing, etc.	70	38%
Industrial use:	factories, office buildings	50	27%
Commercial use:	hospitals, restaurants, sports	35	19%
Public use:	parks, fighting fires	10	5%
Lost or unaccounted for water		18	10%
		183	100%

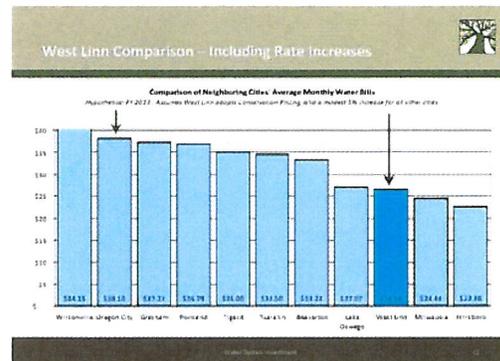
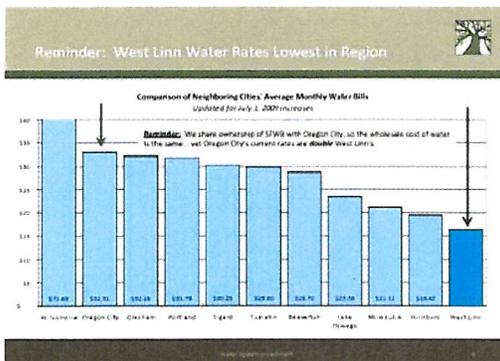
Q3: What are the common water uses and the average breakdown of how water is used?

Common water uses:

- Toilet flush
- Shower
- Hand washing
- Brushing teeth
- Outdoor watering
- Automatic dishwashing
- Dishwashing by hand
- Tub bath

Average gallons of water used per person per day

- 3 to 7 gallons
- 25 to 50 gallons
- 2 gallons (with tap running)
- 2 gallons (with tap running)
- 5 to 10 gallons per minute
- 10 gallons
- 20 gallons
- 36 gallons



City of West Linn  
Water Rate Summary Analysis

Comparing Monthly Water Amounts and proposals as of today (May 2010)

Water used on average per month	Current \$14.54 + \$1.67 over 7 ccfs	3 Tier \$9.12 + \$1.81 over 0 ccfs \$2.31 over 10 ccfs \$3.73 over 30 ccfs	1 Tier \$9.12 + \$2.32 over 0 ccfs
1 ccf	\$ 14.54	\$ 10.93	\$ 11.44
2 ccf	14.54	12.74	13.76
3 ccf	14.54	14.55	16.08
4 ccf	14.54	16.36	18.40
5 ccf	14.54	18.17	20.72
6 ccf	14.54	19.98	23.04
7 ccf	14.54	21.79	25.36
8 ccf	16.21	23.60	27.68
9 ccf	17.88	25.41	30.00
10 ccf	19.55	27.22	32.32
15 ccf	27.90	38.77	43.92
20 ccf	36.25	50.32	55.52
25 ccf	44.60	61.87	67.12
30 ccf	52.95	73.42	78.72
40 ccf	69.65	110.72	101.92
50 ccf	86.35	148.02	125.12
60 ccf	103.05	185.32	148.32
70 ccf	119.75	222.62	171.52
80 ccf	136.45	259.92	194.72
90 ccf	153.15	297.22	217.92
100 ccf	169.85	334.52	241.12
200 ccf	336.85	707.52	473.12
300 ccf	503.85	1,080.52	705.12
400 ccf	670.85	1,453.52	937.12
500 ccf	837.85	1,826.52	1,169.12
600 ccf	1,004.85	2,199.52	1,401.12
700 ccf	1,171.85	2,572.52	1,633.12
800 ccf	1,338.85	2,945.52	1,865.12
900 ccf	1,505.85	3,318.52	2,097.12
1000 ccf	1,672.85	3,691.52	2,329.12
2000 ccf	3,342.85	7,421.52	4,649.12

Tier 0  
No CONSERVATION INCENTIVE

Tier 1  
2/3 or 5,800 Accounts

Tier 2  
1/4 or 2,100 Accounts

Tier 3  
7% or 650 Accounts

Tier 1

SUMMARIZED INFO.

City of West Linn  
Water Rate Summary Analysis

Average Monthly Data Information on Meters

Water used on average per month [in ccfs]	Number of meters (or accounts) in each ccf block	Cumulative number of meters (or accounts)	Cumulative percentage of meters (or accounts)
1	642	642	7.5%
2	365	1,007	11.8%
3	537	1,544	18.1%
4	689	2,233	26.1%
5	766	2,999	35.1%
6	772	3,771	44.1%
7	665	4,436	51.9%
8	565	5,001	58.5%
9	447	5,448	63.7%
10	373	5,821	68.1% (1)
15	1,053	6,874	80.4%
20	522	7,396	86.5%
25	322	7,718	90.2%
30	214	7,932	92.7% (2)
40	253	8,185	95.7%
50	123	8,308	97.1%
60	65	8,373	97.9%
70	40	8,413	98.4%
80	25	8,438	98.6%
90	21	8,459	98.9%
100	15	8,474	99.1%
200	47	8,521	99.6%
300	13	8,534	99.8%
400	7	8,541	99.8%
500	4	8,545	99.9%
600	3	8,548	99.9%
700	2	8,550	100.0%
800	1	8,551	100.0%
900	1	8,552	100.0%
1000	-	8,552	100.0%
2000	2	8,554	100.0%

Water Rate Structures

Average Monthly Water Payments									
Current	3 Tier Option				1 Tier Option				
\$14.54 + \$1.67 for any usage over 7 ccfs	\$9.12 + \$1.81 [0-10 ccfs] \$2.31 [11-30] + \$3.73 [30+]				\$9.12 + \$2.32 [all ccfs]				
	\$		%		\$		%		
	incr	chg	incr	chg	incr	chg	incr	chg	chg
\$ 14.54	\$ 10.93	\$ (4)	-28%	\$ 11.44	\$ (3)	-21%			
14.54	12.74	(2)	-14%	13.76	(1)	-7%			
14.54	14.55	-	0% (3)	16.08	2	14%			
14.54	16.36	2	14%	18.40	4	28%			
14.54	18.17	4	28%	20.72	6	41%			
14.54	19.98	5	34%	23.04	9	62%			
14.54	21.79	7	48%	25.36	11	76%			
16.21	23.60	7	43%	27.68	11	68%			
17.88	25.41	8	45%	30.00	12	67%			
19.55	27.22	8	41%	32.32	13	66%			
27.90	38.77	11	39%	43.92	16	57%			
36.25	50.32	14	39%	55.52	19	52%			
44.60	61.87	17	38%	67.12	23	52%			
52.95	73.42	20	38%	78.72	26	49%			
69.65	110.72	41	59%	101.92	32	46%			
86.35	148.02	62	72%	125.12	39	45%			
103.05	185.32	82	80%	148.32	45	44%			
119.75	222.62	103	86%	171.52	52	43%			
136.45	259.92	123	90%	194.72	58	43%			
153.15	297.22	144	94%	217.92	65	42%			
169.85	334.52	165	97%	241.12	71	42%			
336.85	707.52	371	110%	473.12	136	40%			
503.85	1,080.52	577	115%	705.12	201	40%			
670.85	1,453.52	783	117%	937.12	266	40%			
837.85	1,826.52	989	118%	1,169.12	331	40%			
1,004.85	2,199.52	1,195	119%	1,401.12	396	39%			
1,171.85	2,572.52	1,401	120%	1,633.12	461	39%			
1,338.85	2,945.52	1,607	120%	1,865.12	526	39%			
1,505.85	3,318.52	1,813	120%	2,097.12	591	39%			
1,672.85	3,691.52	2,019	121%	2,329.12	656	39%			
3,342.85	7,421.52	4,079	122%	4,649.12	1,306	39%			

8,554 Average number of meters (or accounts) read each month for entire City

30% 44%  
Overall weighted-average % rate increase per option

Notes:

- (1) Approximately 2/3 or 5,800 residents use less than 10 ccfs per month
- (2) Approximately 2,100 residents use between 10 and 30 ccfs per month
- (3) Breakeven point with 3 Tier Option is at 3 ccfs (approximately 1,500 residences will have no change or a decrease)

**No phase-in**

MORE DETAIL



CITY OF  
**West  
Linn**

# **Water Rates** ***Utility Rates & SDCs***

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Presentation to the West Linn City Council

October 5, 2009

## Step 1: determine 20-year project list

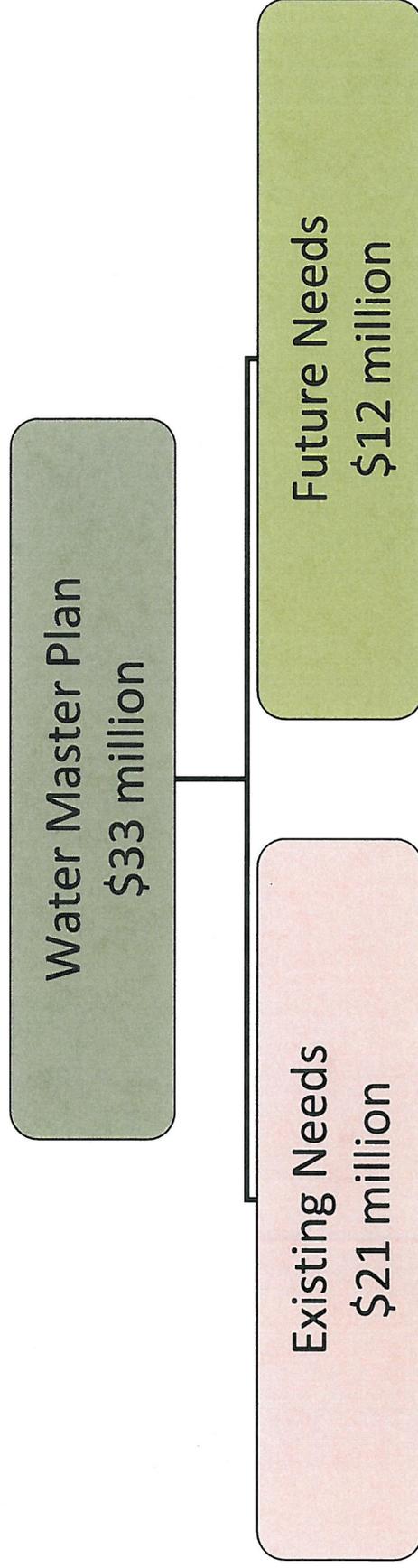


- ◆ Adopted Water Master Plan estimates needed projects over a 20 year span
  - Adopted Plan estimates \$33 million for future projects in 2008 dollars
    - *2004 Master Plan estimated \$24 million for future projects in 2004 dollars*
    - *2004 Master Plan equates to \$30 million for future projects in 2008 dollars*
  - Why the \$3 million variance in 2008 dollars?
    - » Inflation
    - » Deferred maintenance

## Step 2: break out existing and growth projects



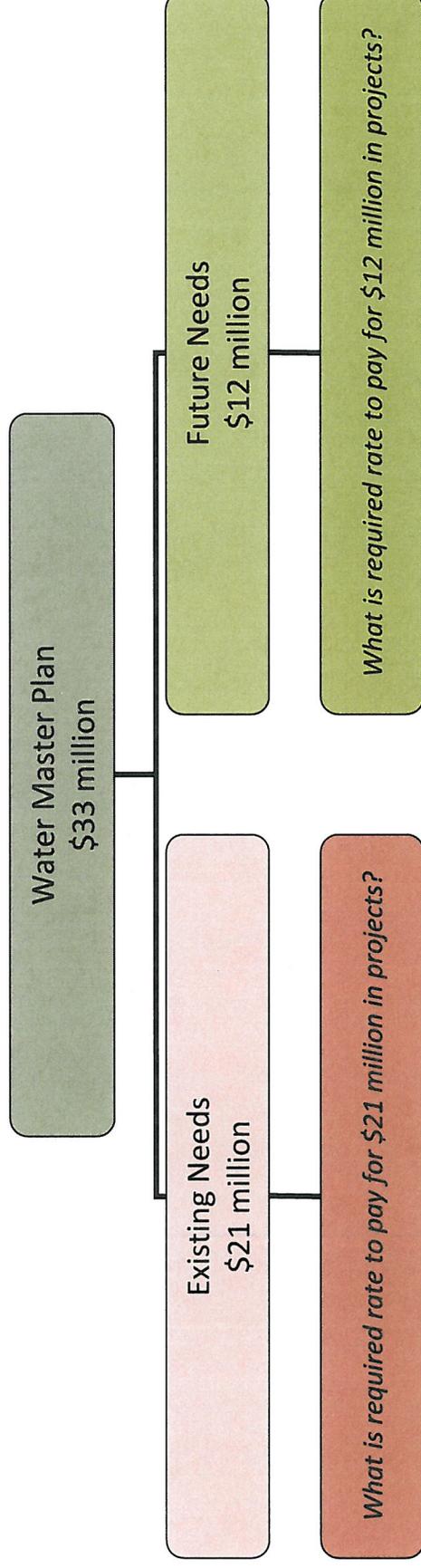
- Adopted Water Master Plan estimates \$33 million for future projects:
  - \$21 million in projects relate to existing infrastructure needs
    - Example: *updating existing system; water line replacement*
  - \$12 million in projects relate to future needs, or “growth”
    - Example: *capacity increasing; water line expansion*



## Step 3: perform financial analysis



- Use cost information and financial projections to determine rates
  - Water Fund
    - Use “Existing Needs” list to determine water utility rates necessary to pay for projects
  - Water SDC Fund
    - Use “Future Needs” list to determine water SDC rates necessary to pay for projects



**AGENDA BILL 2010-07-06-01**

**Subject:** *Public Hearing- Resolution No. 2010-27 - Water Rates and Decision to Place Measure on Ballot*

**For Council:** ~~June 28, 2010~~ July 6, 2010

**Land Use Case Number:** N/A

**Public Hearing:** The Council continues to take public comment on the issue of modifying the methodology for assessing water rates in West Linn.

**City Manager's Initials:** \_\_\_\_\_

**Attachments:**

- Memorandum to the City Manager
- Res. No. 2010-27 authorizing placement of a ballot measure on the September 2010 ballot

**Initiated by:**

- City Council goals for 2009-2010; adopted Water Master Plan; adopted Sustainability Plan

**Budget Impact:**

- The City's Water Fund does not currently have revenue stream that is able to sustain the recommended amount capital maintenance on the water system.
- Voter approval of a new rate system will provide these resources.

**Sustainability Impact:**

- Consumption-based water pricing will provide an incentive for conserving water.

**Policy Questions for Council Consideration:**

- Does the Council wish to consider placing a measure on the September 2010 ballot that would base water pricing on water consumption to pay for water system maintenance projects and promote conservation?

**Summary:**

- The City Council adopted a new Water Master Plan in December 2009 that includes \$21 million of maintenance projects over the next 20 years, including constructing a new Bolton Reservoir.
- To raise the funds to initiate these projects, the City needs to modify the current water rate structure; West Linn water rates are currently the lowest in the region.
- Implementation of a conservation-based rate system may increase water rates by more than five percent for some high-volume water users.
- The West Linn City Charter only allows annual increases of up to five percent for any utility without a vote of the community.

**Recommended Action:**

- If the Council wishes to proceed with investment in the West Linn water system and to promote water conservation, the Council should approve the resolution, place this item on the September 2010 ballot, and actively advocate in favor of the ballot measure to ensure its passage.

**Council Action Taken:**

- Approved
- Denied
- Continued



## Memorandum

Date: June 17, 2010

To: Chris Jordan, City Manager

From: Richard Seals, Finance Director

Subject: Resolution authorizing a ballot measure on water infrastructure investment and conservation water pricing

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### **Purpose**

The Council is asked to decide upon a conservation pricing method (one-tier or three-tier pricing, phased in over three years). The Council is also asked to review a resolution placing a ballot measure related to water infrastructure investment and conservation pricing on the September 21, 2010 Special Election ballot.

### **Background**

Consistent with the City Council goals, the Adopted Water Master Plan, and the Adopted Sustainability Plan, staff developed two different water rate structures. These structures are designed to increase water revenues sufficient to pay debt service on new water revenue bonds, while incorporating an incentive for conservation by lowering the base water rate and charging per unit of water.

Water revenue bonds are needed to fund \$21 million of water infrastructure projects necessary to maintain the City's water system. The proposed water rate structures encourage water conservation whereas our current rate structure offers no conservation incentive for citizens using seven units or less.

Per the Council's request, the City provided information about the Council's consideration of conservation pricing via the web, email notices, earned and paid media, notices, three town hall meetings, and three public hearings at Council meetings.

### **Recommendation**

If the Council wishes to proceed with investment in the West Linn water system and to promote water conservation, the Council should approve the resolution, place this item on the September 2010 ballot, and actively advocate in favor of the ballot measure to ensure its passage.

REVISED

**RESOLUTION 2010-27  
WEST LINN, OREGON**

**A RESOLUTION OF THE WEST LINN CITY COUNCIL CALLING AN ELECTION TO SUBMIT TO THE VOTERS A MEASURE TO UPGRADE WATER SYSTEM, INCREASE SAFETY OF DRINKING WATER, AND PROMOTE CONSERVATION BY BASING WATER PRICING ON WATER CONSUMPTION**

**WHEREAS**, the City of West Linn owns and operates its drinking water distribution system that distributes water to all homes and businesses in the City through a system of 6 reservoirs, 5 pump stations, and 118 miles of transmission lines and pipes; and

**WHEREAS**, the city's Bolton Reservoir is 97 years old and much of the current system is decades old, includes asbestos pipes that threatens the safety of drinking water and livability for the City; and

**WHEREAS**, in accordance with state law, the City has an adopted Water Master Plan that describes how the water system should be maintained and expanded to accommodate the community's need for clean drinking water and requires \$21 million in capital maintenance over the next 20 years; and

**WHEREAS**, the residents of West Linn have expressed a desire for safe, clean drinking water as well as sustainable practices such as water conservation; and

**WHEREAS** the current rate structure is not fair and equitable for homes and businesses and is inadequate in funding proper maintenance, safety upgrades, and major improvements; and

**WHEREAS**, a change in the rate structure can provide a safe, properly maintained water system for years to come and prevent ever-escalating costs for maintenance in the future; and

**WHEREAS**, an independent consultant reviewed the City's water rate structure and made recommendations for changing the rate structure so that it would promote conservation while providing adequate revenues to accomplish the capital maintenance projects outlined in the adopted Water Master Plan; and

**WHEREAS**, these recommendations were discussed with the Utility Advisory Board and the City Council in 2009 and 2010; and

**WHEREAS**, the City Council and the City have held public hearings, open houses, and community outreach on this topic to garner public opinion; and

**WHEREAS**, the West Linn City Charter requires a vote of the community for any utility rate increase that may be greater than five percent; and

**NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WEST LINN, CLACKAMAS COUNTY, OREGON THAT A SPECIAL ELECTION HAS BEEN SCHEDULED FOR SEPTEMBER 21, 2010 TO ADDRESS THE FOLLOWING ISSUES:**

- Section 1: The rate structure outlined in attachment 'A' to this resolution will be submitted for voter consideration.
- Section 2: An election is hereby called in and for the City of West Linn, Clackamas County, Oregon, for the purpose of submitting to the legal voters of the City the following question:
- Shall the City base water pricing on water consumption to pay for water system maintenance projects and promote conservation?
- Section 3: Tuesday, September 21, 2010, is hereby designated the date for holding the election for the purpose of voting on the measure.
- Section 4: The election will be conducted by the Clackamas County Elections Department by mail.
- Section 5: The precincts for said election shall be and constitute all of the territory included within the corporate limits of the City of West Linn.
- Section 6: The City Elections Officer is hereby directed to publish notice of receipt of ballot title in the West Linn Tidings or The Oregonian in compliance with ORS 250.275(5).
- Section 7: The City Elections Officer shall file the ballot title with the county clerk as required by ORS 254.095 and shall include the proposed measure in the statement of city measures to be voted on.
- Section 8: City staff is directed to prepare an Explanatory Statement for the measure and submit it for inclusion in the voters' pamphlet as provided in ORS 251.345.
- Section 9: The ballot title to appear on the ballots shall be:

### CAPTION

Voter approval for water system investment and conservation-based rate system

### QUESTION

Shall the City base water pricing on water consumption to fund water system maintenance, safety upgrades, and to promote conservation?

### SUMMARY

The City of West Linn requests voter approval for a new water rate structure that would provide for investment in critical water system maintenance and promote water conservation.

The adopted Water Master Plan includes \$21 million in required water system infrastructure projects that include water line replacements, emergency supply connection improvements, and renovations to the 97-year-old Bolton Reservoir.

Investment in these projects would maintain and increase the safety of West Linn's water distribution system. Maintaining the City's drinking water system in accordance with the adopted Water Master Plan may prevent costly system failures in the future.

The proposed new water rate structure would base water pricing on water consumption by lowering the base water rate and charging for each additional unit of water used. This change in the rate structure would be phased-in over three years. Implementation of a conservation-based rate system may increase water rates by more than five percent for high-volume water users. West Linn ratepayers can visit <http://westlinnoregon.gov/water-rates> to see how conservation pricing affects their monthly utility bill.

Section 10: If a majority of those voting on the measure vote "yes," the City will upgrade emergency safety equipment by basing water pricing on water consumption, beginning with the January 2011 utility billing cycle.

Section 11: This resolution is effective upon approval.

This resolution adopted this 28<sup>th</sup> day of June, 2010.

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JOHN KOVASH, MAYOR

ATTEST:

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TINA LYNCH, CITY RECORDER

APPROVED AS TO FORM:

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CITY ATTORNEY

**Water: Three Tiers, Phased in Over Three Years**

	Current rate structure	Proposed water rate structure		
		January 1, 2011	January 1, 2012	January 1, 2013
<i>Base water rate</i>	15.27	10.06	10.56	11.09
<i>1 to 7 units</i>	Included in base	1.56	1.85	2.21
<i>7 to 10 units</i>	1.75	1.56	1.85	2.21
<i>11 to 30 units</i>	1.75	1.99	2.36	2.81
<i>More than 30 units</i>	1.75	3.21	3.81	4.55

**Water: One Tier, Phased in Over Three Years**

	Current rate structure	Proposed water rate structure		
		January 1, 2011	January 1, 2012	January 1, 2013
<i>Base water rate</i>	15.27	10.06	10.56	11.09
<i>1 to 7 units</i>	Included in base	1.84	2.29	2.82
<i>More than 7 units</i>	1.75	1.84	2.29	2.82