

COPY



Resolution No. 2000-881

A RESOLUTION RAISING THE SANITARY SEWER RATE.

WHEREAS, the City of Sherwood contracts with United Sewerage Agency of Washington; and,

WHEREAS, the United Sewerage Agency has raised it's rates effective July 1, 2000; and,

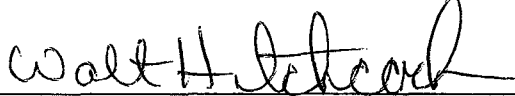
WHEREAS, it is now necessary to raise the rates charged by the City of Sherwood for those services.

NOW, THEREFORE, THE CITY RESOLVES AS FOLLOWS:


Section 1: The City Finance Manager is hereby authorized to increase rates; the base rate changed from \$15.30/EDU to \$15.68/EDU and the use rate from \$1.05 to \$1.08/ccf. (Please see Exhibit A attached, Questions & Answers About the united Sewerage Agency's proposed rate increase).

Section 2: This Resolution shall be effective upon its approval and adoption.

Duly passed by the City Council this 13th day of June 2000.


Walt Hitchcock, Mayor

ATTEST:


C. L. Wiley, City Recorder



UNIFIED SEWERAGE AGENCY OF WASHINGTON COUNTY

Questions & Answers About USA's Proposed Rate Increase

Revised May 1, 2000

How much is the Unified Sewerage Agency's proposed rate increase?

USA's proposed sanitary sewer rate increase is 2.5 percent, effective July 1, 2000. This increase is about 60 cents per month for the average residential customer, which will increase the charge from \$23.70 to about \$24.30 per month. This is the first sanitary sewer rate increase in four years, since July 1996. There is no proposed increase for the surface water management (SWM) fee, which remains at \$4.00 per month for residential customers.

MONTHLY CHARGES FOR AN AVERAGE HOUSEHOLD
Based on average monthly water usage of 8 ccf (ccf = hundred cubic feet)

Charges	Current	Proposed
Sanitary Sewer <i>Base Portion</i>	\$15.30	\$15.68
Sanitary Sewer <i>Use Portion</i>	\$1.05/CCF x 8	\$1.08/CCF x 8
Average Monthly Sanitary Bill	\$23.70	\$24.30
Monthly SWM Bill	\$4.00	\$4.00
Total Combined Monthly Bill	\$27.70	\$28.30

USA's Proposed Budget for FY 2000-01 was developed on a rate increase of 60 cents per month for the average residential customer. The increase will be applied proportionally to the base charge (65 percent) and use charge (35 percent).

Why is the rate increase necessary?

A modest rate increase will offset the effects of inflation and allow continued investments in the community's infrastructure.

The rate increase helps avoid eroding purchasing power due to inflation.

The costs to construct, operate and maintain the sanitary sewer system and infrastructure are subject to inflation, just like any business or household costs. The square footage and mechanical equipment at USA's facilities continue to grow to meet increasingly stringent water quality requirements. The facilities must be properly maintained to protect the public's investment. In four years since the last sanitary sewer rate increase, the general inflation has been about 9 percent--nearly four times the proposed rate increase. During that time, USA has cut its operating budget by more than 17 percent through business process re-engineering, reducing staff by 22 percent, re-financing debt service, and centralizing staff, resources and facilities.

(Continued on next page)

Resolution 2000-881
June 13, 2000
Exhibit A (3 pages)

The rate increase allows continued investments in the sanitary sewer infrastructure.

Each year, the Agency invests at least \$20 million in the wastewater collection and treatment system. For example, major expansions of the Durham and Rock Creek treatment facilities are underway that will cost \$113 million over the next five years. New trunk lines, upgrades and rehabilitation of existing lines are under construction throughout the district to meet the needs of a fast-growing community.

The rate increase partially supports planned revenue bond sales and payments on existing bonds. In 1989, USA began a \$200 million expansion and upgrade of its wastewater treatment facilities to meet strict water quality requirements. The bonds that financed the improvements are being paid off over time, similar to a home mortgage. Two revenue bond sales are planned; \$50 million in FY 2001-02 and \$25 million in FY 2003-04, which will pay for the continued expansion and upgrade of the Agency wastewater treatment facilities.

Note: In 1989 when the Tualatin River Cleanup began, sanitary sewer rates were projected to climb to more than \$30.80 per month by 1996 to meet strict new water quality requirements. The public's investment in advanced wastewater treatment facilities allowed the Agency to meet the water quality requirements ahead of time, while aggressive cost control measures, low interest rates on bond financing, and growth in USA's customer base kept the efforts under projected budgetary needs

How does new development pay for connecting to the sanitary sewer and surface water management system?

For each new dwelling, the developer pays \$2,800 to connect to the sanitary sewer and surface water management systems. These connection fees, known as system development charges, reflect the value of existing infrastructure and future capacity requirements. (The system development charge per dwelling is \$2,300 for sanitary sewer and \$500 for surface water management.)

What is the relationship between new growth and USA's service charges?

The Agency and its 12 member cities provide sanitary sewer and SWM services to more than 400,000 people. This large customer base results in economies of scale, as costs are shared by a larger number of customers.

How does my sewer rate compare with the rates of other communities?

City/Agency	Proposed Average Monthly Sewer Charge	Level of Treatment	Average Monthly SWM Charge	Average Monthly Combined Bill	Percent Change
USA	\$24.30	Advanced Tertiary	\$4.00	\$28.30	2.5% sewer only
Portland	\$24.70	Secondary	\$9.22	\$33.92	Preliminary 5% - 9%
McMinnville	\$45.41	Advanced Tertiary	NA	\$45.41	None proposed
Clackamas County Service District #1	\$22.00	Secondary	\$6.00	\$28.00	10% combined sanitary and SWM
Seattle	\$25.92	Secondary	\$6.05	\$31.97	4.85% sewer only, effective 1/1/2000
Vancouver, WA	\$17.40	Secondary	\$2.50	\$19.90	None proposed at this time

Why is the sewer bill higher than the water bill?

It costs more to clean wastewater than to provide pure tap water. Our drinking water supply is so clean it only needs disinfection before it is ready to drink, a much simpler process than wastewater treatment. Sewage must go through a series of mechanical, biological and chemical processes. All the chemicals used to clean wastewater must be removed before the water is released to the Tualatin River. Finally, the biosolids that settle out must be processed and recycled. Every day, USA facilities clean 72 million gallons of wastewater and produce 31 dry tons of biosolids.

USA's advanced (tertiary) treatment exceeds standards of nearly every other wastewater facility in the nation. The cleaned wastewater actually improves the water quality of the Tualatin River.

How can I help control my sewer bill?

You can reduce sewer charges by using water wisely. USA and its member cities calculate part of the bill based on the amount of wastewater a household produces. The usage portion of the charges is calculated from the customer's water usage the previous winter (November-April), so as not to figure in outdoor watering that would not go to the wastewater system. A portion of the charge, the base rate, reflects the fixed costs of service and is not affected by water usage. Conserving water can lower the bill.

Is the public notified about rate increases? How can I get involved?

Every year, from April through June, USA goes through a budget process during which rates for the Agency's services are established. Public meeting notices are published in local newspapers, inviting the public to comment on proposed rates before the budget is adopted. Before any rate change, USA issues press releases to local newspapers, radio and television and mails billing inserts to customers to help notify Washington County residents of rate increases.

The Agency's budget and rates are adopted by USA's Board of Directors. Citizens have opportunities to speak to USA's Board of Directors regarding the 2000-01 Proposed Budget and rates at the upcoming meetings. USA's Board of Directors meet every Tuesday in the Public Services Building (PSB), Shirley Huffman Auditorium, 155 N. First Avenue, Hillsboro:

Tuesday, May 11 at 10 a.m.

Budget Committee Hearing, Suite 270 of the Public Services Building
(Budget Committee considers USA's budget and capital improvements program.)

Tuesday, June 6 at 10 a.m.

USA Board of Directors Meeting
(Citizens may address the Board on Adoption of USA's FY 2001 budget, capital improvements programs and rates and charges resolution and orders.)

For more information, contact USA Public Affairs at (503) 846-8621.