



CITY OF EAGLE POINT

"Gateway to the Lakes"

OREGON

EAGLE POINT CITY COUNCIL

Council Chambers
17 Buchanan Ave. South, Eagle Point, Oregon
May 24, 2016

REGULAR MEETING AGENDA

1. CALL TO ORDER – 7:00 P.M.
2. FLAG SALUTE AND INVOCATION
3. AUDIENCE QUESTIONS OR COMMENTS CONCERNING ITEMS NOT ON THE AGENDA
4. PRESENTATIONS
5. PUBLIC HEARINGS
 - 5.1 Public Hearing in the matter of authorizing an increase of the Transportation Utility Fee (TUF) in the City of Eagle Point (Municipal Code 12.32.020).
 - 5.2 Public Hearing in the matter of authorizing an increase of the Water Base Rate and Water Consumption Rates.
6. CONSENT CALENDAR
 - 6.1 Presentation of Regular Meeting Minutes of April 26, 2016.
7. CONSIDERATION OF ITEMS REMOVED FROM THE CONSENT CALENDAR
8. PRESENTATION OF BILLS TO BE PAID
9. OLD BUSINESS

If a physical accommodation is needed to participate in this meeting, please contact the City Recorder at 541-826-4212 ext. 106 or TTY/TDD 711 or 800-735-2900. Notification of at least 48 hours prior to the meeting will assist the City in providing reasonable accommodations. (28 CFR 35.102-35.104 ADA Title II).

City Council Agenda

May 24, 2016

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10. NEW BUSINESS

- 10.1 Ordinance No. 2016-05. An Ordinance amending Ordinance No. 2009-06 increasing the Transportation Utility Fee in the City of Eagle Point, Oregon.
- 10.2 Ordinance No. 2016-06. An Ordinance in the matter of increasing the Water Base Rate and Water Consumption Rates, and repealing Ordinance No. 2015-03.
- 10.3 Resolution No. 2016-24. A Resolution establishing a Downtown Façade Improvement Grant Program, proposed by the Eagle Point Economic Development Commission.
- 10.4 City Council discussion regarding a temporary reduction in System Development Charges for commercial development, proposed by the Economic Development Commission.

11. REPORTS FROM CITY COUNCIL AND CITY COMMITTEE REPRESENTATIVES

12. STAFF REPORTS

- 12.1 Planning Department.
- 12.2 Financial Department.
- 12.3 Public Works Department.
- 12.4 Police Department.

13. INFORMATION

14. ADJOURN

AGENDA AND COUNCIL PACKETS ALSO AVAILABLE ON WEBSITE
www.cityofeaglepoint.org

**BUSINESS OF THE CITY COUNCIL
EAGLE POINT, OREGON**

AGENDA STATEMENT

Item Number: 5.1 and 10.1

Meeting Date: May 24, 2016

ITEM NO. 5.1: Public Hearing in the matter of authorizing an increase of the Transportation Utility Fee (TUF) in the City of Eagle Point (Municipal Code 12.32.020).

ITEM NO. 10.1: Ordinance No. 2016-05, an Ordinance amending Ordinance No. 2009-06 increasing the Transportation Utility Fee in the City of Eagle Point, Oregon.

SUBMITTED BY: Henry Lawrence, City Administrator


SUMMARY EXPLANATION: At the April 11, 2016 Council study session, the Council authorized staff to bring forward a proposed increase to the monthly Transportation Utility Fee. The increase is necessary in order to continue to fund the street pavement management program. Although the last three years of the pavement management program have been quite successful, full funding has relied on annual supplements from Street Fund reserves. Those reserves will eventually be exhausted.

At the May 10, 2016 regular Council meeting, staff brought before the Council a proposed increase applicable to residential uses. Council requested that the item be brought back for further consideration as an increase to both residential and commercial uses. A one-dollar per month increase from six dollars to seven dollars for a single family house is proposed. This represents approximately a 16.68 percent increase. A similar percentage increase for other types of residential uses, as well as commercial uses, is included in the attached fee schedule as a proposed amendment to Ordinance No. 2009-06.

This increase is estimated to provide approximately \$52,000 annually in additional revenue for the pavement management program. This will not completely stabilize the Street Fund. However, per the City Council study session discussion of April 11, staff will be coming forward at a future Council meeting with a proposed franchise fee agreement with Rogue Valley Sewer Service and a franchise fee expected to generate an additional \$57,000 per year for the Street Fund.

FINANCIAL IMPACT: Approximately a \$52,000 annual increase in revenue to the Street Fund.

APPROVED FOR SUBMITTAL: _____

 5/18/16

Henry Lawrence, City Administrator

STAFF RECOMMENDATION: Pass

ORDINANCE NO. 2016-05

AN ORDINANCE AMENDING ORDINANCE NO. 2009-06 INCREASING THE TRANSPORTATION UTILITY FEE IN THE CITY OF EAGLE POINT, OREGON

THE CITY OF EAGLE POINT ORDAINS AS FOLLOWS:

Section 1. Declaration of Purpose. There is a need to amend a portion of Ordinance No. 2009-06 to provide an increase in the monthly Transportation Utility Fee, in order to continue to adequately fund the pavement management program through the City of Eagle Point Street Fund.

Section 2. Amending Section 2 of Ordinance No. 2009-06 and its related Exhibit "A" Fee Schedule as follows:

The City Council may establish or adjust by ordinance adopted from time to time, a transportation utility fee to be paid by the responsible party for each developed property within the corporate limits of the City. Such fee shall be established in amounts which will provide sufficient funds to properly maintain local streets. Different categories of fees shall be established based on the trip generation of different uses of properties in the City, under their existing uses or zoning designations, and reflecting the traffic reasonably expected to be generated. The Council hereby adopts a schedule of said fees as shown in Exhibit "A", attached hereto and by this reference made a part hereof. These fees may be adjusted, as necessary, based upon revised estimates of the cost to properly maintain streets, revised categories of developed use, revised traffic generation figures, or other factors. Exhibit "A" may not be an exhaustive list of all customer types and land use descriptions within the City. In such cases, staff is authorized to consult the ITE Manual (Institute of Transportation Engineers, Trip Generation, Seventh Edition) to determine the appropriate trip generation rate.

ADOPTED by Council and signed by me in authentication of its adoption this 24th day of May, 2016.

CITY OF EAGLE POINT

Robert E. Russell, Mayor

ATTEST:

Cindy Hughes, City Recorder

EXHIBIT "A"

Chapter 12.32 TRANSPORTATION UTILITY FEE

Sections:

- 12.32.010 Declaration of purpose.
- 12.32.020 Establishment and adjustment of transportation utility fee.
- 12.32.030 Transportation utility fee – Dedicated.
- 12.32.040 City to maintain local streets – Exceptions.
- 12.32.050 Billing and collection of transportation utility fee.
- 12.32.060 Enforcement.
- 12.32.070 Administrative review – Appeals.
- 12.32.080 Notice of decision.
- 12.32.090 Commercial businesses – Temporary deviation from conformance.

12.32.010 Declaration of purpose.

There is hereby created a transportation utility for the purpose of providing funds for the maintenance of local streets under jurisdiction of the city of Eagle Point. The council hereby finds, determines and declares the necessity of providing maintenance and upkeep of the city's local streets and related facilities with a comprehensive transportation utility with such maintenance to include, without limitation, the following activities: patching, crack sealing, seal coating, overlaying and other activities as are necessary in order that local streets and related facilities may be properly maintained and that the health, safety and welfare of the city and its inhabitants may be safeguarded. [Ord. 2009-06 § 1].

12.32.020 Establishment and adjustment of transportation utility fee.

The city council may establish or adjust, by ordinance adopted from time to time, a transportation utility fee to be paid by the responsible party for each developed property within the corporate limits of the city. Such fee shall be established in amounts which will provide sufficient funds to properly maintain local streets. Different categories of fees shall be established based on the trip generation of different uses of properties in the city, under their existing uses or zoning designations, and reflecting the traffic reasonably expected to be generated. The council hereby adopts a schedule of the fees:

Utility Rates by Land Use

Monthly Residential Rate per ADT:	\$0.63	\$0.732
Monthly Nonresidential Rate per ADT:	\$0.46	\$0.534

ITE Code	Customer Type	Land Use Description	Average Daily Trips	Pass-By Trip Factor	Adjusted ADTs	Units	Monthly Rate Per Unit	
30	Truck Terminal	Truck terminals are facilities where goods are transferred between trucks, trucks and railroads or trucks and ports.	9.85	1	9.85	KSF	\$4.51	\$5.26
110	General Light Industrial	Typically less than 500 employees, freestanding and single use. Examples: Printing plants, material testing laboratories, data processing equipment assembly, power stations.	6.97	1	6.97	KSF	\$3.19	\$3.72
130	Industrial Park	Industrial park areas that contain a number of industrial and/or related facilities (mix of manufacturing, service, and warehouse).	6.96	1	6.96	KSF	\$3.18	\$3.72
140	Manufacturing	Facilities that convert raw materials into finished products. Typically have related office, warehouse, research, and associated functions.	3.82	1	3.82	KSF	\$1.75	\$2.04
151	Mini-Warehouse	Storage units or vaults rented for storage of goods. Units are physically separate and access through an overhead door or other common access point. Example: U-Store-It.	2.5	1	2.5	KSF	\$1.14	\$1.34
210	SF Detached	Single-family detached housing.	9.57	1	9.57	DU	\$6.00	\$7.00
220	Apartment	Rental dwelling units within the same building. At least 4 units in the same building. Examples: Quadplexes and all types of apartment buildings.	6.72	1	6.72	DU	\$4.21	\$4.92
230	Condo/Townhouse	Residential condominium/townhouses under single-family ownership. Minimum of two single-family units in the same	5.86	1	5.86	DU	\$3.67	\$4.29

Utility Rates by Land Use

ITE Code	Customer Type	Land Use Description	Average Daily Trips	Pass-By Trip Factor	Adjusted ADTs	Units	Monthly Residential Rate per ADT:	
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Monthly Nonresidential Rate per ADT:							\$0.46	\$0.534
ITE Code	Customer Type	Land Use Description	Average Daily Trips	Pass-By Trip Factor	Adjusted ADTs	Units	Monthly Rate Per Unit	
		building structure.						
240	Mobile Home	Trailers or manufactured homes that are sited on permanent foundations. Typically the parks have community facilities (laundry, recreation rooms, pools).	4.99	1	4.99	Occupied DU	\$3.13	\$3.65
253	Elderly Housing	Restricted to senior citizens. Contains residential units similar to apartments or condos. Sometimes in self-contained villages. May also contain medical facilities, dining, and some limited, supporting retail.	2.15	1	2.15	Occupied DU	\$1.35	\$1.57
310	Hotel	Lodging facility that may include restaurants, lounges, meeting rooms, and/or convention facilities. Can include a large motel with these facilities.	8.17	1	8.17	Room	\$3.74	\$4.36
320	Motel	Sleeping accommodations and often a restaurant. Free on-site parking and little or no meeting space.	5.63	1	5.63	Room	\$2.58	\$3.01
411	Local Park	City-owned parks, varying widely as to location, type, and number of facilities, including boating/swimming facilities, ball fields, and picnic facilities.	1.59	1	1.59	Acres	\$0.73	\$0.85
417	Regional Park	Regional park authority-owned parks,	4.57	1	4.57	Acres	\$2.09	\$2.44

Utility Rates by Land Use

			Monthly Residential Rate per ADT:				\$0.63	\$0.732
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ITE Code	Customer Type	Land Use Description	Average Daily Trips	Pass-By Trip Factor	Adjusted ADTs	Units	Monthly Rate Per Unit	
		varying widely as to location, type, and number of facilities, including trails, lakes, pools, ball fields, camp/picnic facilities, and general office space.						
430	Golf Course	Includes 9-, 18-, 27-, and 38-hole municipal and private country clubs. Some have driving ranges and clubhouses with pro shops, restaurants, and lounges. Many of the municipal courses do not include such facilities.	35.74	1	35.74	Holes	\$16.35	\$19.08
435	Multi-purpose Recreation Facility	Multi-purpose recreational facilities contain two or more of the following land uses at one site: mini-golf, batting cages, video arcade, bumper boats, go-carts, and driving ranges.	90.38	1	90.38	Acres	\$41.34	\$48.26
437	Bowling Alley	Recreational facilities with bowling lanes which may include a small lounge, restaurant or snack bar.	33.33	1	33.33	Lanes	\$15.25	\$17.80
493	Athletic Club	Privately owned with weightlifting and other facilities often including swimming pools, hot tubs, saunas, racquetball, squash, and handball courts.	43	1	43	KSF	\$19.67	\$22.96
495	Recreational	Recreational community centers are	22.88	1	22.88	KSF	\$10.47	\$12.22

Utility Rates by Land Use

ITE Code	Customer Type	Land Use Description					Monthly Residential Rate per ADT:	\$0.63	\$0.732
			Average Daily Trips	Pass-By Trip Factor	Adjusted ADTs	Units	Monthly Rate Per Unit	\$0.46	\$0.534
	Community Center	facilities similar to and including YMCAs, often including classes, day care, meeting rooms, swimming pools, tennis, racquetball, handball, weightlifting equipment, locker rooms, and food service.							
520	Elementary School	Public. Typically serves K-6 grades.	1.29	0.59	0.76	Student	\$0.35	\$0.41	
522	Middle School	Public. Serves students that completed elementary and have not yet entered high school.	1.62	0.59	0.96	Student	\$0.44	\$0.51	
530	High School	Public. Serves students that completed middle or junior high school.	1.71	0.59	1.01	Student	\$0.46	\$0.54	
540	Junior/Community College	Two-year junior colleges or community colleges.	1.2	1	1.2	Student	\$0.55	\$0.64	
560	Church	Contains worship area and may include meeting rooms, classrooms, dining area and facilities.	9.11	1	9.11	KSF	\$4.17	\$4.86	
565*	Day Care	Facility for preschool child care primarily during daytime hours. May include classrooms, offices, eating areas, and playgrounds.	79.26	0.33	26.16	KSF	\$11.97	\$13.97	
			4.48	0.33	1.48	Student	\$0.68	\$0.79	
590	Library	Public or Private. Contains shelved books, reading rooms or areas,	54	1	54	KSF	\$24.70	\$24.84	

Utility Rates by Land Use

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							\$0.63	\$0.732
							Monthly Nonresidential Rate per ADT:	
							\$0.46	\$0.534
							Monthly Rate Per Unit	
		sometimes meeting rooms.						
591	Lodge/Fraternal Organization	Includes a club house with dining and drinking facilities, recreational and entertainment areas, and meeting rooms.	0.29	1	0.29	Members	\$0.13	\$0.15
710	General Office	Office building with multiple tenants. Mixture of tenants can include professional services, bank and loan institutions, restaurants, snack bars, and service retail facilities.	11.01	1	11.01	KSF	\$5.04	\$5.88
715	Single-Tenant Office Building	Single-tenant office building usually contains offices, meeting rooms, file storage areas, data processing, restaurant or cafeteria, and other service functions.	11.57	1	11.57	KSF	\$5.29	\$6.17
720	Medical-Dental Office	Provides diagnosis and outpatient care on a routine basis. Typically operated by one or more private physicians or dentists.	36.13	1	36.13	KSF	\$16.53	\$19.29
750	Office Park	Park or campus-like planned unit development that contains office buildings and support services such as banks and loan institutions, restaurants, and service stations.	11.42	1	11.42	KSF	\$5.22	\$6.10

Utility Rates by Land Use

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ITE Code	Customer Type	Land Use Description	Average Daily Trips	Pass-By Trip Factor	Adjusted ADTs	Units	Monthly Rate Per Unit	
760	Research and Development Center	Single building or complex of buildings devoted to research and development. May contain offices and light fabrication facilities.	8.11	1	8.11	KSF	\$3.71	\$4.33
770	Business Park	Group of flex-type or incubator 1- to 2-story buildings served by a common roadway system. Tenant space is flexible to accommodate a variety of uses. Rear of building usually served by a garage door. Typically includes a mix of offices, retail & wholesale.	12.76	1	12.76	KSF	\$5.84	\$6.81
812	Building Materials and Lumber	Small, freestanding building that sells hardware, building materials, and lumber. May include yard storage and shed storage areas. The storage areas are not included in the GLA needed for trip generation estimates.	45.16	1	45.16	KSF	\$20.66	\$24.11
813	Discount Super Store	A freestanding discount store that also contains a full-service grocery department under one roof.	49.21	0.718	35.31	KSF	\$16.15	\$18.86
814	Specialty Retail	Small strip shopping centers containing a variety of retail shops that typically specialize in apparel, hard goods, services such as real estate, investment,	44.32	1	44.32	KSF	\$20.27	\$23.67

Utility Rates by Land Use

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ITE Code	Customer Type	Land Use Description	Average Daily Trips	Pass-By Trip Factor	Adjusted ADTs	Units	Monthly Rate Per Unit	
		dance studios, florists, and small restaurants.						
815	Discount Store	A freestanding discount store that offers a variety of customer services, centralized cashiering, and a wide range of products under one roof. Does not include a full-service grocery department like Land Use 813, freestanding discount super store.	56.02	0.475	26.62	KSF	\$12.18	\$14.22
816	Hardware/Paint Store	Typically freestanding buildings with off-street parking that sell paints and hardware.	51.29	0.450	23.08	KSF	\$10.56	\$12.32
817	Nursery/Garden Center	Freestanding building with yard containing planting or landscape stock. May have large greenhouses and offer landscape services. Typically have office, storage, and shipping facilities. GLA is building GLA, not yard and storage GLA.	36.08	1	36.08	KSF	\$16.50	\$19.27
820	Shopping Center	Integrated group of commercial establishments that is planned, developed, owned, and managed as a unit. Provides enough on-site parking to serve its own parking demand. May include nonmerchandising facilities such as office buildings, movie theaters,	42.94	0.393	16.86	KSF Leasable	\$7.71	\$9.00

Utility Rates by Land Use

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ITE Code	Customer Type	Land Use Description	Average Daily Trips	Pass-By Trip Factor	Adjusted ADTs	Units	Monthly Rate Per Unit	
		restaurants, post offices, banks, health clubs, and recreational facilities.						
841	New Car Sales	New car dealership with sales, service, parts, and used vehicles.	33.34	1	33.34	KSF	\$15.25	\$17.80
848	Tire Store	Primary business is tire sales and repair. Generally does not have a large storage or warehouse area.	24.87	1	24.87	KSF	\$11.38	\$13.28
850	Supermarket	Freestanding grocery store. May also contain ATMs, photo centers, pharmacies, and video rental areas.	102.24	0.265	27.05	KSF	\$12.37	\$14.44
851	Convenience Market	Sells convenience foods, newspapers, magazines, and often beer and wine. Does not have gas pumps.	737.99	0.282	208.4	KSF	\$95.33	\$111.29
880	Pharmacy without Drive-Through	Facilities that fulfill medical prescriptions.	90.06	0.327	29.42	KSF	\$13.46	\$15.71
881	Pharmacy with Drive-Through	Facilities that fulfill medical prescriptions.	88.16	0.383	33.79	KSF	\$15.46	\$18.04
890	Furniture Store	Sells furniture, accessories, and often carpet/floor coverings.	5.06	0.157	0.79	KSF	\$0.36	\$0.42
911*	Walk-In Bank	Usually a freestanding building with a parking lot. Does not have drive-up windows. May have ATMs.	156.48	0.270	42.25	KSF	\$19.33	\$22.56

Utility Rates by Land Use

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Monthly Nonresidential Rate per ADT:							\$0.46	\$0.534
ITE Code	Customer Type	Land Use Description	Average Daily Trips	Pass-By Trip Factor	Adjusted ADTs	Units	Monthly Rate Per Unit	
912	Drive-In Bank	Provides drive-up and walk-in bank services. May have ATMs.	246.49	0.270	66.55	KSF	\$30.44	\$35.54
931	Quality Restaurant	High-quality eating establishment with slower turnover rates (more than one hour).	89.95	0.288	25.86	KSF	\$11.83	\$13.80
932	High Turnover Sit-Down Restaurant	Sit-down eating establishment with turnover rates of less than one hour.	127.15	0.315	40.11	KSF	\$18.35	\$21.42
933	Fast Food without Drive-Through	Fast food but no drive-through window.	716	0.265	190.08	KSF	\$86.95	\$101.50
934	Fast Food with Drive-Through	Fast food with drive-through window.	496.12	0.265	131.71	KSF	\$60.25	\$70.33
936*	Drinking Place	Contains a bar where alcoholic beverages and snacks are serviced and possibly some type of entertainment such as music, games, or pool tables.	113.4	0.315	35.77	KSF	\$16.36	\$19.10
944	Gas Station	Sell gasoline and may also provide vehicle service and repair. Does not have convenience market and/or car wash.	168.56	0.235	39.61	Fueling Positions	\$18.12	\$21.15
945	Gas/Service Station with Convenience Market	Selling gas and convenience market are the primary business. May also contain facilities for service and repair. Does not include car wash.	162.78	0.123	20.08	Fueling Positions	\$9.19	\$10.72

Utility Rates by Land Use

ITE Code	Customer Type	Land Use Description	Average Daily Trips	Pass-By Trip Factor	Adjusted ADTs	Units	Monthly Residential Rate per ADT:	
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Monthly Nonresidential Rate per ADT:							\$0.46	\$0.534
ITE Code	Customer Type	Land Use Description	Average Daily Trips	Pass-By Trip Factor	Adjusted ADTs	Units	Monthly Rate Per Unit	
946*	Gas/Service Station with Convenience Market, Car Wash	Selling gas, convenience market, and car wash are the primary business. May also contain facilities for service and repair.	152.84	0.382	58.34	Fueling Positions	\$26.69	\$31.15
947	Self-Service Car Wash	Allows manual cleaning of vehicles by providing stalls for the driver to park and wash.	108	1	108	Wash Stalls	\$49.40	\$57.67

NOTES:

Source: Institute of Transportation Engineers, Trip Generation, Seventh Edition.

Pass-by trip factor reflects diverted linked trips in addition to pass-by trips.

ITE codes identified with asterisks (*) include information derived from the ITE manual (e.g., ADT rate is 10 times peak-hour trips, pass-by factor is derived from pass-by counts for a similar land use or are as estimated by traffic engineers).

Land Use Units:

KSF = 1,000 gross square feet building area

DU = dwelling unit

Room = number of rooms for rent

Fueling Positions = maximum number of vehicles that can be served simultaneously

Student = number of full-time equivalent students enrolled

These fees may be adjusted, as necessary, based upon revised estimates of the cost of properly maintained streets, revised categories of developed use, revised traffic generation figures, or other factors. [Ord. 2009-06 § 2].

**BUSINESS OF THE CITY COUNCIL
EAGLE POINT, OREGON**

AGENDA STATEMENT

Item Number: 5.2 and 10.2
Meeting Date: May 24, 2016

ITEM NO. 5.2: Public Hearing in the matter of increasing the Water Base Rate and Water Consumption Rates.

ITEM NO. 10.2: Ordinance No. 2016-06, an Ordinance in the matter of increasing the Water Base Rate and Water Consumption Rates, and repealing Ordinance No. 2015-03.

SUBMITTED BY: Melissa Owens, Finance Officer (541) 826-4212 ext. 104

SUMMARY EXPLANATION: This is a Public Hearing in the matter of increasing the Water Base Rate and Water Consumption Rates. There have been several discussions over the last several years regarding analysis of the Water Funds. In addition, a new Water Master Plan was completed. An analysis of the Water Master Plan resulted in the determination that there are several projects that need to be completed, including construction of a new 1.6 million gallon water tank and relocation of the Bellerieve Pump Station. Along with the cost of these projects, the costs of operating and maintaining the water system has increased to a point that the expenses continue to exceed the water revenue. Due to the revenue shortfall, the City is currently using the water reserves to pay for this shortfall. While the City is reluctant to ask its rate payers to pay more, it is necessary to cover the expenses for water. The 10 year projections have shown a 4% increase each year. By implementing a small increase each year it ensures that the Water Fund stops operating using reserves and it helps ensure that there will only be small increases.

The primary reasons for the need to increase rates include:

- Rising costs of general operations
- Rising costs of routine maintenance and repairs
- Increased need for repairs due to some parts of the system that are aging
- Costs of some improvements that were identified as part of the Water Master Plan including a 1.6 MG reservoir
- Requirement to repay internal loans used to pay off old debt within 10 years
- Requirement to repay new USDA loan used for new reservoir

An increase of \$0.62 per month in the base rate and 4% increase in the consumption rate is proposed. For a resident using 9,000 gallons of water per month, this would mean an increase of \$1.43 per month.

Agenda Item No. 5.2 and 10.2

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Loans from the Street SDC Fund and General Fund are required to be repaid within 10 years. The 10 year projections show repayment beginning in 2018/2019 and being completed by 2022/2023. It is important to start preparing for that repayment now. The 4% increase will on average cost \$1.43 per customer (residential) and generates \$68,000 revenue in 2016/2017.

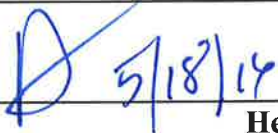
If adopted, this Ordinance will Ordain that:

1. Thirty (30) days following adoption of this Ordinance, the Base Rate for water use will be \$16.10 per month, and consumption rates will be:

1 st 10,000 gallons	\$2.17/1000
2 nd 10,000 gallons	\$2.73/1000
3 rd 10,000 gallons	\$3.29/1000
30,000 + gallons	\$3.85/1000

2. As previously authorized by Ordinance No. 2015-03, this Ordinance will authorize future rate increases resulting from the Medford Water Commission's rate increases to be passed by Resolution.

FINANCIAL IMPACT: Approximately \$68,000 revenue during 2016/2017.

APPROVED FOR SUBMITTAL:  5/18/14
Henry Lawrence, City Administrator

STAFF RECOMMENDATION: Staff recommends approval of this item.

ORDINANCE NO. 2016-06

AN ORDINANCE IN THE MATTER OF INCREASING THE WATER BASE RATE AND WATER CONSUMPTION RATES, AND REPEALING ORDINANCE NO. 2015-03.

WHEREAS, in 2015, the City Council adopted Ordinance No. 2015-03, providing for a water rate increase; and

WHEREAS, Ordinance No. 2015-03 also allowed for future water rate increases as a result of the Medford Water Commission's rate increases, to be passed by Resolution; and

WHEREAS, since the adoption of Ordinance No. 2015-03, the City has continued to move forward with the water projects as outlined in the Water Master Plan and reduce old debt through internal loans; and

WHEREAS, through internal borrowing of funds, two existing loans were able to be repaid early through the Water Fund saving significant interest; and

WHEREAS, repayment of the internal borrowing of funds made to the Water Fund will be paid as soon as possible but within the required period of 10 years; and

WHEREAS, debt payments for the new loan covering construction of the capital projects, including the new 1.6 MG reservoir, from the Water Fund will need to be made on a new \$2,823,000 loan; and

WHEREAS, the Water Fund will need to prepare for the repayment of these internal loans and the new USDA loan by increasing water rates now for payment in future years; and

WHEREAS, an increase of \$0.62 to the base rate and a 4% increase to the tiered consumption rates will generate approximately \$68,000 in Fiscal Year 2016/2017; and

WHEREAS, an increase of \$0.62 per month in the base rate and a 4% increase in tiered consumption rates, for a resident that uses 9,000 gallons of water per month would result in an increase of \$1.43 per month; and

WHEREAS, revising the rate structure is in the best interest of the citizens of Eagle Point in order for the City to provide dependable water service and to operate the Water Fund in a responsible manner, and should be reviewed annually; and

WHEREAS, the City desires to retain the ability to pass by Resolution wholesale rate increases resulting from the Medford Water Commission's rate increases.

Now, therefore,

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