

**CITY OF WHITTIER, ALASKA
ORDINANCE # 03-2021**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WHITTIER, ALASKA, AMENDING THE WATER AND WASTEWATER TARIFF AND PROVIDING FOR A 3.0% INCREASE TO ALL RATES AND CHARGES EFFECTIVE JANUARY 1, 2022 PLUS A 5.0% INCREASE EFFECTIVE OCTOBER 1, 2022, AND PROVIDING FOR AUTOMATIC ANNUAL ADJUSTMENTS EFFECTIVE WITH THE FIRST BILLING CYCLE EACH YEAR THEREAFTER, BY AN AMOUNT EQUAL TO THE THREE PREVIOUS FULL YEARS' AVERAGE INCREASE IN THE CPI

WHEREAS, the City of Whittier is responsible to operate and maintain safe, reliable and adequate water and sewer infrastructure and services to serve the needs of residents, businesses and visitors to the community of Whittier and;

WHEREAS, the City accepts state and federal capital grant funding for water and sewer system improvements and in order to qualify for low-interest loans and bond financing for capital infrastructure, must be able to demonstrate the adequacy of utility rates and the financial capacity to repay debt; and

WHEREAS, the City seeks adequate fee-based rates sufficient to cover current operating costs, maintenance, repairs, depreciation, debt service and replacement of existing systems, plus capital expansion as required by WMC 13.04.150 and 13.12.170; and

WHEREAS, the City did not increase water or sewer rates between 2006 and 2018 and during that period, the consumer price index increased by 27.6%, resulting in a loss of purchasing power necessary to maintain and replace existing utility infrastructure and equipment, and keep up with increased cost of operations; and

WHEREAS, the City increased water and sewer rates by 1.317% on January 1, 2020, by 5.0% on October 1, 2020 and by 1.64% on January 1, 2021; and

WHEREAS, the City of Whittier's enterprise funds should operate similar to business entities by setting rates sufficient to cover the full cost of operations and maintenance, overhead, infrastructure replacement and system expansion; and

WHEREAS, the administration recommends incremental rate increases in order to avoid "rate shock" to customers and ensure the sufficiency of funding necessary to operate and maintain utility equipment and infrastructure; and

WHEREAS, the City must be financially prepared to address utility infrastructure priorities in the near future, including construction of two new water wells to provide the City with a consistent and safe water supply utilizing existing emergency generation equipment, plus the ability to house future chlorination infrastructure, and bonding costs for this project will be approximately \$102,000 per year for a period of 20 years; and

WHEREAS, the proposed rate increase for all water and sewer rates is established at 3.0% beginning January 1, 2022 plus an additional 5.0% increase effective October 1, 2022, and thereafter, all water and sewer rates are increased effective the first billing cycle of each year, by an amount equal to the three previous full years' average increase in the Anchorage consumer price index for all urban consumers (for example, January 1, 2023 rates will increase based on the three-year average CPI for 2019, 2020 and 2021).

NOW, THEREFORE, THE WHITTIER CITY COUNCIL ORDAINS: the following rate schedule shall apply to all water and sewer services within the City of Whittier and shall be reviewed as required by 13.04.150 and 13.12.170.

Section 1. **Classification** This is a non-code ordinance.

Section 2. **Effective Date** The water and sewer rates set out in this ordinance become effective with the first billing cycle of January 2022 and the billing cycle in October 2022, with subsequent rate increases being effective the first billing cycle of January each year thereafter.

Section 3. **Automatic Rate Adjustments** Beginning January 1, 2023 and each January 1 thereafter, all Water and Sewer Rates are to be adjusted annually beginning the first billing of each calendar year to reflect an average of the three previous published years' annual increases in the Consumer Price Index, All Items, 1982-84=100 for all Urban Consumers, Anchorage, Alaska Area ("CPI") as published by the United States Department of Labor, Bureau of Labor Statistics. (For example, 2023 rates will reflect an increase based on the average CPI for 2019, 2020 and 2021).

WATER RATE SCHEDULE RECURRING SERVICE CHARGES

The rates and charges shown on Schedules A through C are the monthly service charges for water service only. Assessments, contributions in aid of construction or charges for specific services beyond the scope of normal water services (e.g., special construction of a long service line; repair of damage which was the responsibility of the customer) are in addition to the monthly service charges.

SCHEDULE A - Unmetered Residential Accounts

This schedule applies to unmetered residential accounts including single-family, duplex, triplex and multiple-family buildings with a service connection no larger than 1". The monthly service charges the Utility bills each account are comprised of a Usage Charge for each dwelling unit and a Customer Charge.

	<u>1/1/2021</u>	<u>1/1/2022</u>	<u>10/1/2022</u>
Monthly Service Charges:			
Usage Charge (per dwelling unit)	\$51.00	\$52.53	\$55.16
Customer Charge (per account)	\$17.46	\$17.99	\$18.89

SCHEDULE B - Metered Commercial and Multiple-Dwelling-Unit Residential Accounts

This schedule applies to metered commercial and residential accounts including duplex and triplex, mobile home parks, and multiple-family buildings. The monthly service charges the Utility bills each account are comprised of a Volume Rate for each 1 gallon of water consumed and a Customer Charge and a Meter Charge for each meter used which varies according to the size of the meter(s) used.

Metering requirements are contained in chapter A of the **Customer Rights and Responsibilities** section. (see **Rules and Regulations of the Whittier Water & Wastewater Department**)

	<u>1/1/2021</u>	<u>1/1/2022</u>	<u>10/1/2022</u>
Volume Rate per 1 Gallon	\$0.007720	\$0.007952	\$0.008350
Water Metered Cubic Ft. Usage	\$0.057756	\$0.059488	\$0.062463

Customer Charge (per account, per month)

Service Size			
Less than 1"	\$15.05	\$15.50	\$16.28
1"	\$17.26	\$17.77	\$18.66
1 1/2"	\$26.47	\$27.26	\$28.63
2"	\$36.46	\$37.55	\$39.43
3"	\$59.82	\$61.61	\$64.69
4"	\$93.23	\$96.02	\$100.83
6"	\$275.40	\$283.66	\$297.85

SCHEDULE C Special Customers

(1) Temporary construction service to a parcel using the service line that will serve the building under construction. Customers in need of water service under this schedule must obtain a permit. The monthly service charges shall be those specified in Schedules A or B above.

(2) Temporary off-site construction or other use requiring a connection to a fire hydrant. Customers in need of water service under this schedule must obtain a permit. The monthly service charges are specified below.

Water Meter Charge

A monthly water meter charge shall be collected from users for water meters owned by the utility.

Meter/Service Size	Monthly Charge		
	<u>1/1/2021</u>	<u>1/1/2022</u>	<u>10/1/2022</u>
Less than 1"	\$6.14	\$6.33	\$6.64
1"	\$15.35	\$15.81	\$16.61
1 1/2"	\$23.03	\$23.72	\$24.91
2"	\$30.71	\$31.63	\$33.21
3"	\$46.06	\$47.44	\$49.82
4"	\$61.42	\$63.26	\$66.42
6"	\$92.12	\$94.89	\$99.63

SEWER RATE SCHEDULE RECURRING SERVICE CHARGES

Commercial Wastewater Service Adjustment

Monthly billings may be adjusted for a commercial service that consumes water that is not returned to the municipal wastewater system. In order to qualify for an adjustment, the customer must petition the City either separately meter the water that is not returned to the wastewater system, and demonstrate that the separately metered water will not enter the wastewater system or separately meter the water that is returned to the wastewater system. Upon review and approval, the City will deduct the volume of separately metered water that is not returned to the wastewater system from the total metered use prior to calculation of the volume charge each month.

RESIDENTIAL DOMESTIC AND COMMERCIAL SERVICE

	<u>1/1/2021</u>	<u>1/1/2022</u>	<u>10/1/2022</u>
<u>SCHEDULE A - Unmetered Accounts</u>			
Usage Charge (monthly, per dwelling unit)	\$51.00	\$52.53	\$55.16
Customer Charge (monthly, per account)	\$124.28	\$128.01	\$134.41

SCHEDULE B - Metered Commercial and Multiple-Dwelling-Unit Residential Accounts

Volume Rate per 1 Gallon of water usage	\$0.007720	\$0.007952	\$0.008350
Metered Cubic Ft. Usage (=Gallon Rate x 7.481)	\$0.057756	\$0.059489	\$0.062466
Customer Charge (monthly, per account)	\$12.91	\$13.30	\$13.96

NONRECURRING SERVICE CHARGES AND FEES

Water turn-on/turn-off (per visit)

During business hours	\$71.90	\$74.06	\$77.77
During non-business hours	\$201.66	\$207.71	\$218.09

Fees for water service connections.

This charge includes permit and inspection fees.

1"	\$735.27	\$757.33	\$795.19
1 1/2"	\$892.05	\$918.81	\$964.75
2"	\$1059.65	\$1091.44	\$1146.01
3"	\$1254.28	\$1291.91	\$1356.50
4"	\$1497.57	\$1542.49	\$1619.62
5"	\$1767.89	\$1820.92	\$1911.97
6"	\$2113.89	\$2177.31	\$2286.18
8"	\$2497.75	\$2572.60	\$2701.31

Temporary off-site construction service annual permit

Per vehicle	\$48.87	\$50.34	\$52.86
Per site for non-vehicle projects	\$48.87	\$50.34	\$52.86
Permit administration fee	\$48.87	\$50.34	\$52.86

Other fees and charges

Reconnection or restore charge	\$162.19	\$167.06	\$175.41
Unauthorized turn-on/turn-off	\$162.19	\$167.06	\$175.41
Dishonored checks	\$35.00	\$36.05	\$37.85

<u>Remote meter charge</u>	\$159.65	\$164.44	\$172.66
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**ENACTED BY THE CITY COUNCIL OF THE CITY OF WHITTIER, this 21st
day of September, 2021.**

Introduced By: Dave Dickason
Introduction Date: 7 September 2021
Public Hearing: 21 September 2021

ATTEST:


Naelene Matsumiya
City Clerk


Dave Dickason
Mayor

Ayes: 6
Nays: 0
Abstain: 0
Absent: 1