

## **Resolution No. 17-16**

### **A RESOLUTION CHANGING THE ECONOMIC INDEX USED TO ANNUALLY ADJUST WATER, WASTEWATER, AND STORMWATER MONTHLY USER CHARGES AND RESCINDING RESOLUTION NO. 15-12 AND SECTION 2 OF RESOLUTION NO. 15-21**

**WHEREAS**, the Scappoose Municipal Code authorizes the City Council to set and amend water, wastewater, and stormwater charges by resolution; and,

**WHEREAS**, the Scappoose Municipal Code requires such fees to be reasonable and necessary as a means for the delivery of these critical municipal utility services; and,

**WHEREAS**, the cost of operating and improving the water, wastewater, and stormwater systems increases each year; and,

**WHEREAS**, the City currently indexes water, wastewater, and stormwater rates each March 21st by an amount equal to either the year to year percentage change in the Portland-Salem Consumer Price Index, Urban consumers (CPI-U) as of December of the preceding calendar year or 2%, whichever is lower; and,

**WHEREAS**, the Scappoose City Council has determined the Portland-Salem Consumer Price Index, Urban consumers (CPI-U) is not an appropriate cost index for predicting future changes in the costs of municipal utilities (water, wastewater, and stormwater); and,

**WHEREAS**, the Scappoose City Council has determined the most appropriate cost index for use in annually adjusting all City utilities rates is the Engineering News-Record's (ENR) 20 city average Construction Cost Index (CCI); where the CCI is defined by ENR as:

200 hours of common labor at the 20-city average of common labor rates, plus 25 cwt of standard structural steel shapes at the mill price prior to 1996 and the fabricated 20-city price from 1996, plus 1.128 tons of Portland cement at the 20-city price, plus 1,088 board ft. of 2 x 4 lumber at the 20-city price.; and,

**WHEREAS**, the Scappoose City Council has determined the ENR CCI economic index hereinafter specified and established are just, reasonable, and necessary.

#### **NOW, THEREFORE BE IT RESOLVED,**

**Section 1: Annualized Rate Adjustment of Water, Wastewater, and Stormwater Rates.** Notwithstanding any other provision, the dollar amounts of the monthly rates for water, wastewater, and stormwater shall, on July 16 of each year, be adjusted to account for changes in the costs of acquiring and constructing facilities. The adjustment factor shall be based on:

- a. The annual change in construction costs according to the ENR 20 City Average CCI published in the ENR in December of each year.

- b. The ENR CCI adjustment factor shall be used to adjust the monthly rates for water, wastewater, and stormwater services, unless they are otherwise adjusted by the city based on a change in the costs of materials, labor, or real property; or adoption of an updated methodology for calculating such monthly rates.

**Section 2:** Resolution No. 15-12 and Section 2 of Resolution No. 15-21 are hereby rescinded effective May 15, 2017.

**PASSED AND ADOPTED** by the City Council this 15th day of May, 2017 and signed by the Mayor and City Recorder in authentication of its passage.

**CITY OF SCAPPOOSE, OREGON**

  
Scott Burge, Mayor

Attest:   
Susan M Reeves, MMC, City Recorder