



## City of Sisters

### News Release

Sisters, OR

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### **Sisters City Council Adopts New Utility Rates**

On Thursday, April 23, 2009, the Sisters City Council adopted a resolution establishing new utility rates effective July 1, 2009. This follows the completion of a utility rate study that began last fall. The study, undertaken by Galardi Consulting, examined the City's water and sewer rates. The City's water rates were last increased in 1994. The City's sewer rate was first set in 2000. The study was initiated due to declining revenues and increasing costs in the City's water fund.

"An important outcome of this study was to design a new rate structure that is sensitive to the current economic climate. We wanted to keep any rate increase as low as possible," stated Eileen Stein, City Manager. "The water fund balance has been declining, whereas the sewer fund balance has been increasing," stated Stein. The hope was to balance out the two funds and not impact the average rate payer. The first step in the rate study was to refine the City's five year projections for each fund to make sure that anticipated future operating and capital costs were known, and to make sure that debt reserves associated with the new sewer system were covered. "I am pleased to report we accomplished that and are still able to adjust the rates to achieve cost neutrality for most accounts," stated Stein.

The base rate for customers with a 5/8 and 3/4 inch water meter is \$16.50 per month. These are the most common meter sizes for residential accounts. For sewer, the City charges \$39.00 per equivalent dwelling unit (EDU) per month. Together, the standard residential account pays \$55.50 per month. For the same services, the new rates are \$19.80 and \$35.70 respectively, for the same \$55.50 per month.

Some accounts will see modest increases in their utility bill because the City also charges a volume fee for water used above 10,000 gallons in any given month. "When we ran scenarios on various typical utility accounts, we found that some accounts did increase due to the volume fee applied to the account," stated Stein. The cost increase for the entire year ranged from \$18.66 to \$751.00, or \$1.56 to \$62.58 per month. Information about the rate increase is posted on the City's website at [www.ci.sisters.or.us](http://www.ci.sisters.or.us) or call 549-6022.