

City of Salem
Retail Water Utility Service Fees and Charges

Exhibit 1
Page 1 of 5

Water billings for retail customers include a base charge and a volume charge for the amount of water consumed. Base charges have three components: billing, water meter per connection, and public fire protection. The billing charge is a flat rate per invoice. The meter and public fire protection charges are based on the size of the water meter. Volume rates are charged per hundred cubic feet (ccf) which equals 748 gallons. Rates are established for each customer class and area based on service characteristics. The following table lists water rates for retail customers located inside and outside of the City of Salem. Rates and charges are effective for bills dated on or after February 1 of each year identified below and shall be applied to all accounts on a monthly basis. The City of Salem charges a five percent franchise fee on services to customers in Salem.

Effective Dates:	Inside Salem - Retail		Outside City - Retail ⁽¹⁾	
	1/1/2017	1/1/2018	1/1/2017	1/1/2018

Water Service Charges

Base Charge (by meter size per connection) ⁽²⁾

5/8 - 3/4 inch meter	\$ 7.72	\$ 9.18	\$ 8.30	\$ 9.87
1 inch meter	8.42	10.02	9.05	10.77
1.5 inch meter	13.34	15.87	14.00	17.06
2 inch meter	19.23	22.87	20.67	24.59
3 inch meter	34.93	41.56	37.55	44.68
4 inch meter	52.60	62.57	56.55	67.26
6 inch meter	101.68	120.96	109.31	130.03
8 inch meter	347.06	412.88	373.09	443.85
10 inch meter	543.37	646.42	584.12	694.90

Volume Rate (by customer class per ccf)

Single Family Residential	⁽³⁾ \$ 2.63	\$ 2.62	\$ 2.86	\$ 2.85
Multifamily (individually metered)	2.63	2.62	2.86	2.85
Multifamily (shared meter)	2.13	2.12	2.31	2.30
Irrigation	4.21	4.20	4.56	4.55
Commercial (including Fire)	⁽⁴⁾ 2.17	2.16	2.35	2.34
Public	2.56	2.55	2.77	2.76
Institutional	⁽⁵⁾ 1.84	1.84	NA	NA
Industrial	⁽⁵⁾ 1.53	1.52	NA	NA

Water Fill Stations (per 400 gallons)	\$0.75	\$0.75	NA	NA
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- ⁽¹⁾ Customers outside Salem city limits who may or may not be on septic systems and receive City water are assessed a 7.5% surcharge and are billed as retail customers of the City of Salem. This includes customers in Jan Ree and Eola-Chatnicka as well as other unincorporated areas.
- ⁽²⁾ Accounts with compound meters will be charged the base fee associated with the size of meter for the head that has measured more than half of the water consumed in the prior calendar year.
- ⁽³⁾ A \$10 credit will be offered as an incentive to residential customers who are selected and agree to participate in the City's lead and copper sampling program. This credit will be applied to the customer's account each time a sample is taken.
- ⁽⁴⁾ A fee for private fire protection service is applied monthly to identified accounts inside the City of Salem at a flat rate of \$2.00 per inch of diameter of main connection. These customers have automatic sprinkler systems, private fire hydrants, and standpipes for fire protection. Water is to be used only for the extinguishing of fires and flushing necessary for proper maintenance of fire protection equipment. The Director of Public Works may require a meter to protect against surreptitious use of water; and in such cases, the monthly minimum charge shall be applied in accordance with the size of the meter installed as listed above. Fire accounts must remain active and may revert to the property owner.
- ⁽⁵⁾ Industrial water customers use water for a process and are generally located in the lowest pressure zone. They may or may not have industrial wastewater flows. Institutional water customers use water similar to public customers, but their wastewater flows are measured and monitored like industrial customers.

Rates charged for wastewater collection and processing are based on service area and customer classification. A base charge is assessed per wastewater connection and a volume rate is applied per hundred cubic feet (ccf) of average water consumption of two or more readings on or after November 1. The wastewater volume rate (wastewater base) for each account not separately measured is established annually and shall be calculated on the average measurable water consumption using two or more meter readings on or after November 1. Commercial customers using an average of more than 10,000 cubic feet (cf) of water per month may install, at the customer's expense, a separate meter to measure water used in a production process or for irrigation which does not flow through to the wastewater collection system. Rates and charges are effective for bills dated on or after February 1 of each year identified below and shall be applied to all accounts on a monthly basis. The City of Salem charges a five percent franchise fee on services to customers in Salem.

Effective Dates:

Inside Salem - Retail		Outside City - Retail ⁽⁴⁾	
1/1/2017	1/1/2018	1/1/2017	1/1/2018

Wastewater Service Charges

Single Family Residential

Base charge (per account)	\$	14.02	\$	14.44	\$	15.26	\$	15.72
Volume (per ccf)		3.31		3.41		3.60		3.71
Without measurable water consumption (wastewater volume at 5 ccf)		30.57		31.49		33.26		34.27
New (without history; wastewater volume at 6 ccf)	(1)	33.88		34.90		36.86		37.98
Vacant (wastewater volume at 0.5 ccf)		15.68		16.15		17.06		17.58
Wastewater Rate Assistance Program Discount	(2)	(11.80)		(11.80)		(9.00)		(9.00)

Multifamily

Base charge- Duplex (per account)		15.24		15.70		16.59		17.09
Base charge - Triplex (per account)		16.46		16.95		17.92		18.46
Base charge - Fourplex (per account)		17.68		18.21		19.25		19.83
Base charge - Fiveplex (per account)		18.90		19.46		20.58		21.20
Add the following to base charge for each unit over five		1.22		1.26		1.33		1.37
Volume rate (per ccf)		3.31		3.41		3.60		3.71
New or without measurable water consumption (Base charge by units plus wastewater volume at 5 ccf per unit)	(1)							

Commercial/Public

Base charge (per account)		21.00		21.63		22.87		23.56
Volume rate (per ccf)		4.56		4.70		4.97		5.12
New (Base charge plus volume (ccf) equal to like business)	(1)							

Significant Industrial Users

Industrial Base Charge (per account)		1,906.38		1,963.57
Institutional Base Charge (per account)		1,059.90		1,091.70
Flow (per million gallons)		2,992.89		3,082.67
Biochemical Oxygen Demand (per 1000 lbs)		344.90		355.25
Total Suspended Solids (per 1000 lbs)		248.81		256.27

(1) Wastewater volumes for new accounts without history are set as indicated and may be adjusted upon the customer's request, based on actual usage after a minimum of two full billing cycles.

(2) The Wastewater Rate Assistance Program discounts the wastewater portion of the utility bill for qualifying senior citizens or disabled heads of household that have a gross household income of less than 30 percent of the Salem-area median income, based on family size, as published annually by the U.S. Department of Housing and Urban Development. To qualify, an individual must be 62 years of age or disabled, live in a single family residence with wastewater utility services, be the person responsible for the bill, and submit a completed City of Salem application with required documentation as specified in the application. Qualifying residents are only eligible to receive the discount for one utility account. The discount will be applied to the wastewater base rate on each monthly utility bill.

(3) Industrial and institutional customers considered to be Significant Industrial Users (SIUs) have high effluent flows, high loadings - based on measured levels of solids and oxygen demand, or the ability to negatively impact the treatment facility. SIUs are identified when connected to the wastewater collection system and require regular monitoring under federal regulations for the strength and quantity of effluent discharged.

(4) Administration fees are collected by the City of Salem, based on a contractual agreement with Marion County Board of Commissioners, for the East Salem Service District, Jan Ree, and Labish Village Sewage and Drainage District.

Jan Ree

Single Family Residential - \$.60 per month

Multifamily Residential (per unit) - \$.50 per month

Commercial/Public (per account) - \$.60 plus \$.05 per ccf of wastewater in excess of 8 ccf per month

Labish Village Sewage and Drainage District

Single Family Residential - \$3.00 per month

Rates and charges are effective for bills dated on or after February 1 of each year identified below and shall be applied to all accounts on a monthly basis. The City of Salem charges a five percent franchise fee on services to customers in Salem.

Stormwater Service Charges

The City of Salem provides stormwater services to customers within the Salem city limits. Stormwater service fees have two components: a base charge per account and an impervious area charge. Total impervious area is converted to Equivalent Dwelling Units (EDU), and one EDU is equal to 3,000 square feet of impervious area. Residential tiers are established based on the impervious area contained in the building footprint while other customer classes measure total impervious area. In cases where multiple accounts serve one parcel, one of the accounts may be charged the stormwater service fee for the full parcel. Rates and charges are effective for bills dated on or after February 1 of each year identified below and shall be applied to all accounts on a monthly basis.

Effective Dates:		1/1/2017	1/1/2018
Base Charge (per account)		\$ 10.08	\$ 10.39
Single Family Residential Impervious Area rate (based on tier)	(1)		
Tier 1 (less than or equal to 1,330 square feet)		4.56	4.70
Tier 2 (greater than 1,330 but less than 2,900 square feet)		5.22	5.38
Tier 3 (greater than or equal to 2,900 square feet)		5.86	6.04
Impervious Area rate for all other classifications (based on total area)	(2)		
per EDU (3,000 square feet of impervious area)		5.22	5.38

(1) Impervious areas include rooftops, driveways, sidewalks, paved parking areas, and compacted gravel or dirt. For single family residential properties, tiers are based on building footprints only. On average, single family properties in Salem have 700 square feet of impervious area in addition to the building footprint.

(2) Impervious areas are individually measured for the following customer classifications: multifamily, irrigation, commercial, public, institutional, industrial, fire, and wholesale. One equivalent dwelling unit (EDU) is equal to 3,000 square feet of impervious area.

Backflow Prevention Program

The City of Salem is required to manage a testing program to protect the drinking water system from potential sources of contamination through the installation and testing of backflow prevention assemblies. *Oregon Administrative Rules 333-061-070* and *Salem Revised Code 72.190* require a backflow prevention assembly be installed on residential and commercial water services that have the potential to contaminate the City's water system. Homes or businesses with irrigation systems and certain businesses are required to have backflow assemblies. These assemblies are required to be tested on an annual basis to ensure proper function. The owner of the utility account is responsible for the installation, maintenance, repair, and replacement of each backflow assembly. The City of Salem is required to maintain proof of compliance. Rates and charges are effective for billing cycles beginning on or after February 1 of each year identified below and shall be applied to all accounts on a monthly basis.

Effective Dates:		1/1/2017	1/1/2018
Backflow Prevention Fee		\$ 1.50	\$ 1.50

Septic Waste Disposal Fee

Effective Dates:		1/1/2017	1/1/2018
Discharge Fee for Septic Waste (per gallon)		\$ 0.12	\$ 0.12

Hauled Waste Disposal Fees

Effective Dates:		1/1/2017	1/1/2018
Leachate (per gallon)		\$ 0.030	\$ 0.030
Domestic waste sludge (per gallon)		0.055	0.060
Food waste and Fats, Oils, Grease (FOG) (per gallon)		0.050	0.050

City of Salem
Wholesale Water Utility Service Fees and Charges

Exhibit 1
Page 4 of 5

Water billings for wholesale customers include a base charge and a volume charge for the amount of water consumed. Base charges have three components: billing, water meter per connection, and public fire protection. The billing charge is a flat rate per invoice. Meter and public fire protection charges are based on the size of the water meter. Volume rates are charged per hundred cubic feet (ccf) which equals 748 gallons. The following table lists rates for each wholesale service area. Rates and charges are effective for bills dated on or after February 1 of each year identified below and shall be applied to all accounts on a monthly basis.

Effective Dates:

1/1/2017	1/1/2018
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Water Service Charges

City of Turner

Base charge (by meter size per connection)

5/8 - 3/4 inch meter	\$ 3.96	\$ 4.71
1 inch meter	4.19	4.99
1.5 inch meter	4.67	5.55
2 inch meter	5.86	6.97
3 inch meter	7.28	8.66
4 inch meter	11.08	13.18
6 inch meter	15.36	18.28
8 inch meter	27.24	32.41
10 inch meter	86.63	103.05

Volume rate (per ccf)	0.92	0.92
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East Salem Water District

Base charge (by meter size per connection)

5/8 - 3/4 inch meter	\$ 4.25	\$ 5.06
1 inch meter	4.50	5.36
1.5 inch meter	5.01	5.96
2 inch meter	6.27	7.46
3 inch meter	7.79	9.27
4 inch meter	11.84	14.08
6 inch meter	16.38	19.49
8 inch meter	29.02	34.53
10 inch meter	92.24	109.73

Volume rate (per ccf)	1.07	1.07
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Orchard Heights

Base charge (by meter size per connection)

5/8 - 3/4 inch meter	\$ 8.30	\$ 9.87
1 inch meter	9.07	10.79
1.5 inch meter	14.33	17.05
2 inch meter	20.67	24.59
3 inch meter	37.55	44.67
4 inch meter	56.55	67.27
6 inch meter	109.29	130.02
8 inch meter	373.09	443.85
10 inch meter	584.12	694.90

Volume rate (per ccf)	2.57	2.56
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City of Stayton and City of Aumsville (per ccf) emergency only	\$ 0.68	\$ 0.68
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City of Keizer (per ccf) emergency only	1.07	1.07
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City of Salem
Wholesale Wastewater Utility Service Fees and Charges

Exhibit 1
Page 5 of 5

Rates charged for wastewater collection and processing are based on service area and customer classification. A base charge is assessed per sewer connection and a volume rate is applied per hundred cubic feet (ccf) of average water consumption of two or more readings after November 1. The wastewater volume rate (sewer base) for each account is established annually and shall be calculated on the average measurable water consumption using two or more meter readings on or after November 1. Commercial customers using an average of more than 10,000 cubic feet (cf) of water per month may install, at the customer's expense, a separate meter to measure water used in a production process or for irrigation which does not flow through to the wastewater collection system. Rates and charges are effective for bills dated on or after February 1 of each year identified below and shall be applied to all accounts on a monthly basis.

Wastewater Service Charges

		Effective Dates:	
		1/1/2017	1/1/2018
Turner Service Area (Wholesale)			
Billing (per invoice)	\$	1.82	\$ 1.88
Volume (per ccf)		3.28	3.38
Keizer Service Area (Retail by Customer Class)			
Single Family Residential			
Base charge (per account)		12.46	12.84
Volume rate (per ccf)		3.35	3.45
Without measurable water consumption (wastewater volume at 5 ccf)		29.21	30.09
New (without history; wastewater volume at 6 ccf)		32.56	33.54
Vacant (wastewater volume at 0.5 ccf)		14.14	14.57
Wastewater Rate Assistance Program Base Charge (per account)	(1)	(9.00)	(9.00)
Multifamily			
Base charge- Duplex (per account)		13.71	14.12
Base charge - Triplex (per account)		14.96	15.41
Base charge - Fourplex (per account)		16.20	16.69
Base charge - Fiveplex (per account)		17.45	17.97
Add the following to base charge for each unit over five		1.25	1.28
Volume rate (per ccf)		3.35	3.45
New or without measurable water consumption (Base charge by units plus wastewater volume at 5 ccf per unit)	(2)		
Commercial/Public			
Base charge (per account)		19.64	20.23
Volume rate (per ccf)		4.61	4.75
New or without measurable water consumption (Base charge plus volume (ccf) equal to like business)			

(1) The Wastewater Rate Assistance Program discounts the wastewater portion of the utility bill for qualifying senior citizens or disabled heads of household that have a gross household income of less than 30 percent of the Salem-area median income, based on family size, as published annually by the U.S. Department of Housing and Urban Development. To qualify, an individual must be 62 years of age or disabled, live in a single family residence with wastewater utility services, be the person responsible for the bill, and submit a completed City of Salem application with required documentation as specified in the application. Qualifying residents are only eligible to receive the discount for one utility account. The discount will be applied to the wastewater base rate on each monthly utility bill.

(2) Wastewater volumes for new accounts without history are set as indicated and may be adjusted upon the customer's request, based on actual usage after a minimum of two full billing cycles.