

# FY 2024-2025 UTILITY RATES



# DESIRED LEVEL OF SERVICE

Utility Payments



Services Provided



# WHERE THE MONEY GOES

1

Debt  
Repayments

2

Operations  
and  
Maintenance

3

Capital  
Investment



# DEBT REPAYMENT

## SEWER

- A-M WRF/TWG
  - ANNUAL PAYMENT OF \$4.64M
  - PAID OFF IN 2032
- RIVERFRONT INTERCEPTOR
  - \$617,000
  - PAID OFF IN 2041

## WATER

- A-M WATER PLANT
  - ANNUAL PAYMENT OF \$1.92M
  - PAID OFF IN 2034

## STORMWATER

NONE





# OPERATIONS & MAINTENANCE

- INCLUDES PERSONNEL, MATERIALS/SERVICES, AND CAPITAL MAINTENANCE ON EXISTING ASSETS
  - PIPE NETWORKS, LIFT STATIONS, RESERVOIRS, TREATMENT FACILITIES, OPEN DITCHES/CULVERTS, VALVES, MANHOLES, ETC.
- ALSO INCLUDES REGULATORY REQUIREMENTS
  - PERMIT COMPLIANCE, DISCHARGE SAMPLING, REPORTING, ETC.
- REDUCES RISK OF SYSTEM FAILURES, EMERGENCY REPAIRS, SERVICE INTERRUPTIONS, AND PERMIT VIOLATIONS



# COMBINED ASSETS

## SEWER

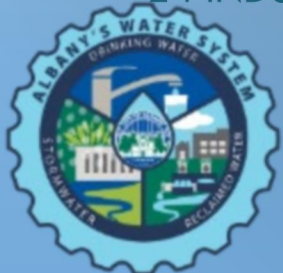
- WRF TREATMENT PLANT
  - 3.1 BILLION GALLONS TREATED
- TWG TREATMENT WETLANDS
- 19,000 CONNECTIONS
- 200+ MILES OF PIPE
- 11 LIFT STATIONS
- OVER 5,000 MANHOLES
- 24 INDUSTRIAL PERMITS

## WATER

- 2 TREATMENT PLANTS
  - 3 BILLION GALLONS TREATED
- 18-MILE CANAL
- 21,000 CONNECTIONS
- 275 MILES OF PIPE
- 7 RESERVOIRS & PUMPS STATIONS
- 2,000 HYDRANTS

## STORMWATER

- 142 MILES OF PIPES
- 4,700+ INLETS
- 2,600 MANHOLES
- 70 MILES OF DITCHES
- 367 PUBLIC STORMWATER QUALITY FACILITIES
- 3,100 MILES OF STREET SWEEPING



# CAPITAL SPENDING

## SEWER

- \$3.6M / YEAR REVENUE TARGET
- 30 MILES OF PIPE RATED 4 OR ABOVE
- PERPETUAL LIFE REPLACEMENT
  - REDUCED FAILED PIPE FROM 90,000 FT TO 40,000 FT OVER 9 YEARS
- CAPACITY PROJECTS
  - RATES COVERING FOR LACK OF SDC REVENUE

## WATER

- \$3M / YEAR REVENUE TARGET
- REDUCTION IN WATER LOSS %
- PERPETUAL LIFE REPLACEMENT
- RESERVES FOR MEMBRANE REPLACEMENT

## STORMWATER

- \$490K / YEAR REVENUE TARGET
- 16.4 MILES OF PIPE RATED 4 OR ABOVE
- PAYING STORM PORTION OF STREET PROJECTS
- FIRST STORM-FUNDED CAPITAL PROJECTS PROGRAMMED NEXT BIENNIUM





# WHY CONSIDER A RATE ADJUSTMENT?

- INFLATION
- REGULATORY COMPLIANCE
  - STORMWATER NPDES PERMIT
  - WASTEWATER NPDES PERMIT RENEWAL
  - DRINKING WATER REGULATIONS
- CAPITAL PROJECTS





# RATE RECOMMENDATIONS

- SEWER (effective July 1, 2024) +2%
  - RESPONDS TO INFLATION
- WATER (effective January 1, 2025) +4%
  - RESPONDS TO INFLATION
- STORMWATER (effective March 1, 2025) +6%
  - INCLUDES INFLATION
  - BASED ON PERMITTING REQUIREMENTS & STREET FUND RELIEF



# WHAT CUSTOMERS WOULD PAY

## SDU Sewer only (800 cubic feet).....

	Per day	Per Month
Current Rate	\$2.27	\$68.23
w/ 2% Rate Increase	\$2.32	\$69.62

## SDU Water only (800 cubic feet).....

	Per day	Per Month
Current Rate	\$1.99	\$59.77
w/ 4% Rate Increase	\$2.07	\$62.08

## SDU Stormwater only.....

	Per day	Per Month
Current Rate	\$0.54	\$16.31
w/ 6% Rate Increase	\$0.58	\$17.28



# WHAT SDU CUSTOMERS WOULD PAY

SDU for water, sewer, and stormwater combined...

	Per Day	Per Month*
Current Rates	\$4.80	\$144.25
Rate Increases: 4% Water, 2% Sewer, 6% Stormwater	\$4.97	\$148.98

Total monthly utility bill for average single dwelling unit customer would increase 3.3%



\*Assumes 800 cubic feet of average water/sewer use for consistency with LOC comparisons. The average Albany customer uses closer to 600 cubic feet.



# INCORPORATING THE MONTHLY CSF

Typical SDU water, sewer, stormwater, and CSF

	Per Day	Per Month
Current Rates + CSF	\$5.11	\$153.25
Rate Increases: 4% Water, 2% Sewer, 6% Stormwater + CSF	\$5.27	\$157.98





# TOTAL UTILITY BILL

(Assumes rate increases of 2% sewer 7/1/24, 4% water 1/1/25, 6% stormwater 3/1/25)

## 2023-24 Average Monthly Utility Bills in Oregon Cities Single-Family Residential Customers - Total Utility Bill

Population 2023 PSU	City / District	800 cu ft	
		\$ / mo	Rank
648,097	Portland	\$214.77	1
41,396	Lake Oswego	\$185.53	2
55,868	Tigard	\$166.77	3
10,028	Sweet Home	\$164.69	4
13,159	Sandy	\$164.18	5
20,329	Lebanon	\$161.89	6
57,997	Albany	\$157.98	7
1,496	Adair Village	\$148.92	8
10,274	Independence	\$147.75	9
117,107	Gresham	\$147.67	10
5,823	Philomath	\$147.30	11
38,049	Oregon City	\$147.18	12
61,669	Corvallis	\$145.24	13
14,387	Cornelius	\$144.62	14
110,874	Hillsboro	\$144.05	15
20,868	Sherwood	\$139.03	16
101,165	Beaverton	\$136.72	17
27,360	West Linn	\$135.19	18
182,726	Salem	\$134.69	19
63,078	Springfield	\$127.54	20
34,612	McMinnville	\$126.98	21
106,275	Bend	\$124.68	22
27,044	Woodburn	\$117.99	23
40,102	Grants Pass	\$108.23	24
27,551	Forest Grove	\$107.96	25
177,339	Eugene / EWEB	\$102.41	26
11,019	Monmouth	\$100.62	27
39,169	Keizer	\$99.61	28
24,258	Roseburg	\$74.05	29
	Average	\$138.77	

Utility bill calculation includes water, sewer, stormwater, transportation, and city service fees, if applicable  
Rates are calculated on 3/4-inch meters for residential accounts only; all units calculated in cubic feet  
800 cubic feet is the comparison used by the League of Oregon Cities



Note: Does not reflect anticipated adjustments for comparative cities.

# WHAT NSDU CUSTOMERS WOULD PAY\*

	<u>Albany</u>	<u>Salem</u>	<u>Corvallis</u>	<u>Eugene</u>
Gas Station	\$210	\$162	\$153	\$212
Restaurant	\$1,490	\$874	\$703	\$1,225
City Hall	\$891	\$633	\$809	\$963
Apartment Complex	\$4,744	\$3,466	\$3,480	\$3,608
Large Retailer 1	\$1,412	\$1,567	\$2,041	\$3,293
Large Retailer 2	\$4,597	\$3,064	\$4,215	\$6,694
Large Retailer 3	\$6,568	\$3,543	\$4,164	\$7,026
High School	\$4,214	\$3,884	\$4,715	\$7,163
Large Care Facility	\$26,367	\$24,275	\$22,530	\$29,032
Average Industrial Facility	\$20,122	\$13,399	\$22,031	\$39,453



\* Total utility bill is for sample customers. Actual bills will vary based on site specific conditions and use of the systems.



# 5-YEAR RATE FORECASTS

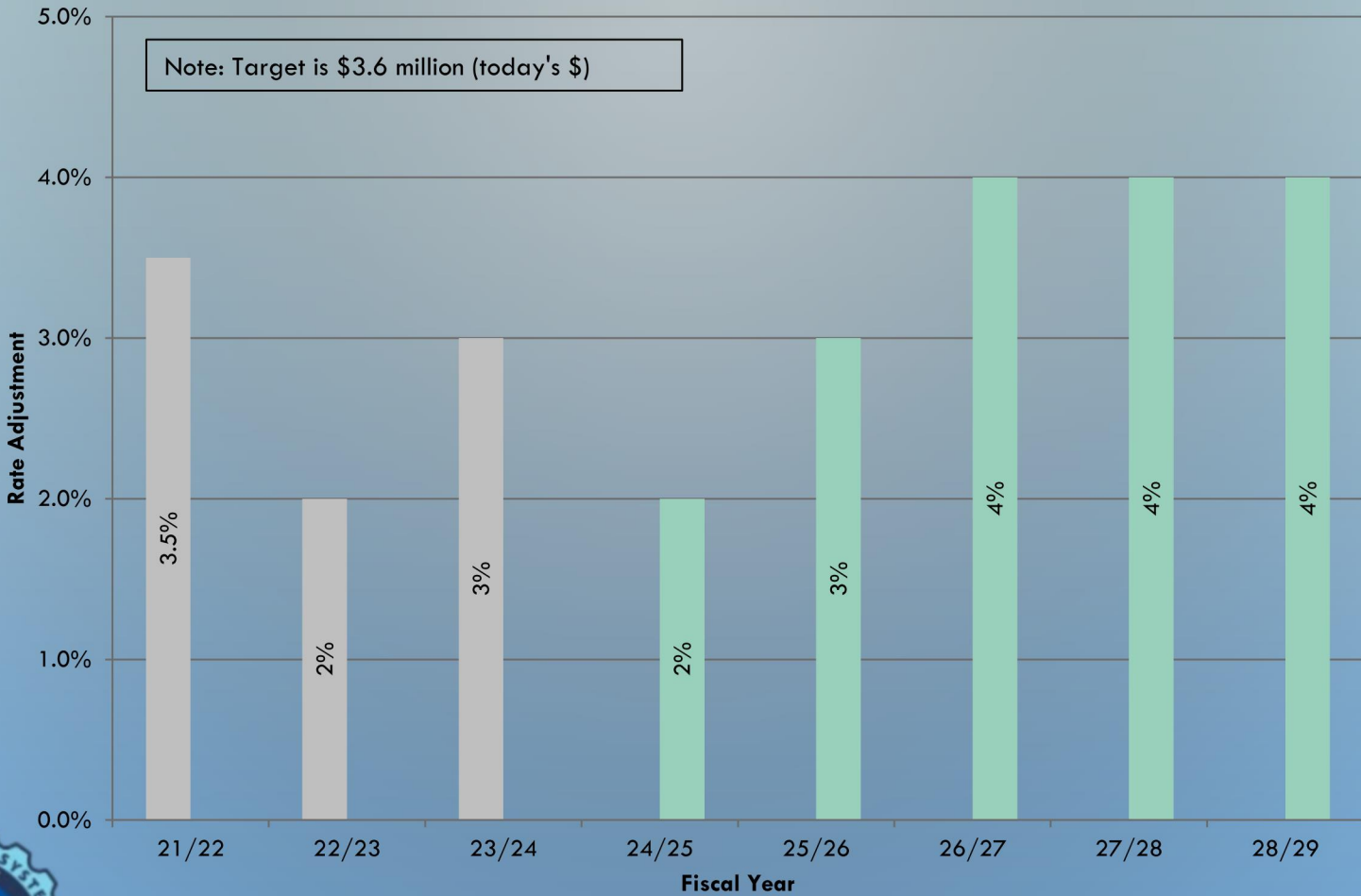
## VARIABLES:

- RATE REVENUES
- SDC REVENUES
- PERSONNEL/OPERATIONS EXPENSES
- UNFORESEEN CAPITAL NEEDS
- FUTURE REGULATORY COSTS



# SEWER RATE FORECAST

## Sewer Five-Year Rate Projection

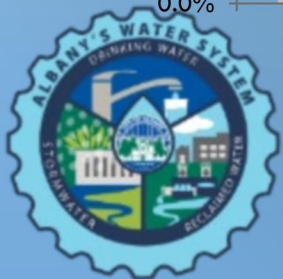
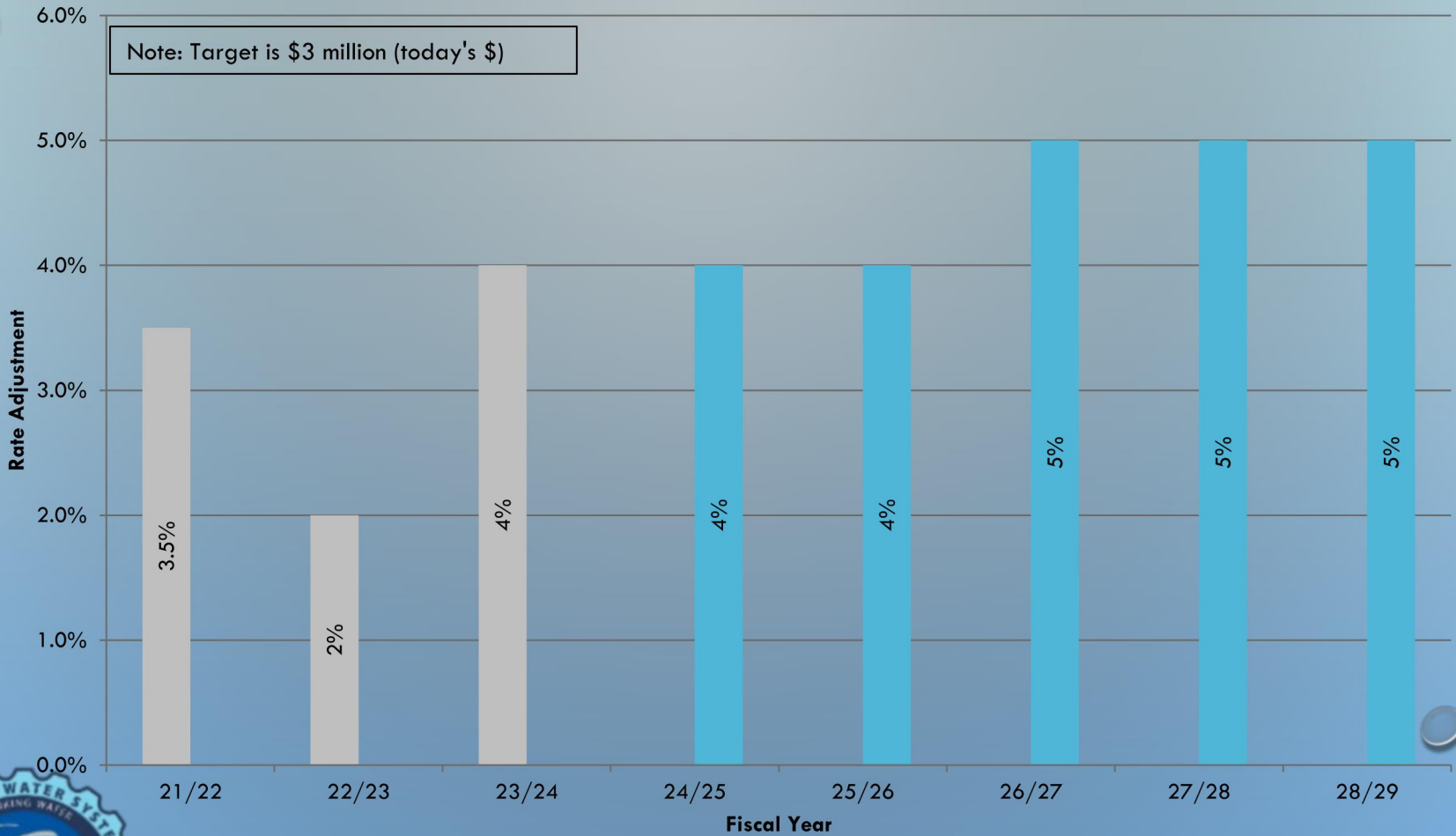


Actual Rate Adjustment    Current Projection



# WATER RATE FORECAST

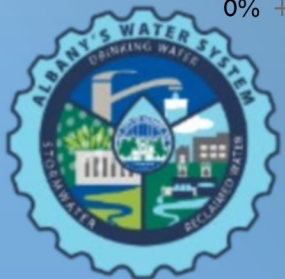
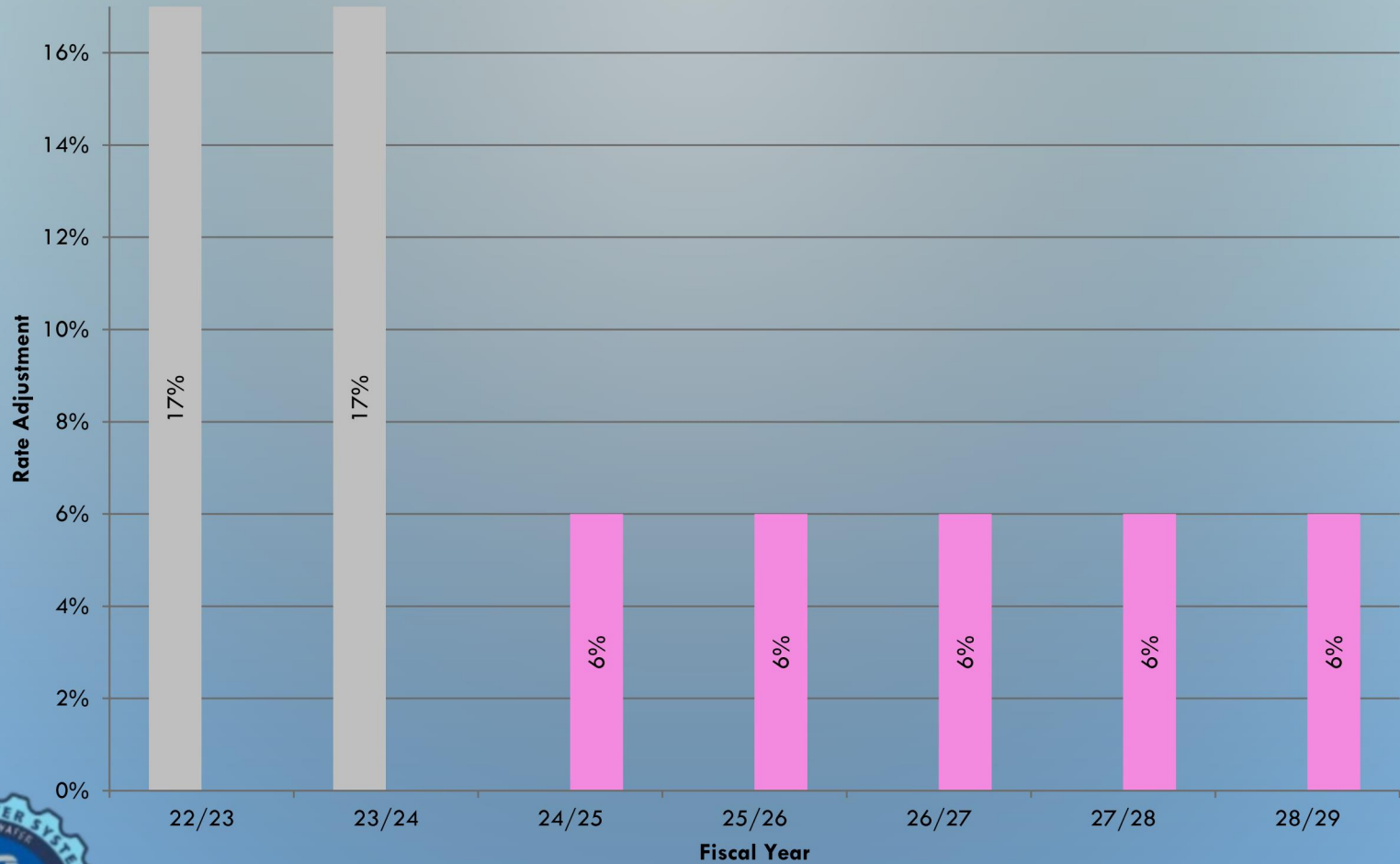
## Water Five-Year Rate Projection



Actual Rate Adjustment    Current Projection

# STORMWATER RATE FORECAST

## Stormwater Five-Year Rate Projection



■ Actual Rate Adjustment ■ Current Projection

# RECOMMENDATION SUMMARY

- SEWER: 2% effective July 1, 2024
- WATER: 4% effective January 1, 2025
- STORMWATER: 6% effective March 1, 2025
- TOTAL SDU UTILITY BILL INCREASE: 3.3%





QUESTIONS?