

## City Utility Talking Points

- City Utility rates include rates for Water, Stormwater and Wastewater.
- We had no rate increases in last year. July 1, 2020 to June 30, 2021
  - As such there will be no rate increases for Water and Stormwater for 6 years with the adoption of the five year plan which begins July 1, 2021.
- Rate increases for the next three years will be on Wastewater only
  - 12% is only on the Wastewater portion of the utility bill
    - The monthly wastewater portion of the City Utility bill will increase \$6.45 for 5,000 gallons of consumption.
    - Increases are only proposed for the first three years.
    - The rate increases will complete \$7.5 million of projects during the next 5 years.
    - Will only require borrowing \$1.7 million to help complete. The rate will cover the debt payments of that borrowing.
    - We have over \$17 million of Wastewater projects currently identified that need to be completed.
    - The total Utility bill increase will be 5.51% based on a 5,000 gallon consumption. (\$6.45 monthly increase)
    - *If only did 8% increase proposal:*
      - *The monthly bill increase for 5,000 gallons of usage would be \$4.30.*
      - *Only \$7.4 million of projects would be completed and they would be pushed out over the next 10 years.*
      - *We would have to borrow \$2.2 million to complete projects – higher financing costs and interest because of more debt.*
      - *Backlog of projects would grow while we are pushing things that already are failing and in need of repair would be stretched out.*
      - *All additional costs that would far exceed the \$2.15 monthly savings.*
- We have a backlog of projects that need to be completed because rates in the past were not sufficient to cover the costs to make repairs or replacements.
  - Pipes wear out.
  - Wastewater plant operates 24/7 – pumps and equipment need replacement.
- Rates are not the highest in the state – we are actually pretty average – there are higher rates and lower.
- Our most difficult regulation currently is temperature restrictions. Oregon DEQ has set limits on what temperature our discharge from the wastewater treatment plant can be for different times of the year.
- Wastewater regulations continue to grow stricter. We are currently preparing for new regulations that will mean higher costs for treatment. We are sampling for 44 new substances and mercury is one that will be coming soon.