

Public Feedback and Council Decision Making

Water and Sewer Rate Structure Proposals



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Agenda



- Rate Structure Proposal Refresher
- Public Feedback
- Water Alternatives: Revenue Stability Considerations
- Sewer Alternatives: Sewer Cost Sharing Considerations
- Final Decision Next Steps

Water Rate Structure



Proposed Water Utility Rate Structure	
All Customers	
Minimum monthly charge by Meter Size	
Inside City	Monthly Rate
3/4"	\$ 22.66
1"	\$ 26.73
1.5"	\$ 36.80
2"	\$ 48.95
3"	\$ 81.37
4"	\$ 117.80
6"	\$ 218.95
8"	\$ 340.38
10"	\$ 482.09
12"	\$ 648.03
All Water Use	\$ 1.68 /100 cu. Ft

43% of revenue from monthly charge; **57%** from volume charge

Alternate Water Utility Rate Structure	
All Customers	
Minimum monthly charge by Meter Size	
Inside City	Monthly Rate
3/4"	\$ 17.02
1"	\$ 17.92
1.5"	\$ 20.13
2"	\$ 22.80
3"	\$ 29.92
4"	\$ 37.92
6"	\$ 60.15
8"	\$ 86.83
10"	\$ 117.96
12"	\$ 154.41
All Water Use	\$ 2.07 /100 cu. Ft

30% of revenue from monthly charge; **70%** from volume charge

Meter Factors Adjusted

Meter Factors Adjusted

ILLUSTRATION PURPOSES ONLY

Sewer Rate Structure



Sewer Utility Rate Structure - Slow ESC Phase In

Inside City	Base Charge	ESC Charge	Total Mo. Charge	Volume Charge
Single Family Residential	\$31.00	n/a	\$31.00 /month	\$3.25 /100 cu. Ft
Multi Family Residential	\$12.25	n/a	\$12.25 /month/EDU	\$3.25 /100 cu. Ft
Non Residential Rates				
Standard	\$31.00	n/a	\$31.00 /month	\$3.25 /100 cu. Ft
Low	\$31.00	\$24.66	\$55.66 /month	\$3.45 /100 cu. Ft
Medium	\$31.00	\$24.66	\$55.66 /month	\$3.70 /100 cu. Ft
High	\$31.00	\$24.66	\$55.66 /month	\$3.85 /100 cu. Ft
Super High	\$31.00	\$24.66	\$55.66 /month	\$4.00 /100 cu. Ft

Volume charge for all; ESC monthly charge

Sewer Utility Rate Structure - Faster ESC Phase In

Inside City	Base Charge	ESC Charge	Total Mo. Charge	Volume Charge
Single Family Residential	\$25.00	n/a	\$25.00 /month	\$3.95 /100 cu. Ft
Multi Family Residential	\$9.00	n/a	\$9.00 /month/EDU	\$3.95 /100 cu. Ft
Non Residential Rates				
Standard	\$25.00	n/a	\$25.00 /month	\$3.95 /100 cu. Ft
Low	\$25.00	\$24.66	\$49.66 /month	\$4.50 /100 cu. Ft
Medium	\$25.00	\$24.66	\$49.66 /month	\$5.00 /100 cu. Ft
High	\$25.00	\$24.66	\$49.66 /month	\$5.50 /100 cu. Ft
Super High	\$25.00	\$24.66	\$49.66 /month	\$6.00 /100 cu. Ft

Volume charge for all; volume differential higher for ESC; ESC monthly charge

ILLUSTRATION PURPOSES ONLY

Class **Public Comments Prior To Rate Design**

SF Res.

1. Rates are too high
2. Flat sewer and 400CF water allowance are unfair for small households
3. Should pay for what you use from zero
4. Tiered rates to incentivize conservation v. charge same from first unit to last
5. Charge large water users more
6. Charge lower fixed fee and higher volume fee to discourage wasteful practices; also makes non-use charge more affordable
7. Need better low-income programs

Non-Res.

1. Rates should reflect actual usage
2. Rates are too high for small business
3. High water use does not mean inefficient water use so don't penalize high water users
4. Charge for sewer based on discharge
5. Unfair to single out big business to pay – system costs should be shared collectively as we all benefit from business
6. Consider sharing costs of community resources such as public turf areas

Public Feedback on Proposals



- Open Houses
- Online rate calculator and feedback form
- Direct outreach
 - COCN
 - EDSCO
 - Bend Chamber
 - BEDAB
 - CID
 - COBA
 - IAC
 - Parks
 - County
 - Schools

Revenue Stability



- Infrastructure Investment
- Water and Sewer bond covenants
- Ramifications of conservation on water and sewer system revenues
- Adequate reserves

Single Family Residential



- 12 supported proposals
- 4 supported with comments
- 3 opposed
- 3 did not comment on rate structure

Multi Family Residential



- 1 duplex supported

Non-Residential



- 1 multi-tenant opposed

2015 Rate Structure Changes



- Eliminate allowances
- True up water meter charges
- Remove SF Residential flat fee for sewer
- Implement ESC (phase in options)
- Increase volume charge for water (or not)



Next Steps



- Carry forward proposed rate structures in a resolution on December 17th

- Make modifications to rate structure selections tonight for decision on December 17th

- Resolution at a later date based on additional feedback

- Council chose to carry the sewer rate structure proposal (slow ESC phase in option) forward in a resolution on 12/17.
- Council requested we evaluate modifying the water rate structure proposal to protect revenue stability by collecting 40% from monthly charges for a decision on 12/17.

Pending Policy Decisions



- Juniper Utility Divestiture
- Reserve Funding
- Assistance Program Funding
- Conservation Program Funding
- SDC Changes
- Standby Fees
- Winter Quarter Average Policy
- Forecast Rate Increases
- Legacy Rate Agreements
- Service Area Protection

Back up slides



Revenue Comparison of ESC Volume Charge Options



ESC Program Comparison	Est. Revenue from ESC volume Charge
Existing (No ESC Program)	\$0
Old Program (Removed 2012)	\$150,000
Slow Phase In Proposed	\$73,000
Faster Phase In Option	\$198,000
Cost of Service	\$2,000,000

Change in Revenue By Class

ESC Phase In Options



Class	Existing Revenue	Slow ESC Phase In*	Faster ESC Phase In*
Single Family	\$13,570,037	0%	-5%
Multi Family	\$206,7312	0%	0%
Non-Res. Std	\$3,088,609	-6%	4%
ESC Low	\$718,506	-1%	21%
ESC High	\$51,870	4%	44%
ESC Super High	\$156,923	6%	58%

* Does not include program fee; rounded

NOTE: No accounts in ESC Medium currently