



**CITY OF COBURG
UTILITY WORK SESSION
4/26/2022**

OBSTACLES ENCOUNTERED AT CURRENT SITE

- Cost of Pipeline Serving the Site
 - Significant cost increases in the past two years
 - Discovered Wetlands along Route
 - Terrain (steep and large boulders discovered)
 - Creek Crossing and Large Timber
- Technical difficulties - Discovered a mistake in Elevation Assumption in Master Plan
- Remote Location is not Preferred by Public Works Staff
- Conditional Use Permit Required
- Neighborhood Opposition

UTILITY FEES

WHAT ARE SUSTAINABLE UTILITY FEES?

- Generate sufficient revenues to sustain the utility system
- Charge for cost of services provided
- Recover costs equitably
- Achieve City objectives » Conservation » Revenue stability » Maintain minimum fund balances and meet other fiscal policies

City of Coburg

Utility Rate Study: Sewer Utility

Sewer Rate Schedule

Across-the-Board Rate Schedule Implementation		ATB	ATB	ATB	ATB	ATB	ATB	ATB	ATB	
		Existing	7/1/2021	7/1/2022	7/1/2023	7/1/2024	7/1/2025	7/1/2026	7/1/2027	7/1/2028
Annual System-Wide Rate Increase			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.00%	3.00%
<u>Fixed Rates per EDU</u>										
Wastewater Rate	\$86.70	\$86.70	\$86.70	\$86.70	\$86.70	\$86.70	\$86.70	\$86.70	\$89.30	\$91.98
<u>Assisted Income Rates per EDU</u>										
<100% of the poverty level	\$56.10	\$56.10	\$56.10	\$56.10	\$56.10	\$56.10	\$56.10	\$56.10	\$57.78	\$59.52
<125% of the poverty level	\$62.22	\$62.22	\$62.22	\$62.22	\$62.22	\$62.22	\$62.22	\$62.22	\$64.09	\$66.01
<150% of the poverty level	\$68.34	\$68.34	\$68.34	\$68.34	\$68.34	\$68.34	\$68.34	\$68.34	\$70.39	\$72.50

Note: "Across-the-Board" (ATB) means that all stated rates increase by the same percentage (both the fixed and volume charges), which maintains the existing rate structure.

Sewer Utility Rate Growth Scenerios

							3%	3%	3%	3%
Year	2022	2023	2024	2025	2026	2027	2028	2029	2030	
Per Utility Rate Platform	86.7	86.7	86.7	86.7	86.7	89.3	91.98	94.74	97.58	
1%	86.70	87.57	88.44	89.33	90.22	91.12	92.03	92.95	93.88	
1.50%	86.70	88.00	89.32	90.66	92.02	93.40	94.80	96.22	97.67	
2%	86.70	88.43	90.20	92.01	93.85	95.72	97.64	99.59	101.58	
3%	86.70	89.30	91.98	94.74	97.58	100.51	103.52	106.63	109.83	
3.50%	86.70	89.73	92.88	96.13	99.49	102.97	106.58	110.31	114.17	
4%	86.70	90.17	93.77	97.53	101.43	105.48	109.70	114.09	118.65	

City of Coburg

Utility Rate Study: Water Utility

Water Rate Schedule

Across-the-Board Rate Schedule		ATB	ATB	ATB	ATB	ATB	ATB	ATB	ATB	ATB
Implementation	Existing	7/1/2021	7/1/2022	7/1/2023	7/1/2024	7/1/2025	7/1/2026	7/1/2027	7/1/2028	7/1/2029
Annual System-Wide Rate Increase		0.00%	4.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
<u>Fixed Charge by Meter and Class (Includes 7 CCF)</u>										
5/8" - 3/4" Residential	\$53.00	\$53.00	\$55.12	\$56.77	\$58.48	\$60.23	\$62.04	\$63.90	\$65.82	\$67.79
5/8" - 3/4" Commercial	\$53.00	\$53.00	\$55.12	\$56.77	\$58.48	\$60.23	\$62.04	\$63.90	\$65.82	\$67.79
1" Commercial	\$95.00	\$95.00	\$98.80	\$101.76	\$104.82	\$107.96	\$111.20	\$114.54	\$117.97	\$121.51
1-1/2" Commercial	\$165.00	\$165.00	\$171.60	\$176.75	\$182.05	\$187.51	\$193.14	\$198.93	\$204.90	\$211.05
2" Commercial	\$250.00	\$250.00	\$260.00	\$267.80	\$275.83	\$284.11	\$292.63	\$301.41	\$310.45	\$319.77
3" Commercial	\$446.00	\$446.00	\$463.84	\$477.76	\$492.09	\$506.85	\$522.06	\$537.72	\$553.85	\$570.46
4" Commercial	\$728.00	\$728.00	\$757.12	\$779.83	\$803.23	\$827.33	\$852.15	\$877.71	\$904.04	\$931.16
6" Commercial	\$1,192.00	\$1,192.00	\$1,239.68	\$1,276.87	\$1,315.18	\$1,354.63	\$1,395.27	\$1,437.13	\$1,480.24	\$1,524.65
Outside City Limits	\$60.00	\$60.00	\$62.40	\$64.27	\$66.20	\$68.19	\$70.23	\$72.34	\$74.51	\$76.74
3/4" Residential PVE	\$120.00	\$120.00	\$124.80	\$128.54	\$132.40	\$136.37	\$140.46	\$144.68	\$149.02	\$153.49
Limited Income (<100%)	\$23.00	\$23.00	\$23.92	\$24.64	\$25.38	\$26.14	\$26.92	\$27.73	\$28.56	\$29.42
Limited Income (<125%)	\$29.00	\$29.00	\$30.16	\$31.06	\$32.00	\$32.96	\$33.95	\$34.96	\$36.01	\$37.09
Limited Income (<150%)	\$35.00	\$35.00	\$36.40	\$37.49	\$38.62	\$39.78	\$40.97	\$42.20	\$43.46	\$44.77

Water Utility Rate Growth Scenerios

		3%	3%	3%	3%	3%	3%	3%	3%
Year	2022	2023	2024	2025	2026	2027	2028	2029	2030
Per Utility Rate Platform	53	55.12	56.77	58.48	60.23	62.04	63.9	65.82	67.79
1%	53.00	53.53	54.07	54.61	55.15	55.70	56.26	56.82	57.39
1.50%	53.00	53.80	54.60	55.42	56.25	57.10	57.95	58.82	59.70
2%	53.00	54.06	55.14	56.24	57.37	58.52	59.69	60.88	62.10
3%	53.00	54.59	56.23	57.91	59.65	61.44	63.28	65.18	67.14
3.50%	53.00	54.86	56.77	58.76	60.82	62.95	65.15	67.43	69.79
4	53.00	55.12	57.32	59.62	62.00	64.48	67.06	69.74	72.53

OPTIONS

1. **Make no changes** in fees at this time and see how growth develops in 2023
2. **Make cost of goods increase** to fees of 1.5 - 4%
3. **Make recommended** adjustment of water 3% and Sewer _____ (Council would need to decide this amount)
4. **Delay decision** until water fund facts are known and make all changes at once - (approx. 6 months). Take time to educate the public on increase costs of water project.

HOW ARE OTHER UTILITIES HANDLING RATES AT THIS TIME?

EWEB	\$7.00 MORE PER MONTH FOR BOTH WATER AND ELECTRICITY
RAINBOW WATER DISTRICT	2022-2025 INCREASES 5%, 4.5%, 3% & 3%
COTTAGE GROVE	WATER - ADJUST FOR INFLATION ANNUALLY, SEWER - 12% PER YEAR FOR THREE YEARS
NORTHWEST NATURAL GAS	\$7.50 PER MONTH INCREASE (11/21) FOR RESIDENTIAL USERS
PACIFIC POWER	9.3% FOR RESIDENTIAL CUSTOMERS
SPRINGFIELD UTILITY BOARD	5% WATER INCREASE

GROWTH OPPORTUNITIES

WEICHART SUBDIVISION	RESIDENTIAL	PHASE 1	26
WEICHART SUBDIVISION	RESIDENTIAL	PHASE 2	10
PROPERTY ON WILLAMETTE	MIXED USE	RESIDENTIAL AND COMMUNITY FACILITY	
WELLS PROJECT	MIXED USE	PHASE 2	8 Res - 3 Commercial
LIGHT INDUSTRIAL	INDUSTRIAL		107 ACRES
HIGHWAY COMMERCIAL	PROPERTY ON CORNER OF PEARL AND INDUSTRIAL		
RESIDENTIAL OTHER			4 PER YEAR
HIGHWAY COMMERCIAL	COW CREEK - I-5 & VAN DUYN		

ASSUMPTIONS

1. Assumes 4% growth in cost of goods and services
2. Assumes 4% growth in Personal Services
3. Assumes some growth conservatively-Residential
4. Assumes slow conservative growth - east side, and other available commercial