



City of Sandy

Water and Wastewater Utility Rates



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November 18, 2024





Agenda

- **Background**
- **Results**
 - » Water
 - » Wastewater
- **Next Steps**



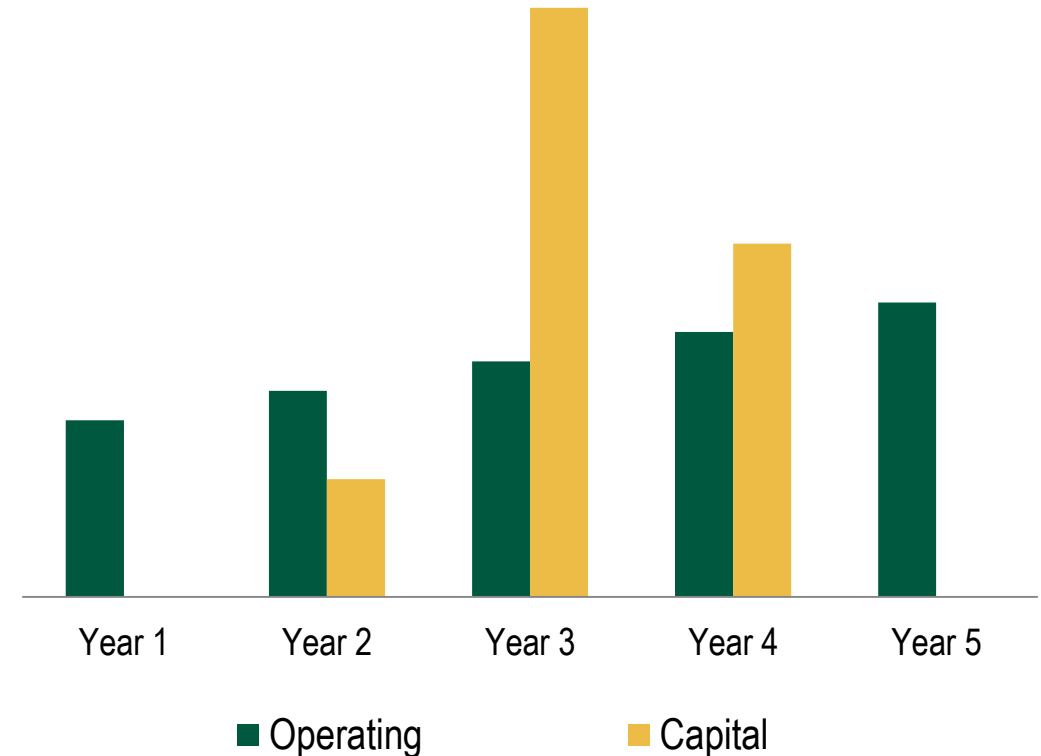
Background





Revenue Requirement Introduction

- **Utility rates are set to recover the cost of providing service**
- **Financial policies**
- **Operating costs (regular / ongoing)**
 - » Employee salaries and benefits
 - » Routine inspections & maintenance
 - » Professional services
 - » Utilities / power
- **Capital costs (periodic)**
 - » Infrastructure replacement
 - » Facility expansions and upgrades





Capital Funding Philosophy (after Outside Funding)



- **Cash (pay-as-you-go)**
 - » Higher near-term rates
 - » Existing customers pay 100% of costs



- **Debt**
 - » Lowest near-term rates...but interest cost
 - » Spreads cost between existing / future customers
 - » Execute projects sooner; reduce effects of inflation



- **Hybrid**
 - » Cash fund repair and replacement projects
 - » Debt fund large expansion projects



Coverage Requirements

- **Debt service coverage is an additional requirement on revenues**
- **Loan providers require coverage to ensure they will get repaid on time**
- **Common coverage requirements range from 15% to 100% of debt service**

Collected for coverage requirements – may be used for capital

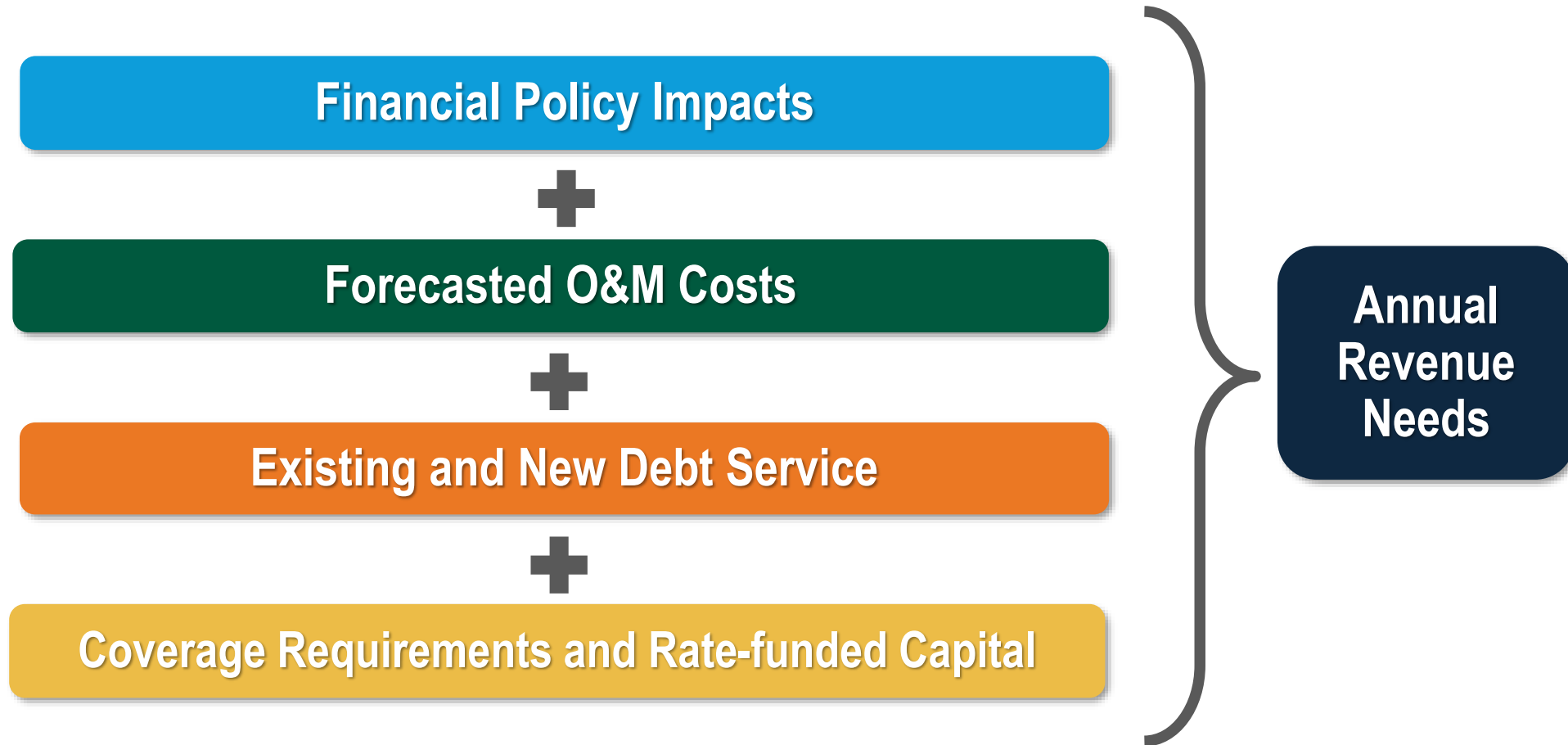
Used to pay debt service

**Additional Coverage Requirement
(\$500,000)**

**Debt Service
(\$1 million)**



How Much Revenue is Needed?



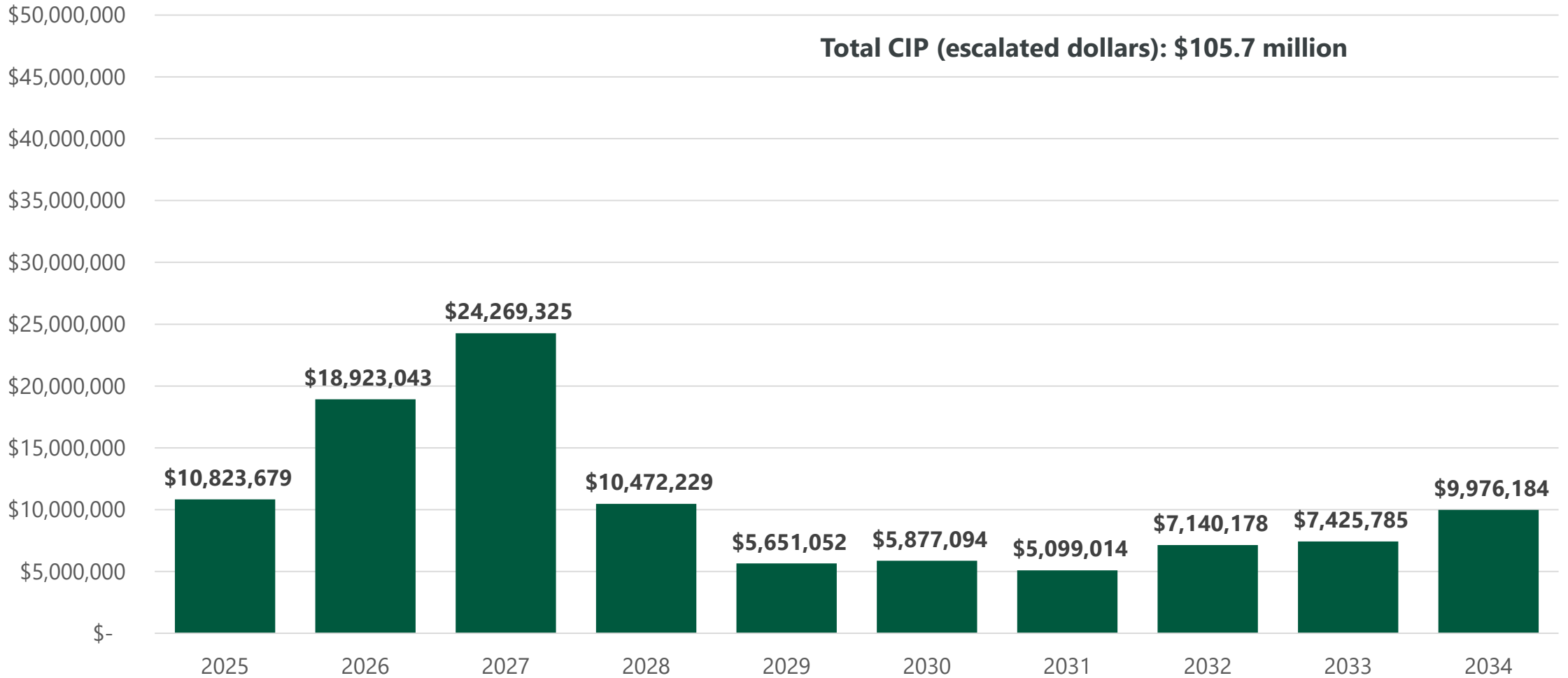


Utility Rate Results



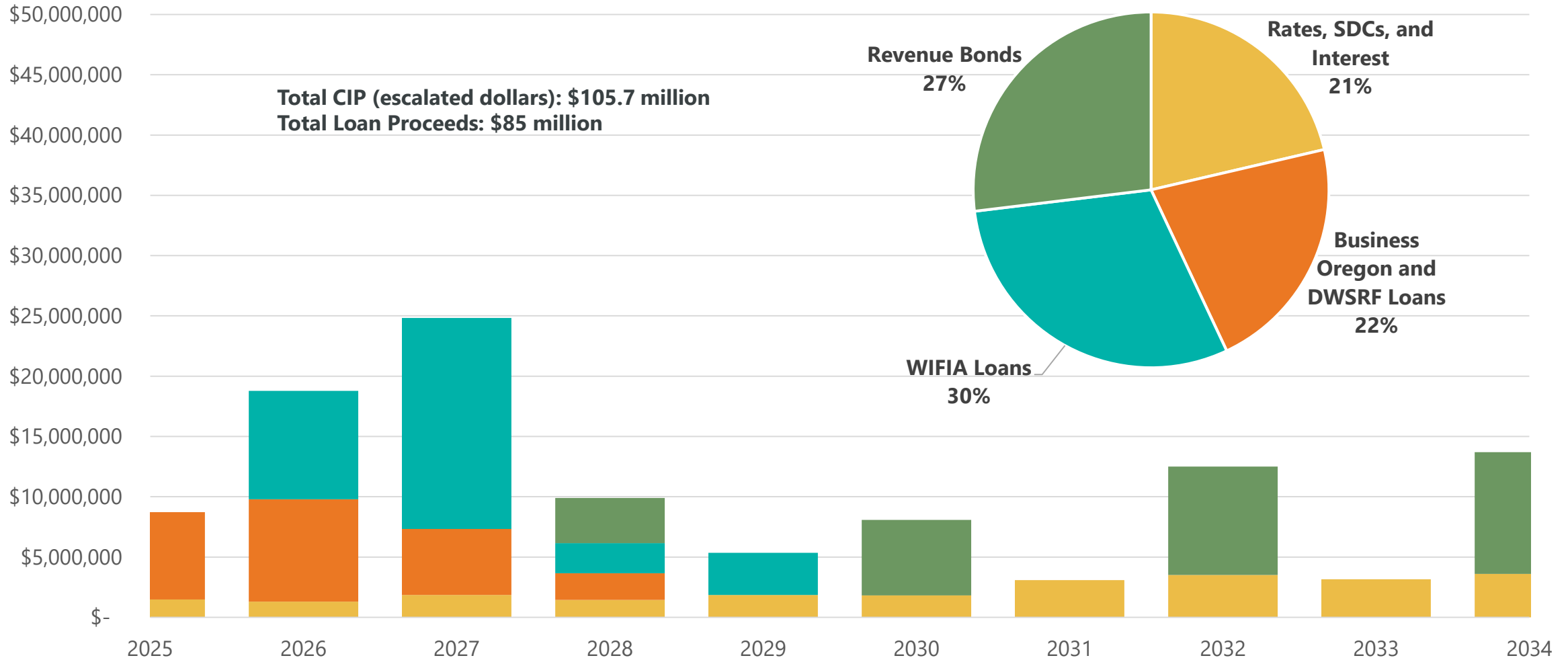


Water Capital Improvement Program



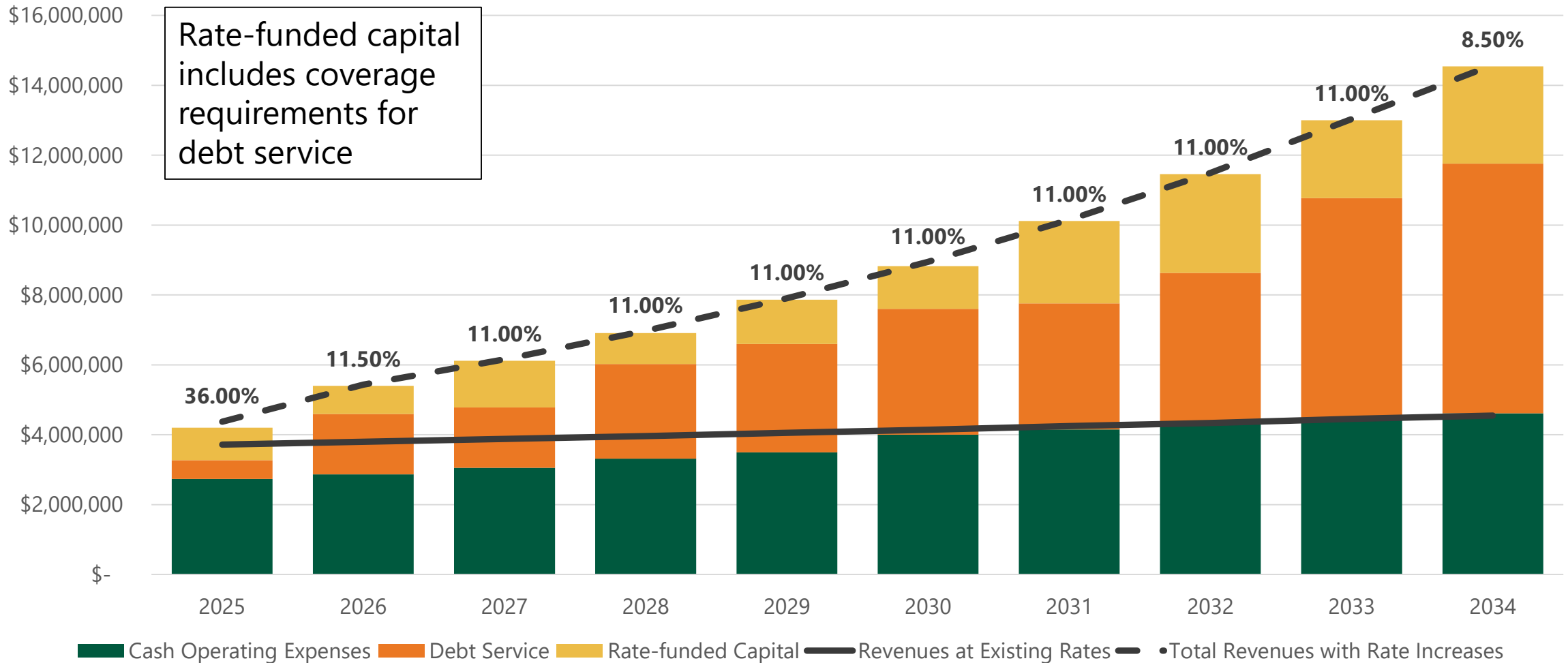


Water Capital Funding Plan





Water Revenue Requirement





Water Rate Schedule (1)

Assumes January 1 implementation of fiscal years ending June 30

Across-the-Board Rate Schedule	Existing 2024	ATB 2025	ATB 2026	ATB 2027	ATB 2028	ATB 2029	ATB 2030	ATB 2031	ATB 2032	ATB 2033	ATB 2034
Annual System-Wide Rate Increase	36.00%	36.00%	11.50%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	8.50%
<u>Class Rates</u>											
Single Family	\$14.97	\$20.36	\$22.71	\$25.20	\$27.98	\$31.05	\$34.47	\$38.26	\$42.47	\$47.14	\$51.15
Outside City Single Family	\$22.51	\$30.62	\$34.14	\$37.89	\$42.06	\$46.69	\$51.82	\$57.52	\$63.85	\$70.87	\$76.90
Multi-Family	\$14.97	\$20.36	\$22.71	\$25.20	\$27.98	\$31.05	\$34.47	\$38.26	\$42.47	\$47.14	\$51.15
Commercial/Industrial	\$14.97	\$20.36	\$22.71	\$25.20	\$27.98	\$31.05	\$34.47	\$38.26	\$42.47	\$47.14	\$51.15
Wholesale	\$17.91	\$24.36	\$27.17	\$30.15	\$33.47	\$37.15	\$41.24	\$45.77	\$50.81	\$56.40	\$61.19
<u>Volume Charges per CCF</u>											
Single Family	\$6.01	\$8.17	\$9.11	\$10.11	\$11.22	\$12.46	\$13.83	\$15.35	\$17.03	\$18.91	\$20.52
Outside City Single Family	\$9.01	\$12.25	\$13.66	\$15.16	\$16.83	\$18.68	\$20.74	\$23.02	\$25.55	\$28.36	\$30.77
Multi-Family	\$5.65	\$7.69	\$8.57	\$9.52	\$10.56	\$11.73	\$13.02	\$14.45	\$16.04	\$17.80	\$19.31
Commercial/Industrial	\$5.18	\$7.04	\$7.85	\$8.71	\$9.67	\$10.74	\$11.92	\$13.23	\$14.68	\$16.30	\$17.69
Outside City Commercial/Industrial	\$8.06	\$10.96	\$12.22	\$13.56	\$15.05	\$16.71	\$18.55	\$20.59	\$22.85	\$25.36	\$27.52
Wholesale	\$6.34	\$8.62	\$9.61	\$10.67	\$11.84	\$13.14	\$14.59	\$16.19	\$17.97	\$19.95	\$21.65
Skyview Acres	\$1.55	\$2.11	\$2.36	\$2.61	\$2.90	\$3.22	\$3.58	\$3.97	\$4.41	\$4.89	\$5.31

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.



Water Rate Schedule (2)

Assumes January 1 implementation of fiscal years ending June 30

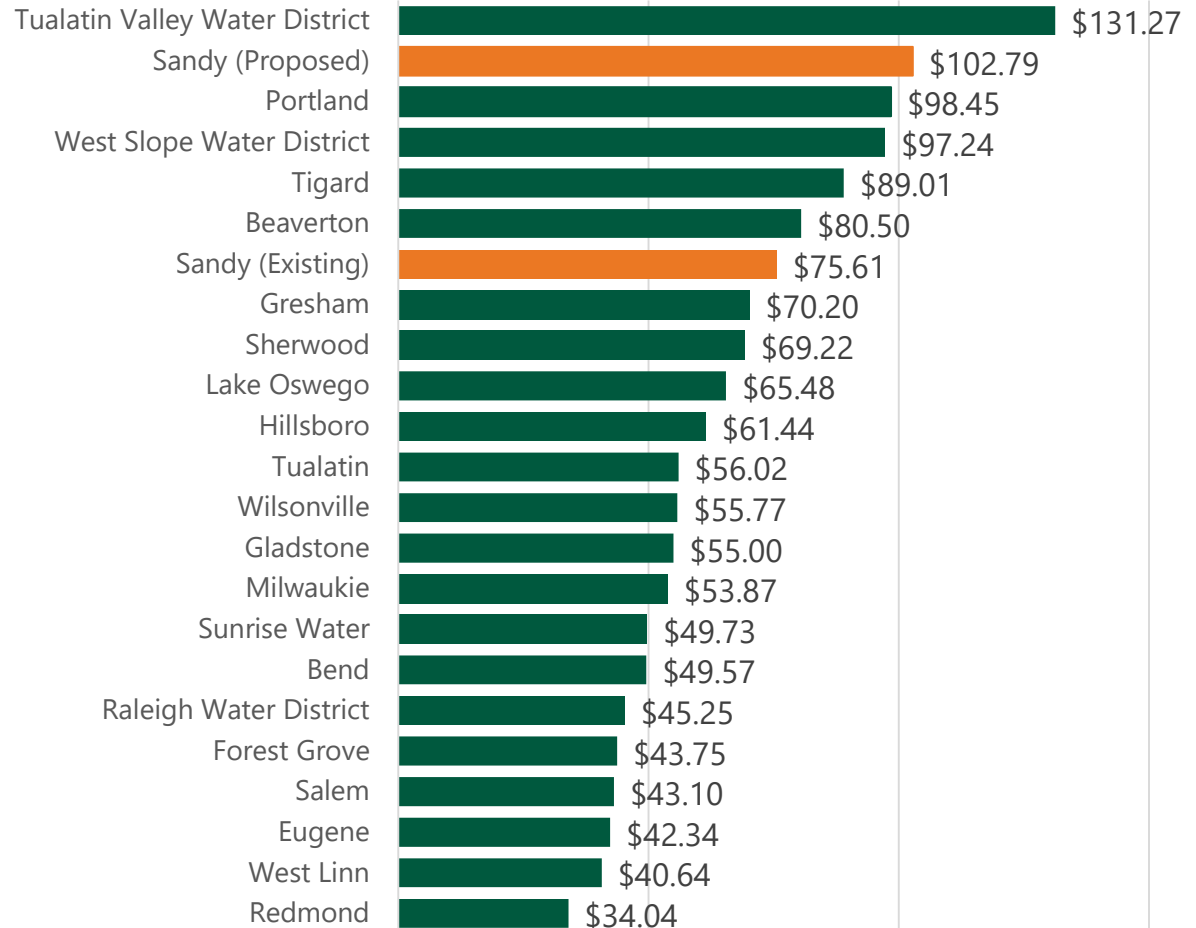
Across-the-Board Rate Schedule	Existing 2024	ATB 2025	ATB 2026	ATB 2027	ATB 2028	ATB 2029	ATB 2030	ATB 2031	ATB 2032	ATB 2033	ATB 2034
Annual System-Wide Rate Increase	36.00%	36.00%	11.50%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	8.50%
<u>Meter Rates</u>											
<u>Inside City</u>											
5/8"	\$0.54	\$0.73	\$0.82	\$0.91	\$1.01	\$1.12	\$1.24	\$1.38	\$1.53	\$1.70	\$1.84
3/4"	\$0.81	\$1.10	\$1.22	\$1.36	\$1.51	\$1.68	\$1.86	\$2.06	\$2.29	\$2.54	\$2.76
1"	\$1.39	\$1.89	\$2.10	\$2.34	\$2.59	\$2.88	\$3.19	\$3.55	\$3.94	\$4.37	\$4.74
1 1/2"	\$2.65	\$3.61	\$4.02	\$4.46	\$4.95	\$5.50	\$6.10	\$6.77	\$7.52	\$8.35	\$9.06
2"	\$4.25	\$5.77	\$6.44	\$7.15	\$7.93	\$8.80	\$9.77	\$10.85	\$12.04	\$13.37	\$14.50
3"	\$8.06	\$10.96	\$12.22	\$13.56	\$15.05	\$16.71	\$18.55	\$20.59	\$22.85	\$25.36	\$27.52
4"	\$13.36	\$18.17	\$20.26	\$22.48	\$24.96	\$27.70	\$30.75	\$34.13	\$37.89	\$42.05	\$45.63
6"	\$26.78	\$36.42	\$40.61	\$45.07	\$50.03	\$55.53	\$61.64	\$68.42	\$75.95	\$84.31	\$91.47
8"	\$42.83	\$58.25	\$64.95	\$72.09	\$80.02	\$88.82	\$98.59	\$109.44	\$121.47	\$134.84	\$146.30
10"	\$61.61	\$83.79	\$93.43	\$103.71	\$115.11	\$127.78	\$141.83	\$157.43	\$174.75	\$193.97	\$210.46
<u>Outside City</u>											
5/8"	\$0.79	\$1.07	\$1.19	\$1.32	\$1.47	\$1.63	\$1.81	\$2.01	\$2.23	\$2.48	\$2.69
3/4"	\$1.24	\$1.69	\$1.88	\$2.09	\$2.32	\$2.58	\$2.86	\$3.18	\$3.52	\$3.91	\$4.24
1"	\$2.03	\$2.76	\$3.08	\$3.42	\$3.79	\$4.21	\$4.67	\$5.19	\$5.76	\$6.39	\$6.93
1 1/2"	\$4.02	\$5.46	\$6.09	\$6.76	\$7.51	\$8.33	\$9.25	\$10.27	\$11.40	\$12.65	\$13.72
2"	\$6.34	\$8.62	\$9.61	\$10.67	\$11.84	\$13.14	\$14.59	\$16.19	\$17.97	\$19.95	\$21.65
3"	\$11.95	\$16.25	\$18.12	\$20.11	\$22.33	\$24.78	\$27.51	\$30.53	\$33.89	\$37.62	\$40.82
4"	\$19.90	\$27.07	\$30.18	\$33.50	\$37.18	\$41.28	\$45.82	\$50.86	\$56.45	\$62.66	\$67.98
6"	\$39.76	\$54.08	\$60.30	\$66.93	\$74.29	\$82.46	\$91.54	\$101.60	\$112.78	\$125.19	\$135.83
8"	\$66.33	\$90.21	\$100.59	\$111.65	\$123.94	\$137.57	\$152.70	\$169.50	\$188.14	\$208.84	\$226.59
10"	\$91.52	\$124.46	\$138.78	\$154.04	\$170.99	\$189.80	\$210.67	\$233.85	\$259.57	\$288.12	\$312.62

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.



Monthly Water Bill Comparisons (10 CCF)

Single Family Residence - Water	
# Jurisdiction	Total
1 Tualatin Valley Water District	\$131.27
2 Sandy (Proposed)	\$102.79
3 Portland	\$98.45
4 West Slope Water District	\$97.24
5 Tigard	\$89.01
6 Beaverton	\$80.50
7 Sandy (Existing)	\$75.61
8 Gresham	\$70.20
9 Sherwood	\$69.22
10 Lake Oswego	\$65.48
11 Hillsboro	\$61.44
12 Tualatin	\$56.02
13 Wilsonville	\$55.77
14 Gladstone	\$55.00
15 Milwaukie	\$53.87
16 Sunrise Water	\$49.73
17 Bend	\$49.57
18 Raleigh Water District	\$45.25
19 Forest Grove	\$43.75
20 Salem	\$43.10
21 Eugene	\$42.34
22 West Linn	\$40.64
23 Redmond	\$34.04



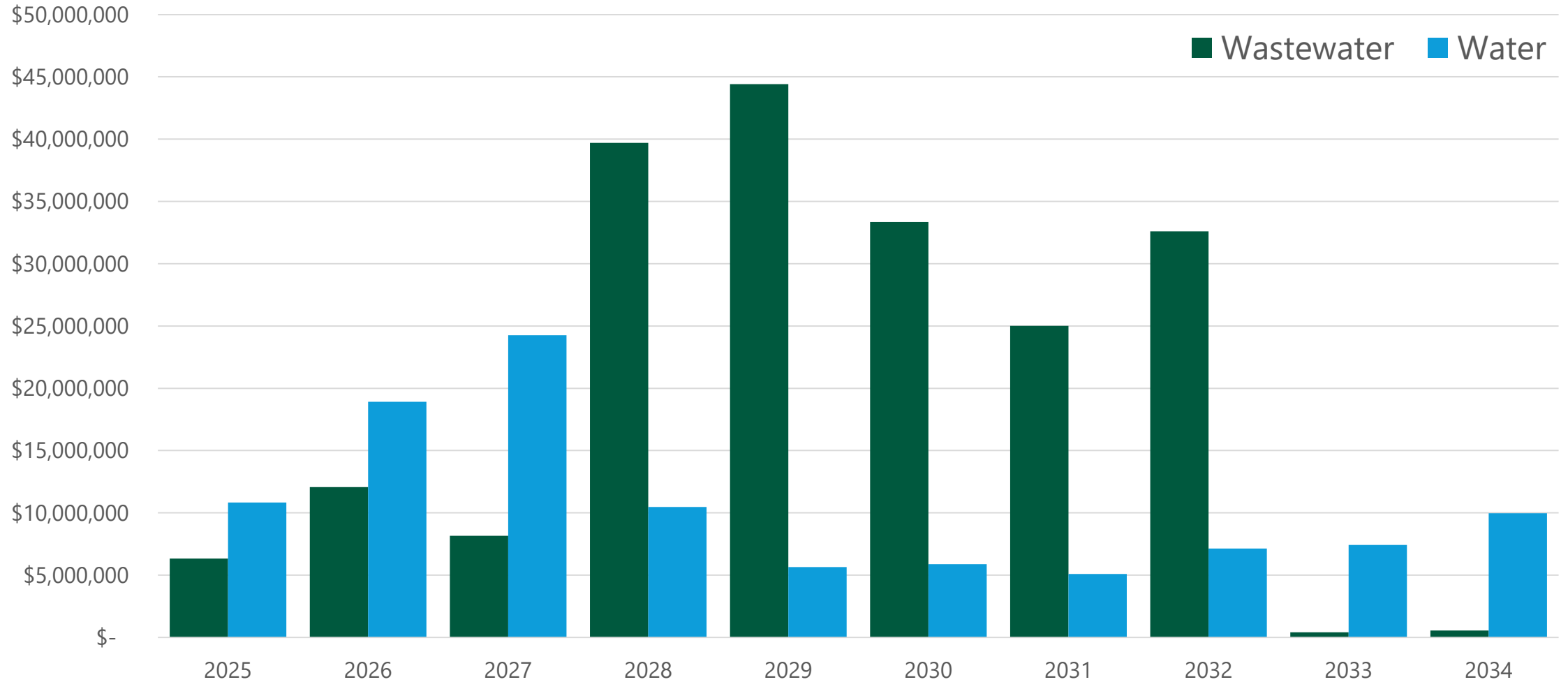


Wastewater Capital Improvement Program



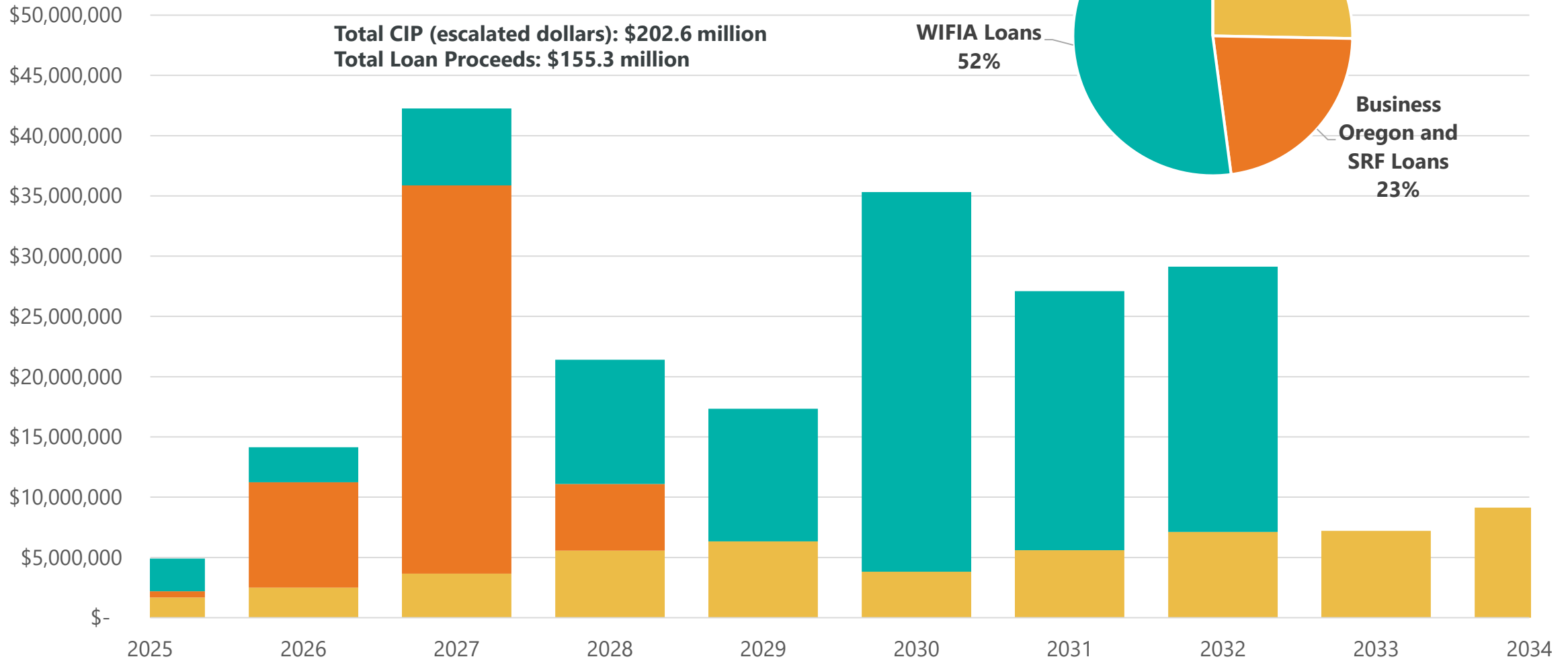


Capital Improvement Program Comparisons



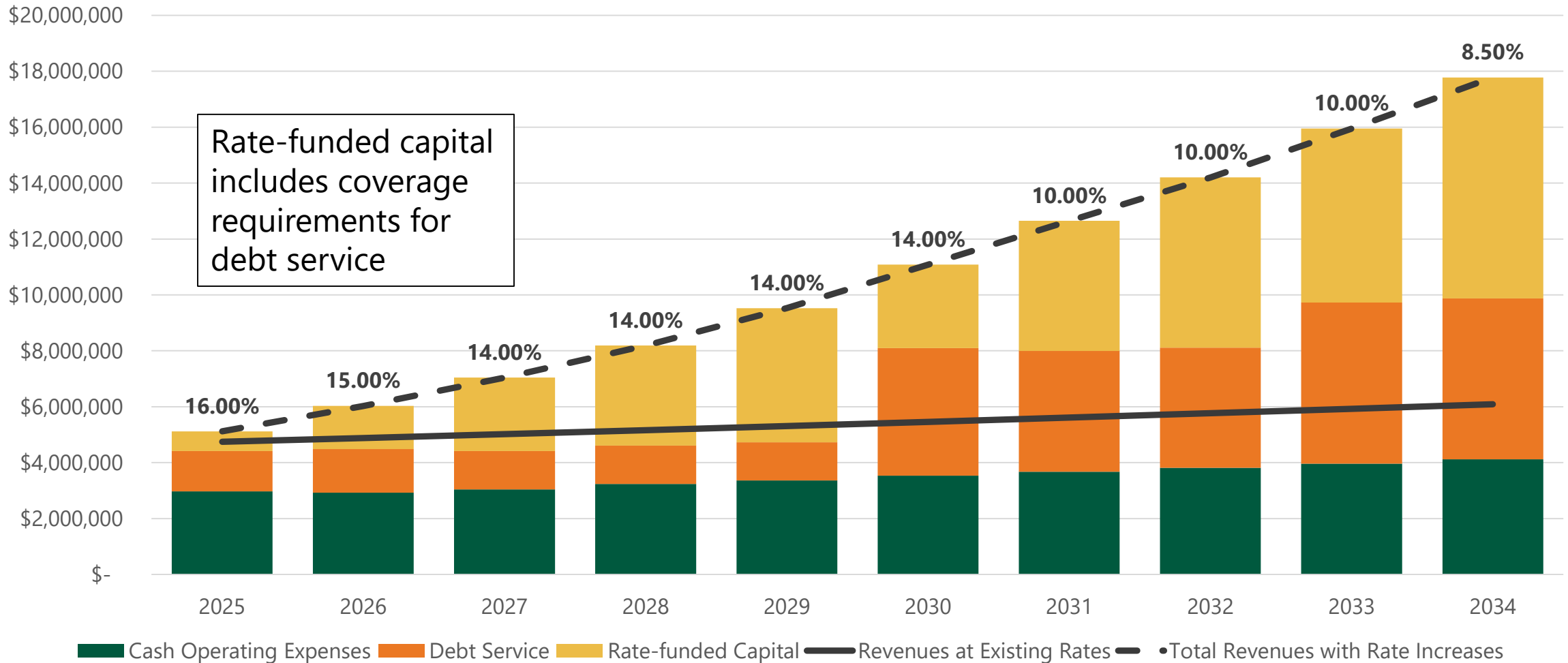


Wastewater Capital Funding Plan





Wastewater Revenue Requirement





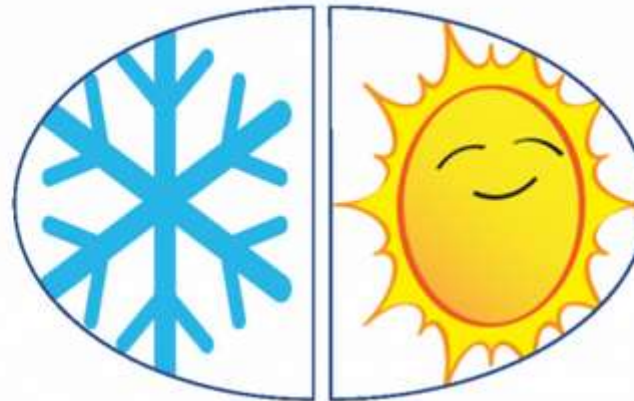
Wastewater Rate Schedule

Assumes January 1 implementation of fiscal years ending June 30

Across-the-Board Rate Schedule	Existing 2024	ATB 2025	ATB 2026	ATB 2027	ATB 2028	ATB 2029	ATB 2030	ATB 2031	ATB 2032	ATB 2033	ATB 2034
Annual System-Wide Rate Increase	16.00%	16.00%	15.00%	14.00%	14.00%	14.00%	14.00%	10.00%	10.00%	10.00%	8.50%
Residential											
Base	\$ 30.24	\$ 35.08	\$ 40.34	\$ 45.99	\$ 52.43	\$ 59.77	\$ 68.14	\$ 74.95	\$ 82.45	\$ 90.69	\$ 98.40
Volume (CCF)	7.76	9.00	10.36	11.80	13.46	15.34	17.49	19.24	21.16	23.28	25.26
Outside City Flat Rate	109.09	126.54	145.52	165.89	189.12	215.60	245.78	270.36	297.39	327.13	354.94
Single Family - Reduced											
Base	\$ 15.13	\$ 17.55	\$ 20.18	\$ 23.01	\$ 26.23	\$ 29.90	\$ 34.09	\$ 37.50	\$ 41.24	\$ 45.37	\$ 49.23
Volume	3.89	4.51	5.19	5.91	6.74	7.69	8.76	9.64	10.60	11.66	12.65
Commercial/Industrial											
Base	\$ 14.41	\$ 16.72	\$ 19.22	\$ 21.91	\$ 24.98	\$ 28.48	\$ 32.47	\$ 35.71	\$ 39.28	\$ 43.21	\$ 46.89
Volume (CCF)	10.54	12.22	14.05	16.02	18.27	20.82	23.74	26.11	28.72	31.60	34.28

Winter Months

From November 15th to May 15th you're billed for sewer based directly on your water consumption each month.



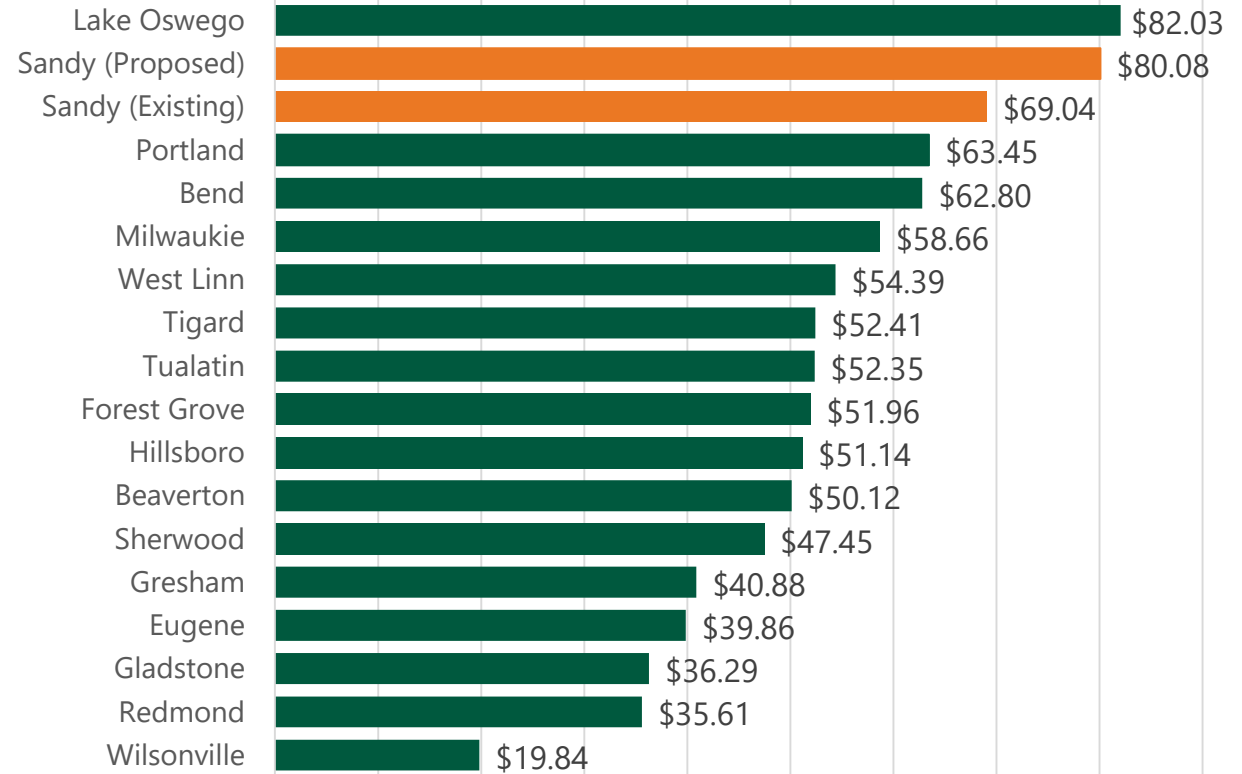
Summer Months

From May 15th to November 15th your sewer bill is based off an average of your water consumption during the winter – your “winter average”



Monthly Sewer Bill Comparisons (5 CCF)

Single Family Residence - Sewer		
#	Jurisdiction	Total
1	Lake Oswego	\$82.03
2	Sandy (Proposed)	\$80.02
3	Sandy (Existing)	\$69.04
4	Portland	\$63.45
5	Bend	\$62.80
6	Milwaukie	\$58.66
7	West Linn	\$54.39
8	Tigard	\$52.41
9	Tualatin	\$52.35
10	Forest Grove	\$51.96
11	Hillsboro	\$51.14
12	Beaverton	\$50.12
13	Sherwood	\$47.45
14	Gresham	\$40.88
15	Eugene	\$39.86
16	Gladstone	\$36.29
17	Redmond	\$35.61
18	Wilsonville	\$19.84





Next Steps

- **Provide feedback on the rate results**
- **Prepare and adopt a resolution for increased water and wastewater rates**

Thank you! Questions?

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