



City of St. Helens

City Council Work Session

Utilities Rates Presentation
October 15, 2025

Today's Agenda



- Utilities rate making methodology explained
- Recommended rates by year for the next five years
- Water rates details
- Wastewater rates details
- Stormwater rates details
- Regional utilities rates recap
- SDC Discussion
- Regional SDCs recap
- Next steps



- Each utility (water, wastewater, and stormwater) has its own 20-year financial forecast model with the following key elements:
 - Operating budget
 - Growth forecast
 - Capital Improvement Plan
 - Cash flow
 - Debt management

Recommended Rates by Year



City of St. Helens											
Current and Forecasted Average Monthly Utility Bills - Single Family Residential											
Utility Service	Current			Forecast							
	2026	2027	2028	2029	2030	2031					
Water - 6.35%	\$ 61.76	\$ 65.68	\$ 69.85	\$ 74.29	\$ 79.01	\$ 84.02					
Wastewater - 4.64%	64.18	67.16	70.27	73.53	76.95	80.52					
Stormwater - 4.79%	<u>17.16</u>	<u>17.98</u>	<u>18.84</u>	<u>19.75</u>	<u>20.69</u>	<u>21.68</u>					
Total	\$ 143.10	\$ 150.82	\$ 158.97	\$ 167.57	\$ 176.64	\$ 186.22					
Annual change - \$		\$ 7.72	\$ 8.15	\$ 8.60	\$ 9.08	\$ 9.58					
Annual change - %		5.40%	5.40%	5.41%	5.42%	5.42%					
Water consumption assumptions:											
Water - 5.98 kgal per month average											
Sewer - winter monthly average water consumption at 3.74 kgal											

Water



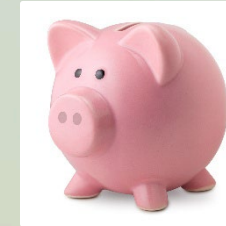
Macro Economic

- **Customer growth 1.5%**
- **Inflation generally 3.0%**
- **Interest earnings rate 4.0%**
- **Fund balances July 1, 2025**
 - **Operating - \$3.6 million**
 - **Water SDC - \$1.3 million**



Water System Priorities

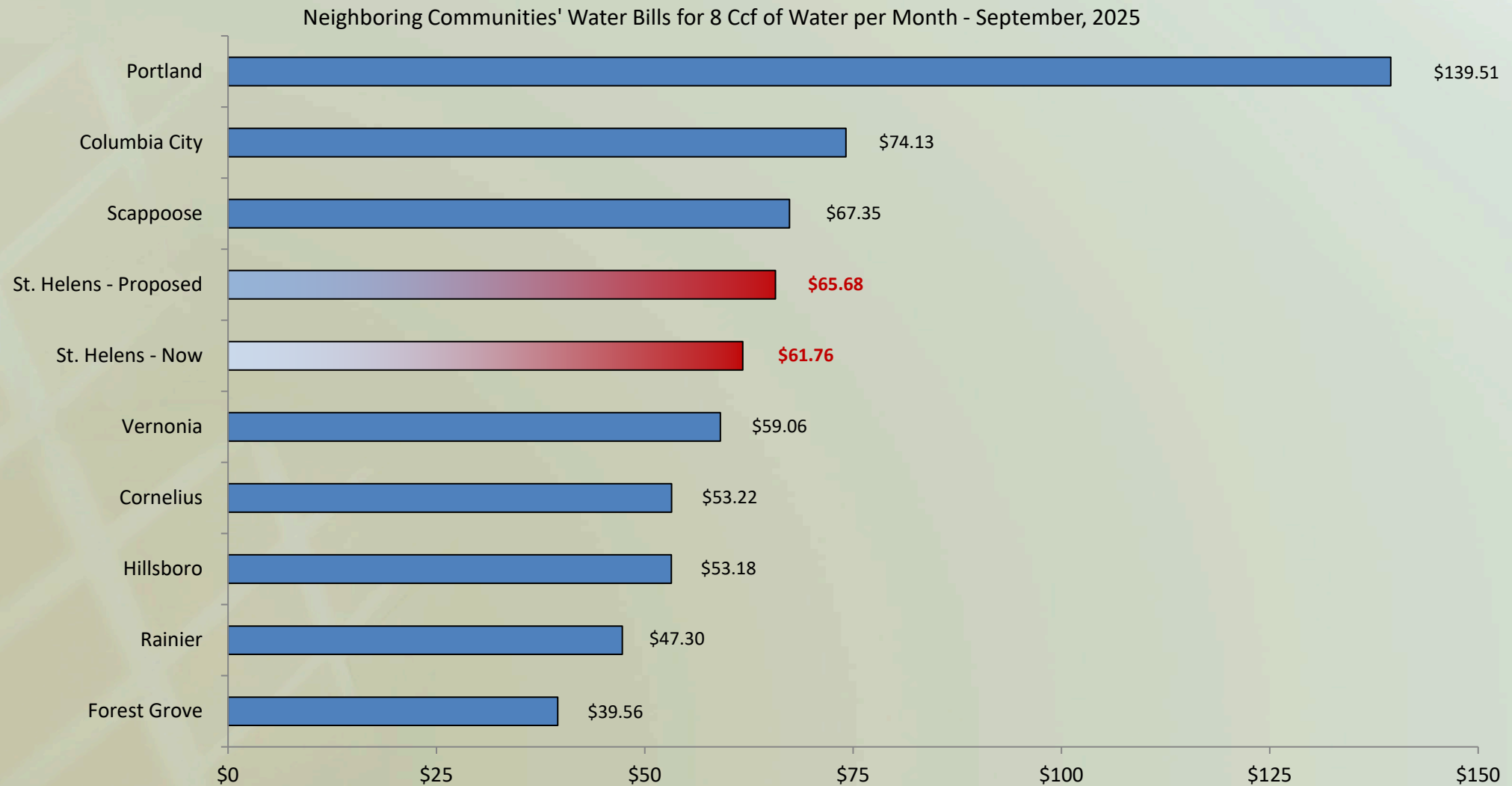
- **New 5 mg distribution reservoir (\$15 million)**
- **Continue to invest in the system (budget for \$400k per year)**
- **Water share of 2020 refunding bonds debt service ~\$463k per year. Retires in FY29**



Cash Flows & Rate Strategy

- **Fund the 5mg reservoir with new debt; start repayment in FY30; \$1.06 million per year.**
- **SDCs contribute \$1.1 million to the project.**
- **Five-year average annual rate increases 6.35% per year**

Water – Neighboring Communities Monthly Bills



Sewer



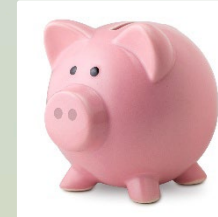
Macro Economic

- **Fund balances July 1, 2025**
 - Operating - \$4.7 million
 - Water SDC - \$2.1 million
- **Most Complicated**
 - Collection
 - Primary treatment
 - Secondary treatment
 - Pumping



Sewer System Priorities

- Sewer capacity project \$24.8 million in progress
- Continue to invest in the system (budget for \$500k per year)
- Sewer share of 2020 refunding bonds debt service ~\$565k per year. Retires in FY29

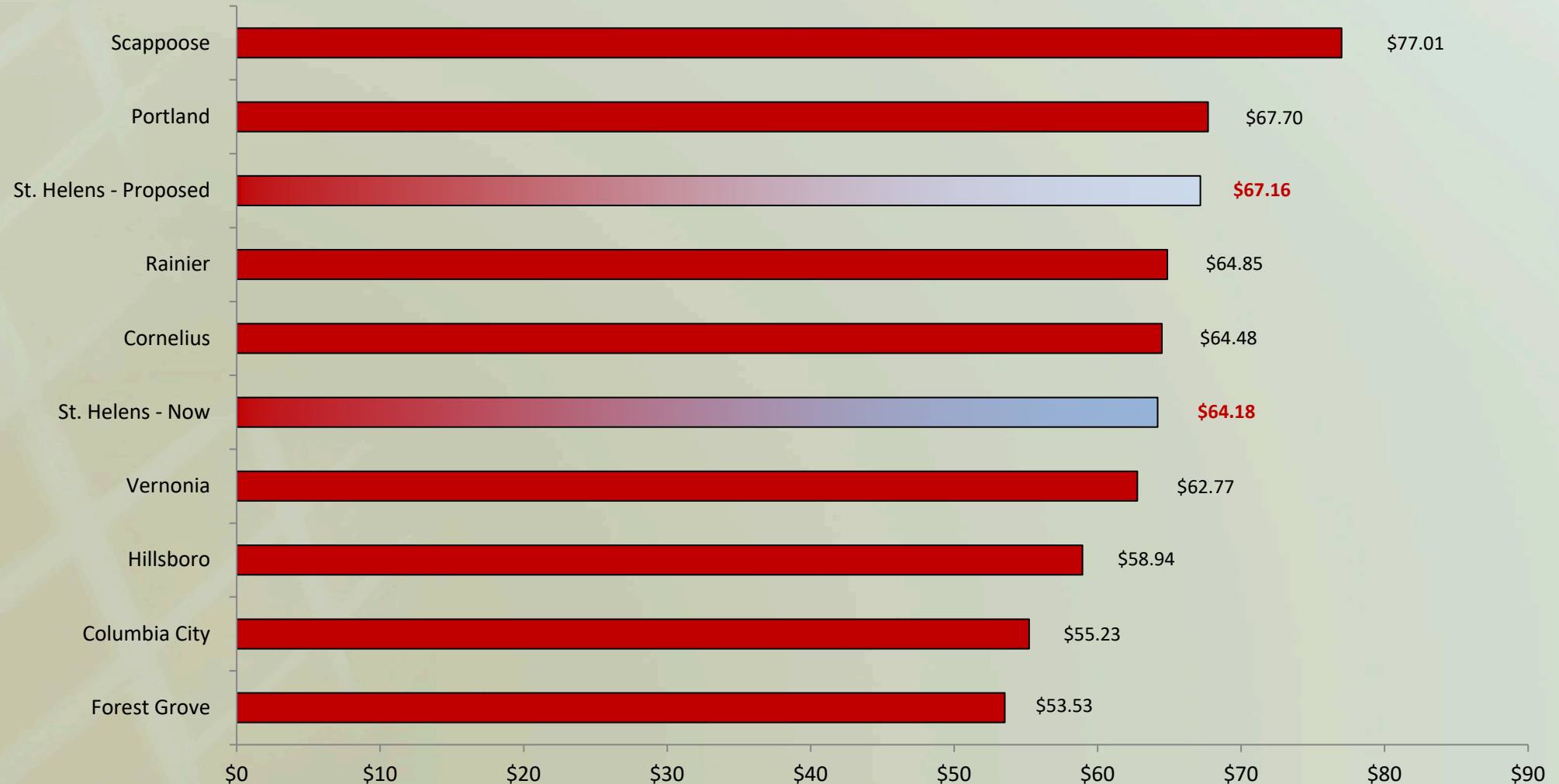


Cash Flows & Rate Strategy

- Fund the sewer capacity project with new CWSRF loan (\$2m principal forgiveness)
- Start repayment in FY30; \$997k per year
- Five-year average annual rate increases 4.64% per year

Sewer – Neighboring Communities Monthly Bills

Neighboring Communities' Wastewater Rates for 5 Ccf of Winter Average Monthly Flow - September, 2025



Stormwater



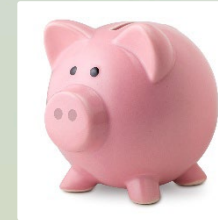
Macro Economic

- **Fund balances July 1, 2025**
 - Operating - \$1.3 million
 - Water SDC - \$619k
- **No legacy debt service responsibility**



Stormwater System Priorities

- **Operate and maintain the system to achieve max efficiency**
- **\$200k per year for line replacement and CCTV**
- **\$50k per year for small works and investigations**



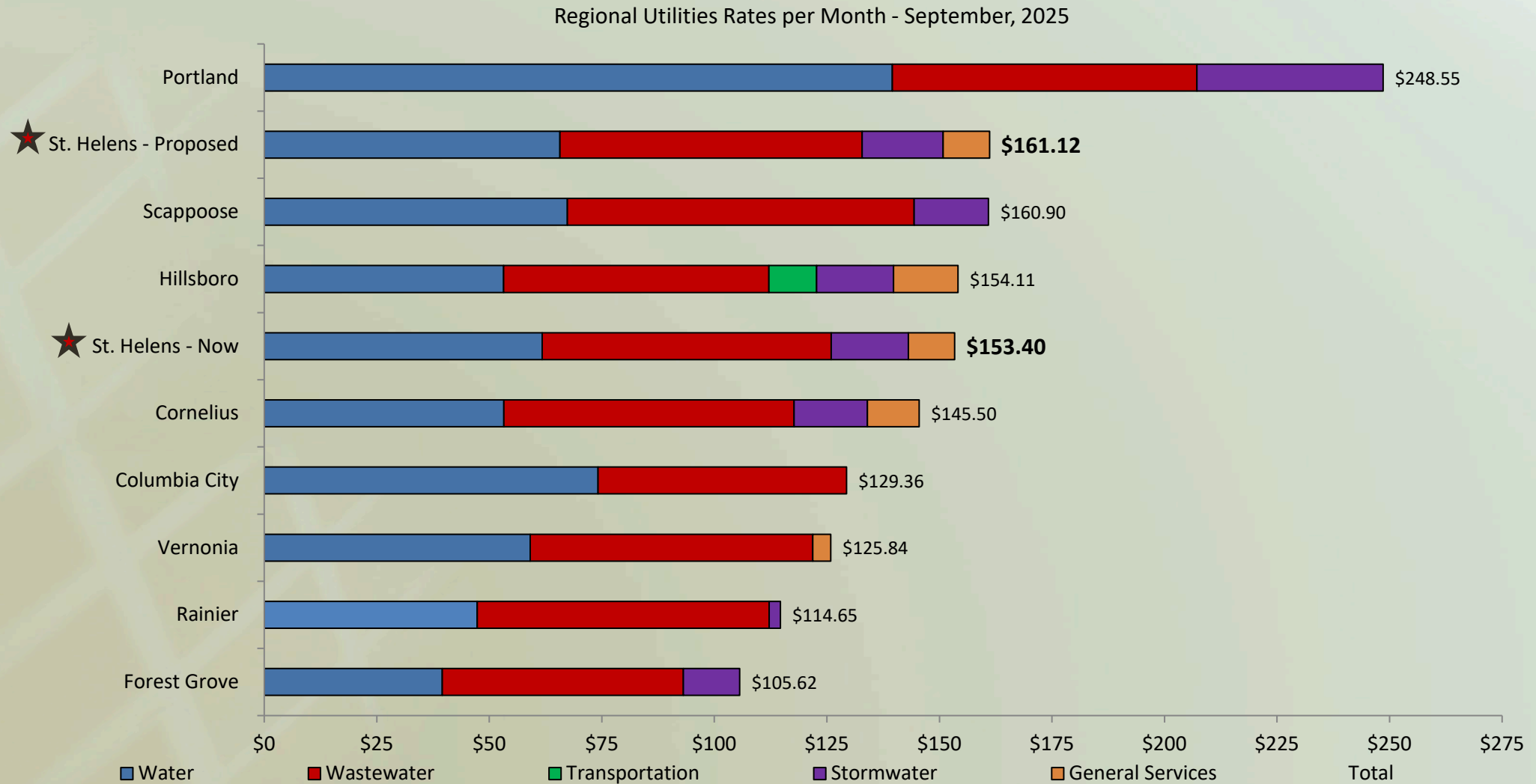
Cash Flows & Rate Strategy

- **Five-year average annual rate increases 4.79% per year**
- **No new debt**

Stormwater – Neighboring Communities Monthly Bill



Regional Utilities Rates Recap



SDCs Discussion



Who Pays SDCs

- **New Development**
- **Charged at time of permit issuance**
- **Consists of three components:**
 - Reimbursement, Improvement, and Compliance fees

Use of SDCs

- SDCs are “restricted revenues” under Oregon budget law
- Cannot be spent on operations or maintenance
- Must be spent on capacity expanding capital expenditures
- Annual reporting required on receipts, expenditures, and cash balances

Policy Issues Concerning SDCs

- SDCs have an impact on how and when development occurs
- The City is the responsible party for the orderly expansion of infrastructure capacity
- The City Council must strike a balance when it comes to funding infrastructure capacity
- Waiving SDCs means ratepayers and taxpayers must subsidize growth

Regional SDCs Recap



Regional System Development Charges - Single Family Residential September, 2025



Next Steps



- Incorporate Council input and direction into the utilities rate forecasts
- Lock down rates and use them for fiscal 2026-2027 budget preparation
- Start work on SDCs update
- Report back to the Council prior to the start of the FY26-27 budget cycle.

Questions

