

WATER MASTER PLAN

PROPOSED UPDATE PLAN, RATES, AND SDCS

July 10, 2023

Agenda

What's a Master Plan?

Updated Water Rates

Updated SDC Methodology

2023 Water Master Plan Update

Comp Plan Amendments

Public Engagement

Action Items

WHAT'S A MASTER PLAN?

Purpose of the Water Master Plan

- Required by law
- Plan for next 20 years
- Analyze existing water system
- Project future demands and system needs based on growth (like Basalt Creek)
- Identify capital projects to meet current and future needs
- Determine funding needed to construct projects and maintain water system

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TUALATIN'S 2023 WATER MASTER PLAN UPDATE

What's in the Master Plan

Current Situation

Future Needs

Planning

Funding & Water Rates

Current Situation

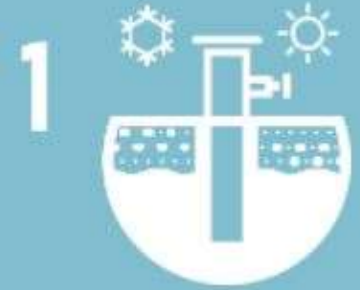
- Last updated plan in 2013
- Buy Water from Portland
- Water demands
 - Avg. 4.4 MGD
 - Max 8.3 MGD50% residential, 50% commercial industrial
- Looks at all existing infrastructure – pipes, tanks, pumps, etc.



140
Miles of **Water Pipes**, which are like roads, allowing water to move from one place to another.



2
Pump Stations are needed to move water from where our water supply comes in up to higher elevation areas of the City.



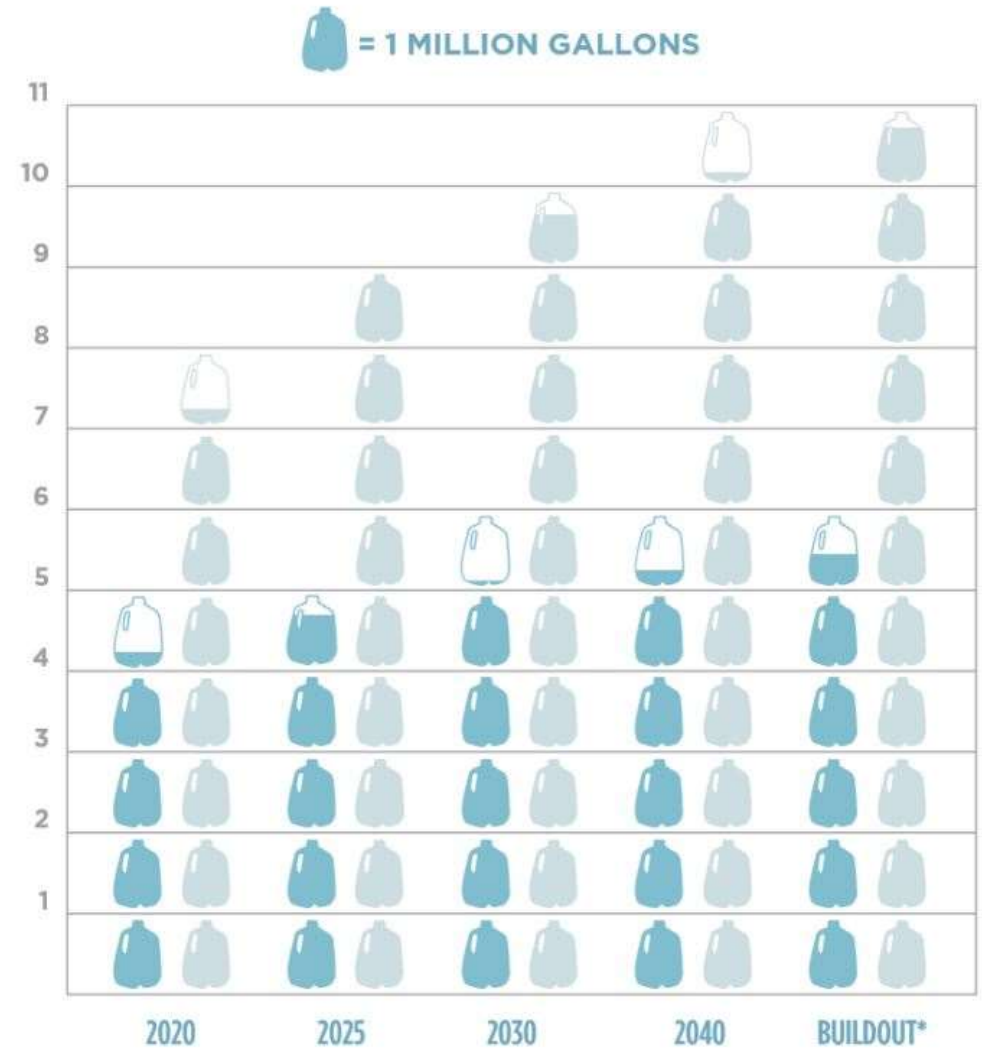
1
Aquifer Storage Recovery wells (ASRs) act like underground storage tanks. Water is put into the ground in the winter when water is plentiful and is pulled out in the summer to meet higher demands.



6
Storage Tanks (a.k.a. reservoirs) store water for drinking, washing, flushing the toilet, watering your yard, and putting out fires.

Future Needs

- Projected demands
 - Avg. 5.7 MGD
 - Max 10.8 MGD
- Increased summer demands
- Increased resiliency
- Proactive repair & replacement
- Support new development – Basalt Creek Capital Improvement Plan (more on next slide)



Planning

EMERGENCY WATER PLAN

WATER SUPPLY STRATEGY

CONSERVATION PLAN

SEISMIC HAZARDS EVALUATION & RESILIENCY
INVESTIGATION

CAPITAL IMPROVEMENT PLAN

Priority Capital Projects

Boones Ferry Rd. Water Main Replacement (underway)

- Meet peak summer demands; resiliency; support growth

B-Level Storage and Pumping

- Redundancy; address storage needs

Seismic Improvements

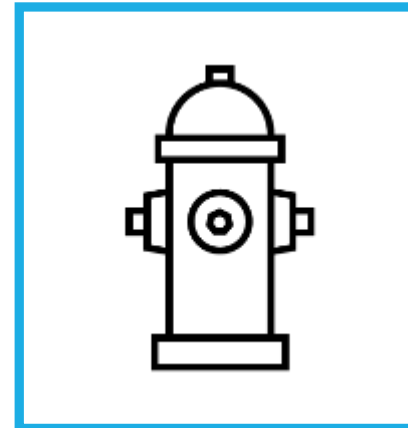
- Resiliency

Upgrade, Repair, and Replacement of Existing Infrastructure

- Resiliency; strategic investment

C-Level Pump Station Generator (at Norwood Rd. site)

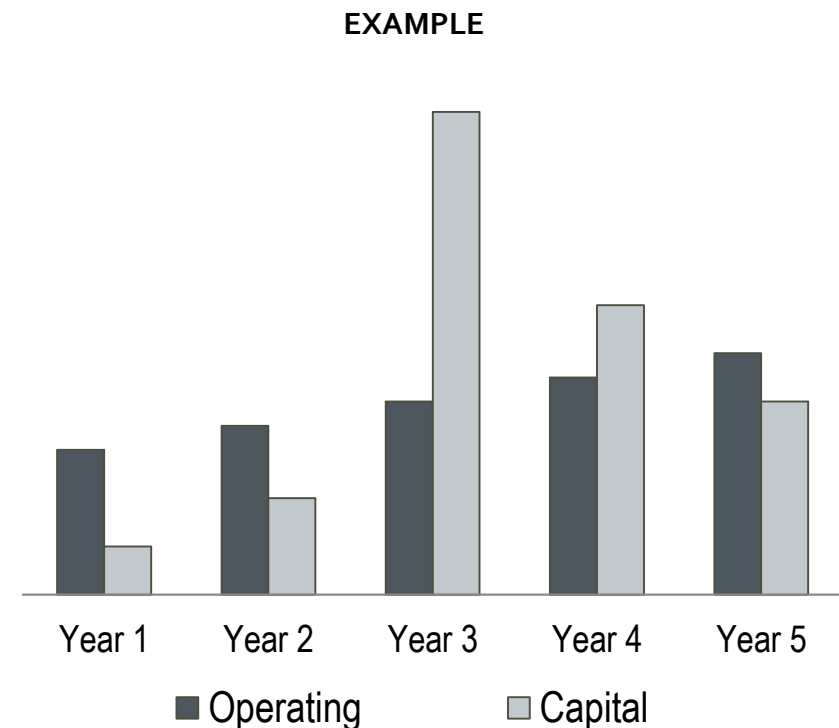
- Resiliency; address power outages



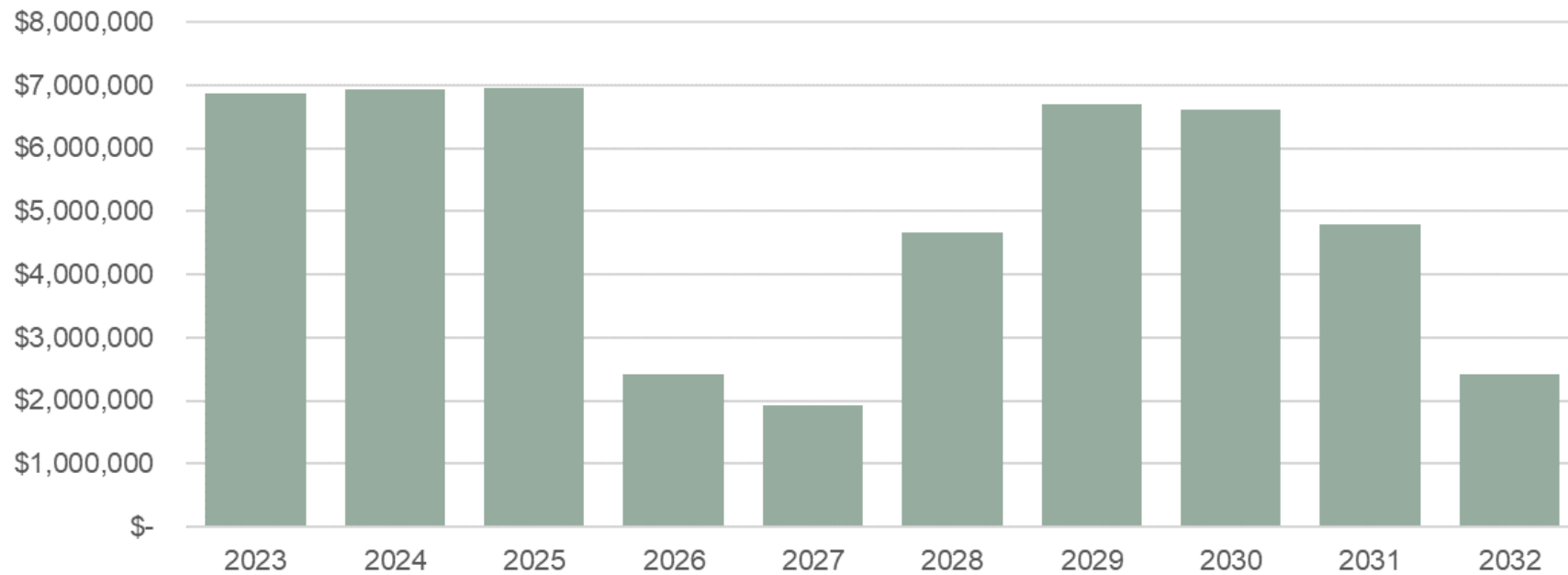
WATER RATE UPDATE

Overview of Utility Rate Making

- Utility rates are set to recover the cost of providing service and achieve financial stability
- Two primary types of costs:
 1. **Operating costs (regular / ongoing)**
 - Employee salaries and benefits
 - Asset repair and maintenance
 - Power / utilities
 - Monthly bill processing
 2. **Capital costs (one-time)**
 - Infrastructure replacement
 - Facility expansions and upgrades

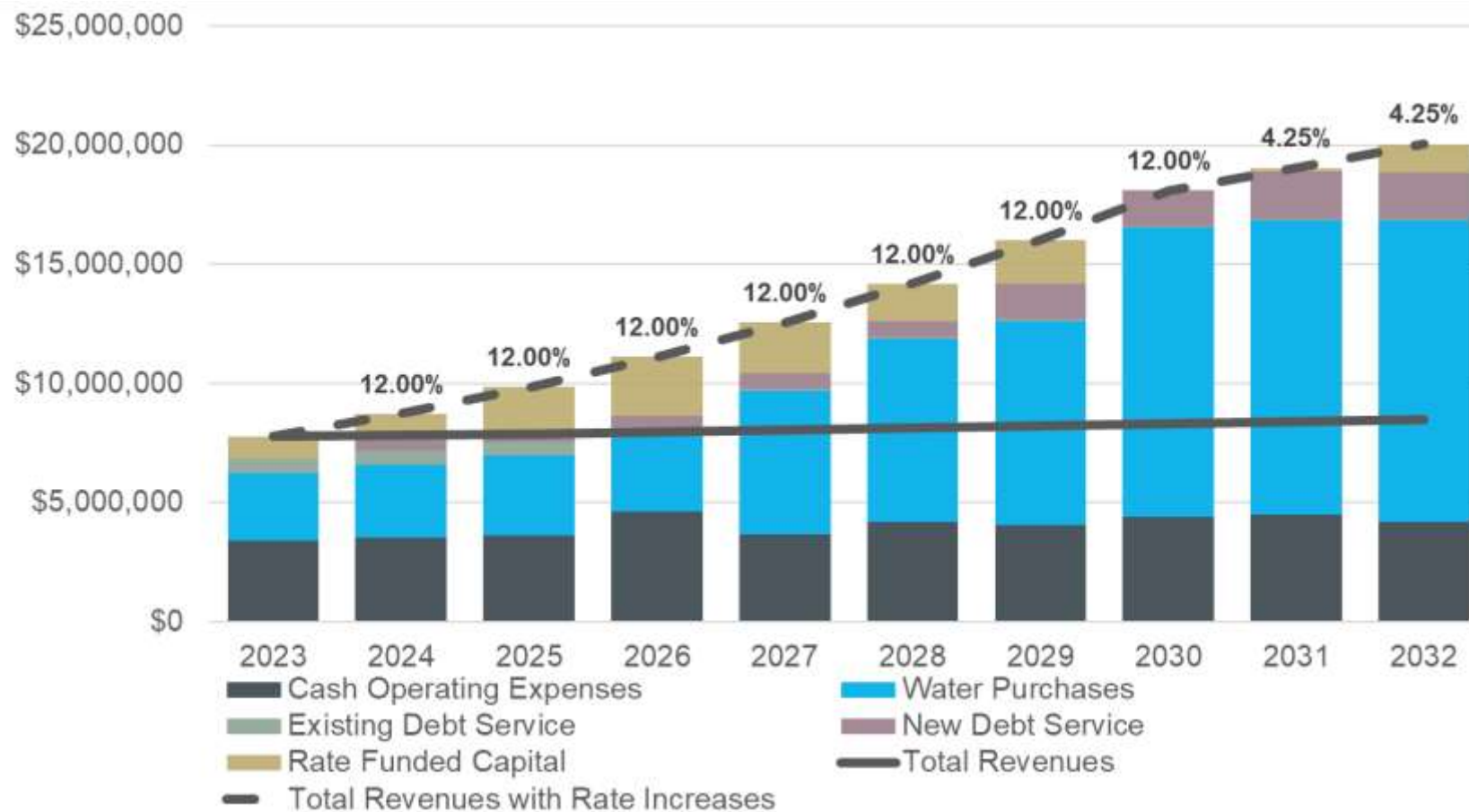


Capital Improvement Plan



- **Total cost of \$50.3 million from FY 2023 through FY 2032. Projects include:**
 - B Level transmission upsizing for \$11.8 million
 - Upgrades to the Martinazzi Pump Station for \$6.8 million
 - B Level Reservoir in FY 2024 and FY 2025 for \$6.7 million

Revenue Requirement Summary



Rate Increase Summary

Across-the-Board Rate Schedule	Previous 2022	Existing 2023	ATB 2024	ATB 2025	ATB 2026	ATB 2027	ATB 2028	ATB 2029	ATB 2030	ATB 2031	ATB 2032
Annual System-Wide Rate Increase			12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	4.25%	4.25%
Usage Rate per CCF	\$3.34	\$3.48	\$3.90	\$4.37	\$4.89	\$5.48	\$6.13	\$6.87	\$7.69	\$8.02	\$8.36
Water Service Charge (all customers)	\$4.74	\$4.94	\$5.53	\$6.20	\$6.94	\$7.77	\$8.71	\$9.75	\$10.92	\$11.38	\$11.87
Water Facility Charge (residential customers)	\$4.68	\$4.88	\$5.47	\$6.12	\$6.86	\$7.68	\$8.60	\$9.63	\$10.79	\$11.25	\$11.72

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.

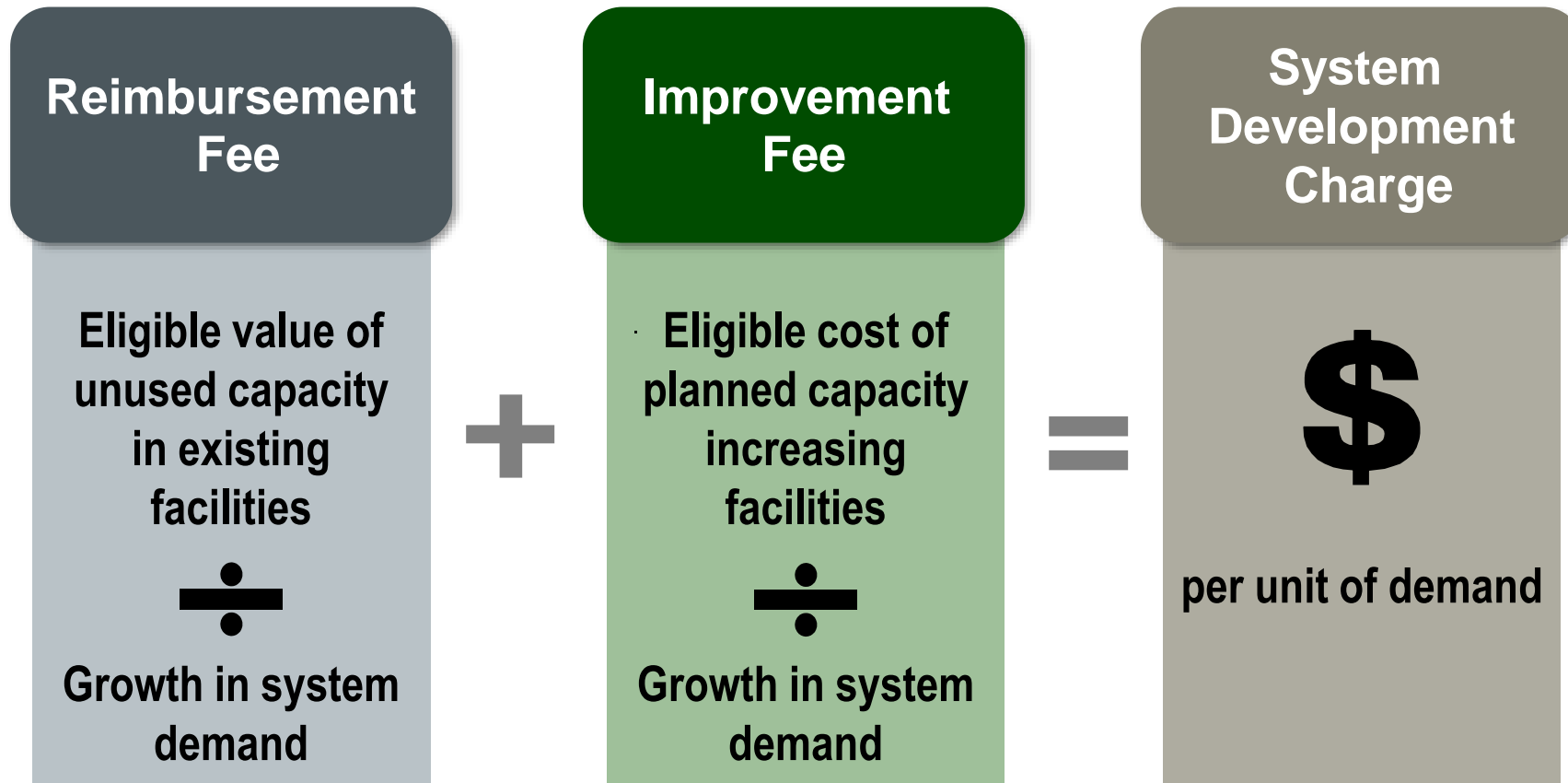
Water Bill Comparisons

Jurisdiction	Monthly Water Bill*
Portland	\$104.05
Tualatin Valley Water District	\$77.49
Tigard	\$72.43
Beaverton	\$63.20
Lake Oswego	\$54.09
Hillsboro	\$46.23
Oregon City	\$44.05
Wilsonville	\$42.99
Tualatin (Proposed)	\$42.18
Tualatin (Current)	\$37.66

**Assumes a single-family residence with 8 CCF of usage*

SDC UPDATE

How are SDCs Calculated?



CURRENT SDCS

Meter Size	MCEs	SDC
5/8" x 3/4"	1	\$5,566
3/4" x 3/4"	1.5	\$8,349
1"	2.5	\$13,915
1 1/2"	5	\$27,830
2"	8	\$44,528
3"	16	\$89,056
4"	25	\$139,150
6"	50	\$278,300
8"	80	\$445,280
10"	115	\$640,090

Calculating SDCs

- When updating SDCs we look at:
 - Growth
 - Cost of capital projects
 - Existing capacity available for growth
 - Storage
 - Pumping
 - Transmission
- Using all the above, we calculate the maximum defensible SDC

Meter Size	MCEs	SDC
5/8" x 3/4"	1	\$8,290
3/4" x 3/4"	1.5	\$12,435
1"	2.5	\$20,724
1 1/2"	5	\$41,448
2"	8	\$66,317
3"	16	\$132,635
4"	25	\$207,242
6"	50	\$414,484
8"	80	\$663,174
10"	115	\$953,313

PROPOSED SDCS

SDCs Around the Region

Jurisdiction	SDC for an SFR*
Oregon City	\$13,967
Hillsboro	\$13,395
Beaverton	\$10,329
Tualatin Valley Water District	\$9,716
Lake Oswego	\$9,571
Tualatin (Proposed)	\$8,290
Wilsonville	\$7,349
Tigard	\$5,973
Tualatin (Current)	\$5,566
Portland	\$4,563

*SFR = single-family residence

**COMPREHENSIVE PLAN
AMENDMENT: WATER SERVICE**

PTA/PMA 23-0002

Objective

- Adopt the 2023 Water Master Plan and make corresponding updates to Comprehensive Plan Chapter 9 and Development Code 74.610 to meet with the values of:
 - Providing safe, high-quality water
 - Providing for future water needs
 - Providing a resilient water system to reduce the risk posed by natural disaster events

Amended Plan Text

GOAL 9.1

Water Quality. Provide safe, high-quality water to all customers.

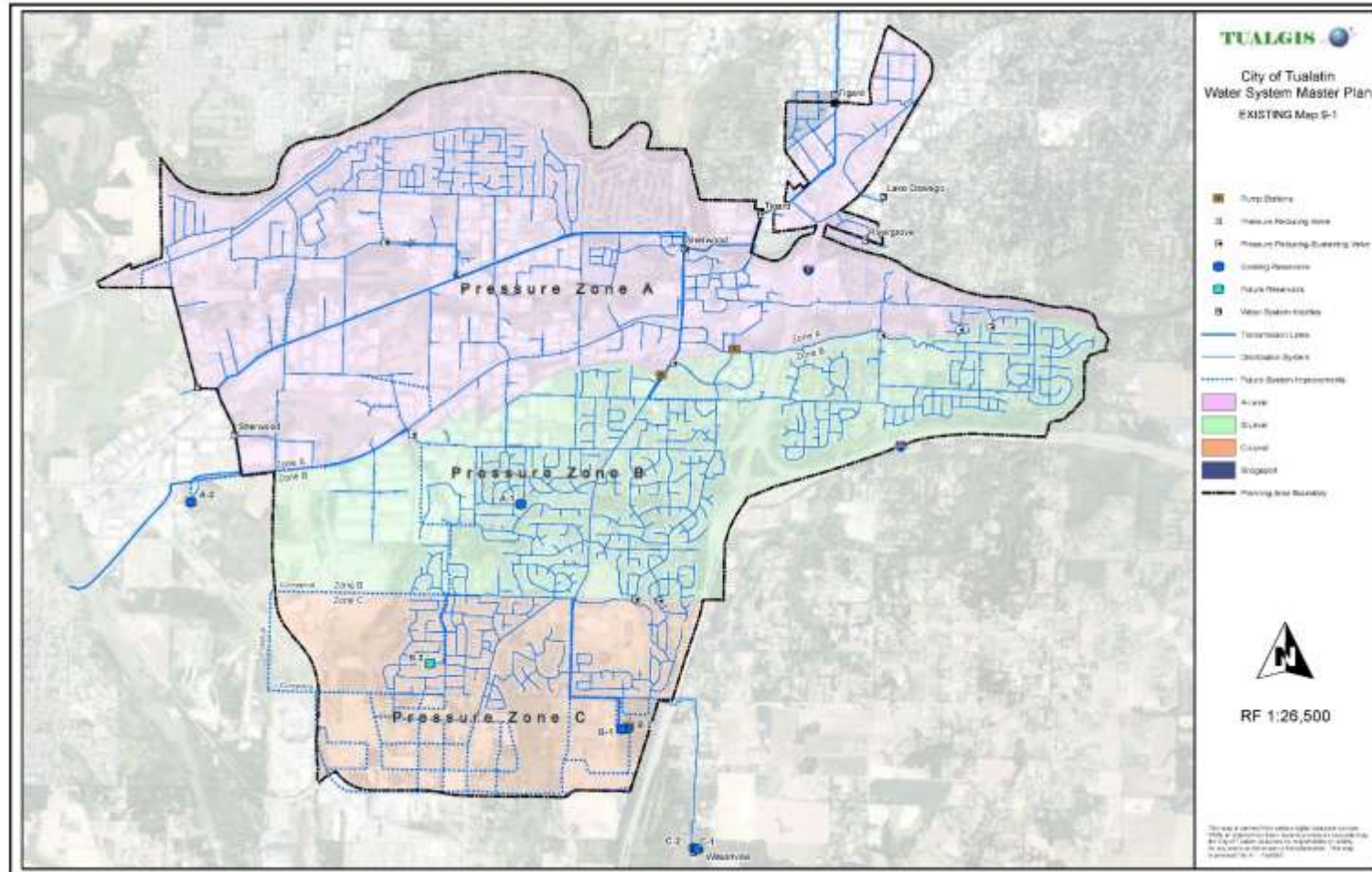
GOAL 9.2

Water Supply. Provide a reliable and economical supply of water to meet current and future needs.

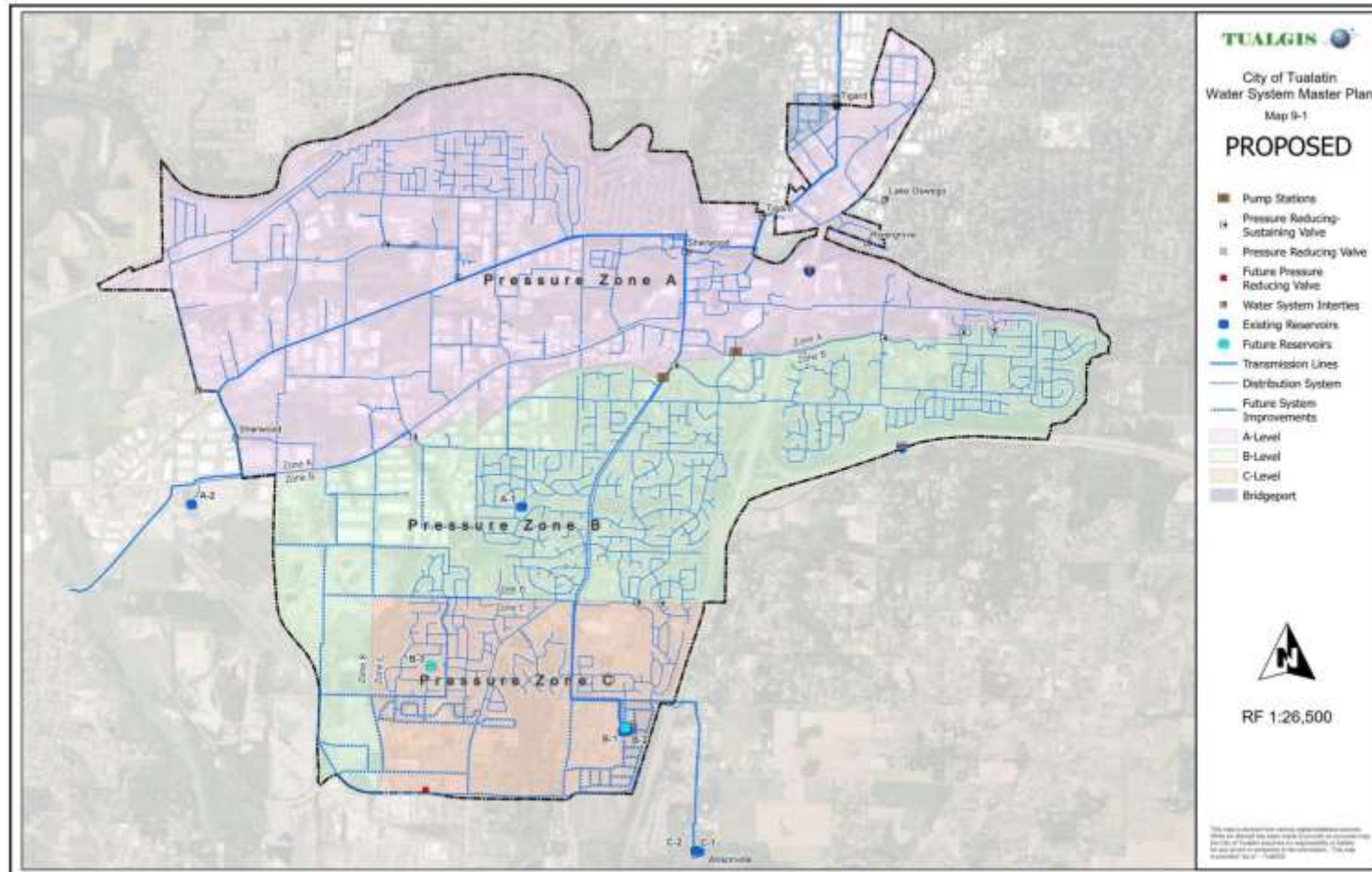
GOAL 9.3

Resiliency. Provide a resilient water system to reduce risk posed by natural disaster events.

Plan Map Amendment: Existing



Plan Map Amendment: Proposed



Applicable Criteria

- **Findings and Analysis:** Exhibit 4
 - Statewide Planning Goals
 - Oregon Administrative Rules
 - Tualatin Development Code:
Chapter 33.070 Plan Amendments
- **Public Noticing:** Exhibit 5

Planning Commission

- Presentation to Planning Commission on May 18th
- Main feedback
 - Support for CIP projects and extensions to serve new development in the Basalt Creek/ SW Industrial areas
 - Increasing resiliency of our water system
 - Ensure communication about increasing rates
- Unanimous approval recommending the City Council adopt the Master Plan and make corresponding updates to the Comprehensive Plan

PUBLIC ENGAGEMENT

Community Feedback

Online open house

Postcard to entire City

Newsletter

Social media and City website

Tualatin Life ad

Direct emails

SDC Outreach

Email to TRAKiT database (2,100 individuals)

Notice in Daily Journal of Commerce (DJC)

Key takeaways

Folks are well informed about our water system

Resiliency and redundancy are priorities

Proposed rates feel reasonable

Support for purchasing water from Portland

Concerns about lack of backup source

What We Heard

"Water is crucial for life and we shouldn't take any shortcuts"

"The proposed water rate increases seem realistic to me considering the large recent increases (in my electric and gas bills)"

"I love how all the information is shared and the story is told. The information is very well organized"

"I'm concerned that water conservation is not a priority"

"Good explanation for the average resident. As a resident of over 45 years, our water system has been reliable and effective. The costs seem reasonable to me"

"Can Portland provide sufficient water to Tualatin into the future? 50-miles of pipes is a long way, especially if there is a natural disaster!!"

Action Items

Master Plan - Adopt the water master plan comprehensive plan amendments via Ordinance 1476-23

SDCs - Adopt new SDC methodology and rates via ordinance 1477-23

Rates – no action needed.

First year rate increase was adopted at June 26 Council meeting. Future increases will be considered annually during budget

QUESTIONS?