

A close-up photograph of water splashing, with several droplets captured in mid-air above a central point of impact. The water is a deep blue color, and the lighting creates highlights on the droplets and ripples.

Southwood Park Water District Rate Committee Meeting

March. 10, 2021

Update: Current rates, usage & income

Our current monthly base rate is \$18/month, billed bi-monthly

- $\$18 \times 12 \text{ months} \times 298 \text{ households} = \$64,368$

We currently charge \$1.75/ccf

- One ccf = 748 gallons
- Last year we pumped ~19 million gallons (25,400 ccf)
- $25,400 \text{ ccf} \times \$1.75/\text{ccf} = \$44,450$

$\$64,368 + 44,450 = \$108,818 \text{ income/year}$

We have other misc. income streams, such as new account fees, extra charges for larger (1") service lines + others



Last 12 months we pumped
18,741,000 gallons (25,054 ccf)



Average Southwood water customer
uses 5240 gallons/month (10,481
gallons/2 month billing period)



That's 7 ccf/month for average
customer, 14ccf/billing period

Current Usage

Other/neighboring district rates

Water District	Monthly Fee*	Rate/ccf**
Lake Grove	5/8" - \$39.90	1-6ccf \$2.02
	3/4" - \$43.88	7-20ccf \$2.93
		21+ccf \$4.60
Lake Oswego	\$28.79	0-8 ccf \$\$3.03
		9-16 ccf \$4.35
		>17 ccf \$8.15
Palatine Hill	\$75.00`	Incl. 1st 10 ccf
		10-50 ccf \$5.50
		50-100 ccf \$6.50
		>100 ccf \$9.00
Raleigh	\$11.47	1-18ccf \$2.10
		18+ccf \$3.22
Rivergrove	\$17.90	\$2.87
Rockwood	5/8" - \$22.56	\$2.84
	3/4" - \$33.86	
Southwood	\$18.00	\$1.75
Tigard	\$30.31	1-6ccf \$3.92
		7-15ccf \$5.72
		16+ccf \$6.55
Tualatin Valley	5/8" - \$16.99	1-28ccf \$5.62
	3/4" - \$18.71	28+ccf \$8.01
West Slope	\$17.65	\$5.41

* These are monthly rates, sometimes billed bi-monthly

**One ccf = 748 gallons

Update on district needs & priorities

As discussed, we'll need several expensive items soon:

- Painting the water tower outside & relining its interior
- Replacing the submersible water pump
- Replacing segments of distribution pipe that fail
- Upgrading the pipe from the tank through the vault to 8"

2 new pieces of info:

- Replacing water pump does not require draining tank or switching to Portland water, so can be done as project separate from/subsequent to painting & relining
- SUEZ gave presentation on painting & relining at last board meeting
- They have "Asset Management Program" (next slide)
- Also could do painting & relining as stand-alone project

Suez Proposal:

SOUTHWOOD PARK WATER DISTRICT, OR									
125,000 Gallon Standpipe Asset Management Program									
Tank	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Schedule d Work	Exterior And Interior Renovation with Repairs	Visual or ROV Inspection , Needed Repairs, Emergency Service	Visual or ROV Inspection , Needed Repairs, Emergency Service	Washout Inspection Any Needed Repairs Emergency Service	Visual or ROV Inspection , Needed Repairs, Emergency Service	Visual or ROV Inspection , Needed Repairs, Emergency Service	Washout Inspection Any Needed Repairs Emergency Service	Visual or ROV Inspection , Needed Repairs, Emergency Service	Visual or ROV Inspection , Needed Repairs, Emergency Service
Yearly Total	\$28,844	\$28,844	\$28,844	\$28,844	\$28,844	\$10,499	\$10,871	\$11,256	\$11,654
Monthly Total	\$2,404	\$2,404	\$2,404	\$2,404	\$2,404	\$875	\$906	\$938	\$971



SOUTHWOOD PARK WATER DISTRICT, OR

125,000 Gallon Standpipe Asset Management Program

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Tank Schedule of Work	Exterior & Interior Renovation and Repairs	Visual or ROV Inspection	Visual or ROV Inspection	Washout, Inspection and Repairs	Visual or ROV Inspection	Visual or ROV Inspection	Washout, Inspection and Repairs	Visual or ROV Inspection	Visual or ROV Inspection
Renovation	\$ 21,138	\$ 21,138	\$ 21,138	\$ 21,138	\$ 21,138	\$ -	\$ -	\$ -	\$ -
Maintenance Plan	\$ 7,706	\$ 7,706	\$ 7,706	\$ 7,706	\$ 7,706	\$ 10,499	\$ 10,871	\$ 11,256	\$ 11,654
TOTAL	\$ 28,844	\$ 28,844	\$ 28,844	\$ 28,844	\$ 28,844	\$ 10,499	\$ 10,871	\$ 11,256	\$ 11,654

When Needed
All Future Exterior Renovation & Repairs Included
No additional cost for future renovations.

These estimates show that our basic goal for rate increases will need to be around \$50,000-\$55,000/year

We will, of course, get more estimates before choosing a contractor!

My thoughts:

It appears our base rate is rather low, & we should increase base rate somewhat (\$3 - \$4/month, or \$6 - \$8/billing period)

Our rate per ccf for water use is VERY low now

I'd suggest that bulk of our increases should tend toward increasing water usage rates

- For one, in the interest of fairness; increasing usage rate gives customers an opportunity to adjust their use to keep bi-monthly bills low
- A tiered rate scale would shift the burden to larger water users
- In warmer, dryer world, conserving water—even with our stable supply right now—is likely to become increasingly important

Ideas currently on the table (1):

	Households 2019 usage	298 25400 ccf	Annual	
	<u>Monthly Fee</u>	<u>Rate / ccf</u>	<u>Income</u>	<u>Increase</u>
Current	\$18.00	\$1.75	\$108,818	
Flat Increase	\$24.00	\$3.50	\$174,724	\$65,906

Ideas currently on the table (2):

- Switch to 3-tiered system
- Increase base rate for connections with 1" service lines by 25-30%
- Find out cost of borrowing \$ for a better estimate of needs
- Wouldn't monthly billing be easier on moderate incomes than bi-monthly?

Ideas currently on the table (3):

- Increase base rate by \$3/month to \$21/month (\$6/billing period)
 - $\$3 \times 298 \times 12 \text{ months} = \$10,728/\text{year}$ (Note: math was wrong last month!)
- Increase rate/ccf by \$1.50/ccf for lowest tier users, to \$3.25/ccf
 - $\$1.50 \times 25,400\text{ccf}/\text{year} = \$38,100/\text{year}$ additional income
 - Even if everyone fell into Tier 1, this would still generate \$38,100/year
- Total additional income--\$48.828/year +++
- Increase rate/ccf by \$2.00/ccf for next tier users
- Increase rate/ccf by \$3.00 for highest tier users
- Unclear where best place is to draw line between tiers

Ideas currently on the table (4):

- Raising extra \$50,000 a year is a decent place to start. It may not be enough but could cover the tower painting if we go with the maintenance/payment plan + some extra. Also makes us look better if we want loan to cover some larger items that need to be done.
- Option 1 – Base charge of \$20, \$3/CCF for up to 10,000, \$3.50 for 10-20 and \$4.00 over 20. Lower base and higher usage charge.
- Option 2 – Base charge of \$22 and then \$2.75 up to 10, \$3.25 10-20 and \$3.75 over 20.
- It takes average bill from \$60 to \$90 and $\$30 * 298 * 6 =$ about \$52,000 for both. Add extra charges for larger service lines and annual increases for foreseeable future of 5%, maybe 10%.

Idea 4, continued

- With option 1, someone using 10,000 gallons would pay \$80, 20,000 gallons would be \$127 and 30,000 gallons would be \$180. Some big summer users would pay a lot more than now.
- Do we want to consider going to a monthly bill instead? Garbage and water are in the same month for me and alternate months with the sewer bill so I'm ok as it kind of balances out.

- Open to committee discussion—let's kick these ideas around a bit
- After that, open for public comment
- Can we settle on reasonable proposal to send to Water Board meeting on March 24?
- If not, let's plan for next Rate Committee meeting Wednesday April 14, 7pm, still on Zoom
- **A huge thanks to everyone for your efforts!!!!**