



City of Manzanita 2014 Water Rate Increase Frequently Asked Questions

Why are rates being raised?

Water service rates in Manzanita were last raised in 2003. Over that 11 year period, the costs of labor and materials needed to maintain the water system have increased. This increase is needed to provide the resources to adequately maintain the current water system, replace aging water lines, service the loan that built the treatment plant, and provide for long term replacement of the water system.

I don't use much water. Why is my rate so high?

The majority of the base monthly charge covers the cost of making water available to our customers. The water system must be maintained all of the time so that our customers can be assured that when they turn on the tap, an adequate amount of clean, safe water flows out. The City must maintain the water main system and the treatment plants, and perform regular required water quality testing. These costs are the same whether the customer uses 1,000 gallons or 11,000 gallons per month. The new rate schedule is designed to cover 75% of the cost of the system in the base rate.

Why is the water allowance within the base rate being lowered?

The amount of water included in the residential monthly base rate is lowered from 6,000 gallons to 4,000 gallons. The average residential water consumption for Manzanita customers is less than 3,000 gallons per month. Users of smaller amounts of water have complained for years that it was not fair to charge in the base rate for water they didn't use. The Council tried to improve fairness by lowering the water allowance within the base rate.

How did the City determine these new rates?

The City hired a consultant from the Oregon Association of Water Utilities (OAWU) to analyze the City's current rates and make recommendations for adjustment. OAWU works with many Oregon water utilities and is familiar with industry standards in determining water rates. The City considered several alternatives for dividing the cost of operating the system among customers. The adopted rate structure covers the current cost of operating the water system and distributes the cost in a manner consistent with industry standards used by other water utilities.

Why are rates higher outside of the City limits?

As the owners of the system, the in-City customers are responsible for the system and in the past have used property tax and other City revenues to construct portions of the water system. The City has felt that it is fair to charge a higher rate to those customers outside the City limits who have not made those same contributions and do not have those same responsibilities.

For commercial customers, why are some base rates increased and others lowered?

The City's consultant, Oregon Association of Water Utilities, determined that the method the City had been using to charge customers with larger meters was not consistent with current industry practices. The base rates are now consistent with the accepted industry standards for how many gallons may be delivered through a given-sized meter relative to a standard residential meter. Larger meters also create larger maintenance costs for the City, and the overall system must be sized to allow more water to go through the larger meters at peak demand.

When will the rates go into effect?

The new rate structure went into effect on October 1, 2014 and will be reflected on water bills after that date. For most users, the new rates will be reflected in the January, 2015 quarterly water bill.

Where do I get more information on the water rate study?

The executive summary of the rate analysis done by Oregon Association of Water Utilities is on the City website <http://www.ci.manzanita.or.us/>. A copy of the new rate schedule is also available on the website. Questions may be directed by email to: cityhall@ci.manzanita.or.us or by calling 503-368-5343.